

Form 604Corporations Act 2001
Section 671B**Notice of change of interests of substantial holder**To Company Name/Scheme CARNEGIE WAVE ENERGY LIMITED

ACN/ARSN _____

1. Details of substantial holder (1)Name LINDSAY & VALERIE BASKERVILLE

ACN/ARSN (if applicable) _____

There was a change in the interests of the
substantial holder on9.12.09

The previous notice was given to the company on

22.05.08

The previous notice was dated

22.05.08**2. Previous and present voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
FULLY PAID ORDINARY	31,775,000	7.0%	30,295,000	6.8%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
	REFER TO ANNEXURE 1				

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as	Nature of relevant interest (6)	Class and number of securities	Person's votes
	Baskerville Super P/L <The Baskerville Super A/c>		DIRECT	29,695,000	5.7%
	Mr Lindsay Baskerville + Mrs Valerie Baskerville		DIRECT	600,000	0.1%

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	

6. Addresses

Name	Address
Mr Lindsay Baskerville + Mrs Valerie Baskerville	C/- BWM GPO BOX Z5225 PERTH ST GEORGES TCE WA 6831

Signature

print name L. C. BASKERVILLE capacity DIRECTOR
 sign here [Signature] date 10/12/09.

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671 B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671 B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

[Handwritten signature]

ANNEXURE 1

Transaction history for CWE

Portfolio: Baskerville Super P/L <The Baskerville Superf A/c>

Date	Transaction	Shares Bought	Shares Sold	Value	Balance
	Balance as at 21st May 2008				27,580,000
29-May-08	On Market Transaction	99,163.00		\$27,068.52	27,679,163
30-May-08	On Market Transaction	120,837.00		\$32,732.12	27,800,000
27-Jun-08	On Market Transaction	65,000.00		\$14,128.73	27,865,000
27-Jun-08	On Market Transaction	185,000.00		\$40,212.53	28,050,000
2-Jul-08	On Market Transaction	68,494.00		\$14,541.96	28,118,494
3-Jul-08	On Market Transaction	81,506.00		\$16,799.00	28,200,000
4-Jul-08	On Market Transaction	50,000.00		\$10,110.00	28,250,000
5-Aug-08	On Market Transaction	150,000.00		\$29,925.55	28,400,000
31-Oct-08	On Market Transaction		40,000.00	\$5,600.00	28,360,000
20-Nov-08	Off Market Transfer	2,855,000.00		\$299,775.00	31,215,000
21-Nov-08	On Market Transaction	101,350.00		\$10,758.81	31,316,350
25-Nov-08	On Market Transaction	8,650.00		\$1,088.25	31,325,000
2-Dec-08	On Market Transaction	100,000.00		\$10,110.00	31,425,000
11-Dec-08	Placement results in decrease in total % held				
17-Mar-09	On Market Transaction		3,041.00	\$532.18	31,421,959
18-Mar-09	On Market Transaction		30,000.00	\$5,250.00	31,391,959
3-Apr-09	On Market Transaction		65,000.00	\$12,350.00	31,326,959
29-Apr-09	On Market Transaction		97,863.00	\$25,933.70	31,229,096
30-Apr-09	On Market Transaction		62,137.00	\$16,262.62	31,166,959
3-Jun-09	Placement	68,182.00		\$15,000.04	31,235,141
6-Oct-09	On Market Transaction		60,141.00	\$13,531.73	31,175,000
7-Oct-09	On Market Transaction		130,000.00	\$29,250.00	31,045,000
8-Oct-09	On Market Transaction		110,000.00	\$24,750.00	30,935,000
9-Oct-09	On Market Transaction		100,000.00	\$23,000.00	30,835,000
14-Oct-09	On Market Transaction		100,000.00	\$22,000.00	30,735,000
16-Oct-09	On Market Transaction		300,000.00	\$71,400.00	30,435,000
19-Oct-09	On Market Transaction		400,000.00	\$102,000.00	30,035,000
26-Oct-09	On Market Transaction		70,000.00	\$17,500.00	29,965,000
26-Oct-09	On Market Transaction		70,000.00	\$17,500.00	29,895,000
6-Nov-09	On Market Transaction		200,000.00	\$37,036.33	29,695,000
9-Dec-09	Placement results in decrease in total % held				
	Balance as at 9th Dec 2009				29,695,000

Portfolio: Mr Lindsay Baskerville + Mrs Valerie Baskerville

Date	Transaction	Shares Bought	Shares Sold	Value	Balance
	Balance as at 21st May 2008				4,195,000
29-May-08	On Market Transaction	55,000.00		\$15,013.35	4,250,000
3-Jul-08	On Market Transaction	40,000.00		\$8,093.50	4,290,000
26-Aug-08	On Market Transaction	97,811.00		\$14,338.61	4,387,811
3-Sep-08	On Market Transaction	12,189.00		\$1,786.85	4,400,000
31-Oct-08	On Market Transaction		40,000.00	\$5,600.00	4,360,000
11-Dec-08	Placement results in decrease in total % held				
20-Nov-08	Off Market Transfer		2,855,000.00	\$299,775.00	1,505,000
16-Mar-09	On Market Transaction		35,000.00	\$6,125.00	1,470,000
17-Mar-09	On Market Transaction		89,000.00	\$15,575.00	1,381,000
24-Mar-09	On Market Transaction		40,000.00	\$7,400.00	1,341,000
6-Apr-09	On Market Transaction		250,000.00	\$55,000.00	1,091,000

17-Apr-09	On Market Transaction	200,000.00		\$46,479.51	1,291,000
27-Apr-09	On Market Transaction		300,000.00	\$79,275.00	991,000
28-Apr-09	On Market Transaction		150,000.00	\$39,750.00	841,000
3-Jun-09	On Market Transaction	204,545.00		\$44,999.90	1,045,545
9-Oct-09	On Market Transaction		245,545.00	\$56,475.35	800,000
12-Oct-09	On Market Transaction		200,000.00	\$47,000.00	600,000
9-Dec-09	Placement results in decrease in total % held				
Balance as at 9th Dec 2009					600,000