

ASX Announcement

26th February 2015

Please find attached presentation delivered today at Renewable UK: Wave & Tidal Conference in Edinburgh by Carnegie's newly appointed CEO of its subsidiary, CWE UK, Mr Tim Sawyer.

For more information:

Dr Michael Ottaviano

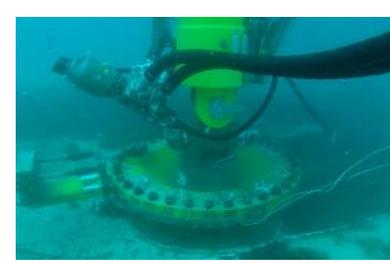
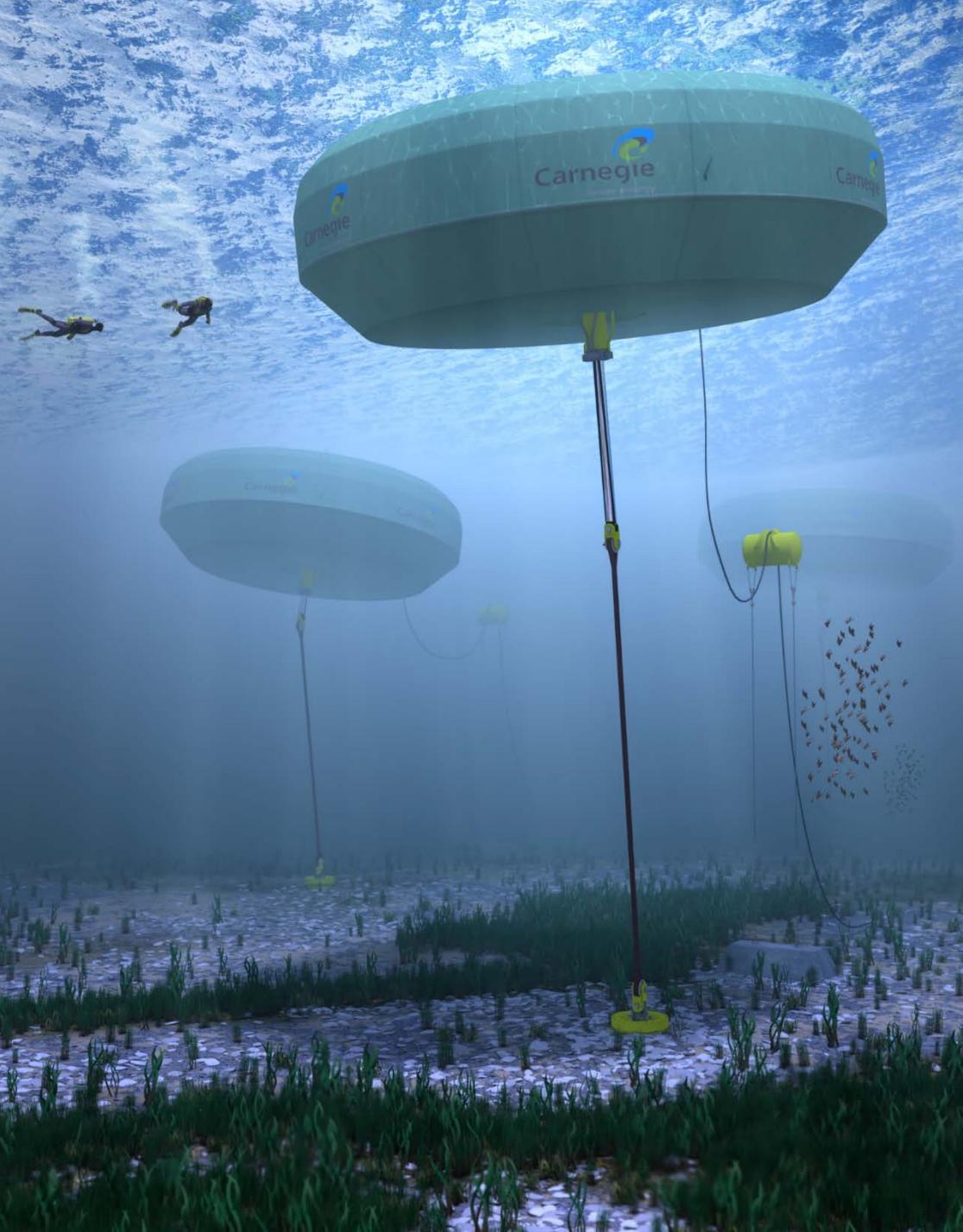
Managing Director

