ENVIRONMENTAL CLEAN TECHNOLOGIES LIMITED

InvestVictoria R&D Loan

19 November 2021: Environmental Clean Technologies Limited (ASX: ECT) ("**ECT**" or "**Company**") is pleased to provide the following update on the status of its FY21 R&D Tax incentive refund and the establishment of a new R&D Loan facility provided by InvestVictoria, a business of the Victorian State Government.

Key points:

- Establishment of new $1.968M R&D loan facility with InvestVictoria
- FY21 R&D Tax Incentive refund received from the ATO ($1.988M)
- Current loan with *RnD Lending* satisfied in full
- Surplus of ~$670,000 from R&D refund providing free cashflow available to Company
- R&D refund and new loan combined deliver ~$2.6m of cashflow for the current financial year

FY21 R&D Tax Incentive Refund

The FY21 tax incentive refund of $1.988M delivers a net cashflow of ~$670k to the Company following the repayment of the R&D loan balance (plus accrued interest, as disclosed in the 2021 Annual Financial Report). These funds will contribute to financing the Company's strategic initiatives, including the commercial demonstration of its Coldry technology and the preparation of a full feasibility study for the proposed Net Zero Emission Hydrogen Refinery Hub Project in Victoria's Latrobe Valley, announced recently[1].

New R&D Loan Facility

The Company is pleased to announce it has established a new $1.968M R&D loan facility with InvestVictoria, for FY22.

ECT has previously utilised finance facilities that have allowed the forward factoring of accrued R&D Tax Incentive refunds, providing flexibility to the capital management plan by delivering cashflow when required, rather than waiting until after the tax return is lodged each year.

About the InvestVictoria R&D Cash Flow Loan

The R&D Cash Flow Loans program provides low-interest loans of up to $4 million, for a period of between 12-28 months, to innovative Victorian SMEs that meet certain eligibility criteria including:

- The company must qualify for the Commonwealth Government's R&D tax incentive plan
- The company must demonstrate compelling potential for R&D in Victoria, meeting at least two of the following scenarios:
    - expected to lead to meaningful growth in R&D in Victoria
    - expected to lead to meaningful job creation in Victoria
    - expected to fund meaningful expansion of R&D operations into Victoria
    - headquartered in Victoria.

This new low interest loan program offered by InvestVictoria has now closed for further applications.

The key terms of the facility are provided in the following table.

1 See announcement 15 November 2021: "ECT commences full feasibility for its headline project"

Key Terms

Offer date	19 November 2021
Maximum Loan Amount	$1,968,000
Maturity Date	31 October 2023
Maximum first draw	$1,180,000
First draw date	10 business days from date of signing
Maximum second draw	$788,000
Second Draw date	Between 1 January and 28 February 2022
Forecast FY22 R&D Refund	$2,460,560
Loan to Value Ratio (LVR)	80%
Interest Rate	Treasury Corporation of Victoria - [TCV] 11AM AEST Rate, currently 0.265% p.a.

Managing Director Glenn Fozard noted:

> *"This new loan provided by the Victorian State Government evidences our increasing involvement in Victoria's economic growth via technology expansion, with the savings of over $100,000 in interest expense being able to be directed into further R&D.*
>
> *The combined value of R&D rebate surplus and new R&D loan facility* delivers approximately $2.6m of cashflow for the current financial year and gives the Company greater depth in financial resources ahead of completion of our Bacchus Marsh project and the continued progress on the Latrobe Valley Hydrogen program.

This announcement is authorised for release to the ASX by the Board.

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About ECT

ECT has been developing net-zero emission and hydrogen technologies for over 15 years.

Our solutions aim to transition today's use of resources to tomorrow's zero-emission future, delivering immediate financial and environmental benefits.

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

ECT's business plan is currently focusing on two major projects:

1) Zero-Net Emission Coldry Commercial Demonstration at Bacchus Marsh, Victoria, Australia
2) Zero-Net Emission Hydrogen Refinery Project at the Latrobe Valley, Victoria, Australia

About our Technology Suite

Coldry

Coldry is the gateway enabler of higher-value applications for waste biomass and lignite.

These streams are a rich source of valuable hydrocarbons. However, they suffer from high moisture content that must be reduced to enable higher-value upgrading and conversion to solid fuels, liquid or gaseous hydrocarbons.

Drying is easy. However, drying efficiently, cost-effectively and with a low emissions footprint has been the challenge. Coldry meets this challenge through a combination of 'substrate densification' and waste heat utilisation, delivering the world's first low temperature, low pressure, low cost, zero CO_2 emissions drying process.

HydroMOR

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

HydroMOR is a simple, low cost, low emission, hydrogen-driven technology that enables 'low value' feedstocks to produce primary iron. HydroMOR is the transition solution to a "green steel" future.

COHgen

The COHgen process has the potential to deliver a lower cost, lower emission method for hydrogen production from lignite and other waste biomass streams.

COHgen is currently advancing through fundamental laboratory development intended to form the basis for a patent application ahead of scale-up and commercialisation.

COHgen aims to decouple hydrogen production from CCS, accelerating the race towards <$2kg production costs, with little to no emissions.

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.

Forward-Looking Statements

Statements contained in this release, particularly those regarding possible or assumed future performance, revenue, costs, dividends, production levels or rates, prices or potential growth of ECT, are or may be, forward-looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Therefore, actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.