

30th January 2013

**Company Announcements Office
Australian Securities Exchange**

By e-Lodgement

CANCELLATION OF EMPLOYEE OPTIONS

The Company wishes to advise of the cancellation of the following Employee Options issued pursuant to the Company's Employee Option Share Plan:

- 13,500,000 exercisable at 14.0 cents each on or before 14 July 2014;
and,
- 7,500,000 exercisable at 17.5 cents each on or before 11 November 2013;

Yours faithfully
Carnegie Wave Energy Limited



GRANT J. MOONEY
Company Secretary