Carnegie Wave Energy Limited

(08) 9486 4466

enquiries@carnegiewave.com

Website: www.carnegiewave.com



CETO Status Update

Renewable UK: Wave & Tidal

26 February 2015

Tim Sawyer

CEO, CWE UK

The information contained herein has been prepared solely for informational purposes and is not an offer to buy or sell or a solicitation of any offer to buy or sell any security or to participate in any trading strategy or to enter into any transaction. If any offer of securities is made, it shall be made pursuant to a definitive offering memorandum prepared by or on behalf of any fund or other issuer which would contain material information not contained herein and which would supersede this information in its entirety.

2014/15 Key Achievements

CETO 5 Perth Wave Energy Project

- ✓ Construction complete
- ✓ CETO unit #1 (2,350 hrs) and #2 (850 hrs) installed and operating
- ✓ Exporting power to grid
 - Unit #3 ready to deploy

CETO 6 Development

- ✓ 1MW CETO 6 design unveiled
- ✓ \$20m CETO 6 CEFC debt facility
- ✓ \$9.5m CETO 6 capital raise
- ✓ \$11m CETO 6 grant



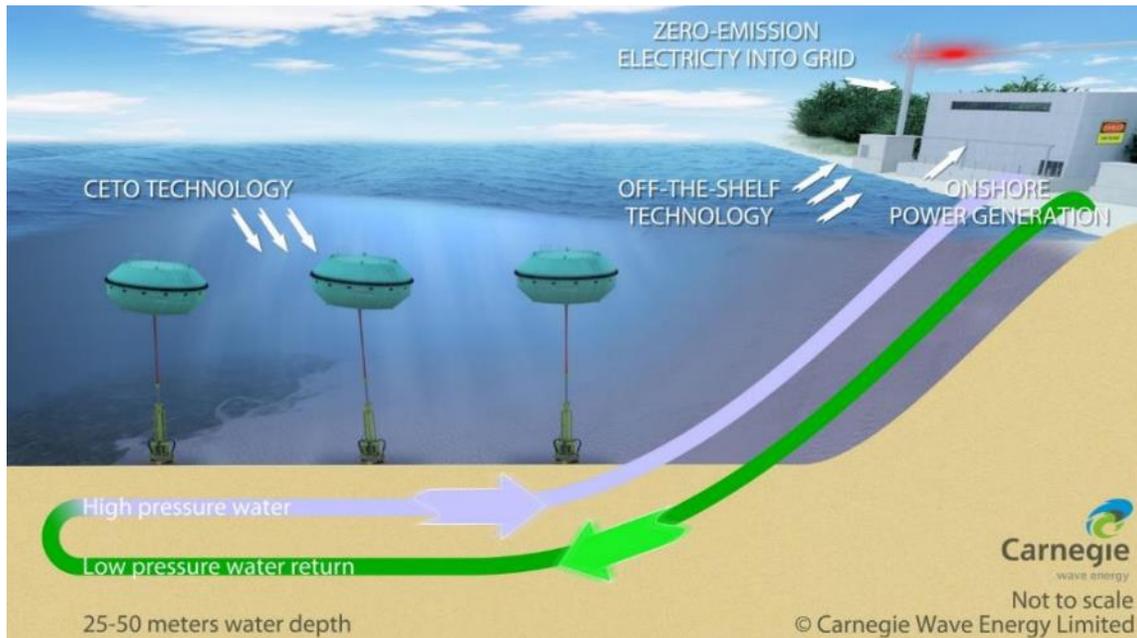
Carnegie Overview

- Owner and developer of “CETO” wave energy technology
- 40 engineering, commercial, administration staff
- ASX listed, based in Fremantle, Western Australia
- Subsidiaries in UK, Ireland & Chile
- 120 Patents or patents pending globally
- \$100m spent to date on CETO
- EDF (Électricité de France) is a CETO power licensee

