



## **ECSI***limited*

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145 Flinders Lane  
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Australia

19 November 2010

### **Company Update**

The board of ECSI Limited ('**ECSI**') are pleased to announce an update on the purchase of Alphacoal Capital Pty Ltd ('**Alphacoal**') (Pu Neng Option) - refer to ASX Announcement of 31 August 2010 for full details of the proposed transaction.

RSM Bird Cameron has been engaged to prepare the Independent Expert Report that will form part of the Notice of Meeting to be distributed to shareholders.

Middletons has been engaged as legal advisers to prepare and review all documentation for ECSI in regard to this transaction.

ECSI has also successfully negotiated with Alphacoal & Vigor Holdings Limited ('**Vigor**') - the owners of Pu Neng Coal Chemicals Limited - ('**Pu Neng**') to reduce the option exercise consideration for the acquisition.

Consideration payable to Vigor has been reduced from 300,000,000 to 200,000,000 shares at a value of 5 cents each (\$10,000,000) (pre-consolidation). This is a reduction of 100,000,000 shares at a value of 5 cents each (\$5,000,000). All other terms and conditions of the proposed transaction remain the same.

Estimated timetable for the transaction is set out below:

<b>Activity</b>	<b>Time Frame</b>
Completion of Due Diligence	5 Dec 2010
Meeting material dispatched to shareholders	20 Dec 2010
EGM to approve transaction	20 Jan 2011
Suspension of securities to comply with ASX	20 Jan 2011
Issue prospectus	20 Jan 2011
Re-quotation of Securities	8 Feb. 2011

In continuation of keeping the market updated on the performance of Pu Neng, internally generated management accounts shows another consecutive month of profit for the plant. Revenue for the month of October was RMB 6,456,779.82 with a profit for the month of RMB 178,200.44. Refer to ASX Announcement of 5 November 2010 for previously released management profit figures.



Jim Green  
Chairman