



Annual General Meeting

Wednesday 22 November 2017

Chairman's Address and Company Presentation

As has been the tradition in previous years, I'd like to take a quick review of our 12 month goals stated at last year's AGM. These included:

1. Commence construction of our first large project in India
2. Complete designs and upgraded patents for Matmor
3. Finalise feasibility for the second project
4. Achieve first earnings from commercial contracts associated to the application of our technology.

Our India project has been frustratingly slow for a whole range of reasons we have mentioned in prior announcements. We recognise the drag this is having on positive momentum but re-state our commitment to delivering this project. India is not a flash in the pan. It's core to the strategic delivery of a global project platform.

To that end, former Managing Director, Ashley Moore is now dedicating himself to this project to give it the resources needed as we head into an unprecedented period of overseas activity. The current review being undertaken for the benefit of NITI Aayog is proceeding well due to the close support of both Ashley and Jim in India.

I'll defer further comment on India to Ashley within his presentation.

Goal 2, the completion of designs and upgraded patents for Matmor, was successfully delivered on-time and as per the recent announcement, the HydroMOR international patent has now been submitted. This patent will provide ECT with an appropriate level of protection in delivering our Matmor projects and represents the culmination of our improved engineering knowledge and R&D programs designed to support our commercialisation strategy. Additional novel discoveries are also leading us to develop other innovations that stem from our family of core technologies, like COHGen. We intend to move COHGen along the commercialisation pathway by submitting a provisional patent shortly.

Goal 3, 'finalise feasibility for the second project', has seen us nearing completion of the scoping study for a Coldry plant located in the Latrobe Valley, including selection of a site, being Yallourn Power Station owned by Energy Australia. This project will receive greater resource support over the coming 6-8 weeks, as we develop the pre-feasibility and identify the funding structure that will deliver the project through to completion.

Both Goal 3 & 4 have also been supported by the necessary upgrades of the Bacchus Marsh High Volume Test Facility. The use of this facility is critical to support product, process & project development as well as be able to produce merchantable product in its own right. Further upgrades are being considered, although CAPEX decisions to support this will only be made where clear project or commercial drivers are apparent.

Specifically, on Goal 4, whilst we have delivered revenues related to the trials we have undertaken over the year, we recognise the need to increase these to a level that will allow us book significant operational revenues with the ultimate aim of becoming self-funding.

The previous year has been one of significant effort for ECT, with this year's objectives guided by the following themes:

1. Evidence of Adoption - Apply our technology to commercial projects
2. Secure the Value - Improve our development and protection of our technology
3. Demonstrate the Value - Reach operational revenues to underpin the economic sustainability of 1) & 2)

Consistent with our 3-year strategic plan, our objectives cover:

1. Commercialisation
 - 1.1. Commercialise the Coldry Platform
 - 1.2. Commercialise the Matmor Platform
2. Innovation and Market Development
 - 2.1. Continual Development and Leverage of Existing Platforms
 - 2.2. New and Evolving Technologies and Markets
3. Corporate Capacity and Capabilities
 - 3.1. R&D Program management & administration
 - 3.2. Capital, Finance and Resource Management
 - 3.3. Communications, Marketing and Stakeholder Engagement
 - 3.4. Governance, Risk and Compliance

This has manifested in the following key result areas:

1. Progressing our Indian project
2. Improving large-scale R&D capability and processing efficiency at our Bacchus Marsh facility
3. Developing markets with near-term revenues for our products and projects
4. Restructuring the organisation and right-sizing roles and responsibilities

These key result areas (KRA's) and the relevant Key Performance Indicators (KPI's) of each staff member, give us the day to day focus as we embark on the challenge of meeting our strategic objectives.

Indian integrated Coldry-Matmor project

Your Board and management are keenly aware of the desire for increased progress resulting from the additional time taken to progress towards the NITI Aayog review this past half year.

In February, as we were finalising the legal review of the Master Project Agreement (MPA) and reviewing personnel availability for a signing ceremony, we were referred to India's national planning committee, NITI Aayog by the newly appointed Secretary of the Ministry of Coal, Mr Susheel Kumar.

This additional layer of process increased the political profile of the project, and in doing so necessitated an independent, external review, funded by our project partners, ahead of signing the Master Project Agreement (MPA).

This level of probity requirement was not expected by our partners and has resulted in delays in the progress of the project. Based on recent guidance from our partners, the independent, external review that we hope will culminate in NITI Aayog approval is estimated to be complete in coming weeks, and we remain committed to the delivery of this key project. Strategically, the India project is the launch pad for

our global commercialisation roll-out and a highly prospective market for Coldry and for Matmor in its own right.

