









Perth Wave Energy Project Design and Construction Update 30 April 2014

> Jonathan Fiévez Chief Technology Officer



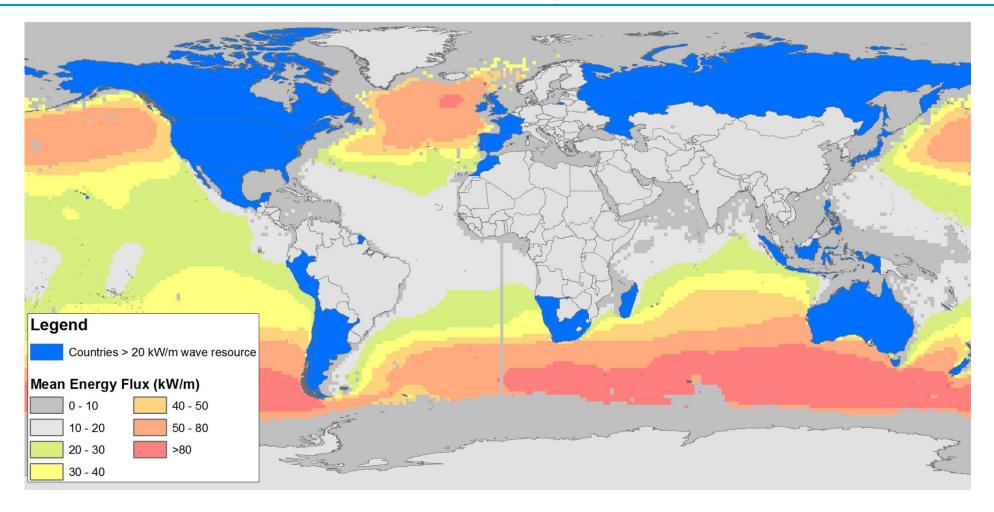
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Global wave resource > current global power use





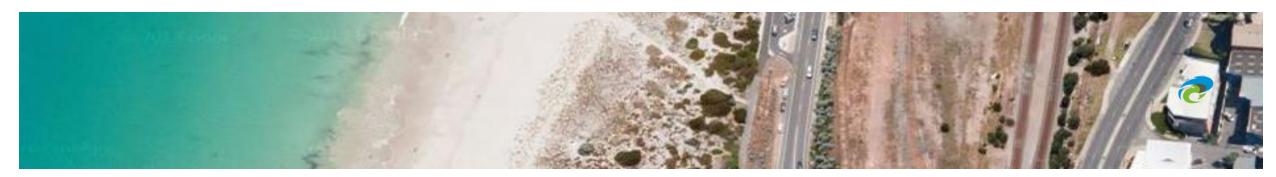
- Market is global, large and co-located with demand centers
- Resource is more predictable, consistent and available than wind or solar
- Total resource potential = >200TW (200 million MW)

Carnegie Introduction



- Owner and developer of "CETO" wave energy technology
- 32 engineering, commercial, administration staff
- ASX listed, based in Fremantle, Western Australia
- Subsidiaries in UK, Ireland and Chile
- 120 Patents or patents pending globally
- \$70m spent to date on CETO
- EDF (French) is a CETO licensee
- IP is important 120 patents and patents pending, \$1m/yr



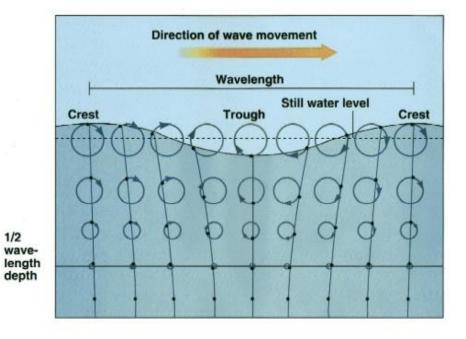


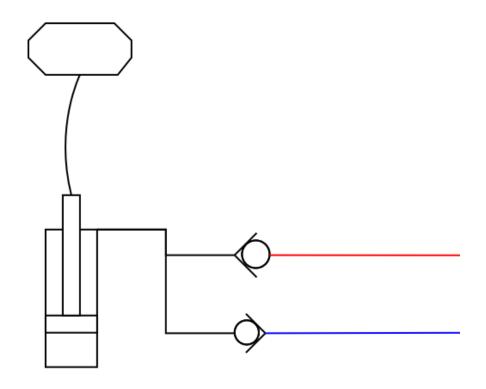
CETO Basics



- Buoyant Actuator (BA) travels in orbital fashion due to orbital wave forces
- BA is fully submerged and buoyant
- Waves and low pressure circuit work together to drive BA down
- Waves and BA buoyancy work together to drive BA up
- Controlling pressures allows damping control and can be optimised for each

