

Coldry Technology address at Coal Tech 2008

29 September 2008: Environmental Clean Technologies Limited (ASX:ESI) advises that Chief Executive, Kos Galtos is presenting the following paper at the Coal Tech 2008 conference in Queensland today.

Coal Tech 2008 is bringing together all the major coal producers, power generators, petroleum firms, engineers in addition to state and federal government representatives to gain an up to the minute understanding of the latest developments with clean coal initiatives in Australia.

Mr Galtos will contribute to the debate on new technology developments and what the Coldry Technology means for the power industry in terms of assisting each of them to economically meet their carbon emission reduction targets.

He said "I am pleased to have been invited by the industry to present to this key strategic forum with an audience of decision makers and key stakeholders in the resources industry. The acknowledgement of the significance of Coldry as an innovative and commercial technology demonstrates the Company's pre-eminence in the brown coal arena."

For further information please contact Chief Executive, Kos Galtos on 03 9684 0800

Cleaning Up Brown Coal

What is 'Brown Coal'?

- Lignite, often referred to as brown coal
 - Considered the lowest rank of coal
- Characteristics between coal & peat, typical;
 - Inherent moisture as high as 66%
 - Ash from 6% to 19%
 - Carbon around 60%
 - Heat content from 10 to 20 MJ/kg
- High volatile matter content
 - Making it easier to convert to gas & liquid products
- Susceptible to spontaneous combustion
 - Transport & storage issues limit trade on world market
- Used almost exclusively for power generation, in power stations constructed very close to mines
 - CO₂ emissions much higher than black coal plant
- Continued power plant operation politically contentious.

Production - World Lignite

	Tonnes
Germany	175,400
Russia	83,200
United States	80,500
Australia	67,800
Greece	67,000
Poland	59,500
Turkey	57,200
Czech Republic	50,700
China	47,000
Serbia	35,500
Romania	29,800
North Korea	26,500
Total	894,800

“1526 Lignite & Sub-bituminous Power Stations Identified”

What is Coldry?

- World's 1st economic method of dewatering brown coal
 - Creates a stable, transportable black coal substitute
 - Transforms 62% moisture 'Latrobe Valley' coal to <12%
 - Enhances energy per Kg from 8 MJ to 24 MJ
 - Works on Lignite & many Sub-bituminous Coals
- Immediately deployable in existing 'Brown' coal boilers
 - At 10% to 20% of total fuel load
- Realises significant efficiencies & opportunities
 - Cuts overall consumption of coal as a feedstock
 - Reduces Carbon emissions at 'Front end'
 - Contributes to 'water consumption' strategies
 - Reduces ash accumulation
 - Supports the case for Super-critical or gasification
 - Enables new fuel reserves & export opportunities.

