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Clean Energy Finance Corp extends \$20m loan to Carnegie Wave Energy

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Carnegie Wave Energy, a listed developer of renewable energy from waves, has been extended a \$20 million, five-year loan by the Clean Energy Finance Corp. The company, which went into a trading halt on Tuesday pending an announcement, has been developing a \$31 million plant in Perth to supply wave-generated power and desalinated water to Australia's largest naval base, HMAS Stirling.

"There is increasing activity in the ocean energy sector worldwide and retaining the development of this innovative renewable energy technology in Australia will provide local employment opportunities," the CEFC said.

The loan is the first investment in wave energy by the \$10 billion fund set up by the Gillard government. The Abbott government has vowed to scrap the CEFC, saying such investments should be left to the market.

The company is near completion of what is claimed to be a world-first demonstration of grid-connected, commercial-scale array with its Perth Wave Energy Project.

The loan will support development of Carnegie's CETO 6 technology. The novel structure of the loan includes holding a security over the assets of the company, the CEFC said.

"CEFC's development of a new financing structure for the Carnegie loan will not only support Australia's position as a world leader in wave energy but also provide a new financing model that can be applied to support other emerging technologies," said Oliver Yates, the fund's chief executive.

In a statement to the ASX on Wednesday, Carnegie chief executive Michael Ottaviano said the loan "will help Carnegie take a significant step forward in our development and commercialisation of the CETO technology".

The CETO 6 project, which began in 2013 and is currently in the concept design stage, will have at least twice the power capacity of the 240-kilowatt CETO 5 units, the company said.

Carnegie short-listed four potential sites - two in Australia and two abroad - in January and the CEFC loan would support a CETO 6 project in Australia, the company said.

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