

Annual General Meeting

Friday 27 November 2015

Chairman's Address and Managing Directors Presentation

Over the past year, we've focused our energy and attention on advancing those goals we outlined at last year's AGM:

Goal 1 - Commercialise Coldry via building our first commercial-scale demonstration plant (CDP)

Goal 2 - Prepare Matmor for following the same commercialisation path close behind Coldry

Goal 3 - Develop markets for additional plants for both Coldry and Matmor.

We've made solid inroads achieving agreement for the execution of a tripartite collaboration agreement with two significant Indian Public Sector Undertakings (PSU's), Neyveli Lignite Corporation (NLC, India's largest lignite miner & power generator) and NMDC (India's largest iron ore miner), for the advancement of our Coldry and Matmor technologies to demonstration and pilot stage, respectively.

We provided a brief update on the status of Indian Government clearance a couple of days ago.

In short, we've continued to work closely with NMDC, India's leading iron ore miner, to finalise the written confirmation from the Ministry of Steel needed to clear the way to the formal signing of the tripartite agreement.

We understand that the Ministry of Steel has sought guidance from two Government departments with respect to confirming the statutory requirements and protocols for the signing of this type of agreement.

Of the two Departments, one has already provided their 'no objections' clearance and the Ministry of Steel is currently awaiting the other.

It is important to note that the sole focus of this recent deliberation within the Indian Government is on determining the appropriate regulatory authorities under which to provide clearance for NMDC to sign the tripartite agreement, rather than any consternation regarding the concept of the three companies coming together to develop and commercialise Coldry and Matmor technologies in India.

The tripartite collaboration agreement, with its inherent tie-up of two Public Sector undertakings with a foreign company, will be a first for the parties. Further, given its potentially substantial financial commitment through to commercial deployment and its binding status, ensuring the agreement is signed correctly under Indian law, is essential to giving it legal standing.

Our experience in India, although challenging, is positioning us well for becoming a truly global company offering global engineering solutions.

India is a country ripe with opportunities and whilst we may still confront ways of doing business that are frustrating in comparison, it is a country slowly setting itself up for becoming the engine room of world growth. They are a smart nation with one of the fastest growing demographics for tertiary educated youth. This wave of knowledge and educated minds will drive the changes necessary to move India into a more efficient and economically powerful nation.

India is the slow moving elephant through the jungle - in no hurry, aware of its might and sure of its path. India is a country where patience and quiet method are necessary virtues.

In our time in India over the last year, we are often encouraged by our various partners to “please, have patience”. We are determined to “do our time”, developing deep relationships and a respectful appreciation for the culture of doing business in India. India is not a fleeting interest but rather a core plank to developing ECT into a globally competitive commercialiser of resource technologies.

As we have worked through the necessary Government approvals processes, considerable influence has been brought to bear by both NLC and NMDC, in addition to the hands-on support of Australia’s High Commission in Delhi and that of our corporate advisors at YES Bank, particularly Mr Rajnesh Trivedi. Our company is well supported to scale up growth in India as we move through this first stage.

Your Managing Director, Ashley Moore, will provide further comment on the clearance process in his presentation shortly.

Suffice to say, the tripartite agreement is a significant milestone for your company. It establishes the framework within which we will progress the development of the integrated Coldry demonstration and Matmor pilot plant. It marks the beginning of the tangible project work aimed at delivering technical and financial validation for Coldry ahead of broader global deployment, and at progressing Matmor to its next stage of development ahead of subsequent demonstration and commercial adoption.

The tripartite agreement is a binding agreement. It lays out the key activities needed to move forward with Coldry and Matmor development, via an integrated project approach, while allowing appropriate flexibility around key decisions involving business structures, investment, including timing and methods, and post-project ownership options.

Closer to home, we’ve acquired the Matmor assets, which underpin the engineering work needed to propel Matmor forward, and increase investment certainty with our colleagues in India. We completed the acquisition within a shorter period, and much more effectively than similar arrangements in the past - clear evidence of our focus on continuous improvement.

