

ASX/Media Announcement

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Carnegie signs formal agreement to acquire 100% Ownership of CETO from REH

- **Carnegie and REH sign formal Technology Acquisition Agreement**
- **Carnegie now global owner of CETO Intellectual Property**
- **Issue of Consideration Shares and Settlement to follow**

Wave energy developer Carnegie Corporation Limited (ASX: CWE) is pleased to announce that it has today signed the formal Technology Acquisition Agreement (“Agreement”) with AIM-listed Renewable Energy Holdings Plc (AIM: REH).

The Agreement formalizes the previously announced Heads of Agreement and results in Carnegie now being the technology developer and global owner of the CETO Wave Technology. In consideration for the acquisition, Carnegie will now issue 235 million fully paid shares to REH, making REH Carnegie’s largest shareholder with 32% ownership.

Settlement of this transaction and issue of the Consideration shares is expected to be issued in the coming weeks. These shares will be held in escrow and will not be tradeable for 12 months.

The execution of the Agreement also paves the way for Carnegie to assume REH’s role as the co-developer of CETO projects in the Northern Hemisphere with EDF EN, acquiring REH’s CETO project site pipeline. Formal license and collaboration agreements are expected to be signed in the coming weeks.

The acquisition of the intellectual property and development rights allows Carnegie a unique global opportunity at a time when global demand for clean energy and awareness of clean energy opportunities is peaking.

Carnegie’s CEO & Managing Director, Dr Michael Ottaviano, said:

“This transaction delivers significant value to Carnegie shareholders in opening up Northern Hemisphere opportunities for Carnegie in the United States, Europe and across Asia. It simplifies the CETO ownership structure and allows Carnegie for the first time to have 100% ownership of CETO.”

“Many locations in the Northern Hemisphere have very attractive markets for renewable energy including some with targeted wave energy feed-in tariffs. We look forward to working with EDF EN in developing these Northern Hemisphere markets.”

REH's Chief Executive Officer, Mike Proffitt, said:

"We are delighted to become Carnegie's largest shareholder and intend to be long term, strategic holders. Upon CETO reaching commercialisation, this transaction will allow REH Shareholders to continue to participate in the future revenues generated by its world-wide roll-out."

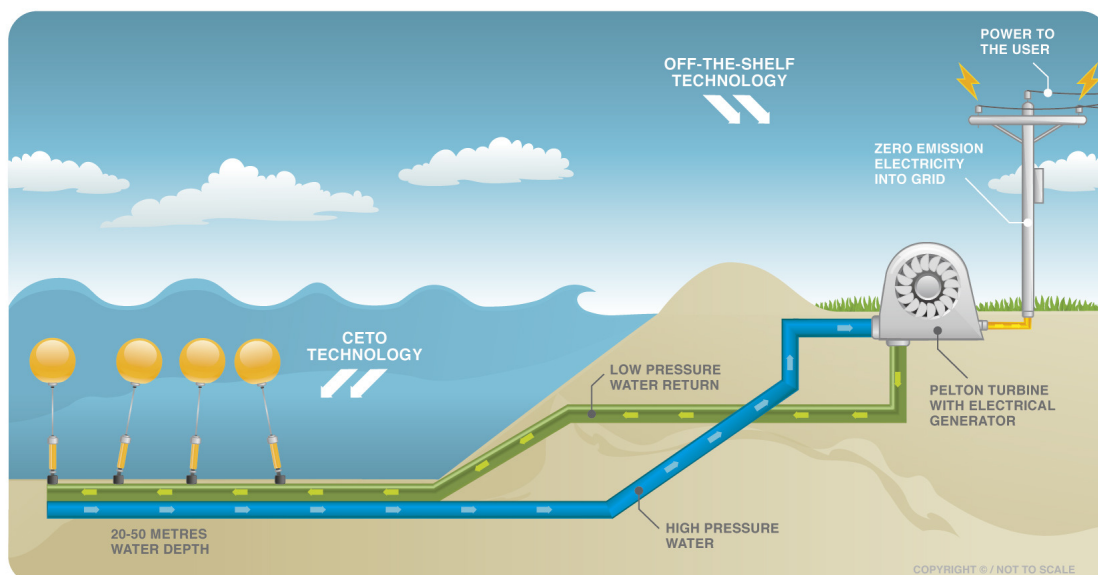
The execution of the formal Agreement follows the satisfaction of conditions precedent over recent months including:

- Completion of satisfactory due diligence by both parties;
- The Independent Expert's report confirming that the Transaction is fair and reasonable to non-associated shareholders of Carnegie;
- Shareholder approval by Carnegie shareholders;
- REH executing a restriction agreement with respect to all of the shares to be issued to it by Carnegie;
- The appointment of Mr Jeff Harding to Carnegie's Board as a Non-Executive Director and an REH nominee;
- Carnegie having sufficient funds to fund the CETO Operating Budget; and
- REH receiving Foreign Investment Review Board approval for the Transaction.

About CETO

The CETO system distinguishes itself from other wave energy devices by operating out of sight and being 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 water that is delivered ashore via a pipeline.

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 greenhouse gas emitting electrically driven pumps usually required for such plants.



CETO Technology characteristics include:

- CETO converts wave energy into zero-emission electricity and desalinated water
- CETO is environmentally friendly, has no visual impact and attracts marine life
- CETO is fully submerged in deep water away from popular surf breaks and safe from storms.

About Carnegie

Carnegie Wave Energy Limited is an Australian, ASX-listed (CWE) wave energy and clean technology developer. Carnegie is the owner and developer of the CETO Wave Energy Technology intellectual property.

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