



## Shareholder Update

### ECT Group Corporate Structure & India Project

**Tuesday 17 October 2017:** Environmental Clean Technologies Limited (ASX: ESI) (ECT or Company) is pleased to provide the following update on the Group's Corporate Structure and India project.

#### Key points:

- Ashley Moore officially assumes new role as Chairman-Managing Director of ECT India
- Jim Blackburn takes over operational leadership of ECT Limited
- Glenn Fozard heads up ECT Finance Limited
- Project review by India's national 'planning committee' NITI Aayog is progressing, with the external, independent financial review anticipated to take 6-8 weeks

#### Corporate Structure

Further to our announcement on 11 September 2017, the Company has made several important changes to its executive and Board structure in preparation for the anticipated increased activity in India, Bacchus Marsh and the Latrobe Valley.

ECT's Managing Director, Mr Ashley Moore assumes the position of Chairman and Managing Director (CMD) of the Company's Indian subsidiary (ECT India), providing dedicated support to the development of our integrated Coldry-Matmor demonstration project in India. In doing so, Mr Moore resigns his position from the ECT Board, effective today.

Mr Jim Blackburn, retaining the title of Chief Operating Officer (COO), will lead the operational and management duties of ECT.

Mr Glenn Fozard retains his role as Chairman of ECT and Executive Director of ECT Finance Ltd.

Glenn Fozard commented, "The Company is pursuing a raft of right-sizing initiatives aimed at improved alignment of staff skill-sets with roles that support our current projects."

"Ashley has developed strong relationships in India and is ECT's most experienced engineer, so it makes sense to see those skills dedicated to the India project."

"Likewise, Jim has 15 years' experience in managing complex research, development and commercialisation programs, holding senior roles including COO and CEO. So, to have Jim managing and administering the operations of ECT also makes a great deal of sense for us."

Recruited to ECT in mid-2016, Jim Blackburn is an experienced senior executive with demonstrated leadership, operational, and technical experience across primary industries, corporate development and stakeholder management.

Over the past 12 years Jim has developed his substantial base of experience across senior executive roles within the Lonsec Fiscal (research) Group of Companies. Jim holds a science degree with distinction from

the Australian Maritime College and post graduate qualifications in financial services and corporate governance.

Commenting on the recent changes, Jim Blackburn stated “It has certainly been a very intensive period since joining ECT in 2016 and whilst we have achieved a great deal, our greatest challenge now lies in front of us in delivering our strategic projects.

ECT’s current organisational chart, included at the end of this release, reflects these changes and anticipates the structure of our Board, Executive and staff team as we head into 2018.

### **India Update**

The Company is keenly aware of shareholder expectation for increased progress in light of the additional time taken to work through the NITI Aayog review since February this year.

Following the Company’s update on 11 September, the newly appointed CMD of ECT India, Mr Ashley Moore, has continued to work closely with our Indian partners as they navigate the review process in addition to driving preparatory activity in anticipation of a positive outcome.

On the project preparation front, the project team has commenced development of the design package with our engineering partners Thermax, Dastur and EcoWise.

On the NITI Aayog review front, the Company was recently briefed on its progress, which has taken longer than expected.

Given the complex nature of the process, the Company provides the following background;

During February, the Company met with its partners, NLC and NMDC, to finalise the legal review of the MPA and arrange the signing date for the MPA.

It was at that time the Company was introduced to the new Secretary of the Ministry of Coal, Mr Susheel Kumar, providing him with an overview of the project.

Mr Kumar saw this as a project of potential national significance and referred it to the National Planning Committee - NITI Aayog – for review.

The review process was unfamiliar to all three parties at that time, leading NLC and NMDC to seek guidance via their respective Ministries and ECT via the Australian High Commission.

The partners subsequently submitted information on the project to their respective Ministries in the lead up to NITI Aayog, and it progressed through technical review with minimal further queries.

After a positive technical assessment, the MPA was then referred to the respective legal, financial, and company secretarial divisions within both NLC and NMDC where it again was reviewed and positively assessed.

The draft MPA was then referred the CMD and technical divisions where, with the benefit of this rigorous analysis process, it became clear that the initial R&D investment of ~\$30m would articulate into a commercial project worth several hundred million dollars upon successful outcomes. This fact, combined with the requirement to be formally assessed at Nitti Aayog, subsequently triggered the requirement for external, independent financial review of the MPA as preparation for formal NITI Aayog consent.

This entailed a tender process to select an appropriately qualified, independent reviewer, which was carried out mid-year and led by NLC.

As the tender program for the external independent financial review work commenced in June, NMDC senior leadership was undergoing significant change.

Following the retirement of the previous permanent CMD (Chairman & Managing Director) Mr. Narendra Kothari in December 2015, the post of CMD was temporarily held by several persons without full tenure. However, in early September 2017, a new permanent CMD was appointed to lead NMDC – Mr. N Bajendra Kumar.

