ENVIRONMENTAL CLEAN TECHNOLOGIES LIMITED

Non-Renounceable Entitlement Offer Opens

17 December 2019: Environmental Clean Technologies Limited (ASX: ECT) (ECT or Company) is pleased to advise its Non-Renounceable Entitlement Offer opens today.

Key points:

- Prospectus for issue of up to 4,800,516,393 Shares at an issue price of 0.10 cents, to Eligible Shareholders on the basis of 1 New Share for every 1 existing Share held on the Record Date (Thursday 12 December 2019), together with 2 free attaching Options for every 5 New Shares issued, to raise up to $4.80 million before costs.
- Options listed on the ASX and exercisable at 0.3 cents per Share at any time until 3 years after issue.
- Minimum Subscription $1.41 million.
- Eligible Shareholders may, in addition to their Entitlement, apply for Shortfall Shares.

Further to the Company's announcement of 6 December 2019 regarding the lodgement of a Prospectus with ASIC, the Non-renounceable Entitlement Offer opens today.

The New Shares are being offered to Eligible Shareholders at an issue price of 0.10 cents each on the basis of 1 new share for every 1 existing share held on the Record Date. Additionally, for every 5 New Shares subscribed, Eligible Shareholders will also receive 2 free New Options. Eligible Shareholders for this purpose are holders of ECT shares as at 5.00 pm (AEDT) on the Record Date, being Thursday 12 December 2019.

Each New Option is exercisable for 1 Share at a price of 0.3 cents at any time up to 3 years after issue.

Shareholders will shortly receive personalised Offer Application Forms via their preferred communication method.

Investors who aren't eligible shareholders may apply for shortfall by downloading and completing the Shortfall Application Form available on the company website: www.ectltd.com.au.

Full details of how the New Shares will be allocated are detailed in section 3 of the Prospectus, also available on the Company's website.

The Offer closes at 5 pm (AEDT) on 30 January 2020.

Driving the cashflow positive strategy

Over the past 10 months, ECT has been advancing a strategy aimed at developing near-term operational cash-flows in parallel to proposed projects in India, the Latrobe Valley and other regions.

To improve group cashflows, the Company aims to maximise revenues from its existing facility at Bacchus Marsh. Further, this will support ongoing market and application testing of Coldry products to underpin the offtake from larger capacity Coldry plants, including the proposed Latrobe Valley project.

The issue of New Shares under this Prospectus will provide funding for implementation of two key components of the Company's strategic plan (4 September 2019), namely:

- Generate commercial revenue targeted to improve the Company's operational earnings, and;
- Establish the capital infrastructure base to increase scale and provide access to additional markets.

The successful delivery of these activities is intended to:

- Generate significant operational earnings;
- Improve market ratings for our asset class;
- Support the feasibility of building a larger Coldry plant in Latrobe Valley, and
- Allow holders of New Shares access to the value generated should the Company positively advance its commercialisation strategy.

The Company believes that this approach will allow the market to better categorise and rate its value according to earnings multiples commensurate with its market peers.

Background

Recently, ECT issued a prospectus for a similar rights entitlement issue which was closed early prior to reaching minimum subscription. As explained in an ASX announcement (22 November 2019), this decision was made due to material changes in the assumptions around insurance payout and R&D financing, upon which the Company believed it was prudent to return applicants' monies and issue a new prospectus commensurate with the new assumptions.

The increase in available cash due to the insurance payout and a probable restructure of the R&D loan to support the capital upgrades allows ECT to reduce the minimum cash requirement and thus limit the dilution to all shareholders. The Company does recognise the effort that applicants of the prior prospectus went to in submitting their application monies and has offered an increased ratio of options to applicants under this new prospectus.

For further information, contact:

Glenn Fozard – Chairman   *info@ectltd.com.au*

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 CO_2 emissions than raw lignite.

About HydroMOR

The HydroMOR process has the potential to revolutionise primary iron making.

HydroMOR is a simple, low cost, low emission, hydrogen-driven technology which enables the use of 'low value' feedstocks to produce primary iron.

About COHgen

The COHgen process has the potential to deliver a lower cost, lower emission method for hydrogen production from brown coal.

COHgen is currently advancing through fundamental laboratory development to inform its patent application ahead of scale up and commercialisation.

About CDP-WTE

The catalytic depolymerisation-based waste-to-energy process converts 'low-value' resources into higher-value diesel and other valuable by-products.

CDP-WTE can be deployed as a standalone solution or integrated with the Coldry process to deliver higher-value, lower-emission energy solutions to lignite resource owners.

Areas covered in this announcement:

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