sea state





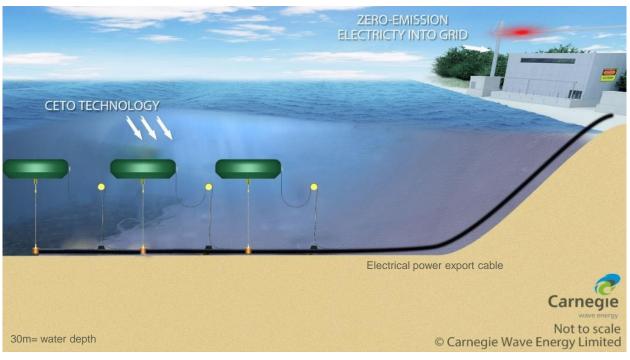
CETO Features

Carnegie

- Fully submerged, point absorber
- Near-shore location or deepwater location
- Onshore or offshore power generation
- Power & water production with onshore production
- Modular design largely using proven subsea components



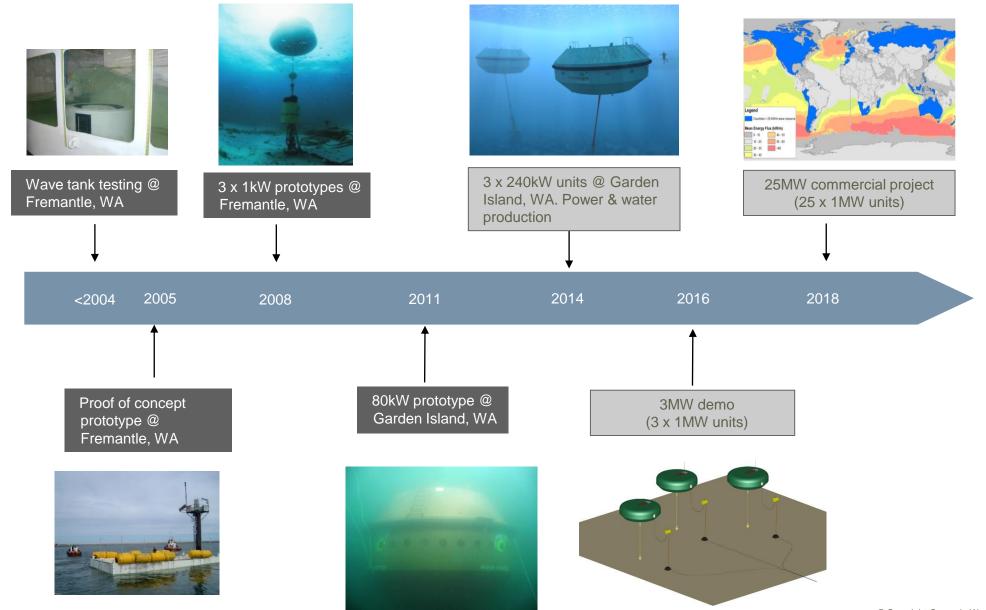
Near-shore location & onshore power & water



