ENVIRONMENTAL CLEAN TECHNOLOGIES LIMITED

Shareholder Update – India Activity

Indian Manufacturing Strategy Improves Coldry Feasibility

3 March 2014: Environmental Clean Technologies Limited (ASX:ESI) (ECT or Company) provides the following status update on our India Manufacturing strategy, and its recent key activities in support of Coldry technology deployment.

- Initial tender responses confirm the targeted 50% - 65% cost saving for Coldry
- Current range of $20M - $25M for a commercial-scale demonstration plant (CDP) versus previous comparison of the Victorian ALDP cost estimate of $55M-$60M
- Final round of evaluations on shortlisted companies to commence by end of March

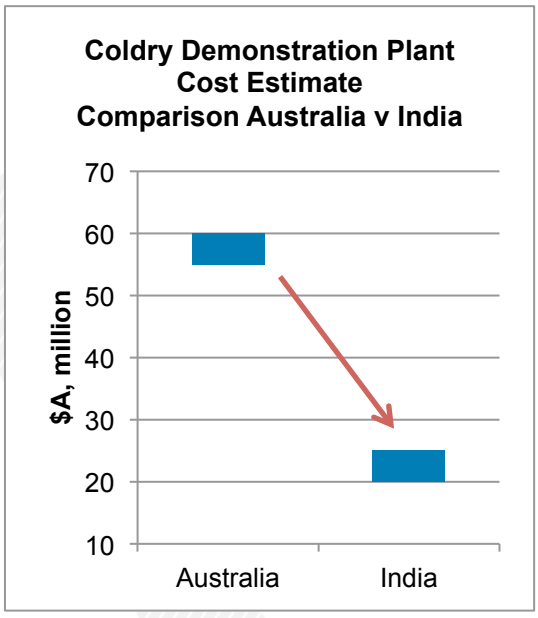
The nature of these initial figures mean ECT will now:

- Launch full feasibility on the NLC project
- Begin feasibility on other prospective Coldry projects in India
- Re-start feasibility on Coldry projects in Latrobe Valley

Potential Cost Savings Confirmed

The Company is extremely encouraged by the initial responses received from tender participants, which confirm expectations around potential Coldry project cost savings of 50% to 65% in India, compared to Australian fabrication and construction.

This lower cost demonstration pathway underpins potential significant commercial outcomes for Coldry, particularly in India, which is heavily reliant on imported fuel to support their domestic power generation.



Improved Capital Intensity

Capital intensity, or the cost per tonne of installed capacity, is a key number in the minds of coal industry plant buyers and financiers.

These recent responses under the tender program mean Coldry is now nearing a capital intensity of $100, which is anticipated to further improve when constructing fully scaled Coldry plants.

To provide context, this 'benchmark' figure compares favourably with new open-cut black coalmine development costs, while being simpler to deploy. Coldry scalability is another advantage, as it can be developed on a modular, as-needed basis, as opposed to large capacity in a single stage.

Tender Selection Process

As outlined in previous announcements, the Company enlisted YES Bank of India to support our engagement with Indian-based EPC (Engineer-Procure-Construct) Contractors, capable of fabricating and constructing Coldry technology production plants.

Last December an initial list of 20 potential EPC candidates was narrowed to 8 following the first round selection process.

The second round, involving detailed tender responses to an accuracy of approximately +/-30%, has significantly advanced, with several participants completing and submitting key sections of their proposal to date. Tender participants are on track to deliver the balance of second-round submissions in coming weeks.

The third and final round of the tender process in India is expected to involve up to 3 participants and deliver a project quote of sufficient accuracy to allow a fixed price contract to be established.

The Design for Tender (DFT) engineering package delivered by Arup last August has underpinned our progress in India, providing the level of detail necessary for participants to submit thorough, timely quotes to an appropriate level of accuracy.

Next Steps

There are several outcomes expected to flow from the conclusion of the tender:

1) Tender participants will deliver final submissions which are expected to see further cost savings through their own value engineering processes. This will determine ECT's long-term Coldry plant and equipment supply relationships, as well as India-based EPC partners.
2) ECT will submit its revised proposal to NLC for full feasibility assessment, with further updates in relation to timeframes to be made in due course.
3) Coldry project proposals will be developed and submitted to several private Indian companies in the power and resources sectors.
4) ECT will also develop an Australian project cost estimate utilising imported Indian equipment and componentry. This is expected to reduce capital costs and improve project returns for deployment in Victoria, Australia. Preliminary discussions are currently underway with partners to support the Australian feasibility program.

Other Business

As noted in the company's half-year financial report released on 26 February 2014 the Company plans to convene a General Meeting of shareholders to consider the issue of a new options series, as well as other capital management issues, in the month of April.

For further information contact: *Ashley Moore – Managing Director - info@ectltd.com.au*

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 CO_2 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.