We are satisfied that Goals 1 & 2; Coldry demonstration and Matmor Pilot development, are well underway and now with an integrated approach to demonstration. This has slowed down progress of Goal 1 however Goal 2 will likely be achieved much faster than expected.

We are also pleased to inform our shareholders that, consistent with Goal 3, we are undertaking a Techno Economic Feasibility study on an integrated Coldry plant here in Australia. This plant is intended to act as the primary gateway for further utilisation of Latrobe Valley lignite by other enterprises. We have also started feasibility on upgrading the Bacchus Marsh Pilot Plant to become a high volume test facility to not only support global sales of Coldry and Matmor technology but to meet small commercial contracts for supply of Coldry pellets into the Victorian market. This marks the transition point from our company being a purely technology development company to one that seeks to monetise those technologies into earnings and cash accretive activities. Ashley will cover more on this shortly.

On the operational front, we’ve made tangible improvements in how we do things, reflected in an underlying \$400,000 cash saving for the year, which your Managing Director, Ashley Moore will also talk to shortly.

Our goals for 2016 include:

1. Commence construction of our first large project in India
2. Complete designs and lodge upgraded patents for Matmor
3. Finalise feasibility for the second project
4. Achieve first earnings from commercial contracts associated to the application of our technology.

In short, we've managed to deliver a lot, with a little, in a relatively short amount of time and we look forward to getting on with the exciting but considerable task of delivering a first-of-a-kind project, in the worlds fastest growing market, with the support and assistance of our word-class partners.

Finally, I'd like to thank you, our shareholders, for your ongoing support which, along with the dedication of the ECT team, will continue to drive the realisation of the considerable potential of our company.

For further information, contact:

Ashley Moore – Managing Director info@ectltd.com.au



ENVIRONMENTAL CLEAN
TECHNOLOGIES LIMITED

Annual General Meeting 2015

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Forward looking statements are only predictions and are not guarantees of performance. Wherever possible, words such as "may," "would," "could," "will," "anticipate," "believe," "plan," "expect," "intend," "estimate," "aim," "endeavour" and similar expressions have been used to identify these forward looking statements. These statements reflect the Corporation's current expectations regarding future events and operating performance, and speak only as of the date of this material. Forward looking statements involve significant known and unknown risks, uncertainties, assumptions and other factors that could cause our actual results, performance or achievements to be materially different from any future trends, results, performance or achievements that may be expressed or implied by the forward looking statements, including, without limitation, changes in commodity prices and costs of materials, changes in interest and currency exchange rates, inaccurate geological and coal quality assumptions (including with respect to size, physical and chemical characteristics, and recoverability of reserves and resources), unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications or expectations, cost escalation, unavailability of materials and equipment, delays in the receipt of government and other required approvals, and environmental matters), political risk and social unrest, and changes in general economic conditions or conditions in the financial markets or the world coal industry.

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Agenda

- FY 2015 in review
- FY 2016 – Looking forward
 - India Project Development
 - Australian Project Development
- Q&A

