

24 October 2018

ASX ANNOUNCEMENT

EMC-MPOWER TRANSACTION UPDATE

Carnegie Clean Energy Limited (Carnegie) is pleased to advise that it has entered into an amended Sale and Purchase Agreement with Tag Pacific Limited (TAG) for the sale of Energy Made Clean (EMC).

The sale shall see Carnegie receive 17.5% of the diluted issued capital of TAG (Consideration Shares) having taken into consideration a TAG capital raising of not less than \$4 million, subject to certain conditions precedent, including:

- Binding Commitments being received by TAG for the capital raising of not less than \$4 million;
- TAG, in conjunction with EMC, to renegotiate the existing joint venture with Lend Lease to its satisfaction, acting reasonably;
- No Material Adverse change of TAG or Carnegie having occurred prior to completion;
- Securing of various third party contract novation consents; and
- Execution of various ancillary agreements.

The Drop Dead date for the satisfaction of the conditions precedent is 30 November 2018 with completion expected to occur in the following week.

At Completion, Carnegie will receive a Convertible Note convertible into the Consideration Shares. TAG shall be afforded not more than 3 months from the date of Completion to seek shareholder approval for the issue of Consideration Shares.

Carnegie will not proceed with a Capital Reduction and Distribution in Specie of the Consideration Shares. The Consideration Shares shall be subject to a 24 month voluntary escrow period following completion.

For more information:

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