ASX ANNOUNCEMENT

10 March 2021

Corporate Update

- Carnegie debt reduces from $2.825 million to $1.075 million following conversion of Convertible Notes
- Remaining Convertible Notes to be extended on same terms or converted
- $0.3 million in option conversions adds to cash position, now $3.2 million
- Existing funds sufficient to complete Technology Pathway

Carnegie Clean Energy Limited (**ASX Code: CCE**)(**Carnegie** or **the Company**) is pleased to announce a substantial debt reduction following conversion of $1.75 million of Convertible Notes into shares and unlisted options.

All remaining Convertible Notes, due to mature at the end of March 2021 and valued at $1.075 million, will either be converted to shares and options or the debt will be rolled over on the same terms. The remaining noteholders, Log Creek Pty Ltd and HFM Investments Pty Ltd which are companies associated with Director Mike Fitzpatrick, have agreed to either extend the remaining notes for a further 12 months on same terms or convert the Notes to shares and options by the end of March. The Company also retains the right to repay the notes by the end of March, which would reduce company debt to zero.

Non-Executive Director, Grant Mooney, converted 250,000,000 options injecting $312,500 into the Company to be applied towards the CETO wave energy technology development and for ongoing working capital.

As noted on recent Appendix 3Y releases, Non-Executive Directors Mike Fitzpatrick, Grant Mooney and Anthony Shields have sold shares on market to recover funds provided to the Company in 2019 to fund the Deed of Company Arrangement during the administration process and subsequent recapitalisation.

Carnegie's committed team of employees have also converted employee options issued under the Employee Incentive Plan to shares.

Executive Management, Directors and the entire Carnegie Team are inspired and excited by the changes in the debt structure and especially the recent strong support from the equity markets. The recent support from remaining noteholders together with the reduction in debt has greatly de-risked the business, while additional working capital provides funding for critical R&D and Commercial development for CETO and spin-off technologies currently in development.

The current cash at bank supports the Company's strategic pathway and Business Plan as previously outlined and, more specifically, gives the Technical Team the timeframe to continue the technology

and design innovations that are under R&D as well as negotiations to continue with potential commercial partners.

Directors Mike Fitzpatrick, Grant Mooney and Anthony Shields all remain top 10 shareholders.

Carnegie's Chief Executive Jonathan Fiévez said today "*We are pleased with the support from our noteholders and the opportunity to avoid using Carnegie's precious cash reserves to reduce debt carried over from the 2019 (Deed of Company Arrangement) Administration process. These are exciting times; the renewed interest and strong investment in Carnegie has resulted in the share register undergoing major changes over the past weeks and we are pleased to welcome our new shareholders. The recent strength in our share price and growth in market capitalisation are a reflection of existing and new shareholder support for wave energy, renewable energy, and in Carnegie's future potential. I look forward to providing future technical and commercial updates to our loyal existing shareholders and our new shareholders as we progress on our technology pathway and move towards our goal of commercial readiness later this year.*"

This announcement has been authorised by the Board of Directors.

For more information

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