SHAREHOLDER ANNOUNCEMENT REGARDING COMPANY VALUATION

4 February 2008: The Management and Board of ECT (ASX:ESI) are very pleased to announce the result of Grant Thornton Corporate Finance's assessment of the valuation of the Coldry technology (as it applies to its Coldry technology for the dewatering of brown coal - lignite).

ECT and Grant Thornton Corporate Finance Pty Ltd jointly announce as follows;

> *ECT engaged Grant Thornton Corporate Finance Pty Ltd ('Grant Thornton Corporate Finance') to prepare an independent valuation assessment of the Enterprise Value of the Company having regard to the commercialisation of the Coldry technology only.*
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> *The primary purpose of the valuation is to assist the Directors of the Company in raising debt and equity funds from selected financiers and investors to fund the growth of the business.*
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> *Grant Thornton Corporate Finance has assessed the* ***Enterprise Value of ECT between $82 million and $106 million*** *having regard to the commercialisation of the Coldry technology only.*
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> *The valuation range is based on the following assumptions:*
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> - *the business model underlying the Projections assumes the outsourcing of the production and capital expenditure costs of the plants required to produce Coldry pellets. ECT will receive a royalty fee for Coldry pellets produced by the third party;*
> - *supply of Coldry pellets to the Victorian power stations from 1 January 2011. The Company expects to deliver up to 5.5 million tonnes of Coldry pellets in 2011;*
> - *supply of Coldry pellets to Abhijeet Infrastructure Limited ('AIL') in accordance with the off-take agreement; and*
> - *a discount rate of 23.4% has been applied to the valuation.*
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> *The independent valuation assessment of the Enterprise Value of the Company is based on management's projections between 2008 and 2017 regarding the commercialisation of the Coldry technology ('Projections').*
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> *Grant Thornton Corporate Finance notes that the Projections are based on initiatives yet to be implemented or completed. Several assumptions underlying the Projections are estimates in Grant Thornton's view. Accordingly, Grant Thornton have conducted sensitivities to the Projections (regarding certain expenses and potential contingencies) and to the valuation assessment to reflect the risk related to such assumptions.*

ECT advises that sensitivities applied to the Projections and adopted in the calculations of the valuation of the Coldry technology, by Grant Thornton, have included a level of corporate expenses and other contingencies that are higher than forecast by management. Further, this valuation assessment deliberately excludes any additional value for the completion of Matmor commissioning and other applications of ECT's technologies (e.g. coal to oil or coal to urea).

ECT considers that Coldry is a revolutionary, economic, highly efficient and permanent process of dewatering brown coal that will enhance low value mines, reduce emissions of brown coal fired power stations, provide a new export industry for Victoria, supplement world wide coal reserves and provide a real, cost effective, alternative to black coal.

An extract of the valuation is available upon request.

If you have any queries, please do not hesitate to contact the Managing Director, Con Galtos on 0413 747 077.