
CARNEGIE CORPORATION LIMITED

ABN 69 009 237 736

**NOTICE OF ANNUAL GENERAL MEETING
OF SHAREHOLDERS**

AND

EXPLANATORY MEMORANDUM

9.00 AM (WDT), THURSDAY, 13 NOVEMBER 2008

AT

**THE OLD SWAN BREWERY
(THOMAS HARDWICK ROOM)
173 MOUNTS BAY ROAD
PERTH
WESTERN AUSTRALIA**

**Notice of Annual General Meeting
CARNEGIE CORPORATION LIMITED**

Notice is hereby given that the Annual General Meeting of Carnegie Corporation Limited ("the Company") will be held at The Old Swan Brewery (Thomas Hardwick Room), 173 Mounts Bay Road, Perth, Western Australia at 9.00 am (Australian Western Daylight Time) on Thursday, 13 November 2008.

AGENDA

FINANCIAL REPORT

To table the Annual Financial Report of the Company and its Controlled Entities for the year ended 30 June 2008 and the related Director's Report, Director's Declaration and Audit Report thereon.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and if thought fit to pass the following as an **ordinary** resolution:

"That the Remuneration Report as set out in the Company's Annual Report for the year ended 30 June 2008 be adopted."

Note – the vote on this resolution is advisory only and does not bind the directors of the Company.

RESOLUTION 2 – RE-ELECTION OF MR BRUCE WILLIAM MCLEOD AS A DIRECTOR

To consider and if thought fit, to pass the following as an **ordinary** resolution:

"That Mr Bruce William McLeod having retired in accordance with the Constitution of the Company and having consented to act, be, and is hereby re-elected as a director."

RESOLUTION 3 – RE-ELECTION OF MR ALAN ROBERT BURNS AS A DIRECTOR

To consider and if thought fit, to pass the following as an **ordinary** resolution:

"That Mr Alan Burns having retired in accordance with the Constitution of the Company and having consented to act, be, and is hereby re-elected as a director."

RESOLUTION 4 – ELECTION OF MR GRANT JONATHAN MOONEY AS A DIRECTOR

To consider and if thought fit, to pass the following as an **ordinary** resolution:

"That Mr Grant Jonathan Mooney, having been appointed by the Board since the last annual general meeting, retires in accordance with the Constitution of the Company, and having consented to act, be, and is hereby re-elected as a director."

RESOLUTION 5 – RATIFICATION OF PREVIOUS SHARE ISSUE

To consider and if thought fit pass as an ordinary resolution:

"For the purposes of Listing Rule 7.4, and for all other purposes, Shareholders ratify the issue of 10,000,000 Shares at an issue price of 25 cents per Share to the persons and on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement

The Company will disregard any votes cast on this resolution by any person who participated in the issue and any associate of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

SNAPSHOT DATE

The Directors have determined that for the purposes of regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)*, the persons eligible to attend and vote at the meeting are those persons who are Shareholders at 9:00am (WDT) 11 November 2008.

BODIES CORPORATE

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of the Shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

Cont...

**Notice of Annual General Meeting
CARNEGIE CORPORATION LIMITED**

PROXIES

In accordance with Section 249L of the Corporations Act, members are advised:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company;
- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

In accordance with Section 250BA of the Corporations Act the Company specifies the following for the purposes of receipt of proxy appointments:

Registered Office: 1st Floor
16 Ord Street
West Perth WA 6005

Facsimile Number: (08) 9486 4266

Postal Address: PO Box 1902
West Perth WA 6872

Each shareholder entitled to vote at the General Meeting has the right to appoint a proxy to vote on each particular resolution. The shareholder may specify the way in which the appointed proxy is to vote on a particular resolution or may allow the appointed proxy to vote at its discretion. The instrument appointing the proxy must be received by the Company as provided in its Constitution no later than 48 hours prior to the time of the commencement of the Annual General Meeting. This proxy form may be sent by facsimile transmission to the number identified on the proxy form.

For the purposes of Section 1074E of the Corporations Act the Company determines that members holding ordinary shares at 9:00am, Tuesday, 11 November 2008 will be entitled to attend and vote at the Annual General Meeting.

By order of the Board



Grant J Mooney
Company Secretary
9 October 2008

Glossary

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Constitution means the constitution of the Company.

Company means Carnegie Corporation Limited ABN 69 009 237 736.

Corporations Act means *Corporations Act 2001* (Cth).

Directors means directors of the Company.

Explanatory Memorandum means this explanatory memorandum.

Listing Rules means the Listing Rules of the ASX.

Share means an ordinary fully paid share in the capital of the Company.

Shareholder or **member** means a registered member of the Company.

Stripe Capital Pty Ltd means Stripe Capital Pty Ltd (ACN 094 106 751, AFSL No. 294097)

**CARNEGIE CORPORATION LIMITED
EXPLANATORY MEMORANDUM**

This Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Remuneration Report which details the Company's policy on the remuneration of non-executive directors and executive directors is set out in the Directors' Report of the Company's 2008 Annual Report. A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting. The vote on the Resolution is advisory only and does not bind the directors or the Company.

RESOLUTIONS 2 AND 3 – RE-ELECTION OF DIRECTORS

ASX Listing Rule 14.4 and Clause 13.2 of the Company's Constitution require that at an Annual General Meeting one-third of Directors for the time being shall retire from office. A retiring Director is eligible for re-election.