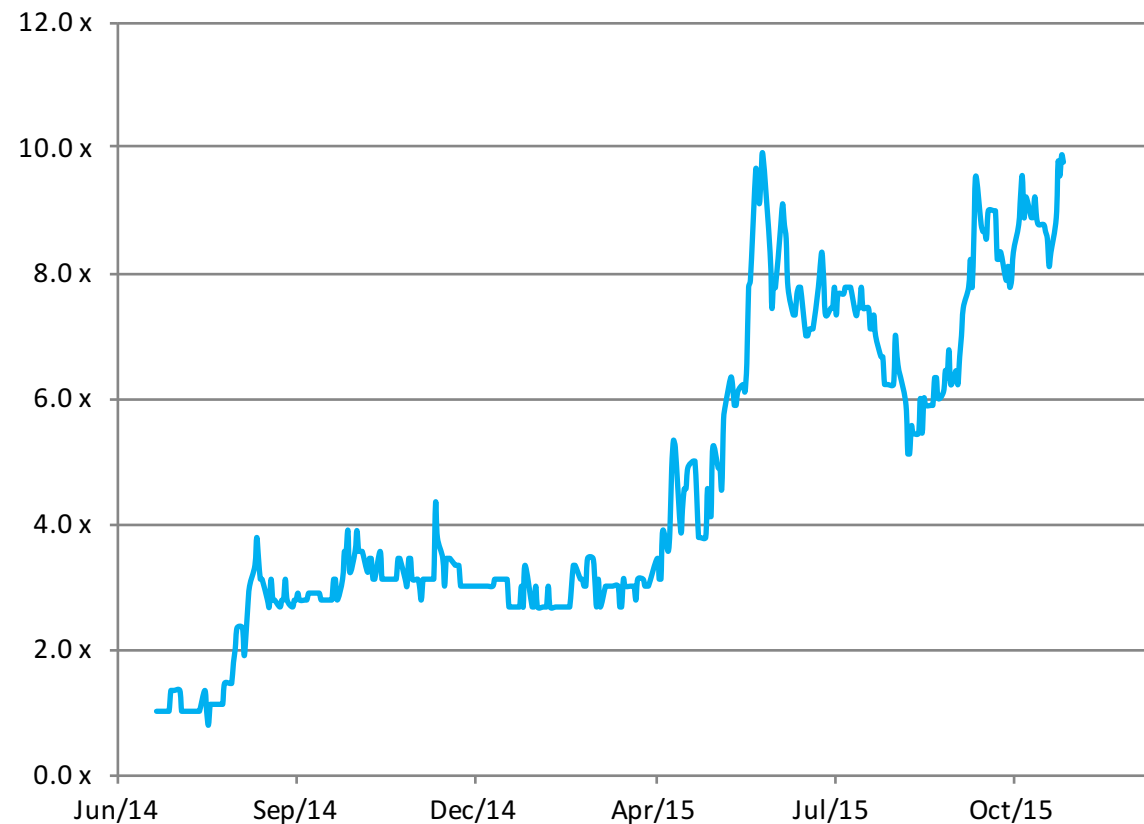
FY 2015: Building Confidence

- ⦿ Capital Structure
- ⦿ Matmor Acquisition
- ⦿ Matmor R&D
- ⦿ India project advancement
- ⦿ Exploring Australian opportunities
- ⦿ Financial performance

FY 2015: Capital structure

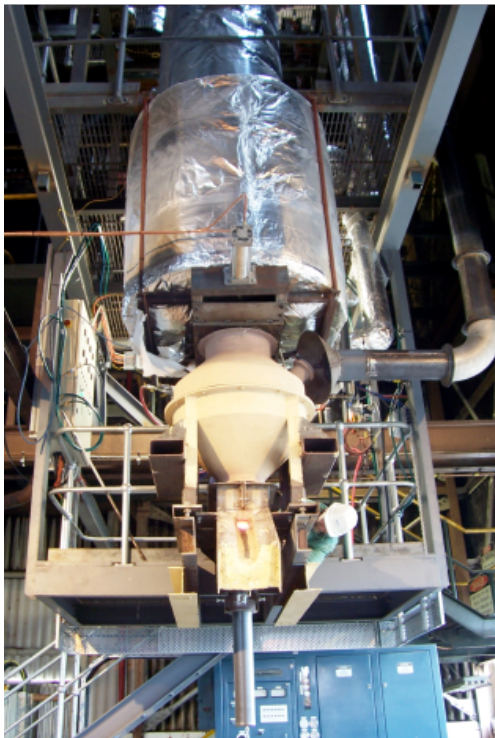
- Fully subscribed ESIOA Options issue, Bonus ESIOB issue

Total Shareholder Return

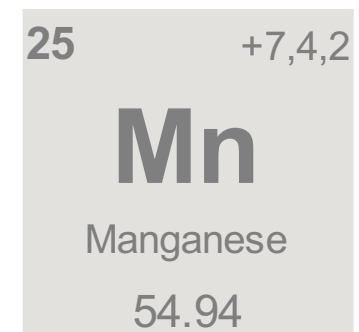
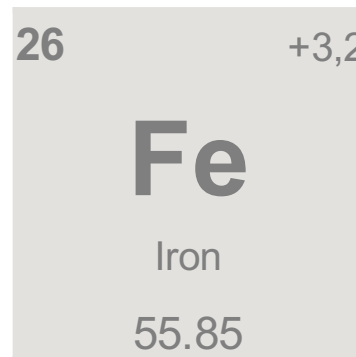


