



CRITERION TIM BOREHAM



Carnegie Wave (CWE) 6.5c

DEFYING the oil price slump, Carnegie shares have been firming after last month's commissioning of the wave-power group's CETO 5 unit off Garden Island in Western Australia.

A second facility is due to be installed before Christmas, with first power delivered to the naval base in the New Year.

The sector has been problematic, with Scottish player Pelamis last week following the likes of Australia's Oceanlinx into admin-

istration. On the bright side, this raises the prospect of Carnegie picking up cheap assets.

Carnegie chief Mike Ottaviano says displacing diesel for, say, a remote island community is now a little tougher. "But unless oil drops further and stays there for years, it still doesn't deal with the price-risk exposure ... nor the energy security or environmental issues," Ottaviano says.

As well as having \$9.5m of cash, Carnegie has an undrawn \$20m loan facility and \$18m of undrawn federal government grants.

Spec buy.