



Shareholder Update – Equity Lending Facility Incentive Program

21 February 2019: Environmental Clean Technologies Limited (ASX:ECT) (ECT or Company) is pleased to provide the following update on its recently announced Equity Lending Facility (ELF) loan repayment incentive program.

Key points:

- ELF incentive program receives strong initial interest
- Staff loan reductions to the value of ~\$325k
- Local project activities initiated

The incentive program, launched Monday 18 February 2019, has received strong initial interest, leading the Company to advance several elements of its previously outlined local market works program including:

- Preparations for the commencement of stage 3 upgrades at its Bacchus March high volume test facility;
- Planning for upgrades to coal loading terminal facilities at Yallourn power station, in support of improved access to sufficient volumes of coal to facilitate the Company's broader research and market development objectives;
- Equipment upgrades to our previously announced Victorian 'steam package' customer (see ASX announcement 9 August 2018) to deliver reliability and performance improvements.

As part of the ELF incentive program, the Company permitted certain staff to apply and is pleased to confirm staff loan reductions of ~\$325,000.

Given the commencement of the above local activities, this ELF incentive is now closed to staff to avoid potential conflicts regarding possession of sensitive information.

ECT Chairman Glenn Fozard commented, "We initiated the ELF campaign to incentivise loan repayments to support the Company's working capital requirements, budgeted key initiatives and projects.

"We're very pleased with the initial uptake of the offer by shareholders. As we commence these local market activities and progress our India project through to financial close, this level of response is highly supportive."

What is the ELF?

In July 2017, ECT established an ELF via its wholly-owned subsidiary, ECT Finance Limited (ECTF), to support the exercise of expiring options, creating a loan book with a value of ~\$16.0 million prior to the introduction of the incentive program.

Why an incentive program?

The ELF loan book is a non-dilutive source of capital, making it preferable to traditional dilutive capital raising; however, the repayment of ELF loans is highly dependent on the prevailing share price, which in turn is influenced by the progress of the Company's major projects and commercialisation activities.

ECT Chairman, Glenn Fozard commented, "We don't expect loan repayments to occur organically before the effect of entering the project execution phase in India has been reflected in the share price.

“As such, the incentive is intended to encourage repayments as the Company expects to transition from India project preparation, through financial close, to project execution, in parallel with local market activities.”

ELF borrowers have the opportunity to receive a discount of up to 30% on one-third of their loan balance (at 31 January 2019).

For further details on the ELF incentive offer, or to apply, borrowers should visit the ECT Finance website: www.ectfinance.com.au.

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	Latrobe Valley Project	R&D	HVTF	Business Develop.	Sales
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