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PLACEMENT OF SECURITIES BOOSTS CLEAN COAL PROJECT

The Company wishes to advise that it has today formalized arrangements to raise up to $1,070,000 by way of an issue of up to 38,250,000 fully paid shares at an issue price of 2.8 cents per share.

These funds will be raised pursuant to the "excluded offer" provisions (Section 708) of the Corporations Act.

Funds raised from the placement will be applied towards advancing the Company's Cleaner Coal Power (CCP) technology and for ongoing capital purposes.

The capital raising is being undertaken on a 'best endeavours' basis to predominantly Sophisticated Investors under Section 708 of the Corporations Act. The raising is being undertaken with the assistance of Perth based Stockbroker and Corporate Adviser Stripe Capital Pty Ltd (Authorized Corporate Representative No.299958 of Australian Stockbroking & Advisory Services Ltd AFSL 294097 "A Participating Organisation of the Australian Stock Exchange Ltd. Group") and is intended to be completed by next Tuesday 12th December 2006.

Background: The CCP Technology

With coal fired power stations generating most of the world's electricity along with most of the harmful greenhouse gases, a more environmentally friendly, coal fired technology is required if greenhouse emissions are to be reduced.

Cleaner Coal Power (CCP) is a low-emission, coal-fired, power generation technology that consists of a novel steam generator and turbine system. It has the potential to generate electricity at significantly higher thermal efficiencies than existing technologies, and therefore with lower greenhouse emissions, and with a lower capital cost than conventional coal-fired power plants.

CCP has the potential to be applied as base-load generation system or as a distributed power generator. With around 60% of the world living 'off-grid', the market for later is growing at 20% p.a. and was worth approximately US$45 billion in 2005.

The unique design of the technology allows high-pressure steam to be created by the rapid heat transfer from pressurized gas through a thin-walled, high surface area vessel. Provisional patent applications covering the Technology have been filed earlier this year.

Carnegie Corporation is a clean energy company with a track record of successful technology developments including the CETO Wave Energy Convertor and the Pursuit Drive.

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