We have often quoted the 3 P's when working in India – Patience with Polite Persistence.

It's timely we remind ourselves of this approach while recognising an increased need in the level of Persistence and introducing a 4th P – Progress.

Your Board recognises the need for heightened focus and resourcing to support the progress of this project, leading to former Managing Director, Ashley Moore to take the role as CMD (Chairman & Managing Director) of 'ECT India', releasing him from responsibilities in managing ECT's operations.

We expect that having our most experienced engineer dedicated to the progress of the India project will maximise the delivery of our objectives.

Bacchus Marsh High Volume Test Facility (HVTF)

Our facility, located 50km northeast of Melbourne on the outskirts of the town of Bacchus Marsh, has been the focus of our fundamental and applied research and development for both Coldry and Matmor since 2006.

Its importance has grown over the past year, with continual testing and improvement of our technologies. Our facility not only allows us to generate new knowledge, it also allows us to do this in an environment where we have a high level of control and protection over the test work that leads to new discoveries and future value.

Our Coldry facility has been re-engineered to be productive and efficient enough to provide the closest approximation we can currently achieve at small scale, of a commercial application of Coldry, with the intention that the resultant product from our research and development activities is able to be sold as solid fuel into end-user demonstration projects and other commercial customers.

Progress with the Bacchus Marsh plant and the subsequent delivery of our R&D programs ensure that the intellectual property that we currently have under patent protection will be rigorously tested and continually improved.

Our technology suite features vertical and horizontal integration across our proprietary processes and equipment. This approach is intentional, allowing us to develop further intellectual property within the protective framework of our pre-existing technologies and know-how.

The Bacchus Marsh HVTF provides the essential infrastructure and apparatus to further develop and refine our intellectual property through on-going R&D as well as prepare for, and support, data collection and project-specific designs for future demonstration and commercial projects.

Initially (pre- 2010) our IP protection strategy was centred around very specific, bespoke pieces of equipment and processes which contained the IP for our then core technologies of Coldry and Matmor. At that stage, we observed unique and novel outcomes that were enough to patent the processes that operated within these unique pieces of equipment, but they required further fundamental and applied experimental activity to generate a deeper knowledge of the chemistry and physics underlying the processes.

Over time, our research has led to the accumulation of a more sophisticated and detailed understanding of underlying processes which has, in turn, led to new intellectual property, particularly around the Packed Bed Dryer (the 2012 Design for Tender program with Arup).

More recently, the innovation process has led to new discoveries around the chemical reactions

underpinning Matmor, resulting in two new technologies; HydroMOR and COHgen.

HydroMOR is the subject of a provisional patent application submitted last November (2016), while fundamental research activity has commenced on our newest discovery, COHgen, with the aim of lodging a provisional patent in due course.

As we head into 2018, our HVTF will continue to provide us with a critical base to support our growing R&D programs that will allow us to continue pursuing IP protection as we develop our technologies.

Developing markets for our products and projects

Supported by this critical ongoing R&D effort, and consistent with our commercialisation strategy, ECT is now heading towards a period of proving-up operational revenues to underpin the feasibility of our technology suite.

As a first stage, we are searching for and developing markets which have near-term potential for generating operational revenues.

Over the year, and in tandem with the upgrade programs at the HVTF, we have developed a pipeline of sales leads which the Company expects will lead to significant revenues. Over the next six months, we will continue to test these opportunities, improve our operational capabilities and seek to establish contracts for the supply of solid fuel pellets.

The economic landscape is supportive of our products in Victoria, and we owe it to ourselves to take advantage of this market.

This has led us to commence the early stages of a feasibility study for a zero emissions, solid fuel pellet (Coldry) plant in the Latrobe Valley with a capacity of up to 170,000 tonnes per annum. Progress on this feasibility study is much anticipated and if it were to proceed, would become the largest, most environmentally friendly and economical gateway to upgraded brown coal.

A plant in the Latrobe Valley would aim to realise the potential of brown coal in Australia for prospects such as High-Efficiency Low Emissions (HELE) power plants, low emission hydrogen production, fertiliser production and other high-value downstream chemical extraction methods.

Organisational and Staff Restructuring

One of the more understated initiatives that we have taken on in the past year has been the changes made to our organisational structure and staff roles and responsibilities.

