



Capital Management Update – ECT Finance

Friday, 8 September 2017: ECT Finance Ltd (ECTF), a wholly owned subsidiary of Environmental Clean Technologies Limited (ECT or Company)(ASX:ESI), is pleased to provide the following update on ECT Group's Capital Management and Financing Activities.

Key points:

- Cash raised during recent capital management activity ~\$4.05M
- Equity Lending Facility (ELF) established \$14.1M in loans
- ELF interest payments expected to be ~\$336,000 per annum in cash payments and ~\$1.5 million per annum in total
- Funds raised to be prioritised towards:
 - India Integrated Demonstration Plant
 - Bacchus Marsh High Volume Test Facility (HVTF) – Stage 3 upgrades
 - Latrobe Valley (LV) Coldry Project – Feasibility Program
- ECTF to offer ELF solutions to the broader market

Summary of Recent Capital Management Activity

Over the previous three months, ECT Group has completed a number of important capital management activities including:

1. Bonus Issue - Listing of new options series (ASX: ESIOC)
2. Expiry of ESIOA and ESIOB options series
3. Establishment of Equity Lending Facility (ELF)

These activities received strong shareholder support, culminating in the raising of over \$4 million in cash and the establishment of over \$14 million in ELF loan assets, placing the Company in a strong financial position moving into the 2018 financial year.

The cash proceeds, together with loan interest and principal repayments, will be utilised to deliver key priorities including elements of the India Project, further HVTF upgrades and the recently announced LV Coldry Project feasibility program. The total interest receipts for the ELF loan position is expected to exceed \$1.5 million in total, including advance, arrears and capitalised payment methods, with approximately \$336,000 of this to come from cash receipts related to interest payments.

Glenn Fozard, Executive Director of ECTF commented, "ECT's shareholders have demonstrated their ongoing strong support for the current strategy and as a result, ECT Group now has significant cash resources as well as significant future potential cashflows from loan repayments and interest receipts of up to \$14 million over the next three years."

Equity Lending Facility (ELF) – Successful launch. Exciting future.

Earlier in July, ESIOA and ESIOB option holders were invited to apply to finance the exercise of their options via the Equity Lending Facility. The enthusiastic response from option holders led to an uptake of the

facility resulting in over 90% of the outstanding options being converted, underlining the appetite for continued investment in the Company via fully paid ordinary shares.

The manager of the ELF loans, ECTF, is currently finalising all loan correspondence and final notifications will be made to borrowers by month's end.

Glenn Fozard commented, "This facility was structured with all stakeholders' interests in mind. We created an offering which aimed to protect the existing entitlements of shareholders whilst also balancing the interests of those shareholders who were willing to contribute cash to the Company ahead of the ELF."

"We thank all participants in the ELF program for their patience as we managed close to 500 enquiries, received over 350 applications and processed 267 loans. Our number one priority was to ensure no option holder was left behind where they had the will and the ability to take up the ELF. We are proud to say that we fulfilled this goal."

As a result of the stand-out success of the ELF for the ESIOA and ESIOB option series, ECTF has received a large number of enquiries from other companies to provide an ELF program structure for their capital raising initiatives.

ECTF is planning for the market roll-out of the ELF structure, using the expertise and software that ECTF now has in place, and will update shareholders as outcomes progress.

For further information, contact:

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About ECT Group

ECT Group is made up of ECT Limited, ECT Finance and ECT India

About ECT Limited

ECT Limited is in the business of commercialising leading-edge energy and resource 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 ECT Finance

ECT Finance is a subsidiary company that provides financing solutions for ECT group.

Areas covered in this announcement:



The above diagram provides a 'quick glance' of the key activity areas. Highlighted areas are referenced in this announcement.