The relative value of 1 ESI FPO held 1 July 2014 to Nov 2015, inc. Bonus 1/3 ESIOB issue

FY 2015: Matmor acquisition



- Plant & equipment for \$4.5m
 - \$1m ESIOB issue
 - \$3.5m cash residual
- Intellectual Property (IP):
 - 2 patents + accumulated know-how
 - Share of future commercial income derived

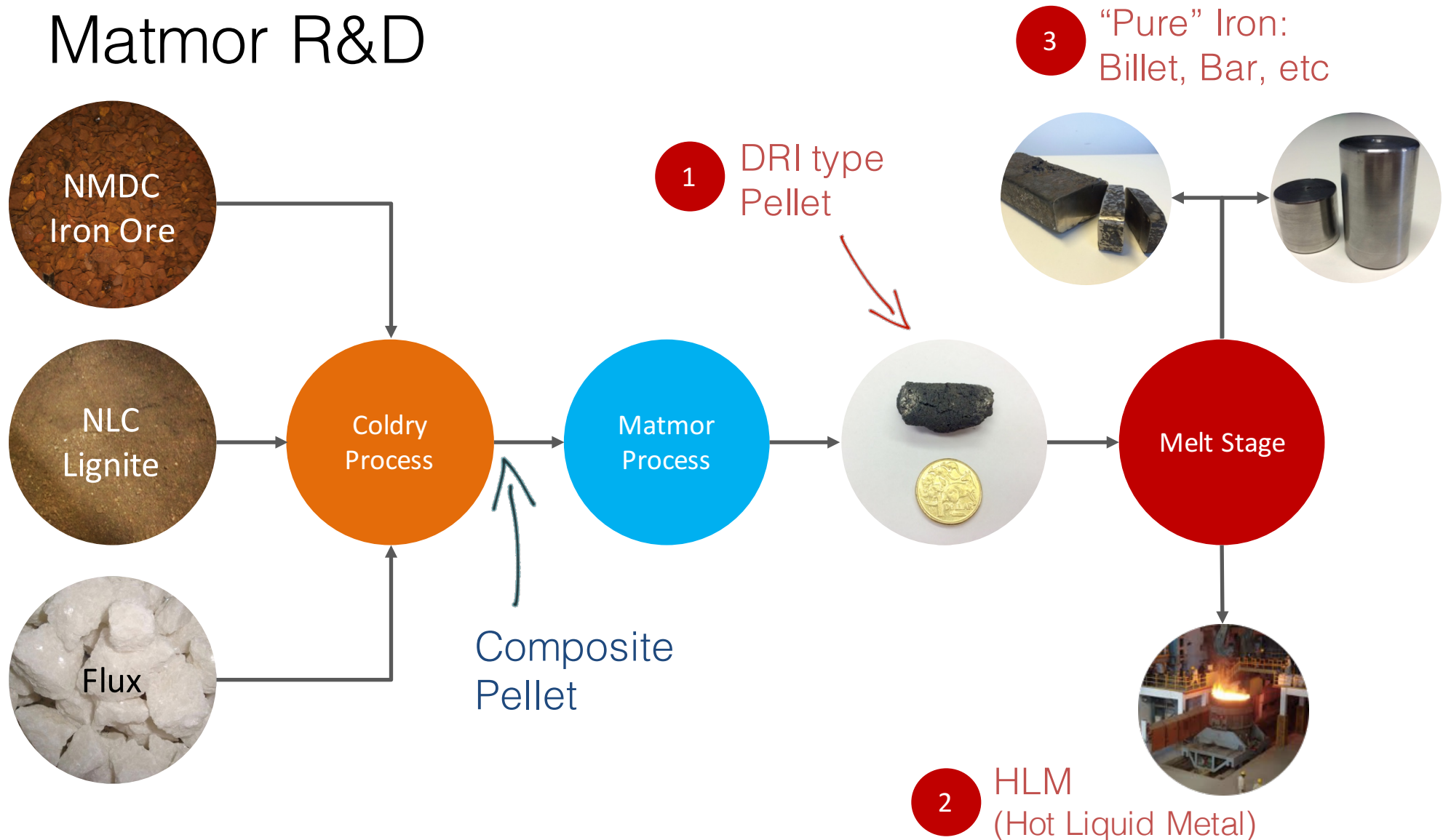


FY 2015: Matmor R&D

- ⦿ Refined bench-scale test process
 - ⦿ New process findings indicate potential capital and operational cost savings at scale
- ⦿ Matmor product format options expanded
 - ⦿ DRI equivalent, HLM, Billet
- ⦿ Other products than pure Fe / Crude Steel
 - ⦿ Limonite (Iron-nickel ore) highly prospective
 - ⦿ Ferro-manganese testing highly prospective
 - ⦿ Ilmenite (Iron-titanium ore) investigations proceeding positively
- ⦿ New IP is being developed; Potentially patentable
 - ⦿ IP protection will include a mix of Patent and Trade Secrets approaches

FY 2015: Matmor R&D

Matmor – 3 Product formats



FY 2015: India Project



- Substantial engineering advancement
- MN Dastur now selected for Matmor engineering partner
- Slower than expected Governmental sign off
- Current status: Awaiting finalisation of approvals at the Ministry of Steel
- Parties are ready to sign the Tripartite Collaboration Agreement following clearances
- Both NLC and NMDC remain extremely keen to progress, and see great value associated with our upgrading technology suite

FY 2015: Australian opportunities

- Victorian based, export oriented thermal coal projects not currently viable
 - no export infrastructure
 - seaborne trade supply-demand imbalance
- Coldry remains a superior pre-treatment process high efficiency thermal power generation and other upgrading projects (e.g. Pyrolysis and Gasification)
- Matmor development works indicate opportunities exist beyond Iron
- Focus is now on Techno-Economic review associated with a MetChar type product

