



Company Update

Friday 8 November 2019: Environmental Clean Technologies Limited (ASX: ECT) (ECT or Company) is pleased to provide the following update in relation to its insurance claim and product sales.

Highlights

- ECT's insurance company formally confirms that policy liability has been accepted
- Insurance claims will be disbursed over coming weeks
- Company website launches online order and sales functionality for 'Steam and Boiler' products and services
- Company is aiming to diversify solid fuel supplies and is undertaking multiple trials with boiler customers

Insurance claim from fire event

Further to its 1 November 2019 announcement, the Company has worked closely with its insurance firm, CGU, to progress its claim, having started the quotation process to financially quantify claimable elements of the coverage.

CGU has formally confirmed that indemnity has been granted and they are proceeding to adjust the claim.

Disbursement of claim payments is expected to commence shortly with further updates on the specific amounts to be provided in due course.

ECT continues to work with an independent engineering firm to assist with the quotation for replacement of equipment damaged or destroyed in the fire. Meanwhile, on-site remediation has seen the full removal of destroyed or damaged product. Site remediation and clean-up is likely to continue for the next 3-4 weeks ahead of removal of damaged or destroyed equipment.

The Company's steam services contract remains on-foot and alternative solid fuels have been secured by ECT's sales team with long-term supply contracts currently being negotiated.

COO Jim Blackburn commented, "Whilst the team at our Bacchus Marsh facility have been working tirelessly to ensure the site clean-up and remediation works are progressing as quickly as possible, it is really pleasing to have formal recognition of liability cover with our Insurers. Our hands-on approach to this work, side by side with the CFA, insurers and special investigators has surely reduced the overall extent of the damage and limited the size and complexity of the clean-up program. Furthermore, all those involved from the insurer and their investigators and advisers have been incredibly understanding and supportive and continue working closely with ECT as we step through the recovery process.

"The next major phase in the claims process is submission of the engineering scope of works and costings for the repair, replacement and rebuilding of the Coldry production plant. ECT Group Chief Engineer, Ashley Moore, together with our engineering team in India, have been working with external engineering firms to prepare the detailed scope of works, complemented by input from key ECT contractors who have deep experience with the specific site and machinery.

“We acknowledge we have a way to go yet, however the respective teams have performed exceptionally well under the circumstances and this bodes well for our return to production, and from there into the plant upgrade program as previously announced.”

Market diversification and product sales

As a result of the fire, the Company’s sales team has secured, and is continuing to source, alternative solid fuel for use in steam boiler applications. This has ensured the existing steam customer contract remains on-foot.

Additionally, diversifying access to solid fuel supply has allowed for new trials to occur with other boiler customers who wish to consider biomass fuel as part of their fuel mix for generating steam from their boiler systems. The Company will provide further updates on the outcomes of these trials in due course.

The Company has also launched its online point of sale that allows purchasers of solid fuel to place orders for the range of solid fuel that ECT currently available, including the future supply of Coldry following completion of the upgrades.

Chairman Glenn Fozard commented, “Notwithstanding we will have Coldry production down for at least 6 months, it’s important we prepare for the new production capacity and start taking orders. Additionally, our program of solid fuel diversification now gives us access to new product lines which allow us to make immediate sales and expand our market of boiler systems to include biomass.”

Two new trials of biomass solid fuel used in utility steam boiler systems start this week, which if converted to ongoing contracts would be serviced by approximately 50 tonnes of solid fuel per week for which the Company has supply arrangements in place.



The above picture shows the packaging of the new retail product line. The Company currently holds supply stock of 800 bags equivalent with approximately 400 bags per week of ongoing supply. Negotiations have started with retailers for the distribution of this new product line.

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 HydroMOR

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

HydroMOR is a simple, low cost, low emission, hydrogen-driven technology which enables the use of ‘low value’ feedstocks to produce primary iron.

About COHgen

The COHgen process has the potential to deliver a lower cost, lower emission method for hydrogen production from brown coal.

COHgen is currently advancing through fundamental laboratory development to inform its patent application ahead of scale up and commercialisation.

About CDP-WTE

The catalytic depolymerisation-based waste-to-energy process converts ‘low-value’ resources into higher-value diesel and other valuable by-products.

CDP-WTE can be deployed as a standalone solution or integrated with the Coldry process to deliver higher-value, lower-emission energy solutions to lignite resource owners.

Areas covered in this announcement:

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