Deepwater location & offshore power production

Carnegie's Technology Development



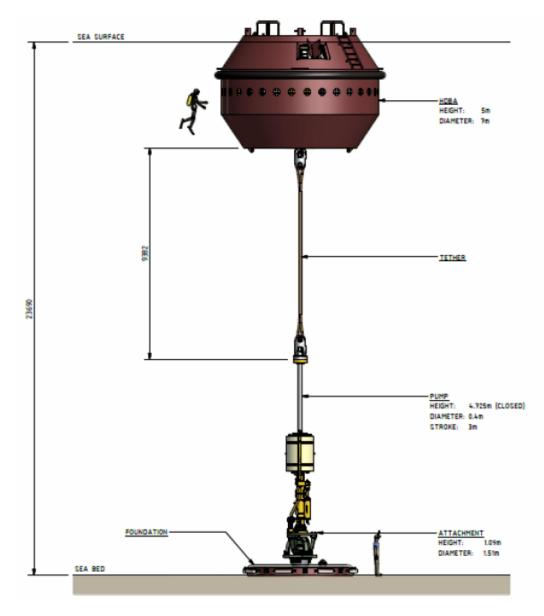


Ocean testing – 80kW prototype, Garden Island







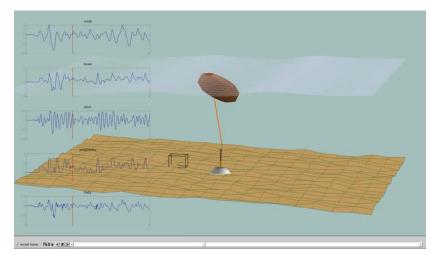


Value of Modelling



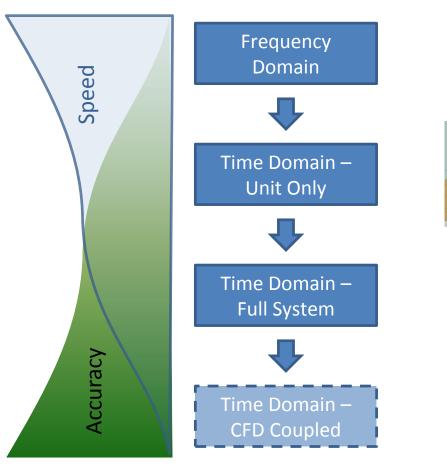
- Modelling is the most important tool for <u>development and cost reduction</u> of new technology
- CETO models provide the figures for power, loads and motions
- Accurate load cases allow <u>lower safety factors</u> which results in lighter, cheaper components
- Pressures and flows allow accumulator volumes, valve and pipe sizes to be optimised
- Values for speeds and distance travelled allow sizing of bearings and <u>material selection</u> for seals
- Accurate motions allow reduction in component cost through <u>reducing angular range</u>

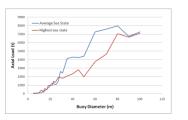
requirements and simplifying installation procedures

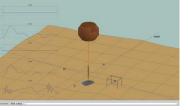


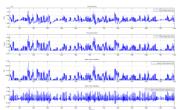
Modelling Process

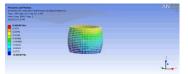








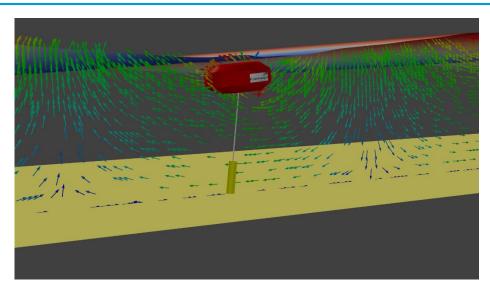


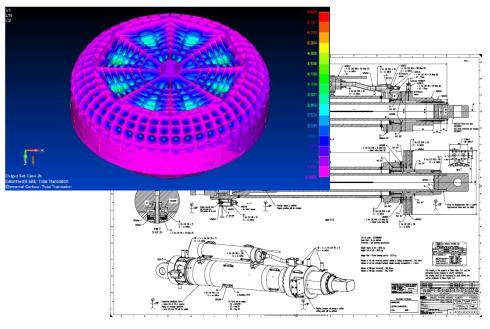


CWE Modelling and Engineering Capability



- Advanced System Modelling
 - Frequency domain, time domain and CFD codes
 - Wave surface elevation input
 - Non-linear PTO system response
 - Parallel computing with 8, 12 and 16 core HPCs
 - Use of iVEC supercomputer
- Mechanical Design
 - 3D design & drafting (Inventor, SolidWorks, ProE)
 - Finite element analysis (FEA) capability
 - Pile design software LPile

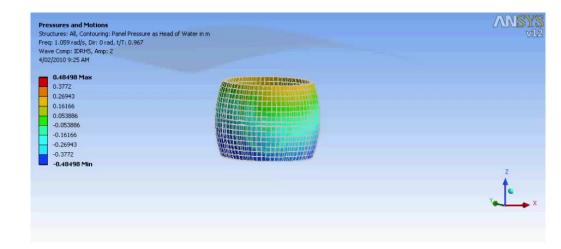


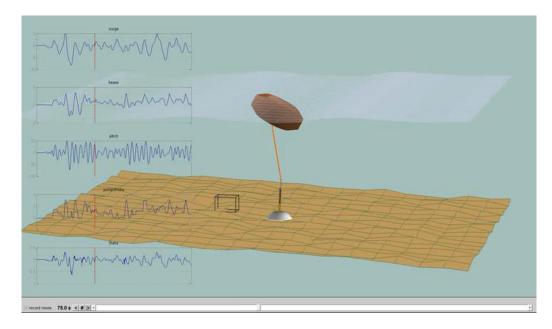


Instrumentation



- Instrumentation is crucial for numerical model validation.
- BA instruments provide data for:
 - 3D motions
 - Loads
 - Hull pressures
 - Buoy submergence
 - Overload Damper pressure and displacement
 - Tank leakage
- Other Unit instruments include load, inclination, pressure, temperature, etc.
- Plant instruments include pressure, temperature, flow, rotational speed, voltage, current, etc.
- Sampling up to 100 Hz
- >500 sensors on the PWEP system

