

# Carnegie Corporation Ltd

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**RE:** Carnegie to Raise Substantial Funding for its Joint Venture Wave Energy Project via London AIM Listing

**PAGES:** 2

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### **CARNEGIE TO RAISE SUBSTANTIAL FUNDING FOR ITS JOINT VENTURE WAVE ENERGY PROJECT VIA LONDON AIM LISTING**

Carnegie Corporation Ltd ("Carnegie" or "the Company") advises the intention to list the joint venture interests in the CETO wave energy project developed in WA, on London's Alternative Investment Market (AIM).

Funding of GBP 10 million (~AUD 25 million) is being sought, which will see Carnegie's 17% contributing interest in the CETO project converted to a 7.7% equity interest in the new listed entity Renewable Energy Holdings (REH).

Upon completion, this substantial fundraising will facilitate the launch of the CETO prototype and the undertaking of the sea trial programme at Fremantle.

In addition, the fundraising will provide a base from which REH can seek active investment in other renewable energy production opportunities. The joint venture partners in the CETO project, Carnegie Corporation, Pacific Hydro and other foundation shareholders, also have first right of refusal to be involved in future commercial renewable energy projects undertaken by REH.

Carnegie's Chairman Alan Burns, the inventor of the CETO technology, will join the REH board, along with Pacific Hydro's Managing Director Jeff Harding.

The REH board members from Europe have exceptional experience in the development of world class energy projects and include Michael J Proffitt who resigned his previous role as CEO of the Manx Electric Authority in the Isle of Man to take up the role as CEO of REH.

The Chairman is John Baker CBE who has had a long career in both the public and private sector including serving as Managing Director of the UK Central Electricity Generating Board, which led the management of the UK privatisation and restructuring programme. From 1995 to 1998 he was also Chairman of the World Energy Council.

Rear Admiral Roger Lane-Nott CB also joins the board having held several key positions including serving as head of the UK submarine service and as Chief Executive of the Centre for Marine & Petroleum Technology.

In Europe, interest in the field is at an all-time high. The European renewable energy market is growing strongly with the EU setting a renewable energy target of 22% of electricity consumption to be from renewable sources by 2010 and establishing an emission trading scheme that commenced from 1<sup>st</sup> January 2005.

Carnegie's Managing Director Alan Hopkins today said:

"The CETO unit had attracted international attention because of its potential to generate power and produce desalinated water with no fossil fuel inputs, making it a timely addition to emerging requirements for power and water from alternative sources.

"Carnegie's rollover of its 17% interest in the joint venture into a 7.7% listed and fully funded equity interest in REH will mark a significant milestone and achievement in its involvement in the CETO project," he said.

"Carnegie also retains participation rights in future commercialised CETO projects as well as any other commercial renewable energy projects undertaken by REH, which opens up a high potential pathway for the future."

"This once again validates the board's strategy to provide initial development expertise toward backing technology it can later equitize for long term value to Carnegie shareholders. In particular, the two Alan Burns inventions backed by the Company have been a great investment."

Upon successful completion of the AIM listing, Carnegie shall receive 1,667,000 shares of 50 p in REH (5.75% of REH) as consideration for its shares in Seapower Pacific, in addition to 385,700 options in REH as well as being reimbursed \$61,275 of recent project advances.

The Company also has elected to participate in the REH IPO by subscribing for 600,000 shares in the IPO at 50p per share, bringing its total holding to 2,227,000 shares and establishing it as REH's second biggest shareholder.

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