

## Shareholder Update – Matmor Extension

**Monday 28 July 2014:** Environmental Clean Technologies Limited (ECT or Company) (ASX:ESI) is pleased to advise that it has reached agreement with the owners of the Matmor Intellectual Property (IP) to extend the Matmor development arrangements to reflect the current status of both Coldry and Matmor commercialisation.

### Key Points:

- Matmor license agreement remains on-foot
- Development timetable extended by one year
- Company remains committed to Matmor commercialisation

The agreement reached with Matmor IP owners, the ‘Maddingley Group’, formally extends the development arrangements by one year to 31 December 2015.

Under the previous milestones the Company was due to complete construction of a Matmor Pilot Plant by 31 December 2014.

This extension provides the parties sufficient time to assess and, as may be subsequently agreed, to amend the basis upon which ECT may access Matmor IP ahead of further substantial Matmor technology development.

Managing Director, Ashley Moore commented “Building on the advances being made with Coldry via our India strategy, this agreement recognises and responds to the challenges along the road to commercialisation of Matmor. ECT have taken the early pioneering work on Coldry by the Maddingley Group and progressed it to the point of demonstration readiness. Successful Coldry demonstration will lay the technical and financial ground work for Matmor development in the years ahead and we welcome the ongoing support through this pragmatic extension.”

ECT will pay the Maddingley Group \$110,000 as consideration for the extension, consistent with prior extensions granted to the company.

“With the momentum developed behind Coldry deployment, and the results to date of our India strategy, we believe the expenditure on this Matmor IP extension is a sound investment of shareholder capital”.

The Company is committed to Matmor advancement and continues its research into fundamental raw material characterisation and development testing of a broad range of lignite and metal oxides.

### Background

The Matmor process is currently developed to test plant scale, with our commercialisation pathway entailing scale up to a Pilot Plant of approximately 6,000 tonnes per year capacity, ahead of subsequent scale up to a commercial-scale demonstration plant.

The licence agreement with the IP owners grants ECT the exclusive global rights to commercialise and market Matmor, and includes a series of development milestones.

The demonstration of Coldry in the context of Matmor is important. Coldry acts as the front-end raw material preparation process for Matmor by drying the lignite and producing a ‘composite’ pellet. De-risking the investment into Matmor’s scale up by first demonstrating Coldry technology at commercial scale is a necessary development sequence.

**For further information contact:** Ashley Moore – Managing Director - [info@ectltd.com.au](mailto:info@ectltd.com.au)

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## **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 CO<sub>2</sub> 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.

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