



## La Jolla Cove Investors note completed

### Converting Loan Drawn

**Tuesday, 28 February 2012:** Environmental Clean Technologies Limited (ECT or Company and ASX code: ESI) advises it has secured a Converting Loan facilitated by Menzies Securities Pty Ltd (Menzies Securities) in order to replenish the Company's working capital resources following the repayment of the remaining outstanding La Jolla Cove Investors Inc (LJCI) Convertible Notes on 24 February 2012. There will be no further conversions or payments pursuant to the LJCI Convertible Note facility.

The terms of this new Converting Loan are on the same terms and conditions as the previous "Menzies Securities" transaction and are as follows:

#### Term

24 August 2012

#### Interest rate

0%

#### Total Amount

\$210,000 fully drawn

#### Repayments

The Converting Loans are repayable on or before 24 August 2012 but if approved by shareholders, by the immediate issue of a "Menzies Securities" Convertible Note with a face value equal to the total Converting Loan drawn. If approved the Convertible Note will be repayable in full or in part by the way of ECT shares, at the Conversion Price, within 2 working days after a conversion notice has been submitted to the Company. The Convertible Notes have a 2-year maturity date.

ECT has the option to repay the Convertible Loans with cash.

#### Conversion price

The "Menzies Securities" Convertible Note, if approved, shall be converted at the note holder's election, at 80% of the lowest daily VWAP of ECT shares for the preceding 10 trading days prior to conversion or at \$0.006. If the note holder elects to convert part of the Convertible Note at \$0.006, the note holder will be issued 1 free option (on the same terms as the 2011 rights issue) for every 2 shares issued on conversion.

#### Security

Repayment of the loan and "Menzies Securities" Convertible Notes issued in satisfaction of the loan will be secured by a charge issued to Menzies Securities.

#### Floor price and interest triggers

Any unconverted notes will incur an interest rate of 300 basis points above the Australian 90day BBSW should the price of fully paid ordinary shares stay at or below \$0.003 per share for 10 consecutive trading days

#### **General Meeting**

As previously advised the Company will convene a general meeting of shareholders in April 2012 to seek ratification of prior issues of securities and approval for part of the Company's on-going capital raising requirements, including approval of the above "Menzies Securities" Convertible Notes. The notice of meeting to be provided to shareholders in shortly and the date of the meeting in April 2012 advised.

**For Further Information Contact:**

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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.