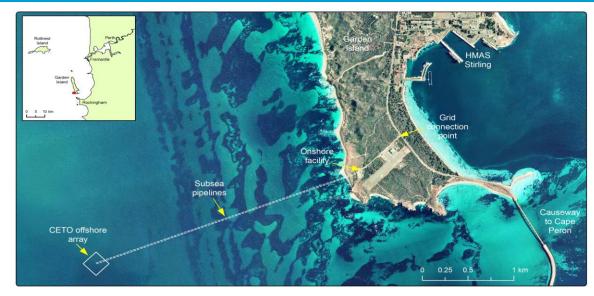




Perth Wave Energy Project, Garden Island



- World first multiple wave energy converter array
- 3 x 240kW CETO 5 units
- 100NB, 210 bar flexible pipeline 3.2km
- Onshore power plant and grid connection
- Onshore reverse osmosis desalination pilot plant

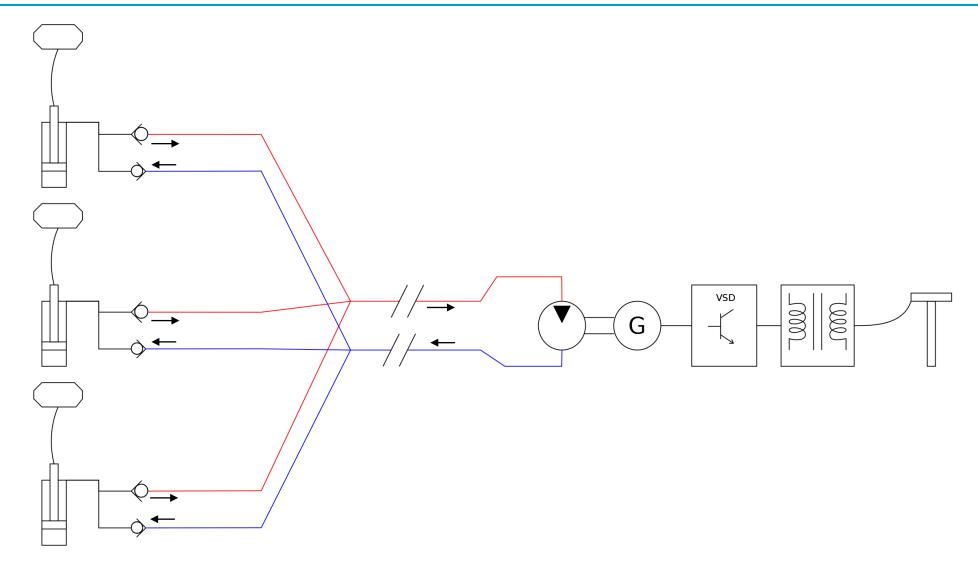






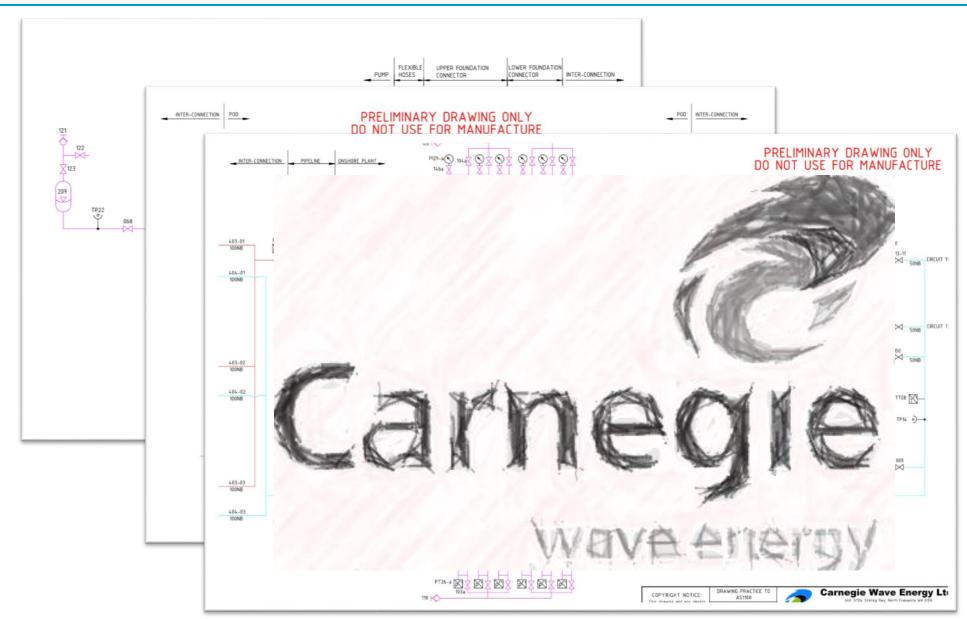
PWEP System Architecture





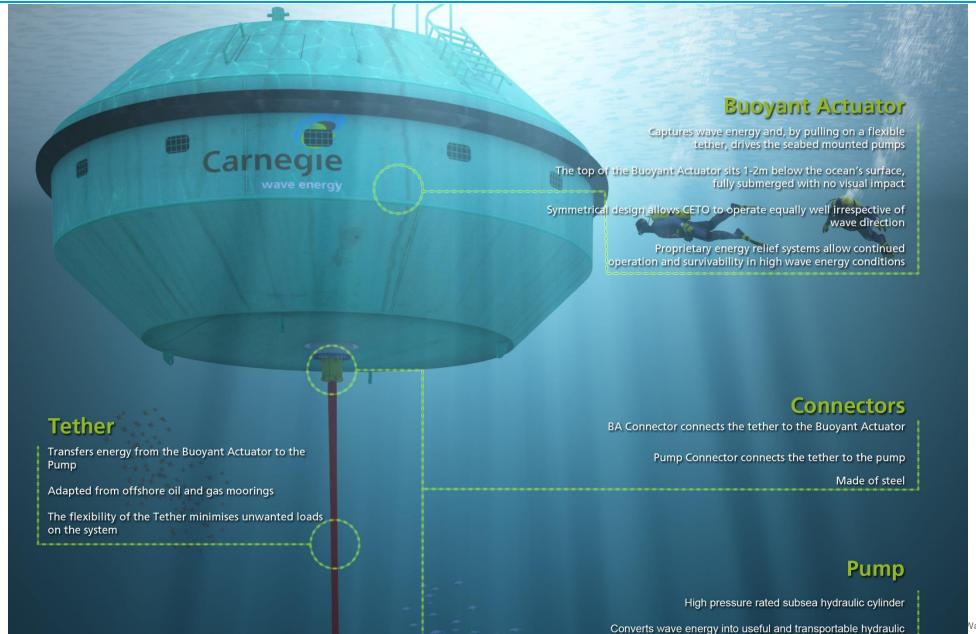
System Architecture





CETO 5 Unit Design

