



Shareholder Update – Capital Management

Friday, 31 October 2014: Environmental Clean Technologies Limited (ASX: ESI) (ECT or Company) provides the following update on capital management arrangements.

- 2013-14 FAST Finance Loan Facility Concluded
- 2014-15 FAST Finance Loan Facility Established
- R&D Tax Incentive Rebate Received

FAST Finance Loan 2014-15

The Company has agreed a “FAST Finance” loan through finance provider *Platinum Road*. The FAST Finance loan is an advance against the expected R&D tax incentive due in October-November 2015.

The loan is a rollover of the principle amount of the 2013-14 FAST Finance Loan announced on 31 October 2013 of \$1.2 million, with key terms as follows:

Term:	12 months
Repayment:	Cash in full from the R&D tax rebate refund
Interest Rate:	15% p.a. added to the loan amount
Fees:	5% (satisfied as cash & an additional amount added to the loan)
Total Loan value:	\$1.439 million (including interest and fees)

The loan is secured against the reasonable expectation of future R&D tax incentive refund based on planned activities of eligible expenditure related to R&D, including Matmor development.

Due to the dynamic nature of the business, the parties have built in flexible repayment options, contingent upon various planned activities, allowing for repayment in cash or shares.

Assuming activities go to plan, the loan may be satisfied in cash, or – at the lenders’ discretion – via a placement of ECT shares priced at 2 cents.

Should there be a downward change in the amount of the expected future R&D refund, the loan will become a convertible note. The assessment against this criterion will occur on 31 January 2015.

If the loan becomes a convertible note, the conversion price shall be the lower of:

- a) 90% of the lowest VWAP of the five (5) most recent Trading Days prior to the Conversion Time; and
- b) \$0.015 (1.5 cents) per Share

2013 FAST Finance loan

The Company established a \$1,200,000 FAST Finance loan facility last year (announcement 31 October 2013), which is concluded under the terms of the new FAST Finance facility outlined above.

R&D Tax Incentive Rebate Received

The company also advises receipt of the Research and Development Tax Incentive rebate from the Australian Tax Office.

The rebate of \$564,865 now contributes to the Company’s free cash flow to fund working capital, ongoing project development and R&D works.

For further information contact:

Ashley Moore – Managing Director +61 3 9909 7684 or 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.