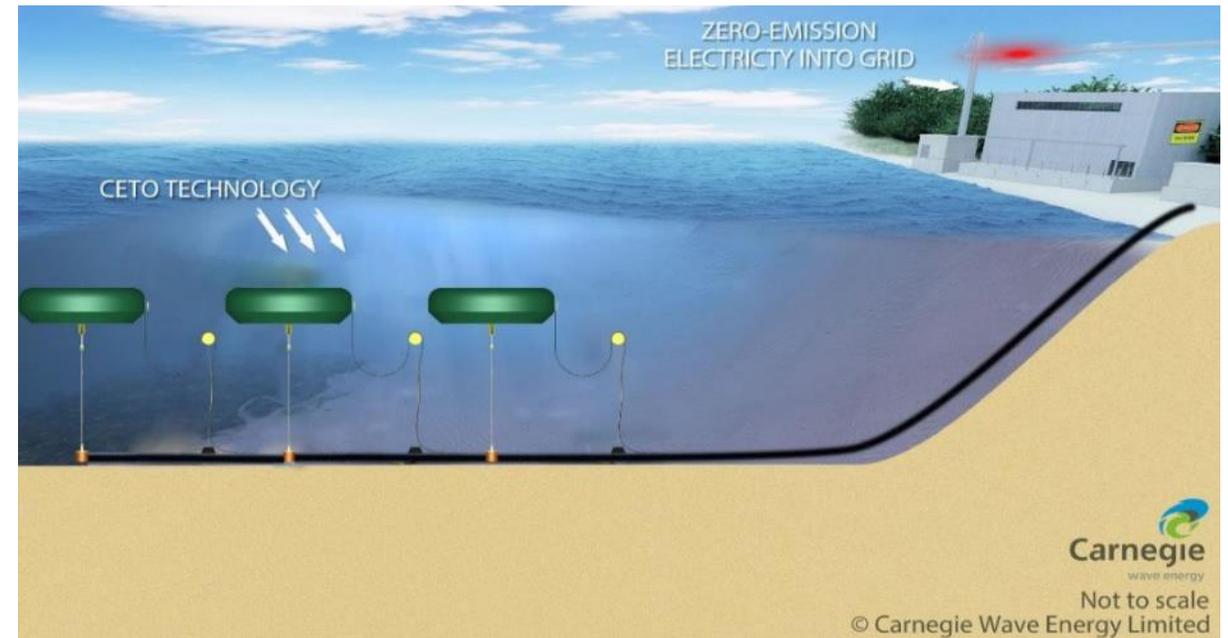


CETO Technology

- Fully submerged, point absorber
- Near-shore location or deep-water location
- Onshore or offshore power production
- Onshore water production
- Modular design largely using proven subsea components

