

ASX Announcement

8 July 2019

Corporate Update

Administration and Recapitalisation

Carnegie Clean Energy Limited (ASX:CCE) (Carnegie or the Company) provides the following updates to shareholders. KordaMentha Restructuring partners, Richard Tucker and John Bumbak, continue to act as Deed Administrators of Carnegie under the terms of the deed of company arrangement dated 13 May 2019 (DOCA) (refer to the ASX announcement dated 15 May 2019), approved by Carnegie's creditors in April 2019. As outlined in the DOCA, Carnegie will, as part of a restructure and recapitalisation, undertake an entitlement offer to existing shareholders (the Offer) and, subject to the satisfaction of the ASX conditions to reinstatement, will be reinstated to trading on the ASX. Carnegie's management team is currently finalising a prospectus in respect to the Offer (Prospectus) and progressing relevant agreements pursuant to the DOCA with key stakeholders. The Offer (including dispatch of the Prospectus to existing shareholders) is anticipated to occur later this month and Carnegie looks forward to engaging with shareholders about the future of the Company.

A shareholder meeting will also be held prior to the close of the Offer to obtain necessary shareholder approvals to effectuate the DOCA. Following effectuation of the DOCA (including completion of the Offer), Carnegie will return to its original focus of development of its 100% owned patented CETO wave energy technology (CETO) by adopting a less capital-intensive development approach.

Carnegie has reduced its operating costs through reduced staff and overhead costs. The team has recently relocated to Carnegie's wave energy research facility in North Fremantle and continues operating, within the constraints of the administration process. Subsidiary company, Energy Made Clean Pty Ltd (EMC) has been placed into liquidation and Carnegie (and by extension its shareholders) will no longer have any economic exposure to the EMC business.

CETO Wave Energy Technology Development

Over the last few months, the Carnegie team has continued pursuing several key CETO innovation opportunities previously identified through internal analysis and design. The team is also finalising a clear development pathway for commercialisation of the CETO technology which will be outlined in the Prospectus.

Garden Island Microgrid

The Garden Island Microgrid recently received approval to operate from Western Power and the Department of Defence is now completing its final review. Once the Department of Defence issues its approval to commence operations, the Garden Island Microgrid system will be formally switched on

and will commence generating clean renewable energy for HMAS Stirling (and will produce revenue for Carnegie).

For more information:

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