Continual improvement on this front is important to ensure the capability of the business as it seeks to perform against the strategic objectives.

These changes have been made to, build not only effective skill sets and staff capabilities, but also drive a culture of accountability, responsibility and performance.

We confronted the need to direct staff towards those roles that fit more closely with their particular skill sets as we seek to replace generalist roles, where one person wears many hats, towards specialist roles where those high performing attributes of each staff member are applied to the roles that take the most advantage of them.

This process is a continual effort and is supported by improved business policies, structured staff performance reviews and systems that support improved transparency, workflow and collaboration.

So overall, how have we performed this year? I think we can do more. The strategy is intact and there's nothing fundamentally wrong with the direction we are heading but the outcomes have been lagging in time and the share price is reacting accordingly.

All of us at ECT perform a community service every day and we are privileged to be paid for this service. You the shareholders are the community we service. No one in this business should feel entitled to their position and the privilege that comes with being an ECT staff, executive or board member needs to be backed by the urgency in delivering key outcomes and a mindfulness of the one performance indicator above all else - share price.

I am confident that the current group of staff and managers can take your Company to the next level but that doesn't mean we won't see changes. We are ever mindful of the need to improve our effectiveness as a business and this will continue over the next 12 months with professional impunity. Commitment, Urgency, Tenacity and Accountability.

Our goals for the next 12 months include:

1. Commence construction of our project in India
2. Reach financial close of our second project in Latrobe Valley
3. Generate enough operational revenues to avoid further capital raising for working capital
4. Develop patents for our emerging technology suite including COHGen.

Finally, I'd like to thank you, our shareholders, for your ongoing support which, along with the dedication of the ECT team, will continue to drive the realisation of the considerable potential of our company.

For further information, contact:

Glenn Fozard - Chairman info@ectltd.com.au



ENVIRONMENTAL CLEAN
TECHNOLOGIES LIMITED

AGM

Presentation

Wednesday 22 November 2017

*“Bridging the gap between today’s use of
resources and tomorrow’s zero-emissions future”*



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Forward looking statements are only predictions and are not guarantees of performance. Wherever possible, words such as "may," "would," "could," "will," "anticipate," "believe," "plan," "expect," "intend," "estimate," "aim," "endeavour" and similar expressions have been used to identify these forward looking statements. These statements reflect the Corporation's current expectations regarding future events and operating performance, and speak only as of the date of this material. Forward looking statements involve significant known and unknown risks, uncertainties, assumptions and other factors that could cause our actual results, performance or achievements to be materially different from any future trends, results, performance or achievements that may be expressed or implied by the forward looking statements, including, without limitation, changes in commodity prices and costs of materials, changes in interest and currency exchange rates, inaccurate geological and coal quality assumptions (including with respect to size, physical and chemical characteristics, and recoverability of reserves and resources), unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications or expectations, cost escalation, unavailability of materials and equipment, delays in the receipt of government and other required approvals, and environmental matters), political risk and social unrest, and changes in general economic conditions or conditions in the financial markets or the world coal, iron and steel industries.

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Section 1

Domestic Activity

- Organisational changes
- Bacchus Marsh
- Latrobe Valley
- New IP
- Capital Management

