



Shareholder Update – India Activity

8 March 2018: Environmental Clean Technologies Limited (ASX: ESI) (ECT or Company) is pleased to provide the following update on the progress of the external, independent financial review (the Review) of its proposed Coldry-Matmor project in India.

Key points:

- Independent, external review complete & submitted
- Master Project Agreement (MPA) being updated and finalised to reflect the Review
- ECT, NLC and NMDC personnel to meet this week to discuss next steps and timeframes towards finalisation
- Invitation sent to senior executives of NLC and NMDC to visit Australia between late April and early May.

Further to the Company's previous update (17 January 2018), India-based external legal consultants were appointed by NLC and NMDC to undertake the Review, and the partners have advised the completion and submission of their final report.

ECT India Chairman and Managing Director Mr Ashley Moore commented: "Naturally, we're very pleased to have progressed this in a timeframe that keeps our timetable on track."

"While ECT, NLC and NMDC have remained aligned on the key commercial terms throughout the last three months, the submission of the external report is a further opportunity around which the parties intend to review and identify any further refinements or enhancements that can be incorporated into the revised Master Project Agreement.

"Our partners have approached this project with a long-term view. So, while the project commences with an R&D stage with an estimated equipment budget of around A\$35M, the MPA provides the basis for the subsequent commercial deployment of the technologies, which may entail significant future investment. For example, the scope within our techno-economic feasibility (TEF) study was for a Matmor plant with a capacity of 500,000 tonnes per annum of finished steel billet, with an estimated capital investment of around A\$300 million. In that context, the extended period and rigour of review and engagement between the parties have been entirely appropriate in setting the framework to step through the R&D phase and onwards to commercial scale.

"Importantly, the recent submission of the final report means we remain on track to meet our timetable of firstly signing the MPA which will allow us to reach financial close by 30 June this year."

Senior ECT personnel will this week meet with NLC and NMDC to discuss the final report and to review next steps and anticipated timeframe to complete the remaining activities, including respective Board and Government approvals, ahead of signing the Master Project Agreement (MPA) and remaining steps through to financial close.

Formal invitations have been sent to senior executives at NLC and NMDC to visit Australia. Further advice will be provided to the market if and when the dates and a formal program for the visit have been confirmed.

For further information, contact:

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About ECT

ECT is in the business of commercialising leading-edge energy and resource 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 licensing and other commercial mechanisms.

About Coldry

When applied to lignite and some sub-bituminous coals, the 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.

About the India R&D Project

The India project is aimed at advancing the Company’s Coldry and Matmor technologies to demonstration and pilot scale, respectively, on the path to commercial deployment.

ECT has partnered with NLC India Limited and NMDC Limited to jointly fund and execute the project.

NLC India Limited is India’s national lignite authority, largest lignite miner and largest lignite-based electricity generator.

NMDC Limited is India’s national iron ore authority.

Areas covered in this announcement:

ECT (ASX:ESI)	ECT Finance	ECT India	India Project	Aust. Project	R&D	HVTF	Business Develop.	Sales
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