

ECT and Mecrus to form Joint Venture

Friday 25 July 2014: Environmental Clean Technologies Limited (ECT or Company) (ASX:ESI) is pleased to announce it has executed a binding Heads of Agreement to form a Joint Venture (JV) company with Australia's leading brown coal plant operator, Mecrus.

The JV will focus primarily on the provision of commissioning, operations and maintenance services to ECT projects both in Australia and overseas. Such services are an essential component in delivering a robust Technology Transfer Package (TTP) to Coldry technology adopters.

Mecrus (see 'About Mecrus' below) are viewed as the most experienced Operations and Maintenance service provider for brown coal / lignite upgrading plants in Australia.

ECT's Managing Director, Ashley Moore commented "While we see significant medium to long-term opportunities developing with Mecrus, in the shorter term the JV Company lends additional strength to the delivery aspect of the Coldry Demonstration Feasibility Study (FS) currently being finalised for Neyveli Lignite Corporation (NLC) of India".

"The FS report is not simply a technical document that assesses whether Coldry can work, as we cleared those hurdles last year in early evaluations by NLC. The report brings together the commercial, technical and operational blueprints to take the project forward. Through our association with Mecrus, we're now able to demonstrate best-in-class delivery capability to the training, commissioning, operations and maintenance aspects of the project. This is vital for NLC to be able to successfully operate the plant and the business it will support. The report is in its final stages of preparation, and due to be submitted on schedule."

Barry Richards, Managing Director of Mecrus added "We have worked with ECT now for some time, and see solid, long-term opportunities in the JV via a combination of ECT's technology and business development, along with Mecrus' practical operational experience. In addition to the Operations and Maintenance activities, the JV will also cover local project development here in Australia in the minerals and energy upgrading sector."

The Joint Venture Company will be formed in the coming months following conclusion of planned corporate and administrative activities.

About Mecrus:

MECRUS is a private Australian owned asset management company whose philosophy is centered on innovative process improvements that lead to superior profitability. With a focus on practical process improvement implemented with a well-trained and motivated workforce, Mecrus delivers cost savings, efficiency improvements and reliable, high quality operations.

Mecrus are currently the asset operator of the Australian Briquette Production Facility in Morwell, and were responsible for its reconstruction and return to successful operation following its disastrous fire in 2003 while under the operation of its previous occupier. It returned the facility to operations under budget, ahead of schedule, and reduced operating costs via a combination of process improvements.

For further information contact: *Ashley Moore – Managing Director - info@ectltd.com.au*

About ECT

ECT is in the business of commercialising leading-edge coal and iron making 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 licencing and other commercial mechanisms.

About Coldry

When applied to lignite and some sub-bituminous coals, the relatively simple 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.