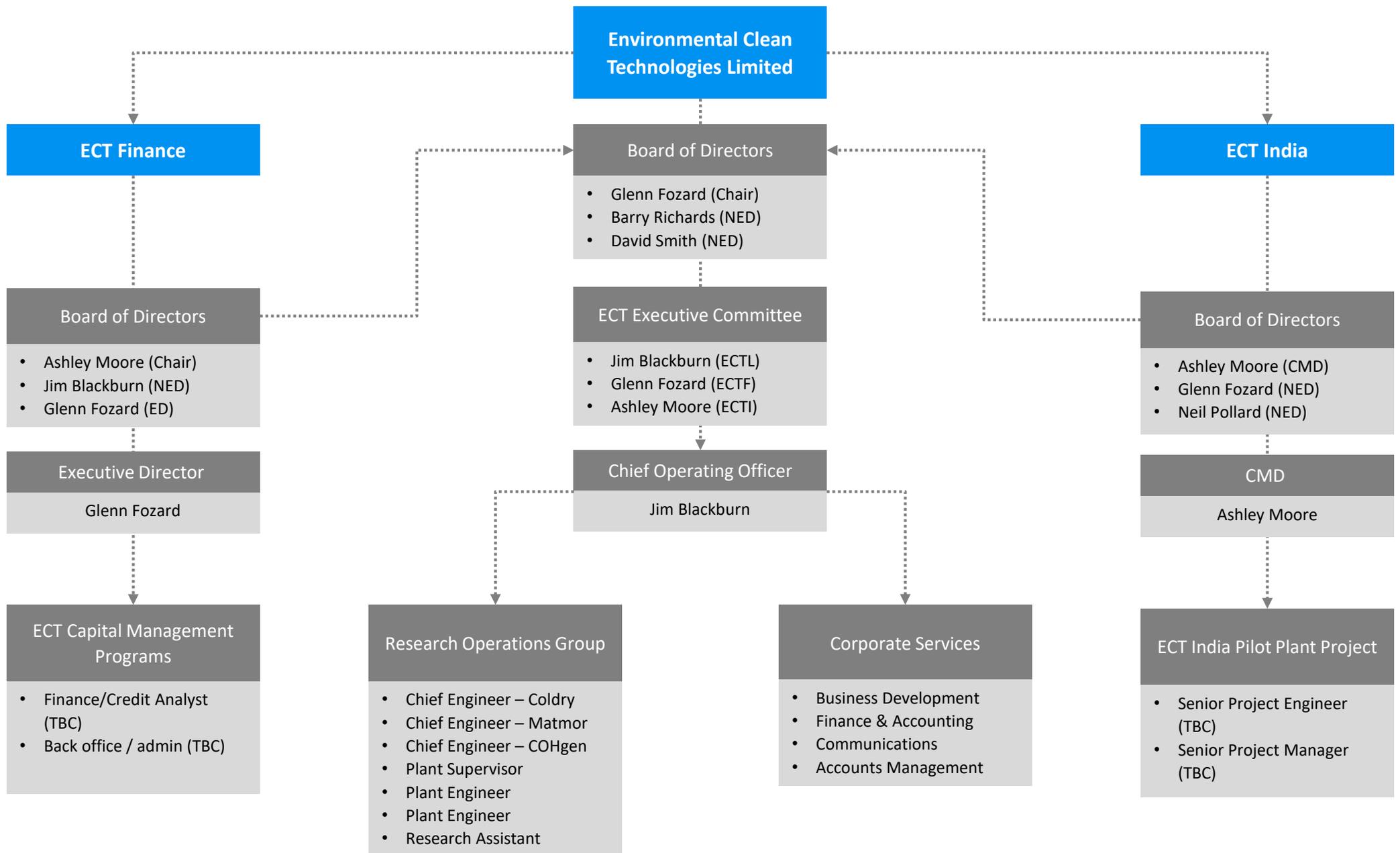


Section 2

India Activity

- TEF Study
- MPA
- NITI Aayog
- External Financial Review
- Current Status
- Path ahead

Organisational Changes



Summary of Project Drivers

- Enhanced R&D capability thanks to broader and more flexible operational parameters
- OHS&E improvements
- Automation enhancements
- Maintenance improvements
- Technology scale-up testing & de-risking and process parameter optimisations
- Enhanced drying temperature testing and simulation allows for improved application simulation
- Ability to produce larger test samples for R&D trials in end applications
- Enhanced feedstock supply capability to support Matmor Test Plant validation process

High Volume Test Facility

Stage 1 Jun 2016 – Jan 2017

- Target Capacity Up to 10,000 tpa
- Budget ~\$875,000
- Status Complete

Stage 2 Jan 2017 – June 2017

- Target Capacity Up to 15,000 tpa
- Budget ~\$500,000
- Status: Complete

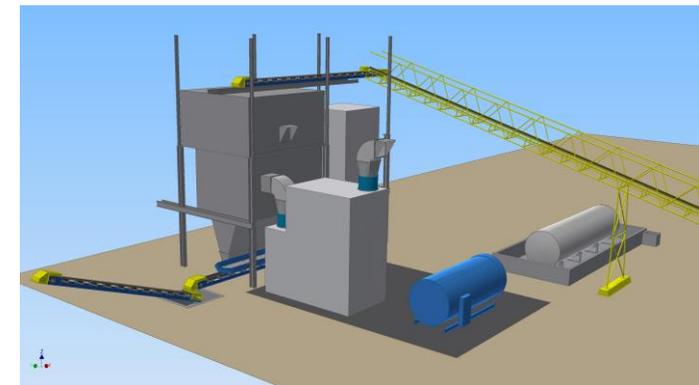
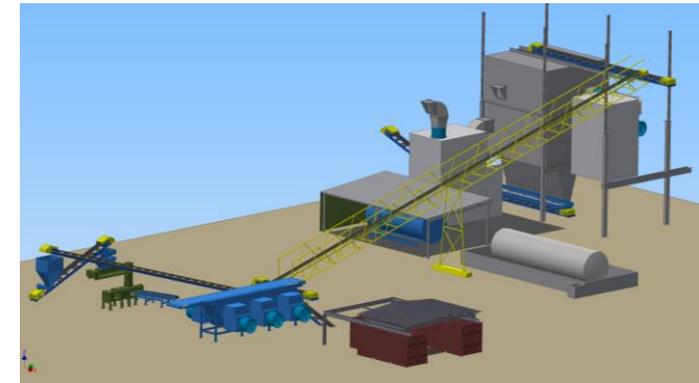
Next Steps