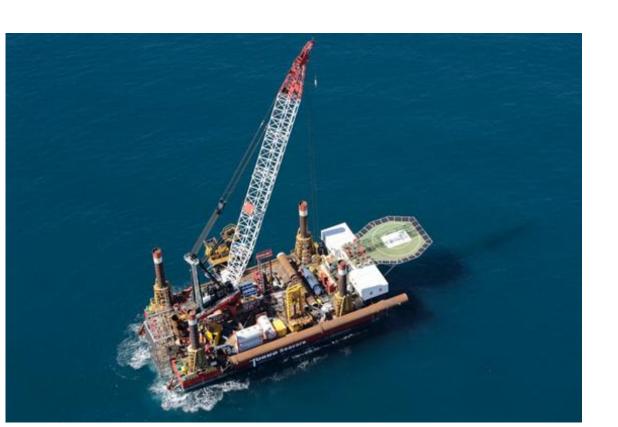




Perth Wave Energy Project - Status

Carnegie

- Design, approvals, off-take, funding complete
- Offshore foundations installed
- Pipeline installed
- Buoyant actuators delivered





Perth Wave Energy Project – Status

Carnegie

- CETO Unit Pumps manufactured
- Tether completed Factory Acceptance Testing
- Foundation Connector completed Factory Acceptance Testing
- Onshore construction activities commenced
- Commissioning target of Q2 2014





