



Shareholder Update – India Project

11 January 2019: Environmental Clean Technologies Limited (ASX: ECT) (ECT or Company) provides the following update on the status of its India project.

Further to the Company's announcement of 3 January 2019, a trading halt was granted on 9 January 2019 to allow the Company to seek an update from project partner, NMDC Limited, following their board meeting scheduled for 8 January 2019.

NMDC earlier advised the Company that ratification of the previously provided in-principle approval of the Research Collaboration Agreement (RCA) would be included on the agenda of this board meeting.

The approval of the RCA by the board of NMDC is the final partner approval required to proceed to financial close and formally commence the Company's India project.

The board of ECT's other project partner, NLC India Limited (NLCIL), previously approved the RCA commercial terms on 14 November 2018.

NMDC has now advised ECT that the original board meeting agenda was subsequently amended to a 'single purpose' agenda focused solely on the NMDC Share Buy Back Program. As such, all other agenda items, including the request to approve the RCA, were not tabled for decision.

ECT Chief Operating Officer, Jim Blackburn commented from Chennai, "Clearly this is an unexpected change in process.

"Importantly, however, ECT and project partner NLCIL have been in contact with NMDC Chairman & Managing Director (CMD) N. Baijendra Kumar over the last 48 hours and we are pleased to confirm that the project proposal will be taken forward quickly for a decision before the end of January.

"In discussions with our partners respective CMD's, there has been explicit acknowledgement that timing is critical and moving from subsequent board approvals to signing should happen at the earliest opportunity.

"Whilst we have absolute clarity and management direction over the preparation and planned implementation of the project, the administrative board processes for large and complex PSUs (Public Sector Undertakings) such as NMDC are not within our control. It is understandably frustrating for all parties when changes in these processes are necessarily made; however, all partners remain absolutely committed to the project, and we expect that NMDC will respond accordingly over the coming days.

"We acknowledge our shareholders continued support and patience as we work through these final formalities ahead of project commencement in India. Importantly, our expanded India team have worked tirelessly over the past several months to ensure all parallel preparation activities are well advanced, so the project may 'hit the ground running' following financial close.

"This has included the execution of confidentiality agreements this week with a Chennai-based engineering firm for the tender package preparation works and planned site visits to steel making facilities in southern India with a focus on possible waste stream resources and continued development of key strategic partnerships for the commercialisation program.

"Further, we have extended our direct strategic relationships with the Indian government, further raising our profile with key influencers, and broadening the awareness of and support for our establishment in India and the rollout of the commercialisation program for the region.

“Finally, we have also drawn great confidence from the progress of our work on strategic projects in Australia. It’s certainly shaping up to be an unparalleled year of growth ahead for the Company and our shareholders.”

ECT Chairman Glenn Fozard commented, “Notwithstanding the positive discussions held over the last few days with our Indian partners, the board of ECT shares our shareholders’ disappointment in having missed another deadline.

“It is often difficult for large companies to understand the impact that these delays have on smaller companies’ confidence and market sentiment and the ECT board has made it clear to our Indian partners that further unexpected delays will have serious implications for ECT’s ability to continue with the project.

“We acknowledge that the complexities of a managing a large PSU far outweigh the importance of one single project like ours, but as the custodians of ECT’s shareholder value, we must strive to optimise outcomes regardless of complexity.”

The Company looks forward to providing further updates on progress by NMDC to finalise approval and subsequent signing of the RCA and requests the current trading halt be lifted, effective immediately.

For further information, contact:

Glenn Fozard – Chairman 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 licensing 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.

About the India R&D Project

The India project is aimed at advancing the Company’s Coldry and Matmor technologies to demonstration and pilot scale, respectively, on the path to commercial deployment.

ECT has partnered with NLC India Limited and NMDC Limited to jointly fund and execute the project.

NLC India Limited is India’s national lignite authority, largest lignite miner and largest lignite-based electricity generator.

NMDC Limited is India’s national iron ore authority.

Areas covered in this announcement:

ECT (ASX:ECT)	ECT Finance	ECT India	India Project	Aust. Project	R&D	HVTF	Business Develop.	Sales
------------------	----------------	-----------	------------------	------------------	-----	------	----------------------	-------