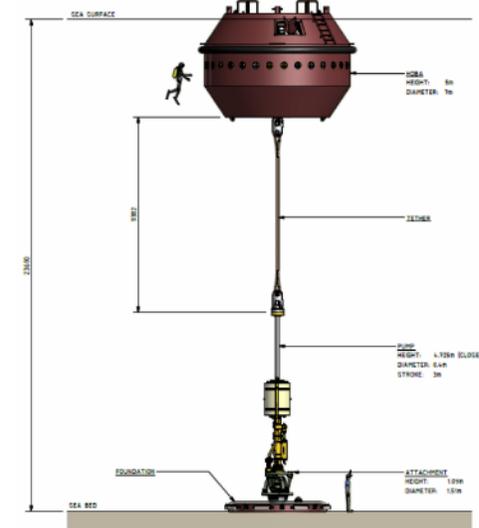
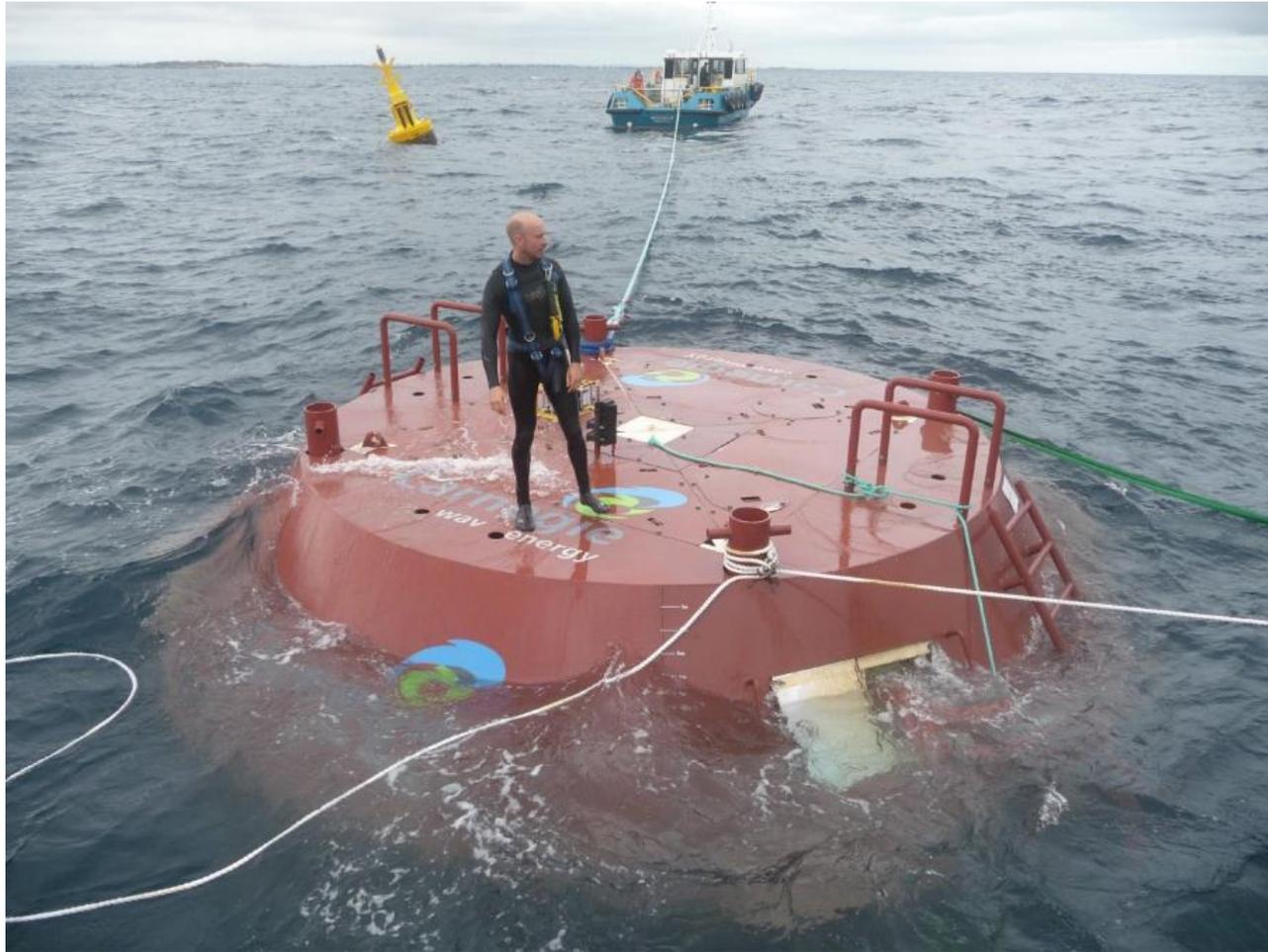


