



Arup commences Design for Tender

Monday, 31 October 2011: Environmental Clean Technologies Limited (ECT) (ASX:ESI) is pleased to announce the commencement of the Design for Tender for its flagship Victoria Coldry Project.

Key Points

- Design for Tender commenced
- Phase 1 due to complete early Q2, 2012

Consistent with the strategy outlined in the Non-Renounceable Rights Prospectus (26 August 2011), ECT has finalised commercial agreements with ARUP for the Design for Tender (DFT) and commence phase one in the three phase DFT work package.

The DFT is the first stage in the engineering that will lead to detailed design (construction ready drawings), determination of capital costs, financial close, construction and commissioning.

ECT Executive Chairman and Managing Director, Michael Davies commented, "We've taken an important step today toward the large-scale deployment of Coldry in the Australian market and look forward to working with Arup to deliver this important work in coming months.

"Given the level of capital raised in the recent Rights Issue and the ongoing level of interest in our shortfall program, ECT remains confident of raising the \$3.8M targeted in the Prospectus", he said.

The current capital raised sits at \$1,401,422, with expressions of interest or applications for shortfall in excess of \$900,000, allowing the commencement of the DFT.

The DFT first phase is expected to cost \$1M and to be completed by early Q2 in 2012.

Impact of Capital Raising progress on other activities

On May 25th 2011 ECT announced a Coal Supply Agreement with China Datang for delivery of 2,000 tonnes in Q3 2011 with the intent of executing a meaningful test burn of Coldry product in one of Datang's power stations.

Discussions with Datang during August revised the delivery timeframes for operational reasons, and subject to the pending capital raising activities at that time. The Prospectus earmarked funds to deliver the Datang test lot.

The funds raised so far under the Rights Issue have therefore been prioritised and the Board considers the highest value activity at present to be the commencement of the DFT, with the Datang test lot to follow as capital raising progresses and the value of a successful test burn result is maximised. The reason for this decision is the DFT delivers on the more immediate priority of progressing the engineering of our Victorian Coldry project, whereas the test burn results add value in subsequent steps where financing for the large scale commercial facility will benefit from having a validated test and confirmed off-take agreement.

ECT's Chief Operating Officer, Ashley Moore met Datang representatives in Beijing last week to provide an update on our capital raising and the need to re-schedule the test-lot production and therefore delivery timeframes. "Datang are very understanding of our business needs at present and have accordingly been very flexible and supportive. They agreed to a later test date, to be scheduled in future meetings, and expressed continued interest in seeing Coldry commercialised and available for use within their coal supply portfolio."

Overview of the DFT

The DFT package aims to provide sufficient documentation and engineering design definition to allow contractors and suppliers to prepare an estimate with an accuracy level, typically in the range of 10% to 15%. The final aspects of detailed design will occur after the contract award. The first

phase of the DFT will deliver the Process Engineering Package, site investigation and assessment, risk reviews and commence aspects of the mechanical design.

Phases 2 and 3 will cover the remaining mechanical design requirements and well as civil, structural, electrical, control systems and other aspects necessary for contractors and suppliers to tender.

Mr Chris Graham, Chief Operating Officer at Arup commented “Arup will continue to provide technical and engineering advice to ECT during the development of the DFT documentation.”

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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.
