



Investec vows \$250m for Carnegie if Australia joins party

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Fremantle inventor Alan Burns' Carnegie Corporation has struck a tentative \$250 million funding deal with banking giant Investec in a boost to its plans to establish Australia's first commercial wave power project.

Under the non-binding heads of agreement, Investec will put up the money for the project "subject to certain milestones and conditions" such as Carnegie securing a slice of the Federal Government's \$435 million renewable energy development fund.

Despite the conditional nature of the deal, investors pushed Carnegie shares up 3¢ to 23.5¢.

"It's a great reflection of the confi-

dence of banks and investment funds in renewable energy, given we're in what is probably the worst global economic conditions we've seen," Carnegie managing director Michael Ottaviano said.

If Carnegie secures the funding, the project will be developed by a new special purpose company which will be owned by Carnegie, Investec and other stakeholders in a move which will prevent the deal from diluting existing shareholders' interests.

Carnegie is required to issue one million options exercisable at 31¢ to Investec once formal contracts are signed for the deal.

The proposed \$300 million renewable energy project aims to produce

50MW of power from wave energy, making it the biggest such project in the world, with enough electricity for 30,000 homes.

Carnegie is conducting feasibility studies at locations across Australia, including off Albany and Garden Island in WA, the Limestone Coast in South Australia and at three locations on the Victorian coast. It expects to make a final decision on the project site by the middle of the year and hopes to generate electricity by 2011.

The Investec deal adds to the \$12.5 million committed by the State Government under its Low Emissions Energy Development Fund.