

ASX Announcement

18 August 2010

CSIRO Study Confirms Australia's World Class Wave Resource

- **CSIRO report confirms Australia's world class wave energy resource of 146,000 MW**
- **Half of Australia's electricity needs could be met by 10% of our wave energy resource**
- **Consistent with Carnegie's RPS MetOcean report in 2008 of 170,000 MW**

Australian wave energy developer Carnegie Wave Energy Limited (ASX:CWE) advises that a report released today by Australia's national science agency CSIRO (Commonwealth Scientific and Industrial Research Organisation) estimates that Australia has a potential near-shore wave resource of 146,000 MW or three times the current power generation capacity of Australia.

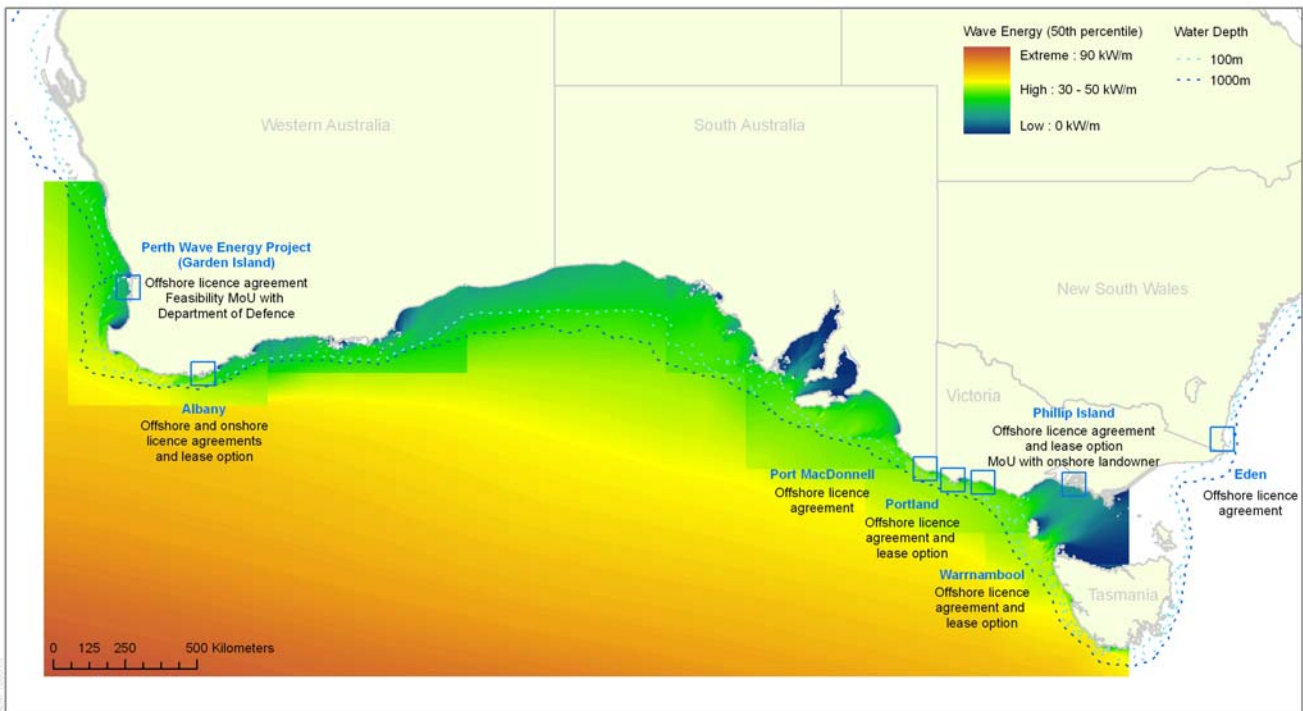
The research used advanced computational modelling and direct observation to more accurately assess the near-shore resource. The report concludes that if only 10% of this resource is extractable, half of Australia's electricity needs could be met by wave energy. The report supports Carnegie's previous assessment of Australia's wave energy potential, conducted by RPS MetOcean, and a recent assessment by the Victorian government of the state's renewable energy resources.

