



Shareholder Update – India Activity

Wednesday, 1 June 2016: Environmental Clean Technologies Limited (ASX: ESI) (ECT or Company) is pleased to provide the following update to shareholders on its Coldry-Matmor project in India.

Key Points:

- Techno-Economic Feasibility (TEF) study on track for completion by the end of June 2016
- Preliminary report data indicates significant capital and operating advantages for Matmor

Since its update to the market on 20 April 2016 the Company has completed two more week-long working group sessions hosted by India's national lignite authority, NLC and leading pyro-metallurgical engineering firm M.N. Dastur, in Chennai and Kolkata respectively.

The working group sessions have focused on progressing the Coldry-Matmor TEF study in support of the Company's Indian project endeavours.

Collaborative activities across the sessions have resulted in the finalisation of highly detailed process flow sheets, advancement of plant layout options, comprehensive identification of key operational expense items and refinement of the capital cost estimation methodology.

ECT Managing Director Ashley Moore stated "The TEF work is currently progressing in line with original timelines and we expect to wrap up the report by the end of June, ready for submission to the Boards of NLC and NMDC.

Initial operating expense estimations around major material process inputs (ore, coal-based materials, electricity and water) indicate a substantial overall comparative advantage.

"The data being developed throughout the study continues to support our long-held view on the substantial capital and operational cost savings potential for Matmor at commercial scale, when compared to either Blast Furnace or Coal-based Direct Reduced Iron processes."

The TEF study entails the technical and economic modelling of a commercial scale, fully integrated steel plant operation consisting of Coldry 'composite' pellet preparation, Matmor metal-oxide reduction plant, steel refining furnace, and casting plant with an output of 500,000 tonnes per year of billet steel. This modelling, led by M.N. Dastur, provides an appropriate basis for comparison against incumbent steel making processes, underpinning the R&D investment decision making requirements by the parties, in order to access the commercial scale potential.

The balance of activities in coming weeks will focus on completion of capital cost estimates for the Matmor process. Current indicative capital cost figures, which are subject to validation and detailed engineering following pilot scale activity, show potential for significant savings compared to traditional steel making processes, providing another layer of competitive advantage.

The Company will continue to provide progress updates, including guidance on expected decision making timelines by both NLC and NMDC, when appropriate.

For further information, contact:

Ashley Moore – Managing Director info@ectltd.com.au

About ECT

ECT is in the business of commercialising leading-edge coal and iron making 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 licencing and other commercial mechanisms.

About Coldry

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