The initiation of the engagement with ECT was begun by former CMD Kothari, and we're pleased to report recent discussions with Mr. Kumar have reconfirmed the commitment to the project. This confirmation by the new CMD is important in maintaining continuity and building momentum for our engagement, MPA sign-off, and the subsequent project works program.

The independent external review remains in process and is a necessary component of the NITI Aayog review ahead of the signing of the Master Project Agreement (MPA).

ECT has developed an extensive data room to facilitate this independent review process and, based on current guidance, anticipates its conclusion in 6 to 8 weeks once started.

ECT is under strict confidentiality and Indian government probity requirements regarding the independent review, but will continue to seek guidance and provide further updates on this activity, in addition to updates on parallel activities, in support of the engineering and project structuring.

**For further information, contact:**

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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 CO<sub>2</sub> 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.

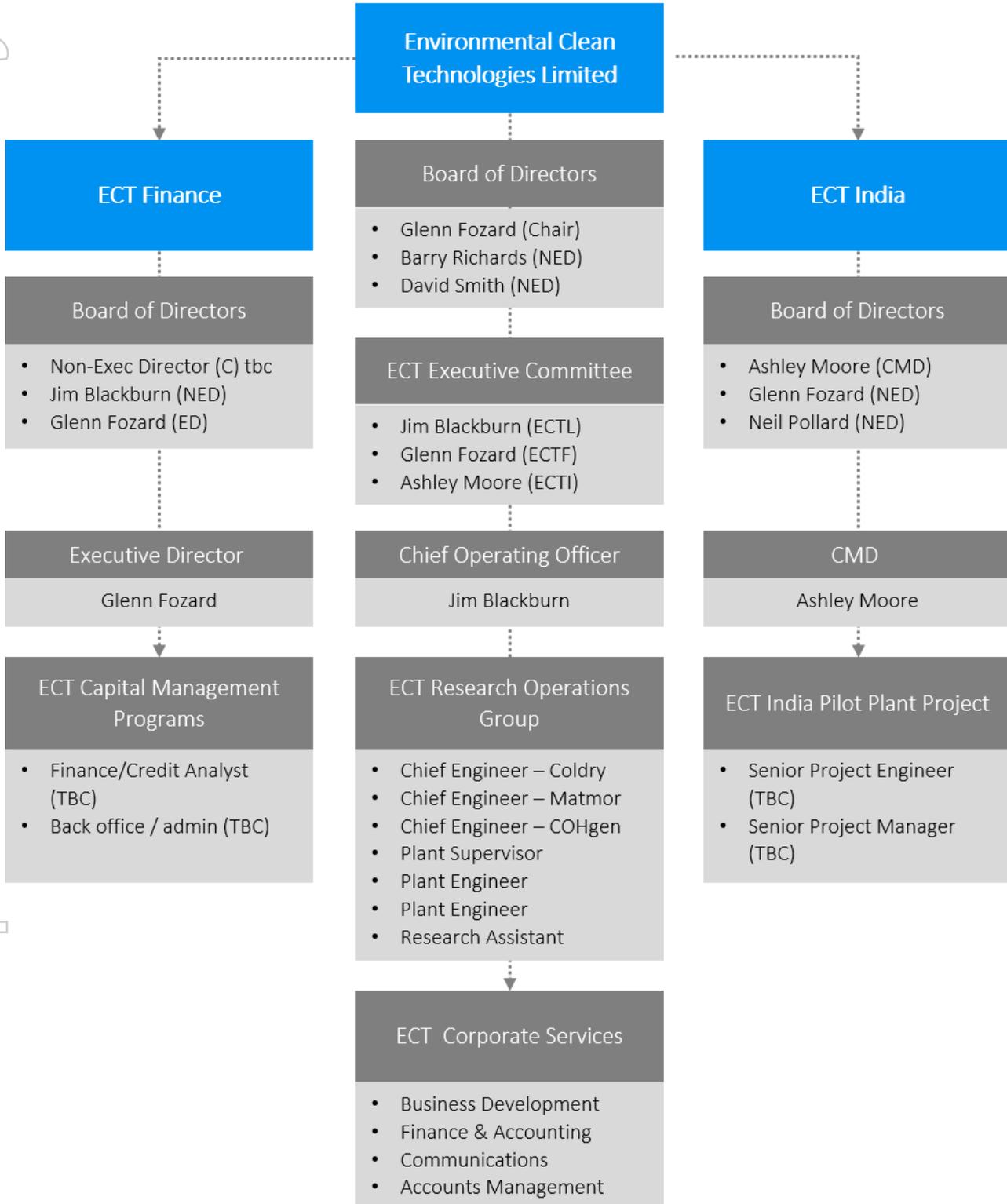
NLC India Limited is India's national lignite authority, largest lignite miner and largest lignite-based electricity generator.

NMDC Limited is India's national iron ore authority.

**Areas covered in this announcement:**

ECT (ASX:ESI)	ECT Finance	ECT India	India Project	Aust. Project	R&D	HVTF	Business Develop.	Sales
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