Examples of Independent Testing

Lignite: Victoria, Australia

<A\$33 Tonne

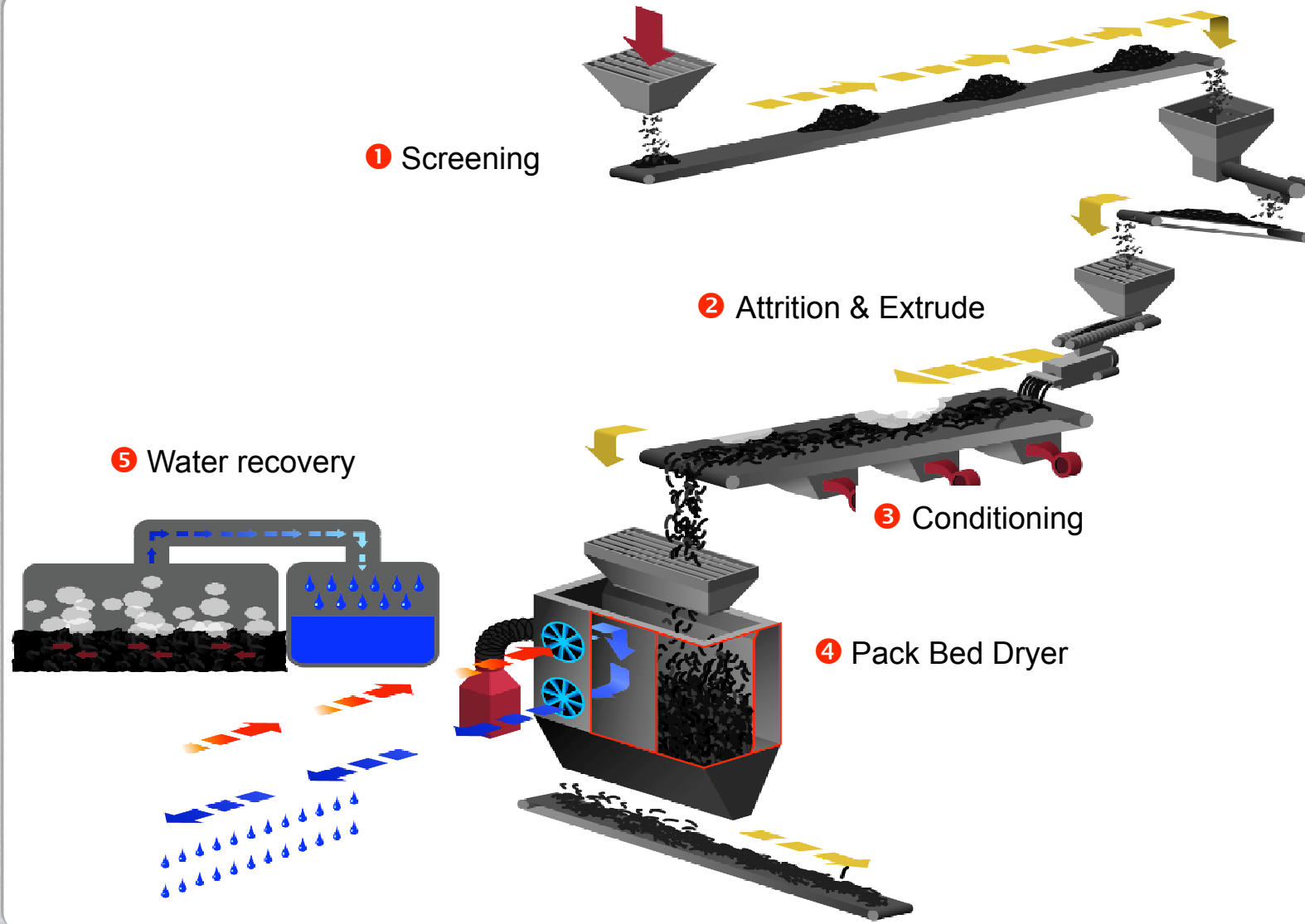
	Mined	Coldry	Change	%
Moisture (%)	58.90	11.30	-47.60	-81%
Ash Yield (%db)	1.63	1.63	0	0%
Gross Dry Calorific Value	26.97	27.00	.03	0%
Gross Wet Calorific Value	11.09	23.18	12.09	109%
Net Wet Calorific Value	9.33	22.04	12.71	136%

Sub-bituminous: Inner Mongolia, China

<A\$27 Tonne

	Mined	Coldry	Change	%
Moisture (%)	34.80	15.00	-19.80	-57%
Ash Yield (%db)	18.44	17.50	-0.94	-5%
Gross Dry Calorific Value	22.30	22.50	.20	1%
Gross Wet Calorific Value	14.54	19.10	4.56	31%
Net Wet Calorific Value	13.31	18.20	4.89	37%

The Coldry Process



Coldry: Pilot Plant

- Developed by CRA & Melbourne Uni in the early 1980's
- Commissioned 2004 - Batch process
- Upgraded 2007 - Continuous process & Water recovery
- Max capacity – 10,000 t.p.a.
- Investment - >\$5M



Coldry: Demonstration Plant

- Target Start: 1Q09 Completion 4Q10
 - Output 150,000 t.p.a.
 - Heat source Waste Heat or Geothermal
 - Construction Prefabricated Modules
- Strategic Relationships
 - Design Engineers: Arup
 - Preliminary design complete >3,500 hours
 - +/- 30% Preliminary Feasibility May 09 Completed
 - +/- 10% Preliminary Feasibility Oct 09 Due
 - Construction: MacConnell Dowell
 - Target maximum price
 - Corporate Advisory: Deloitte
 - SPV financial modelling Delivered
 - Strategic Business Planning In Progress
 - Finance: Philip Capital
 - Acquisition of Debt & Equity Finance
 - Operation & Maint. Negotiations concluding.

What will be proven...

- Low Heat (45°C) + Low Pressure (12 psi) = Low Cost
 - Production of exportable, low ash, black coal substitute
 - ‘Carbon Free’ Class A water
 - *No leaching of coal volatiles*
 - *No Pollutants to be dealt with*
- CO2 reduction:
 - Unmodified Lignite Boiler (10% shandy) 3% to 6%
 - Black Coal Boiler 11% to 18%
 - Super Critical Boiler & IDGCC 35% to 42%
- Production Cost <\$33* tonne, including
 - CapEx, OpEx, Financing, Depreciation, Royalties
- Coldry carbon footprint
 - Latrobe Valley (Lignite) 1:9
 - Greek (Lignite) 1:10
 - Mongolian (Sub-bituminous) 1:16

Questions.....

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Coldry

“The world’s most cost effective, immediately deployable, carbon emissions reduction technology for Brown coal!”