



Shareholder Update – India Activity

Wednesday, 18 March 2015: Environmental Clean Technologies Limited (**ASX:ESI** and **ECT** or **Company**) provides the following update in relation to its project development activities in India.

Key points:

- Tripartite Collaboration Agreement negotiation nearing conclusion
- Coldry project engineering work progressing
- Matmor development planning underway
- Matmor material testing showing positive results

Collaboration Agreement Status

The Company has been in detailed discussions around a Collaboration Agreement with two Indian Government Public Sector Undertakings (PSU's); Neyveli Lignite Corporation (NLC) and the National Mineral Development Corporation of India (NMDC).

The agreement is aimed at bringing together the previously separate Coldry and Matmor initiatives with the objective of demonstrating the Coldry process and developing Matmor to pilot scale.

ECT managing Director Ashley Moore stated, "We believe we're close to concluding the required discussions, and will then have a clear process to move to formal ratification and signing by both NLC and NMDC."

"We are doing something unique here, being amongst the first Australian companies to reach this point in discussions with two Indian PSU's. As such all parties have been focused on getting the deal right, rather than simply getting 'a deal' done, which has taken longer than anticipated."

The Collaboration Agreement will allow ECT to move forward with Coldry and Matmor development, via an integrated project approach.

Continuing Development – Coldry

Advances in Coldry technology process and product continue to be undertaken by the ECT team. Of particular note is the work underway with Thermax, our Indian EPC and engineering partner, in developing enhanced efficiency heat exchange systems to take full advantage of available waste energy sources. Thermax are world-renowned specialists in the area of 'Heat Pumps', which fit very well with Coldry technology deployment.

Additionally, development efforts continue in the area of finished product handling performance. In particular, improvements have been developed in the area of Coldry pellet density and toughness. Further information on these advancements will be provided on ECT's website soon.

Thermax have also begun integration engineering activity to adapt the standard Coldry configuration to include the additional raw materials needed to support production of 'composite pellets', as required to feed the Matmor process. Additionally, new heat integration systems to supply downstream utilisation and upgrading technologies are under evaluation.

Matmor Development activities

On the Matmor front, and with the view to continuing to leverage India's reputation for frugal innovation, the Company has commenced the evaluation of potential engineering partners to support Matmor development.

The Company is assessing internationally recognised engineering organisations with pyrometallurgical engineering expertise, process development experience and the appetite to participate in a pilot scale-up project.

As this evaluation program is completed, further information will be provided.

The work programs that will be undertaken as a result of the selection of the Matmor engineering partner are similar in nature to the now completed Design for Tender (DFT) program undertaken for Coldry, which entailed the scale-up engineering activity from the Coldry Pilot Plant to the Demonstration scale.

There are two main stages to this work program, being the operation and development of the existing Test Plant to provide suitable engineering data, and the scale-up work itself.

The Test Plant operations will focus on raw materials sourced from NLC and NMDC, which continue to be evaluated and optimised in our bench scale testing equipment. Recent tests have shown improved results in terms of recovery as we optimise the blend ratios and flux selections.

Finally on the Matmor front, we will soon commence the evaluation of alternative equipment configurations in the melt-stage of the process aimed at optimising performance, refining lignite-ore blend ratios, and improving metal-slag separation.

Next Steps

The Company will provide further updates following the anticipated conclusion of the discussions on the tripartite collaboration agreement.

At that time, a revised timeline for development and project activities will also be provided.

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.