



Capital Management Update

Friday, 23 December 2016: Environmental Clean Technologies Limited (ASX: ESI) (ECT or Company) provides the following update on capital management and planning activities.

Key Points

- R&D Tax Incentive Refund received
- EFH facility clarification

R&D Tax Incentive Refund – FY 2016

The Company is pleased to advise it has received its 2016 financial year R&D Tax Incentive refund.

The refund of ~\$1.5M is in line with expectations as stated in the audited accounts released to the market on 31 August 2016, and will satisfy the loan drawn from Brevet for the 2015-16 year.

EFH Facility Clarification

The Company yesterday announced the establishment by Equity First Holdings (EFH) of a facility for qualifying investors to finance the conversion of Options.

The announcement stated:

*“These facilities will require that each of the shareholders transfer their converted shares to EFH under collateral arrangements for the period of 3 years (for staff and directors) and 2 years for other shareholders. **Each shareholder taking up these loans will still be entitled to all the economic and voting rights of their shares.**”*

There was an error in the initial announcement. While shareholders will retain all economic benefits of their shares, voting rights will transfer to EFH, which is contractually prohibited from exercising any voting rights associated with the shares.

For further information, EFH have issued a press release covering this new facility, which can be found at the following link: <http://finance.yahoo.com/news/equities-first-holdings-llc-develops-213000702.html>

For further information, contact:

Ashley Moore – Managing Director info@ectltd.com.au

About ECT

ECT is in the business of commercialising leading-edge energy and resource technologies, which are capable of delivering financial and environmental benefits.

We are focused on advancing a portfolio of technologies, which have significant market potential globally.

ECT's business plan is to pragmatically commercialise these technologies and secure sustainable, profitable income streams through licencing and other commercial mechanisms.

About Coldry

When applied to lignite and some sub-bituminous coals, the Coldry beneficiation process produces a black coal equivalent (BCE) in the form of pellets. Coldry pellets have equal or superior energy value to many black coals and produce lower CO₂ emissions than raw lignite.

About MATMOR

The MATMOR process has the potential to revolutionise primary iron making.

MATMOR is a simple, low cost, low emission, production technology, utilising the patented MATMOR retort, which enables the use of cheaper feedstocks to produce primary iron.