



Victorian Coldry project advances

Tuesday 12 January, 2010: Environmental Clean Technologies Limited (ECT) wishes to announce its Victorian coal-drying and export project has advanced to the next stage with the formation of the Special Purpose Vehicle (SPV) with Vietnam based TinCom.

The purpose of the SPV is to provide a legal entity within which the Feasibility Study, Detailed Design, Construction and Operation of the Coal Drying Enterprise may be executed.

The project, announced Monday 22 June 2009, provides for the establishment of an SPV, triggering the necessary investment of funds in Australia by TinCom to undertake the site-specific project feasibility study. This study will be led by our design engineers, Arup.

“TinCom has secured their US\$100M investment licence, ECT has secured the coal and site via agreement with Great Earth Energy Alliance Corporation Pty Ltd (GEAC). With the establishment of the SPV, we have taken another exciting step toward commercialisation in Victoria,” said ECT Chief Executive Kos Galtos.

TinCom representative Mr. Linh Vu Dac added, *“TinCom is excited by the project and looks forward to continued progress toward eventual operations of the business.”*

Project Milestones completed:

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| ▪ ECT and TinCom enter into Co-ordination Agreement | 25 February 2009 |
| ▪ TinCom secures Investment License | 16 October 2009 |
| ▪ ECT secures Coal Supply, Site and Site Services | 25 November 2009 |
| ▪ ECT and TinCom form the SPV | 12 January 2010 |

Next Steps:

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| ▪ Finalise Feasibility Study scope | Q1 2010 |
| ▪ Site-specific Feasibility Study | 6 months |
| ▪ Project Evaluation – Investment Decision | 1 to 3 months |
| ▪ Project Structuring | 3 to 12 months |
| ▪ Construction and commissioning | 24 to 36 months |
| ▪ Production and Asset Management | Ongoing |

The benefits of this project include:

- To ECT – A\$5 per tonne royalty over 30 years
- To TinCom – Security of supply of a competitive, high quality, back coal equivalent (BCE) feedstock for the export market at a stable price.
- To Victoria – Resource export earner. Jobs during construction and ongoing operation, plus the flow on to downstream industry – rail and port.
- To the Environment:
 - Lignite in its wet state is emissions intensive when used to generate power. By drying lignite, emissions are significantly reduced.
 - The water recovered from the coal can be used in the power station. Loy Yang power station uses around 34 GL a year. At full production, the Coldry plant could return around 20 GL a year to the environment.

For further information:

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About the Victorian Project

Environmental Clean Technologies has signed a Heads of Agreement for the staged investment in a Special Purpose Vehicle by a Vietnamese-based company, to establish a plant for the production of 20M tonnes per annum of Coldry, Black Coal Equivalent, over the next 30 years.

The Heads of Agreement is between ECT and Thang Long Investment and Commercial Joint Stock Company (TinCom), the parent company of Victoria Capital (party to the Letter of Intent announced 18 November 2008). This agreement provides for ECT to contribute access to the Coldry intellectual property, plant designs and expertise, and TinCom shall be responsible for contributing all required capital in exchange for exclusive rights to sell the Coldry pellets to its client base, mostly in southern China. TinCom has also committed to fund all required financial feasibility studies and to include ECT's construction and operation partners (ARUP, McConnell Dowell and Transfield Services) in the project.

The capacity of the project will be met in four phases, starting with a Coldry plant that will produce 2M tonnes per annum within three years of commencing construction, finally reaching 20M tonnes per annum (estimated by 2020).

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. These technologies 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.