

ASX Announcement

24 December 2009



License and JV Agreement Signed

- **Carnegie & EDF EN Sign Formal License & JV Agreement**
- **CETO Wave Technology Acquisition Complete**
- **Allows the start of joint international project development activities**

Wave Energy Developer Carnegie Wave Energy (ASX:CWE) is pleased to announce the signing of the formal CETO Collaboration and Licensing Agreement ('Agreement') with Northern Hemisphere Development partner EDF EN.

The signing of the license is the final step in the purchase process of the CETO intellectual property and global development rights by Carnegie paving the way for joint development of commercial CETO projects throughout the Northern Hemisphere and Reunion Island. Carnegie retains the right to own up to 49% of each project and each project will pay Carnegie a license fee for the use of the CETO technology.

Carnegie's Managing Director Dr Michael Ottaviano said:

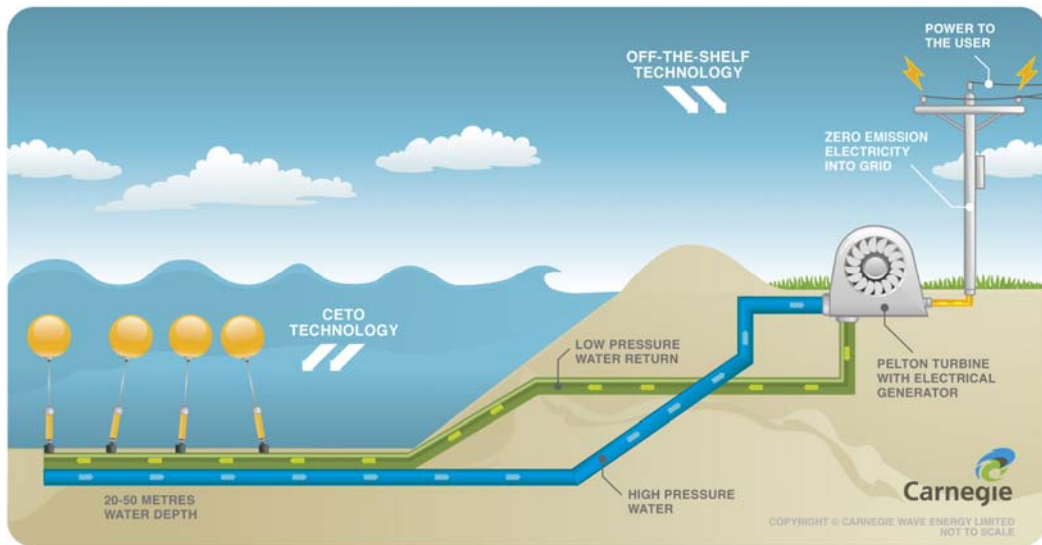
"I'm delighted to have completed the CETO purchase transaction and to be formally collaborating with EDF EN on developing CETO projects internationally. We expect to have further news on international developments in the New Year."

The signing of this Agreement allows the issue of the Carnegie shares to Renewable Energy Holdings Plc ("REH") and its nominees as consideration for the purchase of the CETO intellectual property and development rights and results in REH becoming a 29% shareholder in Carnegie.

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

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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