

## ***IBU coal proves suited to Coldry***

**Wednesday, 29 April 2009:** Environmental Clean Technologies Limited (ASX:ESI) advises that coal samples from Ilthabi Bara Utama (IBU) coal mine in East Kalimantan have responded successfully to Coldry testing.

The moisture from the IBU coal samples, that came from deep within the jungles of East Kalimantan, has reduced to as little as 13% from a starting moisture of 54%.

ECT Chief Executive Kos Galtos said these results were pleasing and ECT would now engage in more intensive discussions with IBU and ECT's construction partners to determine the commercial viability of a project in such a remote location.

"The results are encouraging and we are now exploring the realities of what it will take to actually build a plant in remote Borneo in terms of both infrastructure needs and people resources," he said.

ECT and IBU are in discussions over a Heads of Agreement (HOA) to build the plant, based on the outcome of an acceptable joint business model.

Mr Galtos recently spent three days in Jakarta with the Chairman of IBU and senior executives where it was agreed that subject to successful pelletisation and drying of coal samples, the next step would be a HOA.

It is envisaged ECT and IBU will enter into a joint venture to build a Coldry plant in East Kalimantan. IBU will provide enough coal from its Kalimantan mine, at an agreed price, to produce 10M t.p.a of Coldry for offsite consumption.

"There is genuine enthusiasm from both ECT and IBU to forge a strong relationship," Mr Galtos said.

"This presents another exciting opportunity for ECT and will provide a production facility within the south-east Asia market where huge potential exists for our company," he said.

*For further information contact;*

*Chief Executive      Kos Galtos      +61 3 9684 0888.*

### **Coldry Process**

The world's first economic method for dewatering brown coal, creating a high energy pellet with significantly reduced CO2 emissions compared to brown coal, while being suitable for export as a black coal substitute.

### **Matmor Process**

A one-step method for producing low-carbon iron from inexpensive, abundant brown coals and metal bearing media such as mill scale, nickel tailings and low grade iron ore.