Carnegie Wave Energy's Managing Director, Dr Michael Ottaviano, said

"The CSIRO report confirms that Australia has a truly world class wave energy resource on its doorstep that is currently untapped. Carnegie is leading the charge to commercialise this renewable resource via the demonstration of its CETO wave energy technology at Garden Island in Western Australia, and through the ongoing studies at our wave licence areas in New South Wales, Victoria, South Australia and Western Australia."

Carnegie supports the need for greater investment through the full lifecycle of wave energy from commercial demonstration projects down to in-situ wave observations. Carnegie has deployed two directional wave monitoring buoys off the Western Australian coast for this purpose.

Carnegie's Australian wave licences combined with the CSIRO wave resource data is shown in the figure below.



Wave data from Centre for Australian Weather and Climate Research (Hemer, M.A. and Goffin, D.A., 2010)
Australian Commercial Project Pipeline and CSIRO Wave Resource 2010

About RPS MetOcean Report

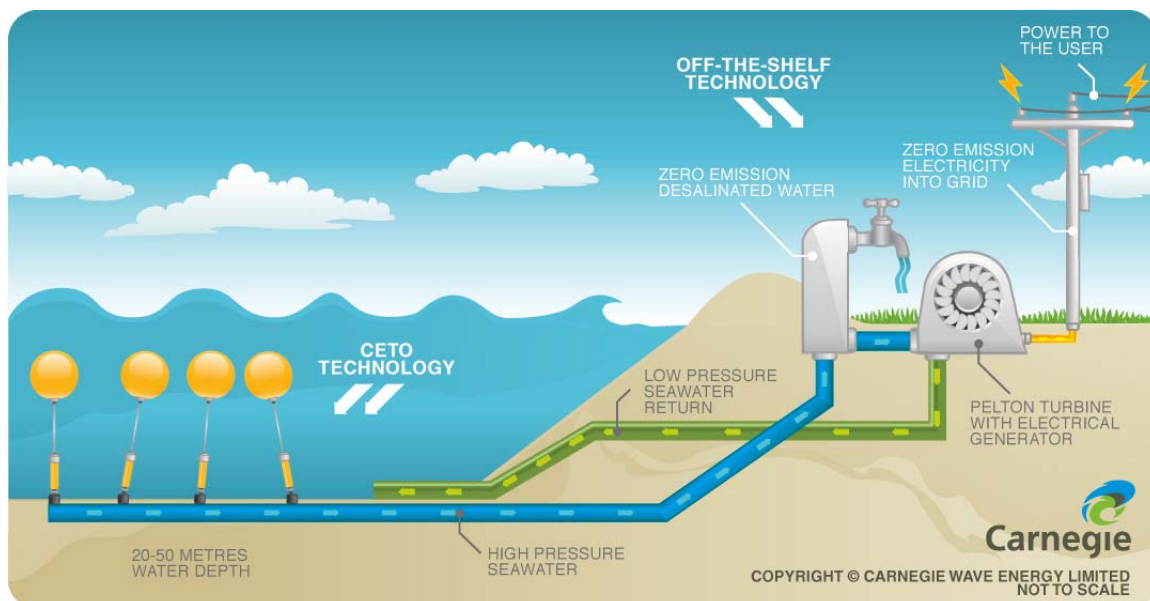
In September 2008, Carnegie released the results of a report carried out by RPS MetOcean a globally recognised ocean resource specialist. The report, Wave Power Assessment for the Entire Southern Coastline of Australia, concluded Australia had a near-shore (less than 25 metres water depth) wave energy resource of 170,000 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. 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.

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 technology developer. Carnegie is the owner and developer of the CETO Wave Energy Technology intellectual property.

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