

Shareholder Update

Tuesday, 5 May 2015: Environmental Clean Technologies Limited (ASX: ESI) (ECT or Company) provides the following update on key activities:

- Indian Project activities
- Strategic Review
- Capital management update

India Project Development Activity

The Company remains in discussions with two Indian Government companies, Neyveli Lignite Corporation (NLC) and the National Mineral Development Corporation (NMDC) with the intent of entering a tripartite collaboration agreement for the development of its Coldry and Matmor technologies.

ECT is hosting a visit by NLC's senior management this week, including:

- Mr. B. Surender Mohan, Chairman & Managing Director
- Mr. S. Boopathy, Director (Planning & Projects)

Also in attendance is Mr. Anurag Kapil, Director, Ministry of Coal, Government of India.

The visit will incorporate business and project development discussions, live demonstrations of both the Coldry and Matmor process, business meetings and attendance at local industry functions.



Left to right: Dr Prasad, Chief Manager, Projects and Business Development, NLC; Mr S. Boopathy, Director Planning and Projects, NLC; Mr B. Surender Mohan, Chairman & Managing Director, NLC; Mr Ashley Moore, Managing Director, ECT; Mr Anurag Kapil, Director, Ministry of Coal, Government of India; Mr Jeff Castellas, Managing Director, Greenard Willing India

Strategic Review

In line with its commercialisation objectives and in preparation for a change in operational mode toward project execution, the Company has engaged Platinum Road to conduct a detailed Corporate Strategic review.

The purpose of the review is to assist the Company in transitioning its business as and when projects go live, with a focus on enabling the attracting of strategic and institutional investment into the company.

Consideration for the above will be satisfied via the issuance of 11.75 million ESIOB Options, split between commencement and completion of the review and its resulting report.

Capital Management

In support of its commercialisation strategy, the Company has agreed to an extension of the existing "FAST Finance" loan through strategic finance partner *Platinum Road*. *ECT would like to acknowledge Platinum Road's continued support of its commercialization pathway.*

The FAST Finance loan is an advance secured primarily against future R&D tax incentive rebates.

The loan is an extension on the existing \$1.439 million facility announced to shareholders on 31 October 2014, with key terms as follows:

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| Term: | 12 months |
| Interest Rate: | 15% p.a. added to the loan amount plus 9.75 million ESIOB Options per tranche drawn |
| Fees: | 5%, incorporated into the loan amount |
| Total Loan extension value: | Up to \$1.2 million (including interest and fees), in tranches of \$300,000. |

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 the VWAP of the ESI share price fall below 0.6¢ per share for 10 consecutive days, the conversion price shall become the lower of 2.0¢, or a 5% discount to the lowest daily VWAP for the prior 10 trading days.

The Directors believe this facility provides short-term capital management flexibility to the company as it pursues its key objective of technology demonstration in India.

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.
