

Vietnam's PM goes public with TinCom/ECT Coldry deal

Monday 14 September 2009: Environmental Clean Technologies Limited (ASX:ESI) wishes to announce that it has received written confirmation from its partner TinCom that it has received in principle agreement from Vietnamese Prime Minister Nguyen Tan Dung to allow it to invest in the production of Coldry pellets in Australia.

Mr Linh Vu, the Project Director appointed by TinCom to progress its 50-year deal for the production and supply of Coldry with Environmental Clean Technologies, confirmed recent press reports that Prime Minister Dung had referred the project to the Ministry of Planning and Investment to consider issuing the necessary investment license.

"We are now moving to establish an office in Melbourne and I'm looking forward to spending a lot of time over the coming years working closely with the ECT Board, Chief Executive Kos Galtos, and ECT's strategic partners who will all be important to the construction of the Coldry commercial plant." Mr Vu said.

ECT Chairman Dave Woodall said this confirmation of the public announcement from the Vietnamese Government was significant.

"As we move to the next stage of our agreement with TinCom, it is reassuring to know the Vietnamese Prime Minister has acknowledged the deal's significance for TinCom and to Vietnam," Mr Woodall said.

"We remain on track to start construction of the commercial plant next year, and under the terms of our agreement with TinCom this plant will have the capacity to produce 2 million tonnes of Coldry per annum with a review to expand this to reach 20 million tonnes a year by 2020."

ECT signed a Coordination Agreement with TinCom in July 2009, which provided for the establishment of a Special Purpose Vehicle to invest funds into a feasibility study for the construction of a Coldry plant and determined the next five stages as follows:

1. Establish a company
2. Undertake a detailed feasibility study
3. Assessment of feasibility study
4. Decision on project viability
5. Increase Coldry plant capacity in four phases over a 10 year term to reach 20 million tonnes of Coldry output per annum.

Phase 1: At practical completion (approximately three years from commencing the project) the capacity of the Coldry Plant will be 2 million tonnes per annum

Phase 2: Two years after practical completion the capacity of the Coldry plant will be increased by an additional 3 million tonnes per annum

Phase 3: Three years after completion of phase 2 expansion, the capacity of the Coldry Plant will be increased by an additional 5 million tonnes per annum

Phase 4: Three years after completion of Phase 3 expansion, the capacity of the Coldry Plant will be increased by an additional 10 million tonnes per annum

For further information contact Chief Executive Kos Galtos on +61 (0) 400 339 404.

Coldry Process

The world's first economic method for dewatering brown coal, creating a high energy pellet with significantly reduced CO2 emissions compared to brown coal, while being suitable for export as a black coal substitute.

Matmor Process

A one-step method for producing low-carbon iron from inexpensive, abundant brown coals and metal bearing media such as mill scale, nickel tailings and low grade iron ore.