

ASX Announcement

25 May 2010

Victorian Wave Energy Licence Award

- First wave energy company to be awarded Victorian Wave Energy Site Licences
- Sites located at Portland, Warrnambool and Phillip Island
- Adds to WA & SA sites as possible Commercial Project Locations

Australian Wave Energy developer Carnegie Wave Energy Limited (ASX:CWE) is pleased to announce it has been granted an investigation licence and option to lease from the Victorian Government for three potential wave energy sites off Victoria at Portland, Warrnambool and Phillip Island.

Tenure was awarded by the Victorian Minister for Environment and Climate Change under section 138 of the Land Act 1958, to explore the potential for wave energy at the three offshore sites with a view to developing a commercial demonstration facility in Victoria.

Carnegie has been working consistently with the Victorian Government since 2008 to secure seabed tenure and will now be progressing site investigations. Carnegie has also provided advice to the Victorian government in relation to the Victoria Government Marine Energy Policy which is currently being developed and aimed at encouraging new renewable energy. Carnegie had previously been awarded consents under the Coastal Management Act 1995 to undertake marine surveys and trials at the three locations.

Carnegie Wave Energy's Managing Director Dr Michael Ottaviano said, "We are pleased to have progressed our consents to licences and now have a clear pathway to lease an area of seabed for a commercial project. These sites add to our Australian commercial site pipeline in WA and SA."

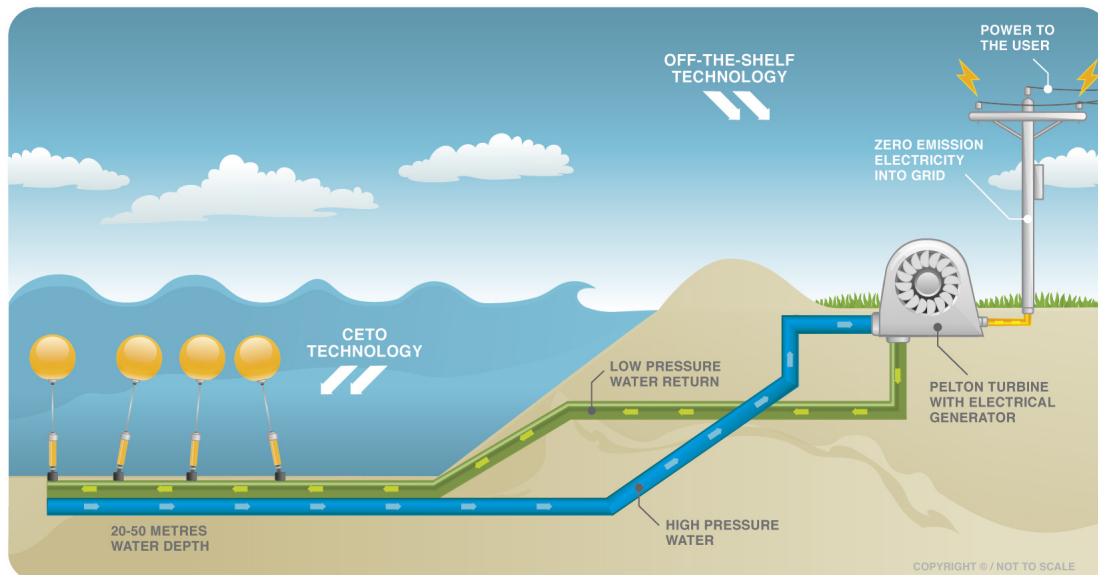
According to a report by RPS MetOcean commissioned by Carnegie, Victoria has an estimated near-shore wave energy resource of 18,000MW – almost double the state's total installed power generation capacity. Furthermore, taking into account the proximity of current power transmission infrastructure, approximately 20% of Victoria's current power needs could be met by harnessing wave energy

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.

For more information:

Dr Michael Ottaviano
 CEO & Managing Director
 Carnegie Wave Energy Limited
 +61 8 9486 4466
enquiries@carnegiwave.com

Media:

Sarah Allchurch
 Allchurch Communications
 +61 8 9381 6625
 +61 412 346 412
sarah@allchurchcommunications.com

Website: www.carnegiwave.com