



\$67m deal gives wave energy play global rights

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A London group will emerge as the biggest shareholder in wave energy company Carnegie under a \$67 million deal announced yesterday.

Carnegie has entered into a heads of agreement with AIM-listed Renewable Energy Holdings to buy the intellectual property and global rights to the CETO wave technology it is trying to commercialise in Australia.

Renewable owns the patent for the technology, which converts the energy of ocean waves into zero emission electricity.

Carnegie signed a £4.75 million (\$9.5 million) licence agreement with Renewable two years ago to develop the CETO technology in the southern hemisphere.

In exchange for the global rights, Carnegie will issue 252 million shares, giving Renewable a 35 per cent stake in the company.

Carnegie managing director Michael Ottaviano said the acquisition would open up the lucrative and more wave energy-ready European and US markets for the company once the technology was commercialised.

"One of the major drivers for the deal was access to the northern hemisphere markets which conservatively and accurately would be around 10 times the southern hemisphere's market," Dr Ottaviano said.

"I am extremely confident, purely from a monetary point; this is significantly value-increasing for Carnegie."

Renewable chief executive Mike Proffitt already sits on the Carnegie board and the latest deal will give Renewable the right to appoint another director.

Investors welcomed the deal yesterday, sending the share price more than 10 per cent higher in a subdued market to close at 26.5¢.