ASX Announcement

29 September 2008

Australia's Waves Could Generate at Least 35% of National Power Needs

- **Australia has an estimated near-shore wave energy resource of 170,000MW - approximately four times the national total installed power generation capacity**
- **35% of Australia's current base-load power needs could economically be met by harnessing waves**
- **Australia has an estimated deep water wave energy resource of 500,000MW – more than 10 times national installed capacity**

An independent report commissioned by wave energy developer Carnegie Corporation (ASX: CNM) has found that at least 35% of Australia's current base-load power needs could be economically generated from waves.

The report, produced by globally recognised ocean resource specialists RPS MetOcean, shows that Australia has a potential near-shore (less than 25 metres water depth) wave energy resource of approximately 171,000 Megawatts (MW), approximately *four times* Australia's current total installed power generation capacity.

According to the report, of this near-shore wave resource, a conservative 10% is estimated to be economically extractable. This means that around 35% of Australia's current power usage could be met by harnessing wave energy. The results also demonstrated an effective wave resource availability of 97.5% exists, making base-load (near constant) renewable power generation possible.

The report, *Wave Power Assessment for the Entire Southern Coastline of Australia,* was released today to coincide with a unique one day conference - "The Renewable City" – being held at Carnegie's newly expanded CETO Wave Energy Research Facility in Fremantle, which was also launched today.

Specifically, the report aimed to independently assess the potential near-shore wave energy resource along Australia's southern coastline providing further detail on 17 potential CETO wave farm development sites.

Report data was sourced primarily from the globally utilised NOAA WaveWatch III wave modelling system and verified against actual measured wave data taken from sites along the southern Australian coastline.

In a previous report, the theoretical, unconstrained deep water wave resource for the same area was estimated to be 500,000MW, reflecting more exposed open ocean conditions in water depths greater than 50 metres.

Carnegie Managing Director Dr Michael Ottaviano said: "This report further supports Carnegie's view that Australia has the world's best wave energy resource - a resource we hope will be utilised through technologies such as CETO for base-load power generation.

"Carnegie will use the RPS study to further inform commercial CETO site selection, which will be followed by more detailed site-specific modelling to determine the design and construction of any commercial wave energy generation site.

"The World Energy Council estimates that the energy that could be harvested from the world's oceans is equal to twice the amount of electricity that the world currently consumes. Australia has the longest coastline with exposure to the most reliable wave energy regime in the world due to its proximity to the circumpolar Southern Ocean and the West Wind drift," said Dr Ottaviano.

About the CETO Technology

Named after a Greek ocean goddess, the CETO system distinguishes itself from other wave energy devices by operating out of sight, anchored to the ocean floor. An array of submerged buoys is tethered to seabed pump units. The buoys move in harmony with the motion of the passing waves, driving the pumps which in turn pressurise seawater that is delivered ashore via a pipeline. The high-pressure seawater is used to drive hydroelectric turbines, generating base-load, zero-emission electricity. The high-pressure seawater can also be used to supply a reverse osmosis desalination plant, replacing greenhouse gas emitting pumps usually required for such plants.

CETO characteristics include:

- CETO converts wave energy into base-load zero-emission electricity
- CETO has minimal environmental impact with no visual impact
- CETO is fully submerged in deep water away from popular surf breaks and safe from storms

Wave as a renewable energy source:

- Wave Energy is renewable energy which could power the world twice over
- Australia has one of the largest and best wave energy resource of any country
- 60% of the world lives within 60km of a coast, minimising electricity transmission issues

About Carnegie Corporation Ltd

Carnegie Corporation Ltd is an Australian ASX-listed (CNM) clean technology developer and is 98% owned by Australian investors. The Company is currently developing the CETO Wave Energy Technology and has the exclusive rights to own and operate all commercial CETO wave farms in the Southern Hemisphere. The technology is on track to be commercial-ready in 2009.

www.carnegiecorp.com.au

Media enquiries:
Sarah Allchurch
(08) 9381 6625
0412 346 412
sarah@allchurchcommunications.com