

31 July 2019

Dear Shareholder,

It is with great pleasure that the Board of Directors of Carnegie provide you with the enclosed Prospectus to raise a minimum of \$5.5 million which, if successful, will see a resumption in trading of Carnegie on the ASX and a continuation of our plans to develop the CETO wave energy technology. Application forms are also enclosed and the Offer closes on 4 September 2019.

This Prospectus will see us complete our period under administration and set us on our way to delivering a commercial ready CETO wave energy technology with a simplified balance sheet and without the loss making EMC solar business.

As a shareholder of Carnegie, you have the opportunity to participate in this recapitalisation via a rights issue to existing shareholders at an issue of \$0.001 per share with the right to take up 4 more shares for every 1 share you currently hold. Our plan is simple, to move the technology development into a hi-tech pathway of building a digitised virtual prototype using emerging computational means such as artificial intelligence (Machine Learning) and leveraging our important strategic relationships. This pathway is intended to be significantly quicker and require substantially less funds.

In addition to the Prospectus, you will have recently received separately a Notice of Meeting and proxy form for a shareholder meeting scheduled for Friday 30 August 2019. We will provide a corporate and technical update at that meeting and hope you can attend.

The Board and Management are excited about the future of Carnegie and we look forward to your participation.

Yours sincerely



**Terry Stinson**  
**Chairman**

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