



Capital Raising and ALDP Update

Wednesday 21 November 2012: Environmental Clean Technologies Limited (ASX: ESI) (ECT or Company) is pleased to provide the following up date to shareholders in relation to delivering on the key objective of constructing the Coldry Commercial Demonstration Plant (CDP).

- Capital Raising – establishment of a Strategic Deliverable Bond to support the work being undertaken by Arup
- Government Grant application submitted

Strategic Deliverable Bond

ECT has executed an agreement in favour of its engineering development partner ARUP for the placement of a Strategic Deliverable Bond for up to \$2,500,000 in order to deliver the balance of the Design for Tender (DFT) program and other pre-construction engineering works associated with the development and delivery of the Coldry technology.

The key terms of the Bond are:

Amount:	Up to AU\$2,500,000
Term:	12 months
Interest Rate:	0%
Convertibility:	ESI shares will be issued at a price of 90% of the lowest VWAP of the preceding 5 days trade

The Bond provides ECT the option, should it elect to take up, to satisfy Arup invoices with cash (within certain limits).

Mr Michael Davies, Executive Chairman commented “This purpose built Strategic Bond ensures the timely delivery of the balance of the DFT program and provides for additional engineering works in support of the delivery of Coldry. ARUP is a key strategic partner in the development of the Coldry technology and the Bond is an innovative instrument that is linked to the delivery of definitive outcomes.”

We believe the acceptance of the Bond by Arup sends a clear message of confidence in the commercialisation of our unique technology and builds upon our longstanding relationship with one of the world’s best engineering firms.”

ECT wishes to acknowledge the efforts of our financial advisors, Greenard Willing, for their support in preparing and delivering on this capital initiative. Greenard Willing will receive a 3% fee for their services.

Advanced Lignite Demonstration Program (ALDP)

Following on from the detailed announcement on 6 August 2012 regarding the Advanced Lignite Demonstration Program (ALDP), ECT is pleased to advise that it has submitted a detailed Expression of Interest (EOI) in accordance with the program requirements.

The ALDP is a \$90M government funding package aimed at promoting technology innovation and development in order to advance pre-commercial lignite upgrading technologies capable of delivering on government policy objectives around economic, energy and climate security by reducing end to end carbon dioxide emissions associated with lignite use through enhancement of the vast energy resource in the Latrobe Valley.

Mr Davies commented, "The lodgement of our Expression of Interest is an important 'first step' in our application for funding under this major government initiative. I wish to thank the ECT team and our advisors for the considerable effort in the delivery of our submission"

An independent panel appointed by the Department of Primary Industries will review the EOI, and the outcome of this 'first step' advised mid-December 2012. Shortlisted applicants are then required to submit a detailed application by mid-March 2013.

Mr Davies added "The issuance of the Strategic Deliverable Bond to ARUP ensures that we have world class engineering support in the development of a detailed application for ALDP funding should our EOI be successful, and the delivery of our Design for Tender program; two significant achievements for ECT".

Additionally, capital raising activities previously announced in relation to Monash Capital Group are progressing in tandem to the above and will be the subject of further announcements.

Request to lift trading halt

The Company requests ASX lifts the trading halt to enable the Company's securities to resume trading on the ASX immediately.

For Further Information Contact:

Mike Davies – Managing Director +61 3 9909 7684 or 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 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.
