

# Carnegie Corporation Ltd

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## ASX ANNOUNCEMENT

**RELEASE DATE:** 18<sup>th</sup> December 2002

**TO:** Manager, Company Announcements  
Australian Stock Exchange Limited

**CONTACT:** Alan G. Hopkins  
Managing Director

**RE:** Agreement with Leading Australian Renewable Energy Company  
to assist in the development of the Wave Energy Project

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Carnegie Corporation Limited (“Carnegie” or “the Company”) is pleased to advise that it has, via its shareholding in Skylane P/L entered into a Heads of Agreement with a leading Australian renewable energy company (“the Company”) whereby the parties will co operate in the development of a Wave Energy technology (“the Project”) in Western Australia.

The key terms of this agreement are as follows:

The utility has the exclusive right to earn up to a 52% interest in the Project by facilitating the next AUD 1.5 million of finance for the Project. Upon earning this interest, the Company will also acquire the marketing rights for all commercial units of 5MW or greater in return for paying a gross royalty on earnings to Project shareholders. Joint marketing rights will apply in Western Australia (i.e. Company 50%, Carnegie 25% with Alan Burns & the Seapower Group 25%)

In addition to, and as a result of the above, Carnegie has agreed with Alan Burns and Seapower Pty Ltd (whose technology is to be included in the arrangements with the Company) that:

- Carnegie shall not be required to make any further expenditure to earn its interest in Skylane Pty Ltd and the related technologies developed by Seapower Pty Ltd shall also be included in the technology package and arrangements with the Company.
- Carnegie acquires the exclusive rights to own and operate all commercial units less than 5MW in that portion of the World south of Latitude 10 degrees North. Carnegie believes this provides the Company with very significant operational (and revenue) potential in the event that the technology is commercialized.

- In addition to the above exclusive areas of direct operation, Carnegie retains an interest in the gross royalty stream to be potentially generated by the Company's operation of commercial units greater than 5MW in size. This provides Carnegie with a potentially large revenue stream in the event that the technology moves to commercialization.

The Directors believe that these arrangements provide the Company with:

- A key industry development partner to assist in the potential commercialization of the Project and a marketing partner for the technology in the event that the Project moves to commercialized status.
- A share of the potential gross revenues generated by the Company for all units greater than 5MW size.
- The exclusive marketing rights to commercial units of less than 5MW. (i.e. that portion of the World south of the 10 degree North Latitude).
- A carried financial position through the next development phase of the Project

Yours Faithfully  
Carnegie Corporation Ltd

Alan G. Hopkins  
Managing Director