

ECT Secures Latrobe Valley coal for brown coal conversion project

25 November 2009: Environmental Clean Technologies Limited (ASX:ESI) has signed a Memorandum of Understanding with Great Energy Alliance Corporation Pty Ltd (GEAC) to participate in the upcoming feasibility study for ECT's first scaled up Coldry production facility at GEAC's Loy Yang Power facility.

The Coldry process dewaters brown coal to substantially improve its utility for energy with greatly reduced emissions.

The MoU will lead to a detailed evaluation of the project which, if successful, would provide for the supply of brown coal from the Loy Yang mine for the project to produce high energy Black Coal Equivalent pellets for export.

Loy Yang Power owns and operates the Loy Yang A power station mine in Traralgon, Victoria. The power station generates 2,200 MW of electricity using brown coal from the adjacent 30 million tonne per annum open cut mine.

ECT intends to establish a large scale, 2 million tonnes per annum, Coldry production facility in the vicinity of the Loy Yang site.

ECT recently announced funding of the feasibility project through its partner, Tincom, and expects to conduct the detailed assessment of the project at the Loy Yang site in early 2010.

Ian Nethercote, Loy Yang Power Chief Executive, said LYP was keen to support the Coldry project as it has the potential to extend the use of the Latrobe Valley's brown coal resources.

"Preliminary indications are promising and we look forward to completion of the formal assessment of the project," Mr Nethercote said.

The MoU will encompass the provision of coal, services and a site package and will involve LYP working with ECT to evaluate the proposed Coldry production facility. This will also be done with the support of service providers, Arup and MACDOW.

"Having one of the largest brown coal power stations in the world working with us gives us the best possible partner for the first scale up of our technology," said ECT Chief Executive, Kos Galtos. "We are now a step closer to full commercialisation of Coldry, which we believe to be the world's most economic method of Lignite beneficiation, and will contribute substantial future revenues to the company."

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