Stage 3 Dec 2017 – Feb 2018

- Target Capacity Up to 25,000 tpa
- Budget ~\$1.25-1.5m
- Status: Engineering & Procurement

Stage 4 April 2018 – June 2018

- Target Capacity Up to 35,000 tpa
- Budget ~\$1.0m
- Status: Planning



Future Use

- Innovation collaboration facility – Industry/Universities/Government
- Knowledge centre for continuous improvement of Coldry and Matmor
- Commercial Sales potential 35,000 tonnes per annum following completion of upgrades

Strategic partnerships

- Jepsens – sales & logistics
- Calleja Group – site & coal supply (Maddingley)
- EnergyAustralia – coal supply (Yallourn)

Market development activity:

- 800 tonne trial at AKD Softwoods
- 3,000 tonne trial program – strategic partner collaboration

Coldry large-scale demonstration plant

- Capacity - up to 170,000 tonnes per annum
- Solid Fuel Alternative to high priced gas
- Steering committee established
- Feasibility program commenced:
 - Scoping study and selection phase
 - Pre-feasibility study
 - Feasibility study and funding assessment



Markets

Small to medium volume:

- Consumers who need affordable utility grade heat to run their business.
- Timber, dairy and agriculture.
- Many switched to gas when the Morwell briquette plant closed, but with the increasing gas price, they need an alternative.
- Coldry is an ideal substitute and is more cost-effective than importing black coal from NSW or Queensland.

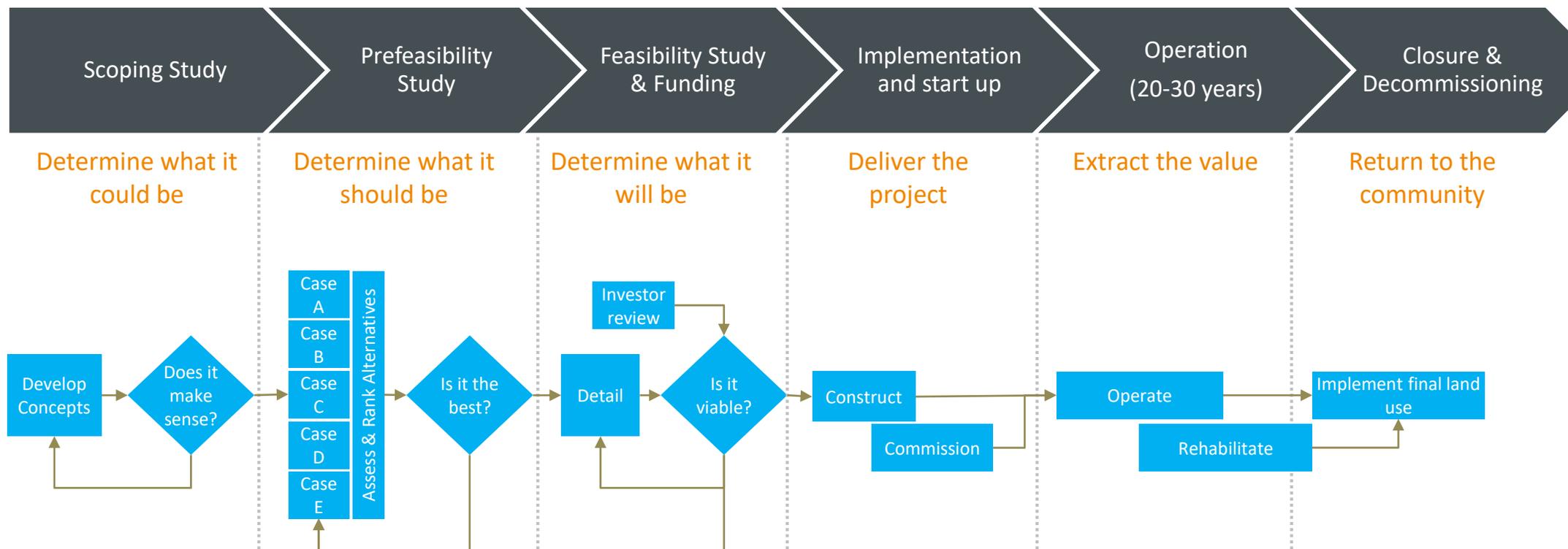
Large volume:

- Large consumers such as Loy Yang power station which need an affordable fuel to restart their boilers after a shutdown.

High-value downstream products like:

- PCI coal (the type used to generate heat in blast furnaces),
- Activated carbon (which has applications in water and air cleaning, food & beverage, medical and pharmaceutical industries), and;
- Hydrogen production.

Project Pathway

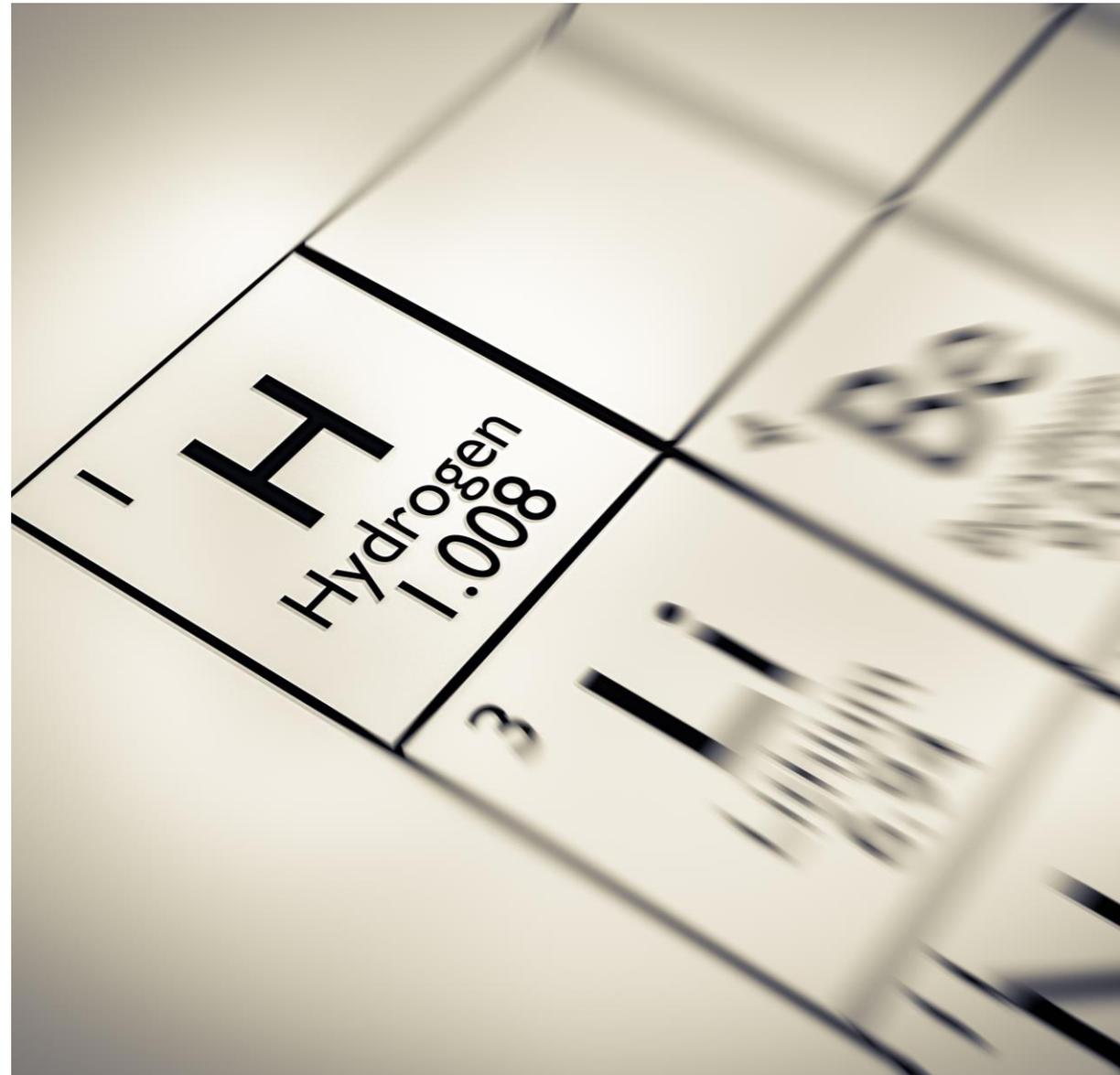


HydroMOR:

