

Shareholder Update

ECT Board approval of the Research Collaboration Agreement for India Project

28 February 2019: Environmental Clean Technologies Limited (ASX: ECT) (ECT or Company) is pleased to confirm the following update on the Research Collaboration Agreement (RCA) for its India project.

Key Points:

- ECT Board approves the signing of the RCA
- India project partner NMDC Limited (NMDC) anticipated to hold board meeting before mid-March to consider approval of RCA for signing
- India project partner NLC India Limited (NLCIL) anticipated to confirm prior in-principle agreement to sign the RCA subject to NMDC Board approval and completion of ministerial requirements
- Partners formally committed to financial close by 31 March 2019, with MOU extension in place

Further to the Company's announcements of 5 and 26 February 2019, ECT Chairman, Glenn Fozard and COO, Jim Blackburn arrived in India earlier this week to finalise the RCA.

The Company is pleased to confirm that as result of this recent activity the ECT Board has approved the RCA and will distribute this to project partners NLCIL and NMDC for their concurrence.

Chief Operating Officer Jim Blackburn commented from Hyderabad, "We have been very happy with the discussions and review meetings conducted this week and advised our project partners of the formal process for the ECT board to review and approve the RCA for signing in its current form.

"Having received our board's approval last night, we have today provided copies of the document to both NLCIL and NMDC for them to submit internally on the expectation that the key terms are now 'frozen' and as such there are no further material changes to be made. Further, we have restated our collective commitment to financial close by 31 March 2019, which entails the NMDC board approval of the project, subsequent signing of the RCA, and the establishment of the Project Control Committee."

As a result of the meetings over the past several days, ECT convened an extraordinary board meeting yesterday evening where it considered and passed a resolution approving the signing of the RCA.

Having received the RCA document from ECT, and subject to NMDC board approval, the project partners, can then move ahead with signing of the agreement.

NMDC are yet to formally announced their March board meeting, which will consider approving the RCA for signing, however ECT understands a public release of the board meeting date will be forthcoming shortly.

NLCIL previously provided its approval of the RCA commercial terms late last year (14 November 2018) subject to NMDC's approval and consultation with the Ministry of Coal and the Company anticipates approval of the RCA and completion of the consultation with their Ministry in the coming days.

ECT Chairman Glenn Fozard commented, "Earlier this month we outlined the pathway to financial close and I'm pleased to say that, with the progress this past week, the target date of 31 March remains our expectation".

COO Jim Blackburn added, “Our partners have worked diligently to finalise the RCA, with much attention given to ensuring the detailed clauses reflected the commercial terms agreed last November.

“Specifically, the RCA is a unique agreement in that it paves the way for a first-of-a-kind project that covers both the initial research collaboration phase and sets the structure for transition to a commercial footing thereafter.”

The Company looks forward to providing further updates as activities proceed.

Background - India Project

On 30 May 2018, the Company signed an historic project agreement with two Government of India Public Sector Undertakings (PSUs), NLCIL and NMDC, for the largest ever (~AUD35 million) research and development (R&D) project between Australia and India.

The RCA will set the framework for the collaborative development of ECT’s unique resource upgrading technologies: Coldry (lignite drying) and Matmor (iron making), commencing with the preparation of the detailed sub-agreements, which are incorporated under the RCA, the terms of which were outlined on 19 November 2018.

Commencing with an ~AUD35 million R&D phase, the project aims to scale up ECT’s Matmor and Coldry technologies to deliver an integrated Coldry demonstration and Matmor pilot plant to validate their technical and economic feasibility.

Following successful phase one R&D outcomes, the project agreement provides the framework to proceed with a commercial-scale integrated steelmaking facility. The parties have previously contemplated the potential scope for the commercial phase via the techno-economic feasibility study completed in July 2016, which includes a notional capacity of 500,000 tonnes per annum steel output and an estimated AUD300 million capital investment.

For further information, contact:

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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
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