

ASX Announcement

25 November 2019

Chairman's Address – AGM 2019

Welcome fellow shareholders and guests. Before I hand over to Jonathan Fievez, Carnegie's Chief Executive, allow me to provide a few of my own observations on our Company, Carnegie Clean Energy. Following my remarks, Jonathan will provide a more detailed update on the Company's progress and future plans,

The significant challenges we have faced over the past years and months have served to make us smarter, stronger, and more resilient. Administration and the DOCA (Deed of Company Arrangement) processes have provided us with the opportunity for a rebirth and a new start for Carnegie. The more than remarkable support from our shareholders, both old and new, is the reason we are all here today at our first post administration AGM. I am pleased to represent my fellow board members and to have the opportunity to chair today's AGM. It is an honour to be here with you today.

Wave Energy has huge potential and is one of the largest untapped sources of renewable energy on our planet. Our shareholders continue to believe in this potential and to believe in Carnegie's ability to deliver on this vast renewable energy resource. Through Carnegie, we have the opportunity to deliver significant commercial success while also creating a positive environmental outcome for our children and grandchildren.

Over the past months, and post administration, the Board and Carnegie Management Team have been focused on supporting the administration process and have been distracted from continuing Wave Energy technical and commercial development. During this time, my messages to shareholders have focused on where we have been and the many reasons for our past failures. The landscape has now changed for the better and our focus is now on the future. With the support of our shareholders, Carnegie has been given a second chance and a rebirth, this rebirth marks the achievement of our first significant major milestone. Jonathan and his team have developed a new roadmap to achieve future goals and objectives. This new plan has already been presented to shareholders and is targeted to deliver a virtual wave energy product and associated development tools within a two-year period. To ensure our targeted commercial outcome, in parallel with R&D and product development, Jonathan and his team will be working to establish technical and commercial customer relationships with targeted partners, international OEM's, and large renewable energy providers. For some, we have already established relationships.

Many of you have been involved with Carnegie and have experienced the highs and lows of wave energy development. Please accept upfront that the Team will continue to face many arising technical and commercial obstacles and challenges along the way. As with any new technology development, please accept that all may not go as planned. There are many reasons why no company to date has reached the point of commercialising wave energy. The opportunity remains and many companies

around the world continue to push forward with wave energy development in an effort to be the first. In my view, Carnegie Clean Energy continues to have the best chance of being the company to deliver a winning wave energy solution. Jonathan and the Team are committed to deliver on the plan and to do what is required to realise Carnegie's full potential. The Board and management are committed support management to our fullest and to share progress with you. Shareholders can celebrate with us when we achieve milestones, will be informed if we do not achieve and we will share our plans for recovery and how we plan to get the project back on track.

I would like to thank our shareholders, my fellow board members, all Carnegie Clean Energy employees, and our various partners and stakeholders for their continued support



Terry Stinson
CHAIRMAN



The global need for renewable energy is critical

Wave energy is an immense, untapped resource

Carnegie harnesses wave energy through our deep expertise, innovative technology and passionate people

Company Status

- Available cash circa \$4.4m
- Runway of ~ 2 years without capital raise
- Opportunity to increase runway with grants and revenue
- Optimising the organisation to deliver on the programme
- Overheads minimised and monitored
- Staff of 7, recruiting 3-4 more currently
- Preparations at Rous Head for future testing



Garden Island

- More than 700 MWh of energy sold
- > 500 tonnes of carbon dioxide emissions avoided
- Potential to improve services to Defence and optimise system
- Discussions regarding future wave projects commenced



Market & Customers

CETO remains adaptable to key markets

Large grids

- Utility scale deployments
- Low tariffs

Microgrids

- Small grids dominated by diesel = high tariffs
- Often Islands and remote coastal areas

Offshore power

- Investigations via AOEG and Blue Economy CRC



Landscape & External Drivers

Climate action is becoming a higher priority in government and industry

Ocean energy is gaining credibility

- Atlantis partner with GE

- Meygen produces 17.5 GWh

Wave makes steady progress

- WaveSwell project at King Island funded

- Bombora found funding in Wales

- CorPower, Wello & WaveRoller EU deployments

BHP boss announces \$US400m plan to combat 'indisputable' climate crisis

The mining giant's chief executive Andrew Mackenzie endorses drastic action to tackle global warming



GE and Atlantis tie up for '300TW' global tidal power market

Partnership between US technology giant and sector pioneer to lead off with 6MW Stroma project off Scotland

20 June 2019 8:10 GMT
by Darius Snieckus

UPDATED 20 June 2019 8:40 GMT



Full steam ahead for King Island wave power trial

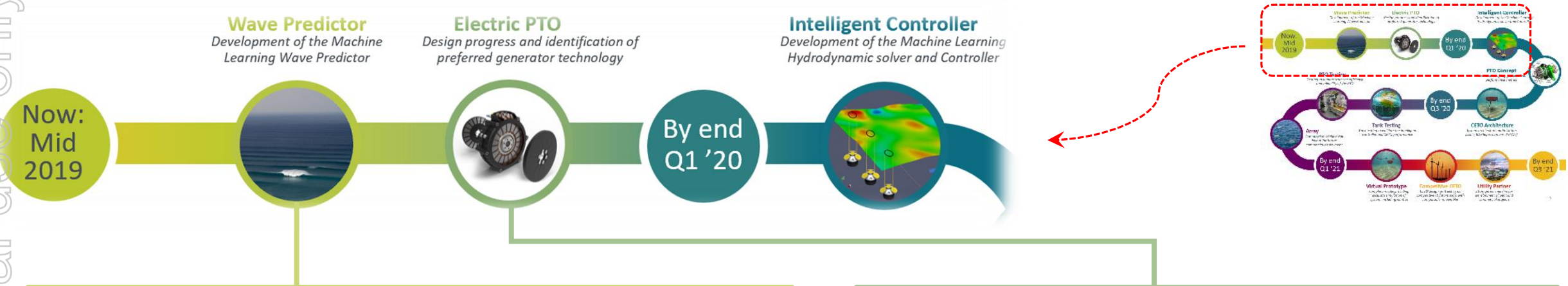
King Island's reputation as a renewable energy hot spot is set to be enhanced with ARENA announcing \$4 million funding for a new \$12.3 million wave power demonstration project.

By: ARENA

Share    

Technology Development

For personal use only



- Progressing quickly toward more complicated sea states in virtual and real environments (tank and ocean)
- Achieving high accuracy
- Used >100k core hours on supercomputer this quarter
- Generated >250GB of data this quarter

- Technical requirements being refined
- 9 suppliers engaged with
- Over 40 generator/motor models analysed

Research and Industry Partnerships

Industry

Research

Academic

