

ARUP PRE-FEASIBILITY STUDY

Thursday, 31 July 2008: ECT (ASX:ESI) advises that Arup has completed its pre-feasibility study for the 150,000 tonne per annum Coldry commercial demonstration plant, including the basis of design and estimated construction cost of +/- 25% to 30%.

Having now defined the critical design parameters, major cost drivers and improvement opportunities for the project, ECT has determined to allow Arup and construction partner MacDow to undertake further optimisation activity prior to issuing the construction cost estimate of +/- 10% towards the end of October 2008.

This decision takes into account the anticipated conclusion of commercial discussions in which ECT is engaged for offtake sales, locally and overseas, and the full acquisition of the Coldry IP.

Arup Principal Harry Watson said that the basis of the 150,000 tonne commercial plant design had completed to the extent necessary for commencement of a bankable feasibility study, "but additional testing at the existing pilot plant during this stage presents the opportunity to further refine the design resulting in significant cost savings to the project."

ECT Chief Executive Kos Galtos said the company was satisfied that the Coldry technology was commercially viable. "We have determined from numerous discussions with major international brown coal users and potential customers for black coal substitute, that further refinement of Coldry plant designs will enhance our world-wide opportunity through wider deployability and more rapid construction."

A technical summary of the design will be issued soon and Shareholders will be kept informed about developments with the feasibility study and other company activities via our website and monthly email communication.

If you have any queries please contact ECT Chief Executive Kos Galtos on +61 (0)3 96840888.