In accordance with the ASX Listing Rules and the Company's Constitution, Messrs Bruce McLeod and Alan Burns retire as directors of the Company and being eligible, offer themselves for re-election as directors of the Company.

All Directors, with the exception of the Director being offered for election, recommend Shareholders approve Resolutions 2 and 3.

RESOLUTION 4 – ELECTION OF MR GRANT JONATHAN MOONEY AS A DIRECTOR

Resolution 4 seeks approval of Shareholders to the election of Mr Grant Mooney as a director.

ASX Listing Rule 14.4 and Clause 13.5 of the Constitution require that a director appointed by the Board must not hold office (without re-election) past the first Annual General Meeting of the Company subsequent to his / her appointment. A retiring Director is eligible for re-election.

All Directors, with the exception of the Director being offered for election, recommend Shareholders approve Resolution 4.

Mr **Grant Mooney** was appointed as a director on 19 February 2008.

Mr Mooney is the principal of Perth-based corporate advisory firm Mooney & Partners Pty Ltd, specialising in corporate compliance administration to public companies.

Mr Mooney has gained extensive experience in the areas of corporate and project management since commencing Mooney & Partners in 1999. His experience extends to advice on capital raisings, mergers and acquisitions and corporate governance.

Currently, Mr Mooney also serves as a director and company secretary to ASX-listed resources companies Barra Resources Limited and Ampella Mining Limited. He is a member of the Institute of Chartered Accountants in Australia.

RESOLUTION 5 – RATIFICATION OF PREVIOUS SHARE ISSUE

This resolution seeks Shareholder ratification of the issue of 10,000,000 Shares at an issue price of \$0.25 (25 cents) per Share made on 21 May 2008. The Shares were issued under a Private Placement to clients of Stripe Capital Pty Ltd in order to raise funds primarily for advancing the commercial site selection and assessment process for the Company's CETO Wave Energy Technology.

Subject to certain exceptions, Listing Rule 7.1 restricts a company from issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of the company's ordinary securities on issue at the commencement of that period without shareholder approval.

The exception to this rule contained in Listing Rule 7.4 provides an issue made within the 15% limit will be treated as having been made with the approval of Shareholders under Listing Rule 7.1 if subsequently approved by Shareholders, thereby "refreshing" the Company's ability to issue shares within the 15% limit, and restoring the Company's ability to make placements within that limit (if that is thought desirable) without the need for Shareholder approval. While the Shares described in this Resolution 5 were issued within the 15% limit, the Company seeks Shareholder ratification of the issue of those Shares for the purpose of Listing Rule 7.4, so that the Company's ability to issue securities will be "refreshed" and it will have flexibility to issue further securities should the need or opportunity arise.

In accordance with the requirements of Listing Rule 7.5, the following information is provided to Shareholders to allow them to assess the ratification of the issue of the Shares the subject of this Resolution:

- A total of 10,000,000 Shares were issued.
- The Shares were issued at 25 cents per Share.
- The Shares the subject of this Resolution were issued and allotted to clients of Stripe Capital Pty Ltd.
- None of the allottees are related parties to the Company or their associates.
- The Shares issued are fully paid ordinary shares that rank equally in all respects with existing Shares.
- The funds raised by the issue of the Shares the subject of this Resolution have, and will be used primarily for advancing the commercial site selection and assessment process for the Company's CETO Wave Energy Technology.

PROXY FORM

Carnegie Corporation Limited
ABN 69 009 237 736

All correspondence to:
Carnegie Corporation Limited
Level 1, 16 Ord Street
West Perth WA 6005
Enquiries (within Australia) 08 9486 4466
(outside Australia) 61 8 9486 4466
Facsimile 61 8 9486 4266

Appointment of Proxy

I/We being member/s of Carnegie Corporation Limited and entitled to attend and vote hereby appoint

The Chairman of the Meeting (mark with an 'X') **OR** Write here the name of the person you are appointing if this person is **someone other than** the Chairman of the Meeting

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Carnegie Corporation Limited to be held at The Old Swan Brewery (Thomas Hardwick Room), 173 Mounts Bay Road, Perth, Western Australia at 9.00 am (Australian Western Daylight Time) on Thursday, 13 November 2008 and at any adjournment of that meeting.

IMPORTANT: FOR ITEMS BELOW

If the Chairman of the Meeting is to be your proxy and you have not directed your proxy how to vote on the items below, please place a mark in this box. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of that Item and that votes cast by him, other than as proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on the following items and your votes will not be counted in computing the required majority if a poll is called on these Items. The Chairman of the Meeting intends to vote undirected proxies in favour of all items.

Voting directions to your proxy - please mark **X** to indicate your directions

Ordinary business

- | | For | Against | Abstain* |
|---|--------------------------|--------------------------|--------------------------|
| Item 1 Adoption of Remuneration Report (Non-binding vote) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 2 Re-election of Bruce McLeod as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 3 Re-election of Alan Burns as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 4 Election of Grant Mooney as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 5 Ratification of a previous share issue | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

How to complete the Proxy Form

1. Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

2. Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company.

3. Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4. Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

5. Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the security holders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting at 9.00 am (Australian Western Daylight Time) on Thursday, 13 November 2008. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged

- by delivery or facsimile to the Registered Office of Carnegie Corporation Limited:
Level 1, 16 Ord Street
West Perth WA 6005

(within Australia) Facsimile 08 9486 4266
(outside Australia) Facsimile 61 8 9486 4266