



Voluntary Suspension Extension and Shareholder Update

Monday 6 May 2019: Environmental Clean Technologies Limited (ASX: ECT) (ECT or Company) is pleased to provide the following update on the status of its India project.

Key Points:

- Voluntary Suspension Extension
- India Project Status
- Appointment – Head of Business Development (India)
- Potential New Technology Acquisition

Voluntary Suspension Extension

The Company requests an extension to the current suspension of trading through to and inclusive of 17 May 2019.

Background

The Company requested a voluntary suspension in the trading of its securities from the ASX on 15 March 2019 until 1 April 2019 pending feedback from its India project partner, NMDC on the status of its process to consider and approve the signing of the Research Collaboration Agreement (RCA).

On 29 March 2019, an extension to the voluntary suspension was granted until 22 April 2019 to address seven (7) key objectives in achieving certainty around the process and timeframes.

An update on the progress of the outlined objectives was provided on 18 April, with a further extension granted by the ASX to allow time to pursue confirmation of timing.

India Project Status

Recent visits to India have been encouraging, however there remain three critical objectives that are yet to be adequately confirmed, being:

Objective 2: Agreement to, and signing of, a further MOU extension by NLC India Limited (NLCIL), NMDC and ECT.

Status: in progress

A request for extension was provided by NMDC to ECT and has been duly signed for ECT. The document is now in circulation with both NMDC and NLCIL, seeking their signatures. Both NMDC and NLCIL have confirmed their intent to execute the document accordingly, with recent advice that this will be achieved during the week commencing 6 May 2019.

Objective 6: Confirmation from NMDC that all internal processes have been completed (ahead of objective 7 below).

Status: completed subject to NMDC confirmation of objective 7

NMDC continue to progress their internal review process and all parties remain respectful of the need for completion of necessary approvals and formalities and remain patient and supportive in this regard.

NMDC senior staff and directors were available from 25 April to continue discussions on the internal review process with ECT personnel in Hyderabad to support its progress. No remaining material requirements have been identified and completion of this objective will only ultimately be confirmed upon confirmation of objective 7.

Objective 7: Confirmation from NMDC of a date for their next board meeting and their intention to take the project proposal forward for a decision.

Status: in progress

On the basis that objective 6 is met, ECT and NLCIL are awaiting NMDC's confirmation of a May 2019 board meeting. As has been the case with previous board meetings, the actual date will be advised 7 days prior to the board meeting date, at which time ECT expect to be advised of the likelihood of satisfying objective 7.

Appointment – Head of Business Development (India)

Additionally, ECT is finalising the appointment of a prominent Indian national to take up the role of Head of Business Development – India. The purpose of this appointment will be to ensure we have experienced senior executive representation in India, which will assist to contain the cost of having our Australian-based senior staff frequently travelling, at the expense of our domestic objectives.

Potential New Technology Acquisition

Furthermore, ECT is finalising the terms of a Heads of Agreement for an exclusive negotiation/due diligence period for the acquisition of a waste-to-energy (WTE) technology which aims to use Coldry as the feedstock to produce diesel, asphalt and bitumen.

While the details of this acquisition are incomplete, the potential transaction has been progressed sufficiently to warrant a suspension in its own right, subject to full agreement and signing of the Heads of Agreement.

ECT will seek a period of exclusivity to finalise the due diligence and commercial negotiations, complete the deeds of sale and purchase, and meet all conditions precedent including payment of the acquisition price.

The purpose of this potential acquisition is to increase the Company's exposure to higher margins via the deployment of value-added downstream technology within the Latrobe Valley Coldry project currently under feasibility. The technology is suitable for deployment globally as an integrated Coldry-enabled WTE application.

The Company is satisfied that the extension of the voluntary suspension through to and inclusive of 17 May 2019 will be sufficient to recommence trading with further clarity on:

- a) the remaining objectives related to India as outlined above;
- b) finalisation of the appointment of the newest member of our Indian team, and;

further details of the Company's proposed technology acquisition and a clear timeframe for financial close assuming the transaction proceeds.

Prior to the recommencement of trading, ECT will also release an updated strategy and group operations outline.

For further information, contact:

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