29 October 2019

Confirmations by the Company

Carnegie Clean Energy Limited (subject to deed of company arrangement) (**Carnegie** or the **Company**) is pleased to confirm the following:

1 A signed statement has been provided by Mr Richard Tucker and Mr John Bumback of KordaMentha as joint and several administrators of the Company (**Administrators**) that notwithstanding the changes to the terms of the deed of company arrangement (**DOCA**) from the terms voted on by creditors on 17 April 2019, the creditors are bound by the amended terms pursuant to the proposed recapitalisation (**Proposal**).

2 The Company's capital structure is as follows:

Class	**Number**
Shares[1]	11,141,452,450
Options[2]	2,805,000,000
Convertible Notes[3]	113

Notes:

1. This does not include the Interest Shares to be issued pursuant to the 2021 Notes, the issue of which will commence 1 year from the date of issue of the 2021 Notes. Refer to section 5.2 of the prospectus for further details.

2. Comprised of 35,000,000 options with an exercise price of $0.06 expiring on 8 February 2023, 10,000,000 options with an exercise price of $0.0160 expiring on 10 October 2021, 2,260,000,000 options with an exercise price of $0.0015 expiring 3 years from the date of issue, 500,000,000 options with an exercise price of $0.00125 expiring 5 years from the date of issue.

3. 113 convertible notes with a face value of $25,000 maturing on 31 March 2021. Each note will convert into shares at $0.00125 per share with each share being issued with one free attaching option exercisable at $0.0015 per option expiring 5 years from the date of issue, a maturity date of 31 March 2021 with a coupon of 8% per annum, payable by way of the issue of shares at an issue price equal to the 90 day VWAP of shares, restricted 12 months from issue.

3 The Company's proposed use of funds is as follows:

	Use of Funds ($)	**%**
CETO Development[1]	2,203,404	40%
Corporate Overheads[2]	993,786	18%
Garden Island Microgrid[3]	456,220	8%
Administration Costs (Creditors' Trust Payment)[4]	1,400,000	25%
Costs of the Offers	234,500	4%

Working Capital	212,090	3%
Total	**5,500,000**	**100%**

Notes:

1. Funds will be utilised for the development of the CETO Technology (including PTO development and testing, tank testing, machine learning development and simulations via the Pawsey research supercomputer, system design and optimisation and hydrodynamic development), salary and wages associated with the technical team and the engagement of external consultants / additional technical team members.

2. Corporate overheads include accounting fees, insurance, office lease payments and audit fees.

3. Funds will be utilised for (amongst other matters) substation works, installation of cables, the interfacing of panels, reprogramming at the GIMG, annual operational costs and costs associated with the arrangement with the DoD.

4. The administration costs consist of the Creditors' Trust Payment, professional fees and disbursements associated with the voluntary administration process, which the Company is due to pay to the Creditors' Trust following the sale of available assets. The payment may be reduced to the extent that the proceeds of the sale of assets during the administration process are greater than anticipated.

4 The conversion of 50% of the 450 existing convertible notes on issue with a face value of $10,000 (**CCE Notes**) and the bridging loan with HFM Investments Pty Ltd, a Company associated with non-executive director Mr Mike Fitzpatrick (**HFM Bridge Loan**), into fully paid ordinary shares in the Company each at an issue price of $0.00125, with each share issued having 1 free attaching option exercisable at $0.0015 per share and expiring 3 years from issue and with the shares and options being subject to voluntary escrow for a period of 6 months following the date of issue.

5 Completion of the following:-

5.1 the issue of the remaining 50% of the CCE Notes and the remaining 50% of the HFM Bridge Loan converting into convertible notes maturing 31 March 2021 (**2021 Notes**) to the relevant creditors;

5.2 execution of the general security agreements (**GSAs**);

5.3 conversion and extinguishment of the term sheet dated 17 March 2019 for a $500,00 loan from Mooney & Partners Pty Ltd and Asymmetric Credit Partners Pty Ltd to the Company (**Funding Loan**); and

5.4 payment of up to $1.4 million from the proceeds of the Capital Raising into the creditor's trust fund (**Creditor's Trust**).

6 The 16 existing convertible notes on issue to the Commonwealth Government through the Australian Renewable Energy Agency (**ARENA**) maturing 24 January 2024 with a face value of $100,000, a conversion price of $0.053 (**ARENA Notes**), will not carry over to the recapitalised Company and have lapsed.

7 "Energy Made Clean" (operated via Energy Made Clean Pty Ltd, EMC Engineering Australia Pty Ltd and EMC Co Pty Ltd) is in liquidation and will not form part of the Company's assets at the time of reinstatement.

8 The Company's 11.33% interest (held through the Company's subsidiary) in Northam Solar Farm A Pty Ltd has been transferred to the Creditor's Trust. The DOCA has been effectuated and this asset will not form part of the Company's assets and remains with the Creditor's Trust.

9 The Company retains its interest and has full and unfettered access to the following assets:

9.1 CETO (including but not limited to CETO IP Pty Ltd (noting this subsidiary hold the rights to the CETO intellectual property) and CETO Wave Energy UK Ltd and CETO Wave Energy Chile Ltd (noting theses subsidiaries operate and assist in commercialising the CETO technology);

9.2 the licence to operate and intellectual property in respect to the Albany Wave Energy Project;

9.3 Garden Island Microgrid; and

9.4 various subsidiaries:

9.4.1 Carnegie Recreational Watercraft Pty Ltd;

9.4.2 New Millennium Engineering Pty Ltd; and

9.4.3 CMA Nominees Pty Ltd.

10 The following financing facilities with CBA (entered into in March 2018) for aggregate funding of $1.6 million have either matured or been terminated:

10.1 post-construction debt financing for GIMG of $2.1 million; and

10.2 revolving debt facility of $4 million.

11 The Company's subsidiaries and assets which have carried on following effectuation of the DOCA are in good standing.

12 There are no outstanding security interests over the Company's assets and that the Company's secured creditors have no further interest in the Company's assets (other than the GSAs entered into pursuant to the 2021 Notes).

13 The Company has enough working capital to carry out its stated objectives, as outlined in the Company's prospectus dated 31 July 2019 (**Prospectus**).

14 In relation to escrowed securities:

14.1 no shares are subject to ASX imposed escrow;

14.2 2,260,000,000 shares are subject to voluntary escrow for a period of 6 months from the date of issue; and

14.3 2,260,000,000 options with an exercise price of $0.0015 expiring 3 years from the date of issue are subject to voluntary escrow for a period of 6 months from the date of issue.

15 The Company is not subject to any litigation proceedings.

16 There are no legal, regulatory or contractual impediments to the Company undertaking the activities the subject of the commitments disclosed in the Prospectus.

17 The Company is in compliance with the Listing Rules and in particular Listing Rule 3.1.

18 The Company has appointed a company secretary that is responsible for communication with ASX, namely, Grant Mooney.

For and on behalf of
Carnegie Clean Energy Limited
Yours faithfully



Grant Mooney
Non-Executive Director
Carnegie Clean Energy Limited