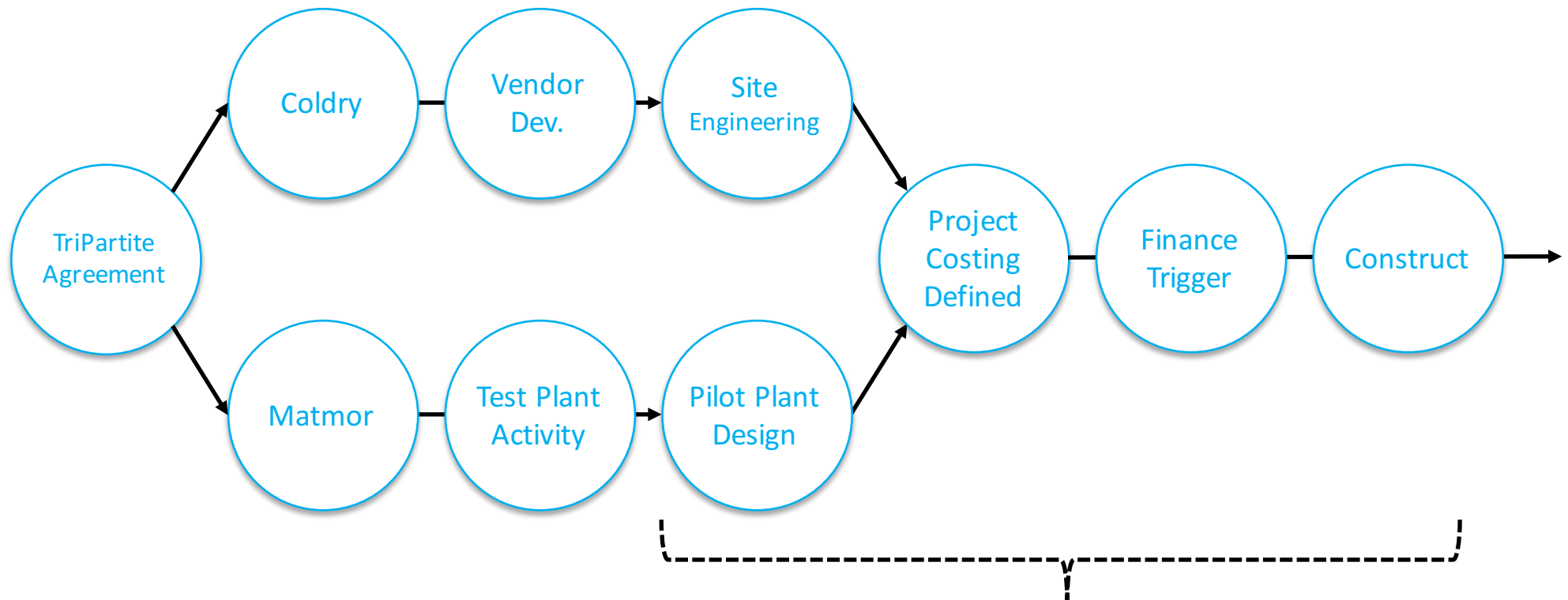
FY 2015: Financial performance

- Continued emphasis on cost management saw ~\$400k reduction in core expenses
- Structuring and execution of Matmor acquisition
- Further tuning Human Resources

2016:
Towards
positive
cash-flow

- ⦿ India project development
- ⦿ Australian Project Feasibility Study
- ⦿ Victorian fuel supply opportunity

2016: India project development



Detailed agreements, defined in the tripartite agreement framework and triggered by stepwise advancement of activities are delivered as we advance along the development pathway

2016: India project development



‘Gateway’



Domestic



Export

Coldry:

- Thermax ready to go, substantial preparation works complete
 - Proprietary equipment vendor development works
 - Integration engineering and site specific aspects scheduled following Matmor Pilot Plant Development works
- *Financial trigger*
- Construction
- Commissioning, optimisation & validation
- Commercial expansion

2016: India project development



DRI equiv



HLM



Billet

Matmor:

- MN Dastur appointed engineering partner
- Pilot Plant development program commenced:
 - Test Plant upgrades already started
 - Data development runs to inform Pilot Plant design
 - Designs prepared for EPC costing
 - *Financial trigger*
 - Construction
 - Commissioning
 - Test program
 - Next Steps... following Coldry model

2016: India project development

Capital:

Subject to final integrated project costing the notional capital contribution framework includes:

- Partner contributions, possibly via investment in ECT
- Debt finance connected to R&D claimability of the project
- ECT equity
- Flexible framework to maximise shareholder value

2016: India project development

Approvals:

- ◉ India's Government structure is very different to that of Australia