CETO 5 - Near-shore, onshore power & water



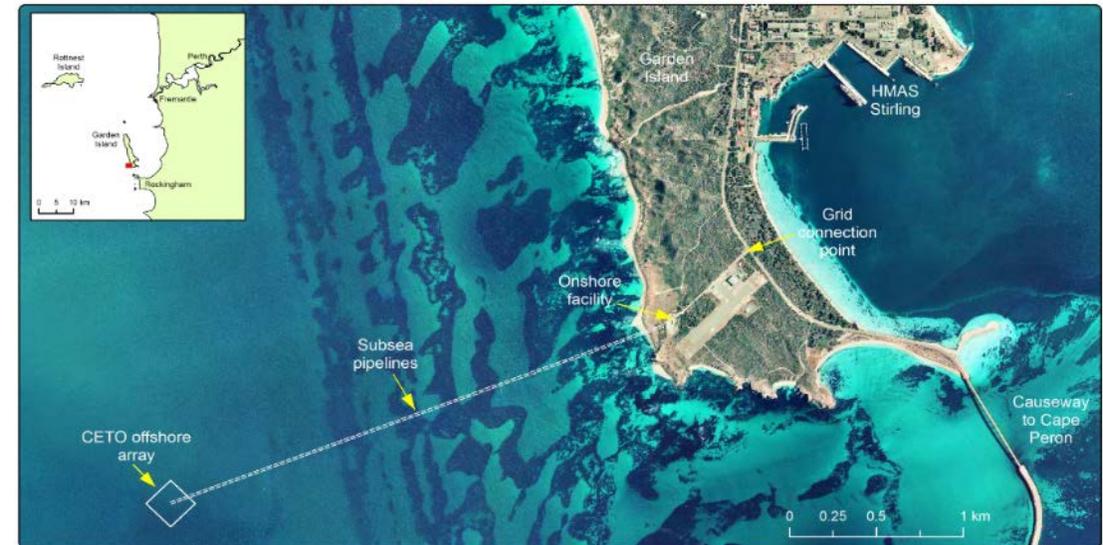
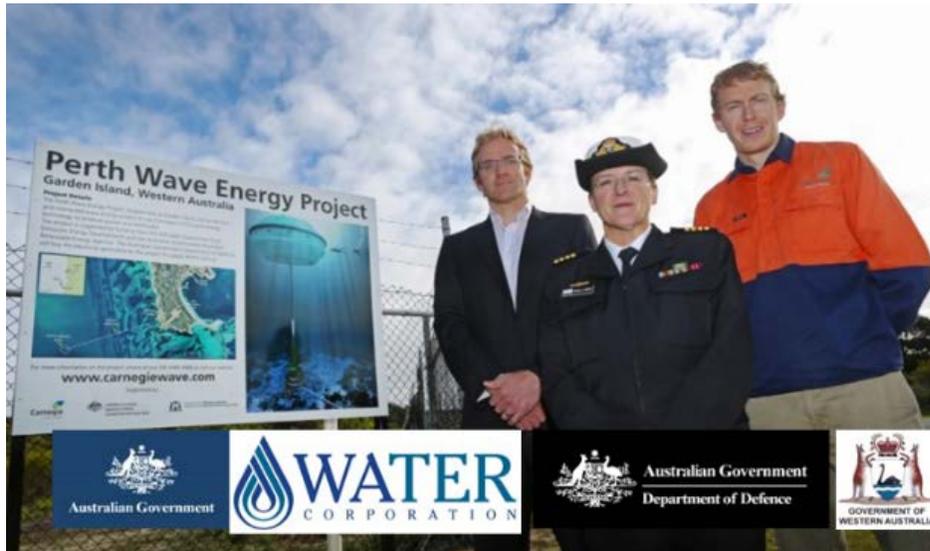
CETO 6 - Deepwater, offshore power production

Track record of ocean testing – 80kW prototype



Perth Wave Energy Project

- Garden Island, Western Australia
- 3 x 240kW CETO 5 units
- Onshore power plant and grid connection
- Onshore reverse osmosis desalination pilot plant
- \$22m in Government grant funding
- Power & Water Offtake to Australian Department of Defence (HMAS Stirling)