- Provisional patent application lodged last November progressed to formal PCT application today
- Hydrogen-based
- Lower temperature
- Lower cost
- Lower CO₂

COHgen:

- Experimental activity has confirmed the increased yield of hydrogen gas from brown coal via this new process
- Provisional patent application targeted for lodgement within 6 months



R&D Tax incentive

- Positive ruling received for the Coldry project in India
- Allows financing of 43.5% of the eligible R&D expenditure, estimated to be approx. A\$10 million
- Matmor 'Advance Finding and Overseas Ruling' application submitted and under review, results expected before EOY 2017.

Equity Lending Facility

- Successful establishment of over \$14 million in loans
- Supported raise of ~\$4.04 million cash via options conversion

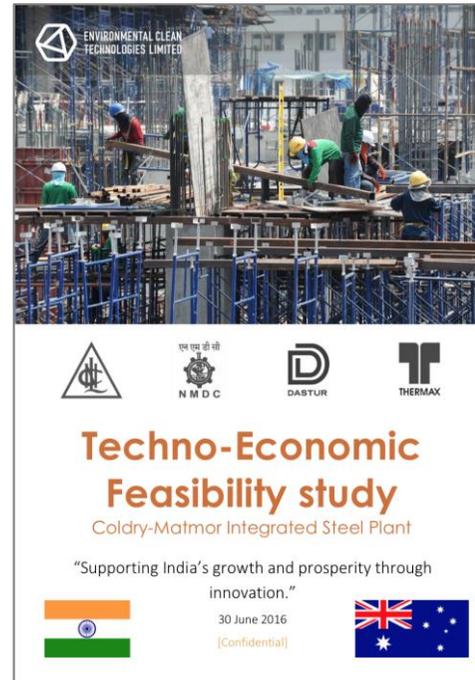
Bonus Issue – ESIOC

- Strike 4.5c
- Expiry 31 July 2019

Section 2: India Activity

Overview

- TEF Study
- MPA
- NITI Aayog
- External Financial Review
- Current Status
- Path ahead



नीति आयोग



Benefit vs Blast Furnace

Decoupling from traditional raw materials strengthens a business' resistance to inherent price volatility:

- Critical Raw material prices have moved between early and late 2016; mainly Coking coal
- Compared below is F2015/16 average (left) vs. mid October Spot (right)

Matmor Financial Analysis

	Traditional	ECT
	BF - BOF	C/M - EAF*
	Blast Furnace - Basic Oxygen Furnace	Coldry / Matmor - EAF* + Power Generation
Case / Scenario	Base Case	Mid Case
	Creore ₹	Creore ₹
CAPEX	2,522	1,607
OPEX	969	1,002
SALES	1,264	1,307
Gross Profit	295	305
IRR (ungeared)	9.1%	17.20%
IRR (geared 30%)	7.7%	18.4%

	Traditional	ECT
	BF - BOF	C/M - EAF*
	Blast Furnace - Basic Oxygen Furnace	Coldry / Matmor - EAF* + Power Generation
Case / Scenario	Base Case	Mid Case
	Creore ₹	Creore ₹
CAPEX	2,522	1,607
OPEX	1,485	1,022
SALES	1,330	1,376
Gross Profit	-155	354
IRR (ungeared)	negative	20.00%
IRR (geared 30%)	negative	22.10%

Notes:

- EAF - Electric Arc Furnace
- Creore ₹ - The above table is based on the Techno-economic Feasibility Study prepared for the commercial scale project in India. Creore is 10 million and ₹ is the symbol for India's currency, the Rupee.

