



TinCom deposits initial funds to Joint Venture

Monday, 2 May 2011: Environmental Clean Technologies Limited (ASX:ESI) is pleased to announce the deposit today of funds by Thang Long Joint Investment Stock Company (TinCom) to provide initial cash funding for the Joint Venture company Victoria Coldry Pty Ltd (VCPL).

This milestone was foreshadowed in the announcement of 4 April 2011 titled "Joint Venture Agreement & Parent Company Guarantee for Victoria Coldry Project Signed in Hanoi".

In that announcement, one of the conditions precedent was the deposit of A\$500,000 by 30 April followed by a further deposit of A\$1 million by 30 May 2011.

ECT Chief Executive, Kos Galtos welcomed this important step highlighting the importance of the initial capitalisation of VCPL to enable commencement of external engineering work.

"This is another important step in the project with our aim to have the 'design for tender' completed by November" Mr Galtos said.

TinCom Chairman Mr. Thang Van Luong previously voiced his position stating "We are pleased to take this important step in the Victoria Coldry project with ECT as it represents a venture of national significance to Vietnam by helping balance energy security and environmental responsibility. The significant preparatory work we have completed since securing the Coldry technology license last June has allowed us to progress with our project."

ECT expects that VCPL will receive the additional deposit of A\$1 million from TinCom by 30 May. In addition, VCPL's Managing Director, Linh Vu Duc, has advised Arup that VCPL have employed a project engineer to commence 15 May 2011. The project engineer's first action will be to undertake a final review of the scope of works proposed by Arup, with the intention to enter into the formal agreement with Arup, by 30 May 2011. While the intention was to sign the contract with Arup by 30 April, VCPL have decided to increase its own engineering capability to ensure it maximizes the output from Arup's services and achieves maximum project benefits.

About the Victoria Coldry Project

VCPL will design, fund, build and operate a Coldry plant with an initial production capacity of 2 million tonnes per annum, operating from the Latrobe Valley. The project is targeted to expand progressively over the first decade of operations to 20 million tonnes per annum, subject to rail and port infrastructure development. The target market is for export of the finished product – Coldry black coal equivalent (BCE) pellets – to the Asian market, predominantly Vietnam.

About the JV Company

VCPL is owned by the project partners – TinCom of Vietnam (via Tincom Australia Pty Ltd (Tincom Australia)), and ASX listed technology development company, Environmental Clean Technologies Limited (ECT). At inception, the shareholding is 50/50, which will alter to 90/10 upon satisfaction of the conditions precedent. ECT will have a carried interest of 10% for the life of the project.

The Coldry technology will be contributed by ECT, and all equity and debt finance for the project will be the responsibility of TinCom. For phase 1, the capital requirements are expected to be of the order of \$US400 million – this figure will be refined and confirmed during the detailed design process to be performed by Arup.

The License

The license to use the Coldry technology is granted to VCPL by ECT Coldry Pty Ltd, a wholly owned subsidiary of ECT. This was signed on 25 June 2010 but only becomes effective on the commencement date of the Joint Venture Agreement between TinCom Australia and ECT, which will occur when the conditions precedent are satisfied.

For ECT, the licensing royalties are \$A5 per tonne of Coldry product, adjusted for changes in the consumer price index (CPI) for the life of the license (50 years of plant operation).

The license provides for export exclusivity from Victoria for the full license period, and Victorian domestic sales exclusivity for 5 years, able to be extended for a further 5 years if certain performance conditions are met. The license also grants VCPL the right to build up to 100 million tonnes of capacity in Australia and Indonesia, as well as the exclusive right to sell Coldry in Vietnam.

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About ECT

ECT is in the business of commercialising and selling disruptive, leading-edge technologies that have game-changing potential within the energy and resources sector that are capable of delivering environmental and commercial benefits.

We are focused on advancing a portfolio of such technologies that have attractive market potential. This potential is largely informed by global markets that exhibit significant potential for growth and enable us to secure sustainable profits through licensing royalties or other commercial mechanisms.

About Coldry

When applied to lignite and some sub-bituminous coals, the mechanically simple Coldry process produces a black coal equivalent (BCE) in the form of pellets that are stable, easily stored, can be transported and which can be of equal or better energy value than many black coals, whilst significantly reducing CO2 emissions.

About Matmor

The Matmor process is positioned to revolutionise primary iron making thanks to the design of our simple, low cost, low emission, patented Matmor retort using cheaper, alternative raw materials.