Perth Wave Energy Project – CETO units



Perth Wave Energy Project – foundations and pipelines



Perth Wave Energy Project – onshore plant



Perth Wave Energy Project – assembly and testing



Perth Wave Energy Project – operational



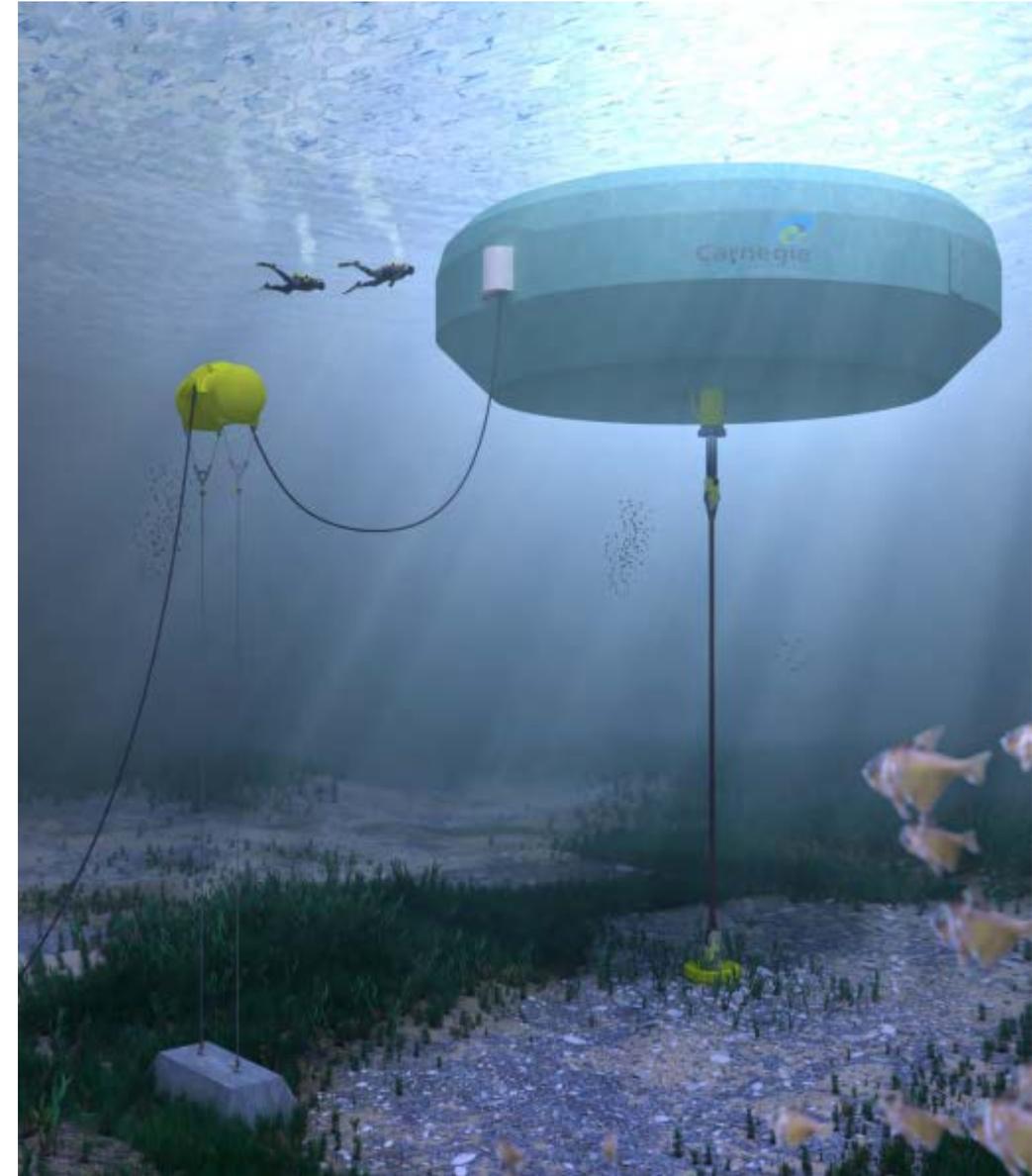
*Australian Minister for Industry & Science, the Hon Ian Macfarlane
“switching-on” the Perth Wave Energy Project*



2 x CETO 5 Units operating off Garden Island, Western Australia

CETO 6 Next Generation

- 1MW capacity target
- 4 x increase in rated capacity vs CETO 5 => ~50% increase in diameter
- On board power generation
- First commercial production design
- 3MW CETO 6 Project
- Location(s):
 - Garden Island, Western Australia
 - Wavehub, UK