Master Project Agreement

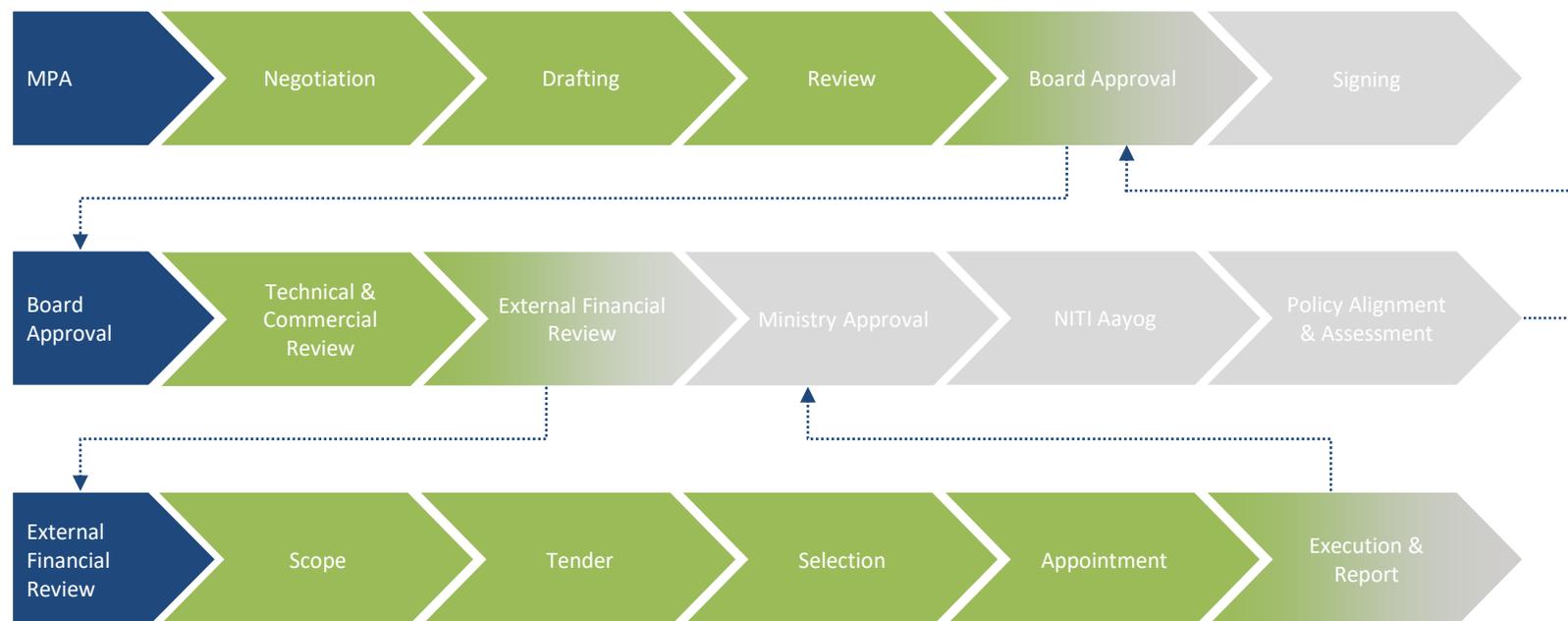
- Coldry Demonstration Plant
- Matmor Pilot Plant

In partnership with:

- NLC India – Indian Government owned lignite authority and power generator
- NMDC – Indian Government owned iron ore authority
- Located next to NLC mine and power station complex
- ~A\$30M investment
- Passed internal legal review February 2017
- Referred to NITI Aayog for review and consideration as a potential project of national interest

India Activity: NITI Aayog

- NITI Aayog – National Institute for the Transformation of India
- Formerly; National Planning Committee
- Chaired by Prime Minister Modi
- Technical review completed prior to 30 June 2017
- Extensive support provided by Australian High Commission
- Nature and importance of the project triggered requirement for external, independent financial review, currently under way



- Program expected the draft report to be submitted yesterday or today (i.e. 21 or 22 Nov).
- ECT understands this to continue to be the case, and will confirm as soon as we have been advised by NLC.

Financial Review:

- Complete analysis of ECT's annual financials since 2006;
- Assessment of the value invested toward the development of Coldry and Matmor;
- IP ownership, and acquisition arrangements;
- Corporate arrangements at both ECT and ECT India level;
- Investment mechanisms (current proposal being for CCD or CCPS);
- R&D incentive systems, and the resulting benefits to the project;
- Global royalty arrangements for future commercial development
- Legal compliance
- Taxation framework

- Conclusion of external review within 4 weeks of submission of draft report (due now)
- Formal presentation to NLC & NMDC by consultants
- Issue resolution & MPA amendments (if any)
- NLC submits to Ministry of Coal
- Ministry of Coal submits to NITI Aayog
- Approvals
- Board sign-off
- MPA signing
- Project activities commence



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Thank you.

