



Equity Lending Facility Update

Monday 24 July 2017: Environmental Clean Technologies Limited (ECT or Company) (ASX:ESI) is pleased to provide the following attached announcement by its subsidiary, ECT Finance Ltd (ECTF).

For further information:

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About ECT

ECT 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 Coldry

When applied to lignite and some sub-bituminous coals, the Coldry beneficiation process produces a black coal equivalent (BCE) in the form of pellets. Coldry pellets have equal or superior energy value to many black coals and produce lower CO₂ emissions than raw lignite.

About MATMOR

The MATMOR process has the potential to revolutionise primary iron making.

MATMOR is a simple, low cost, low emission, production technology, utilising the patented MATMOR retort, which enables the use of cheaper feedstocks to produce primary iron.

About the India R&D Project

The India project is aimed at advancing the Company's Coldry and Matmor technologies to demonstration and pilot scale, respectively, on the path to commercial deployment.

ECT have partnered with NLC India Limited and NMDC Limited to jointly fund and execute the project.

NLC India Limited is India's national lignite authority, largest lignite miner and largest lignite-based electricity generator.

NMDC Limited is India's national iron ore authority.

Equity Lending Facility

Update and Frequently Asked Questions

Monday 24 July 2017: ECT Finance provides the following update on the status of the Equity Lending Facility (ELF).

Applications via the ECT Finance website (www.ectfinance.com.au) opened on the 14th of July.

To date, over 200 applications have been received and the response has been overwhelmingly positive.

We have however, experienced some technical difficulties on the Application platform over the last week which have now largely been resolved.

Should applicants have any further questions, we encourage you to submit them to info@ectfinance.com.au. The typical response time is a few hours.

Phone enquiry volumes are high, so to avoid long delays in having your questions answered, we recommend you use email as the primary method of contact.

The application closing date will remain at the 26th of July, although this date will be extended for any applicants who purchased ESIOB or ESIOA options on Friday 21st and Monday 24th of July.

Please contact ECT Finance immediately if you seek an extension to the closing date for any other reason.

Frequently Asked Questions (FAQ's)

The following provides further clarification around several terms, conditions and features of the ELF:

1. How do I obtain the paper work?

When an applicant completes the online application, they will be prompted to either a) Download or b) Print the contract. Applicants need to make sure they choose either of these options as there is no function to return to a previous application once you have closed the application window. If you have made an error in your application or wish to change some of the selections, simply re-access the application platform and start the application process again.

2. Do I need to submit a separate application for ESIOA and ESIOB holdings?

Yes. The shares resulting from the exercise of each option series will be held under separate loan agreements. Therefore, if an applicant holds both ESIOA and ESIOB series that they wish to finance through the ELF, then that applicant will need to apply for two separate loans.

3. Do I pay the \$200 application fee for each loan?

Yes, the \$200 application fee is payable for each loan, unless the loan meets the criteria for waiving this fee, being either pre-paid interest or an LSR <85%.

There is also an additional \$200 fee for all SMSF applications. This fee covers the legal review of the

SMSF custodian / bare trust deed.

4. How is the 2% management fee applied?

There is a management fee of 2% per annum which will only be charged at the end of each 6-month period where a loan has an LSR >85% and the interest is capitalised.

This fee is added to the loan and is not required to be paid in cash.

This fee will be waived in all other circumstances.

5. What is the latest I can submit my application?

Applications must be received, at least via email, by the deadline of 7pm on Wednesday 26th of July.

An electronic copy of the signed contract and certified identification documents can be sent to info@ectfinance.com.au.

The signed paper copy of the contract and certified identification documents must be sent to PO Box 482, South Yarra VIC 3141.

6. What is the last day that I can buy ESIOA and ESIOB Options on the ASX?

ESIOA and ESIOB Option can be purchase on market up to the last day of trading, Monday 24th of July 2017.

All ESIOB and ESIOA options will be eligible to participate in the ELF and holders will be able to include recently purchased ESIOA and ESIOB options, subject to the ELF Application deadline noted above.

7. Is there a limit to the number of Options I can finance under the ELF?

There is no restriction on the maximum number of units a holder can apply to finance via the ELF.

The minimum loan size is \$1,000.

8. I've purchased more Options, but the balance in the ELF application has not updated. Why?

The application platform is updated periodically. If the balance on the application screen is less than your expected holding, you may hand write the number of Options you wish to apply for on the application form.

Data updates will again be run on the 25th and 26th of July, to account for the last day of trading of Options, being the 24th of July.

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9. What if I need more time to submit my application?

An extension to the close date will be considered and updated to the market by Tuesday 25th of July.

10. What if I hold Options under more than one HIN. Can they be combined into one loan?

No. These will be separate loans.

11. If I pay down my loan to a lower LSR in the future, will my interest rate be re-calculated?

Yes. Borrowers will have the opportunity to adjust the basis for their loan interest payment method every 6 months. A lower Loan-to-Strike Ratio (LSR) will attract a lower interest rate.

12. I have printed my loan document, where do I sign?

Instructions on how to complete the Application are provided on page 3 of the Application.

Applicants must ensure they sign page 21.

Where applicable, Option Transferees must fill in schedule 1.

All Applicants must fill in Schedule 3 per the instructions on pages 2 & 3.

We thank all those who have provided positive feedback on this initiative and we encourage all applicants who pre-registered to access the ECT Finance website (www.ectfinance.com.au) and complete the online application.

For further information: info@ectfinance.com.au

About ECT Finance

ECT Finance is a fully owned subsidiary of ECT and is in the business of providing financing solutions including:

- Equity Lending Facility (ELF)
- Supply agreement financing
- Project financing
- Equipment financing
- Cash flow financing