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**CARNEGIE WAVE ENERGY LIMITED**

**ABN 69 009 237 736**

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**NOTICE OF ANNUAL GENERAL MEETING  
OF SHAREHOLDERS**

**AND**

**EXPLANATORY MEMORANDUM**

**9.00 AM (WST), THURSDAY, 19 NOVEMBER 2009**

**AT**

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

## **Notice of Annual General Meeting CARNEGIE WAVE ENERGY LIMITED**

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Notice is hereby given that the Annual General Meeting of Carnegie Wave Energy 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 Standard Time) on Thursday, 19 November 2009.

### **AGENDA**

#### **FINANCIAL REPORT**

To table the Annual Financial Report of the Company and its Controlled Entities for the year ended 30 June 2009 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 2009 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 IAN CHARLES FISHER AS A DIRECTOR**

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

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

#### **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 9.00 am (WST) Tuesday 17 November 2009.

#### **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.

#### **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 2001 the Company specifies the following for the purposes of receipt of proxy appointments:

Security Transfer Registrars  
PO Box 535  
APPLECROSS WA 6953

Fax: (+618) 9315 2233

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**Notice of Annual General Meeting**  
**CARNEGIE WAVE ENERGY LIMITED**

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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 that is by **9.00 am (WST) Tuesday 17 November 2009**. This proxy form may be sent by facsimile transmission to the number identified on the proxy form.

Capitalised terms used in this notice are defined at the end of the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

By order of the Board

A handwritten signature in black ink, appearing to read 'Grant J. Mooney', is written over a light blue horizontal line.

**Grant J Mooney**  
Company Secretary  
16 October 2009

**CARNEGIE WAVE ENERGY 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 2009 Annual Report. A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting. The vote (required by Section 250R(2) of the Corporations Act) on the Resolution is advisory only and does not bind the directors or the Company.

*The Chairman intends to vote undirected proxies in favour of the adoption of the Remuneration report.*

**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 Ian Fisher retire as directors of the Company and being eligible, offer themselves for re-election as directors of the Company.

***Candidate Director's Profile (Resolution 2)***

As the former Chairman of Business Affairs for the Jacques Cousteau Society of Australia, Mr Fisher has had an active interest in the ocean and the preservation thereof. The Society's main aim is to educate people about the ocean and its contribution to life. Mr Fisher is also a past Chairman of The West Australians Premiers Regional Investment Group. He has also been successfully involved in retail industry for some 27 years. Mr Fisher has been a Board member of Carnegie Corporation Ltd since 17 January 2003. Prior to 2003, he was a director and shareholder of a group of cattle stations in the Kimberley and was a founding shareholder and Director of Atlas Pacific Ltd - a pearl farming company listed on the ASX. He is the past Chairman of African Consolidated Resources – an exploration company listed on the London Stock Exchange since 2004.

***Candidate Director's Profile (Resolution 3)***

Mr McLeod has had extensive experience in the Australian capital markets. He has been involved in raising debt and equity capital for a number of property and resource projects, as well as the takeover and rationalisation of listed and unlisted companies. Prior to this he was Executive Director for an International Bank in Australia, responsible for the financial and capital markets operations. In the early 1980's he spent several years in the stock broking industry in New Zealand before moving to Australia. Mr McLeod has been a Board member of Carnegie Corporation Ltd with 13 years service since 1 November 1996. Mr McLeod is also Chairman of Imperial Corporation Limited (since 21 May 1996) and a director of Fall River Resources Limited (since 6 February 2008).

Mr McLeod was a former Director of Hudson Timber Products Ltd (from 2 March 1998 to 3 November 2005) and Bemax Resources Limited (from October 2000 to 9 July 2008).

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

**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 Wave Energy 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.

**WST** means Australian Western Standard Time.