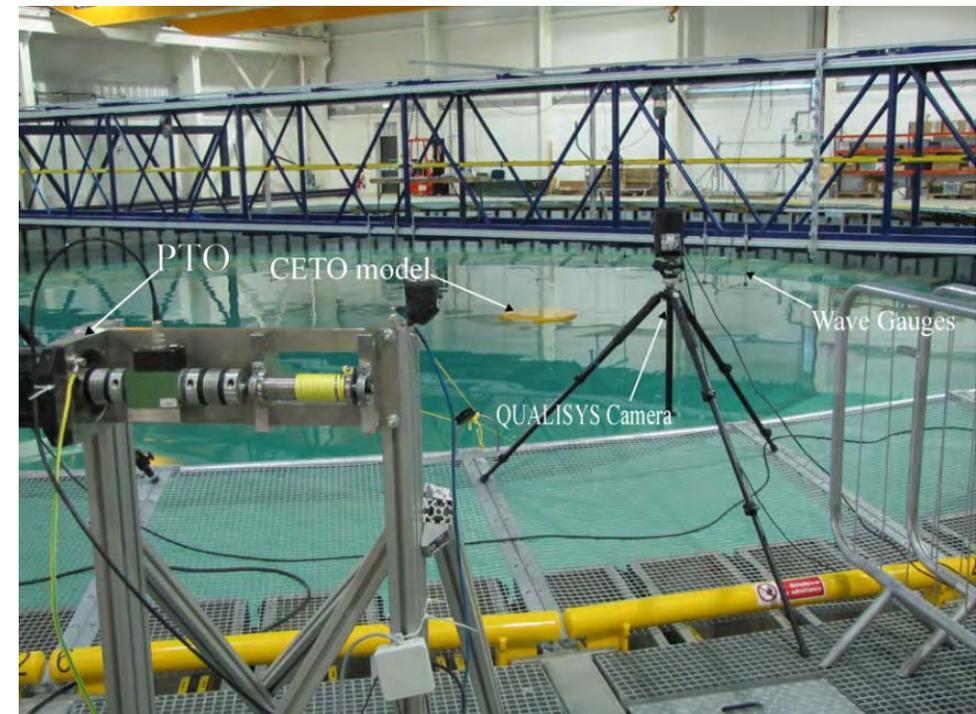
CETO Wave Energy (CWE) UK

- Wholly owned subsidiary formed in Edinburgh 2013
- UK based CEO and experienced board of directors
- CETO projects & collaborative technology development
- Planned activities:
 - Collaborative R&D activities
 - 3MW CETO array project
 - 10MW CETO array expansion

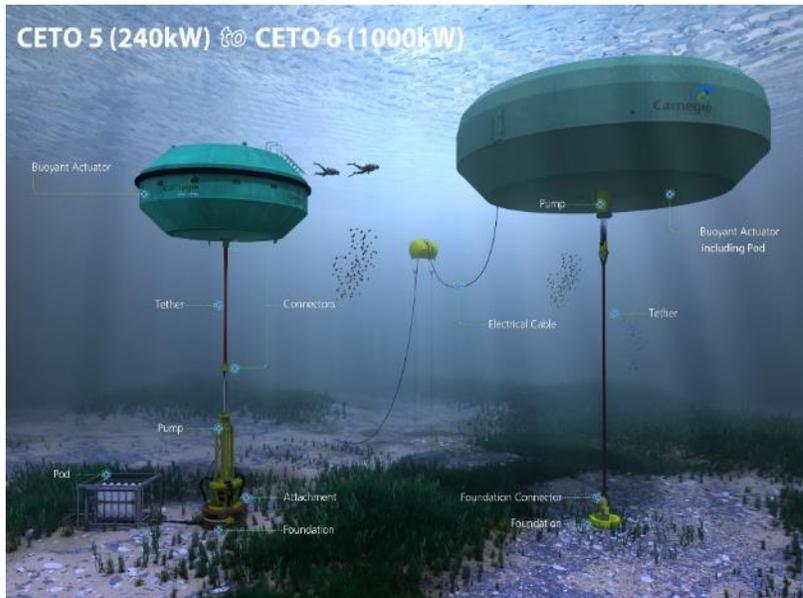


CETO 6 Wave Tank Testing

- FloWave Ocean Energy Testing Facility, Edinburgh
- Objectives:
 - Understand the performance of CETO6 under a range of operational conditions
 - Implement CETO advanced tuning strategies
 - Validation of loads under varying conditions
 - Validate Carnegie's extensive numerical modelling
- Excellent agreement with numerical modelling, including power output and improved performance through advanced tuning



Upcoming Milestones



2014:

- ✓ Construction & operation of the Perth Project
- ✓ CETO 6 project design and funding

2015:

- ✓ PWEF Construction Complete
- ✓ PWEF Grid Connection & Operation
- Desalinated water production
- CETO 6 technology development

2016/17:

- Construction of 3MW CETO 6 project (Western Australia & UK)