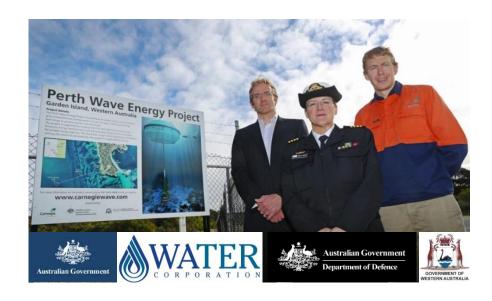




Perth Wave Energy Project - Support



- \$13.1m Australian Government grant funding for power generation
- \$7.3m Western Australian State Government funding
- \$1.25m Australian Government grant funding for desalinated water production
- Cooperation agreement with the WA Government water utility, Water Corporation
- Offtake with the Australian Department of Defence (HMAS Stirling)





Perth Wave Energy Project – 2014



- Q1, 2014 activities:
 - Offshore foundation installation
 - Pipe installation
 - Delivery of CETO unit components
 - Q2, 2014 activities:
 - Assembly & pre-install testing
 - Onshore power plant construction
 - Onshore desalination plant construction
 - Project commissioning

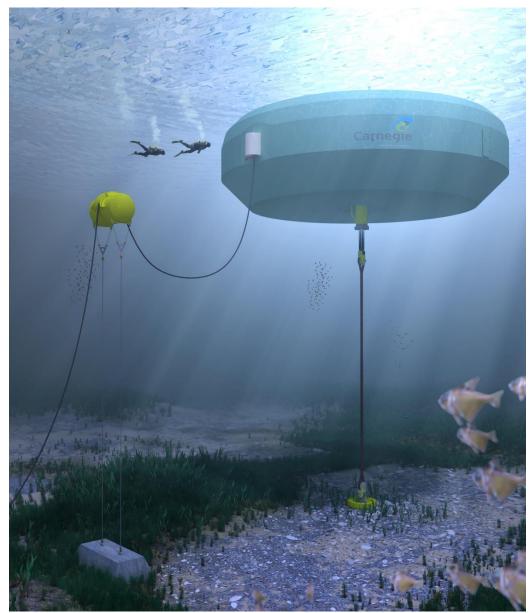


- Q3, 2014 onwards
 - Power generation & revenue
 - Water generation & revenue
 - Data collection and analysis

CETO 6 – Next Generation Design

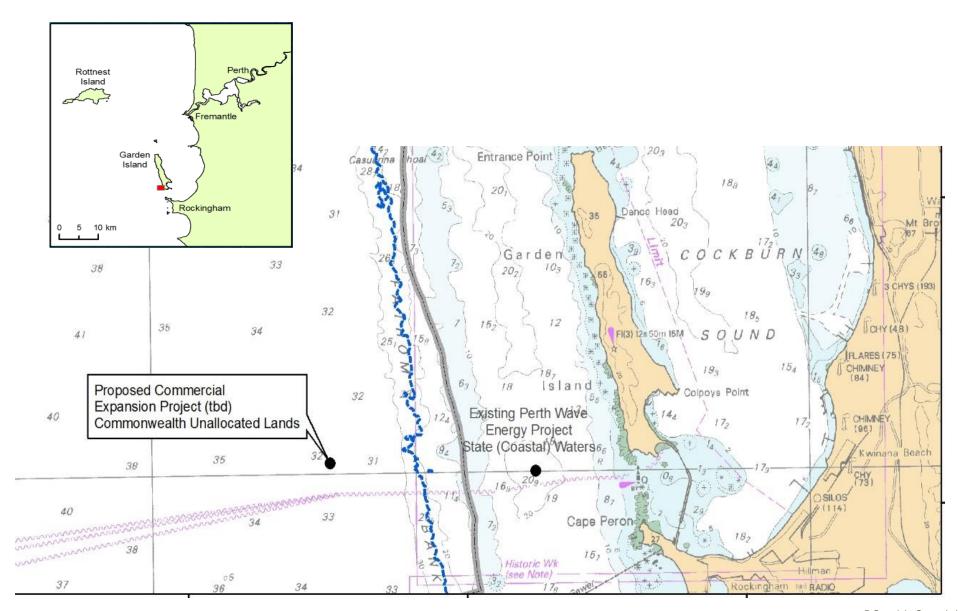


- 1MW (1000kW) capacity Unit
- ~50% increase in diameter over CETO 5 => 4 x
 increase in rated capacity
- Electrical generation in BA
- First commercial production unit
- Cost competitive in large projects



Australian CETO 6: Expansion of Perth Project off Garden Is.





UK CETO 6 – Wave Hub, Cornwall



