



Update: Coldry Patent - Australia

Thursday, 28 July 2011: Environmental Clean Technologies Limited (ECT) (ASX:ESI) is pleased to provide the following update to shareholders with respect to our Coldry patent in Australia.

Key Points

- Amendments which led to the recent allowance of the Coldry Patent in the US are to be incorporated into the Australian Patent
- Resolution to the current objection to the Australian Patent is expected within 6 to 9 months on the basis of the US amendments
- Amendments reflect differences in law and practice between US and Australia rather than technical application of Coldry technology, ensuring future practical application
- Existing Australian 'Innovation Patent' provides coverage for deployment of Coldry in Victoria in the near term

Elements of the Coldry technology are covered by an Australian patent application that was originally filed in 2004 (application 2004274520). Although the application was accepted by IP Australia (the Australian Patent Office), an opposition was filed by *Jott Australia Pty Ltd*, in which it sought rejection of the application based primarily on the ground of 'lack of novelty'.

In its opposition evidence Jott relied almost entirely on the relative lack of progress made by the corresponding patent application in the United States and the ongoing comments and discussions held with the US Patent authorities.

While this opposition process progressed, ECT submitted the Coldry technology to IP Australia for an Innovation Patent, which was granted in September 2010. The purpose in applying for the Innovation Patent was to;

- 1) Supplement ECT's IP protection while the full patent underwent further scrutiny associated with the opposition,
- 2) Demonstrate the fact that Coldry was indeed a patentable invention, and finally,
- 3) Provide intermediate protection for our initial commercial implementation, that is, our Victorian project

With the recent allowance of the Coldry patent application in the United States (announced 29th June 2011), the Australian application is now proposed to be amended so that the claims are substantially consistent with those allowed in the USA. The differences between the claims as allowed in the USA and those as recently proposed to be amended in Australia relate to either trivial issues or changes necessitated by differences in law and practice between the USA and Australia.

In early July, our patent attorneys were advised by IP Australia that the opposition would be scheduled for a final hearing in August 2011 at which verbal submissions by the parties would be presented, and on the basis of which the opposition would be decided.

However, with our proposed amendments to the patent application claims to align them with those as allowed in the United States, we have requested a delay to the hearing, allowing ECT time to incorporate and submit the amendments.

In view of the allowance of the US application, the reliance in the opposition evidence on progress in the US and the amendments now proposed to the claims of the Australian application we believe that the opponent's case is not sustainable. We are confident that the opposition, with its reliance on the US patent status, will be decided in our favour in due course, and likely within the next 6 to 9 months.

ECT Chief Executive, Kos Galtos said “the expected outcome is consistent with the advice received throughout the opposition process; that there is no material risk to the Coldry IP in Australia and that the process would bare that conclusion out.”

“Intellectual Property and its commercialisation is our business, so we’re naturally pleased with the direction we’re headed,” Mr Galtos said.

“This will clearly support our recently announced strategy around the deployment of a 2 Mt pa Coldry plant in Victoria’s Latrobe Valley,” he said.

For Further Information Contact:

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About ECT

ECT is in the business of commercialising and selling disruptive, leading-edge technologies that have game-changing potential within the energy and resources sector that are capable of delivering environmental and commercial benefits.

We are focused on advancing a portfolio of such technologies that have attractive market potential. This potential is largely informed by global markets that exhibit significant potential for growth and enable us to secure sustainable profits through licensing royalties or other commercial mechanisms.

About Coldry

When applied to lignite and some sub-bituminous coals, the mechanically simple Coldry process produces a black coal equivalent (BCE) in the form of pellets that are stable, easily stored, can be transported and which can be of equal or better energy value than many black coals, whilst significantly reducing CO2 emissions.

About Matmor

The Matmor process is positioned to revolutionise primary iron making thanks to the design of our simple, low cost, low emission, patented Matmor retort using cheaper, alternative raw materials.
