

ASX Announcement

Friday, 5th June 2015

\$1.5m Government Grant Milestone Payments

- **\$1.5 million milestone payments approved by the Australian Renewable Energy Agency**
- **Milestone payments approved for manufacture, construction and deployment of CETO units and the commissioning of the Perth Wave Energy Project**

Wave energy developer Carnegie Wave Energy Limited (ASX: CWE) is pleased to announce it has received approval for \$1.5 million in milestone payments from the Australian Renewable Energy Agency (ARENA) for completion and deployment of the CETO units and commissioning of the Perth Wave Energy Project (Perth Project).

Carnegie will receive milestone payments from ARENA of \$1.5m for the manufacture, completion and deployment of the three CETO 5 units as well as the successful commissioning of the Perth Project. The commissioning milestone was awarded as all operational components of the Project are installed and operational and practical completion was reached on all Project construction activities. The Perth Project is the only grid connected wave energy project currently operating anywhere in the world. The three CETO Units have cumulatively operated for more than 9,500 hours.



CETO 5 Unit 1 being installed in November, 2014 (L), CETO 5 three unit array operating (R)

As previously announced, Carnegie has now retrieved CETO 5 Unit #1 as part of the overall Project maintenance strategy. This Unit is now undergoing inspection onshore after operating for over 4,000 hours. Carnegie's aim is to redeploy Unit 1 and progressively retrieve Units 2 and 3 during winter when installation and retrieval conditions are more challenging.

About Carnegie

[Carnegie Wave Energy Limited](#) is an Australian, ASX-listed (ASX:CWE) wave energy technology developer. Carnegie is the 100% owner and developer of the CETO Wave Energy Technology intellectual property.

About ARENA

ARENA was established by the Australian Government to make renewable energy technologies more affordable and increase the amount of renewable energy used in Australia. ARENA invests in renewable energy projects, supports research and development activities, boosts job creation and industry development, and increases knowledge about renewable energy. ARENA is currently supporting more than 200 projects and is actively seeking new projects to support.

About CETO

The CETO system is different from other wave energy devices as it operates under water where it is safer from large storms and invisible from the shore. The technology is capable of generating power onshore or offshore depending upon the specific characteristics of a project site.

CETO technology characteristics include:

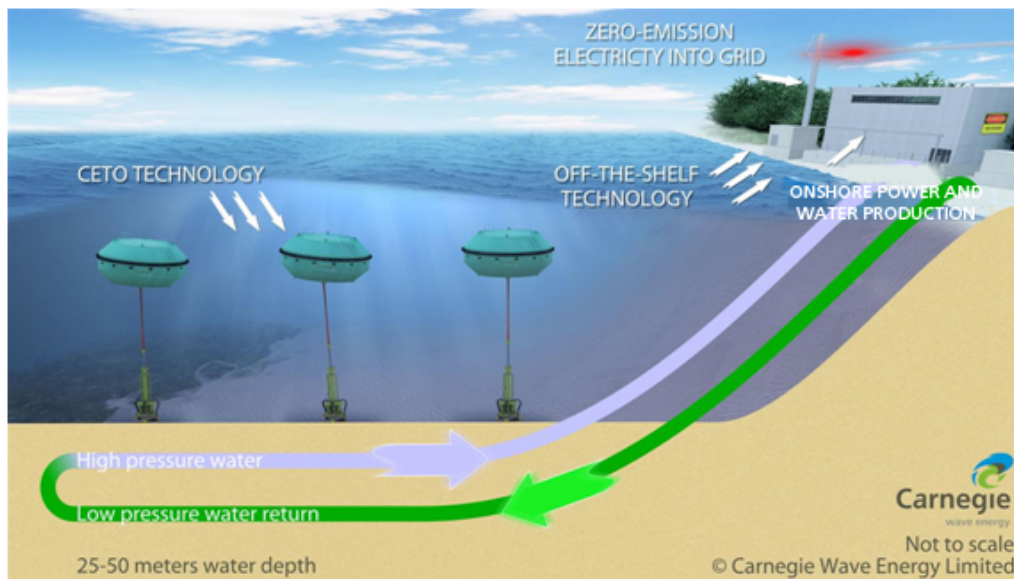
- Converts ocean wave energy into zero-emission electricity and desalinated water.
- Environmentally friendly, has minimal visual impact and attracts marine life.
- Fully-submerged in deep water, away from breaking waves and beachgoers, and unaffected by storms.

Perth Wave Energy Project ('PWE') Fact File

- Upon completion, PWE will be the first commercial-scale CETO grid and desalinated water connected wave energy project.
- The Perth Wave Energy Project is supported by \$13.1m in Australian Government funding through the Australian Renewable Energy Agency's Emerging Renewables Program.
- PWE is supported by \$7.3 million from the Government of Western Australia's Low Emissions Energy Development (LEED) Fund. This is part of a larger \$10 million LEED grant, awarded to Carnegie by the Western Australian Government, to support the development of the CETO technology from concept through to completion of PWE.
- The Desalination Pilot is supported by a \$1.27m AusIndustry grant from the Clean Technology Innovation Program.
- Providing clean, renewable energy and potable desalinated water to Australia's largest naval base, HMAS Stirling, on Garden Island in Western Australia.

The CETO 5 technology being utilised in the Perth Wave Energy Project (PWE) is configured to utilise the CETO pumps to pressurise water and deliver it onshore via an underwater pipe. Then, onshore,

high-pressure water is used to drive hydroelectric turbines, generating zero-emission electricity. The high-pressure water can also be used to supply a reverse osmosis desalination plant, replacing or reducing reliance on greenhouse gas-emitting, electrically-driven pumps usually required for such plants.



CETO 5 (Perth Wave Energy Project) Power & Water Schematic

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