



Shareholder Update – Capital Management

Friday, 9 January 2015: Environmental Clean Technologies Limited (**ASX:ESI** and **ECT** or **Company**) provides the following update on capital management and planning activities.

Key points:

- Fast Finance Covenant condition eliminated
- Options Exercise Mandate issued

In anticipation of advancing its previously announced objectives in India in relation to the development of both its Coldry and Matmor technologies, the Company has finalised elements of its capital management planning activities.

These activities are aimed at ensuring the Company is prepared for success and include the following:

(1) Fast Finance Covenant

The recent arrangements regarding the Company's Fast Finance Facility (ASX announcement 31 October 2014) included a requirement to demonstrate to the financier that forecast R&D expenditure, and the subsequent expected rebate, was sufficient to cover the facility.

With the recent acquisition of Matmor assets (ASX announcement 4 December 2014), the financier is satisfied the expected R&D rebate due later this year will satisfy the obligation.

In addition, the Company believes the acquisition of the Matmor assets materially underpins future R&D claims into 2016, in alignment with the Company's 2-year Matmor development program, providing further cashflow to the business.

This assessment satisfies the Covenant in the Fast Finance agreements, which is in the best interests of shareholders.

(2) Options Exercise Mandate

The Company has appointed Platinum Road to manage an options exercise program. Such a program is designed to provide a mechanism, under appropriate market conditions, for the proactive facilitation and conversion of Options to deliver capital inflows in support of the Company's objectives. Such appropriate market conditions may include the delivery of shareholder value through advancing its technology development objectives in India.

The mandate provides the terms and conditions under which the program may be executed and will be assessed on a regular basis, with the Company maintaining directional control over the terms to ensure market competitive services are delivered and shareholder value maximised.

Platinum Road Managing Director Dr David Menzies said "The Matmor acquisition is a significant accomplishment for ECT, instilling a level of confidence in the company's approach to advancing the Coldry and Matmor technology platforms and we look forward to supporting their further commercialisation efforts "

For further information contact:

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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 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.