



ECT Executes Funding Agreement with New York based Debt Financier

Tuesday 2 February, 2016: Environmental Clean Technologies Limited (**ASX:ESI** and **ECT** or **Company**) is pleased to announce that it has finalised a loan facility agreement with Innovation Structured Finance Co., LLC, a specialty finance company established by Brevet Capital, a New York City based investment manager.

Key points:

- Loan facility established with US based Innovation Structured Finance / Brevet Capital
- Establishes relationship with highly capable debt finance partner
- Capital Management plan supports near term project objectives in India and Australia
- The facility provides further scope for large, non-dilutive project financing based on the AusIndustry R&D Tax Incentive program

The Brevet facility is a senior secured loan, established on commercial terms, and provides short-term flexibility to draw down against the Company's current accrued R&D Tax Incentive refund for the 2016 financial year, now totaling more than \$1.2 million.

Capital Management Plan

In addition to the Brevet facility, the Company recently announced (27/01/16) the receipt of its R&D Tax Incentive refund of ~\$1.1 million, the conversion of ~\$1.5 million of the previous Fast Finance debt into ESI shares, and the reactivation of its options exercise program to assist with the conversion of listed options. To date, ECT has received just under \$2m in cash from the exercise of options via this program, which has supported the company's working capital and commercialisation activities.

As such, the Company is well positioned to meet the funding of its project objectives for 2016 including:

- The Indian project's next major deliverables:
 - Detailed Integrated Techno-Economic Feasibility Study
 - Coldry Demonstration Plant development
 - Matmor Pilot Plant development
- The upgrade of the Bacchus Marsh pilot plant to a higher volume test facility

ECT Managing Director Ashley Moore commented, "Brevet manages a highly awarded and sophisticated debt fund with access to capital to support our growth plans. Establishing a relationship with a large provider of debt finance as part of our funding mix brings efficiencies to our capital management decisions and is a great benefit to current and future shareholders, with a potentially lower requirement for equity capital raising to support our growth objectives".

"As our technology development activities increase in size and cost, we need to establish financing partnerships that are commensurate in size. The establishment of this facility completes the recent capital management review process and clears the path to pursue near-term project objectives, utilising the funds available from conversion of options and the Brevet facility (the "Capital Management Program"). At present, the company sees no reason why any new issue of equity will

be needed in the near term outside the existing Capital Management Program for its current projects.”

About Innovation Structured Finance / Brevet Capital

Innovation Structured Finance was created by Brevet Capital to provide financing to emerging Australian companies that benefit from the AusIndustry R&D Tax Incentive program. Brevet Capital provides customized financing solutions to growing middle market and asset-rich companies across a wide range of industries and has founded its business on the principle that integrity and experience are the primary drivers for success in the financial services industry. Brevet Capital was established in 1998 and is a finalist contender for the Alt Credit Intelligence 2015 – Direct Lending Fund Award, a finalist for the Absolute Returns 2015 – Specialist Finance Award and is a winner of the 2014 Best Performing Middle-Market Institutional Investment Manager, USA and Best Performing Absolute Return Fund Since Inception.

Greenard Willing Structured Products (GWSP) supports Brevet Capital in the Australian market for these loan programs and in late 2015 was selected by Brevet Capital to deliver a program that not only funds large R&D projects, but also provides a pathway in support of the next stages of commercialization, including IPO, traditional bank financing and/or trade sale. The launch of the US\$200M+ finance program with Brevet Capital is the largest of its kind in Australia and targets projects >AU\$20M where demonstrated risk makes it difficult for project proponents to obtain traditional project financing.

For further information, contact:

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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 a range of high-moisture coals, the Coldry beneficiation process produces a black coal equivalent (BCE) in the form of dry, densified pellets. Coldry pellets have equal or superior energy value to many black coals and lower CO₂ emissions intensity than raw lignite.

About MATMOR

The MATMOR process is a significant advancement in the field of primary Iron production, being the only process to utilise relatively low-cost low-rank coal in place of higher cost metallurgical coal.

MATMOR is a simple, low cost, low emission, continuous production technology, incorporating the patented Coldry Process as the front-end material preparation stage ahead of the unique MATMOR retort, which enables the use of lower cost raw materials to produce primary iron and iron based alloys.