 - Substantial Government involvement in Industry
 - Meticulous attention to process and administration
 - A history of 'not so good outcomes' and a new intensity to clean things up have resulted in slower progress
 - Ministry of Coal – signed off
 - Ministry of External Affairs (Foreign Affairs) – signed off
 - *Ministry of Steel – almost there*
- ◉ Silver lining – much higher profile in Government

2016: Australian project TEF

- Techno-economic Feasibility Study commenced
- Coldry integrated pyrolysis project, generating a high-value product for blast furnace heat generation
- Significantly higher-value than Thermal coal
- Evaluations will cover product requirements, markets, as well as suitable Pyrolysis processes and their integration needs for Coldry

2016: Victorian fuel supply

Hazelwood's trial of alternate auxiliary fuels will go international following the arrival on site later this week of brown coal briquettes from Germany.

The closure of Energy Brix has led the Hazelwood business to explore alternatives for the auxiliary fuel it needs during power station start-ups and shut-downs. A range of fuels, including black coal from Queensland, are being trialled to establish which has the characteristics best-suited to the Hazelwood plant.

*www.gdfsuezau.com**

Given the unique facets of the Victorian market for solid fuels, an opportunity exists:

- An upgraded Coldry Pilot Plant could supply a range of small to medium briquette consumers left unable to source solid fuels locally since the closure of Energy Brix
- Pilot plant upgrades will also provide for significant improvements in testing capability at the pilot plant
- Project evaluations have begun following successful trials in prospective customer boiler systems

Thank you.

