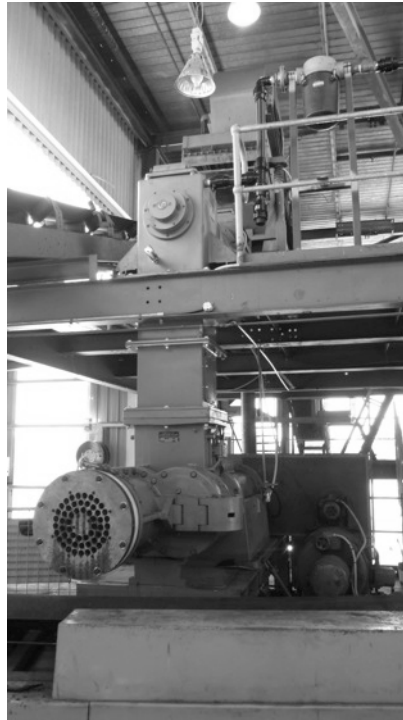


Shortfall Program – Investor Briefing



**ECT – Technology Development and
Commercialisation in the Energy & Resources Sectors**

Ashley Moore, November 2011

Disclaimer

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Introducing ECT

We will cover:

- A snapshot of who we are and what we do
- An introduction to the unique Coldry & Matmor technologies, and their respective value propositions
- Insight into our commercialisation pathway for the Victorian Coldry project, including a financial breakdown and its bottom line for investors

ASX: ESI / ESIO

Shares (ESI): 1,170,608,762 Last: 0.5 cents

Options (ESIO): 628,489,712 Last: 0.3 cents

Proforma issued capital following completion of Shortfall program:

Shares: 1,570,000,000

Options: 828,000,000

(\$900k already invested / committed, \$1,500k to complete the shortfall program)

Business Focus

ECT Develops and Commercialises technologies in the Energy & Resources sector. For context:

- Energy sector:
 - Global electricity demand in 2008 was 16,819 TWh, and is projected to grow to ~23,500 TWh by 2020 (for reference, Australia consumed about 240 TWh, or 1.4% of the 2008 total). 41% of Electrical demand is now serviced by Coal.
 - Global coal consumption was ~4.9 Bn tonnes in 2008, and is expected to grow to between 5.8 – 6.2 Bn tonnes by 2020. That represents an additional annual consumption about 4x the total exports of Australia.
 - In 2010, Chinese coal production grew by 288 million tonnes per annum – the same as the total exports of Australia.
 - Global Black coal reserves are diminishing in quantity, and are less than those of Brown coal (~48%:~52%), while consumption is skewed in the other direction (~80+%: <20%). This drives pricing pressure, as well as energy security concerns.

Business Focus

ECT Develops and Commercialises technologies in the Energy & Resources sector. For context:

- Resources: Iron & Steel
 - Global Crude Steel production was ~1.4 Bn tonnes in 2010, ~45% of which is produced in China. This consumed ~2.6 Bn tonnes of Iron ore and ~1 Bn tonnes of coking coal
 - As Ernest & Young stated in their report, a key issue facing the Steel industry is “Abundant... iron ore, while lacking in coking coal”, with countries such as India facing a four-fold increase in coking coal imports by 2020.
 - Supply & Pricing pressures on both Coking coal and Iron ore will drive fierce competition to secure limited resources, especially in the coking coal segment.

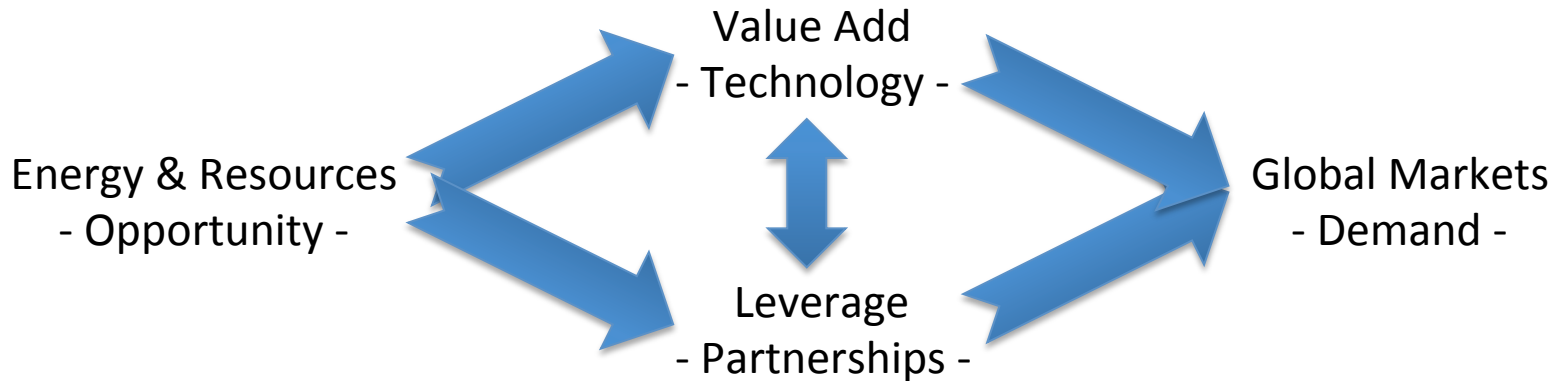
Our Business

Coldry

Low value high
moisture coals

Loy Yang, Arup,
JCS, MacDow,
Tincom

High value Thermal Coal,
Enhanced Energy Security,
* High Value CO2
reduction potential



Matmor

Low grade or stranded
Iron ore reserves,
Waste streams;
Low grade coals

Searching now!

High grade Pig Iron,
Scrap replacement,
Melt stock,
* High Value CO2
reduction potential

Technology Portfolio

Coldry

Unique Coal Drying and Water Recovery Technology

- An economic method for **dewatering** lignite and sub-bituminous coals
- Exportable **Black Coal Equivalent**
- Low cost CO₂ **abatement** solution



Matmor

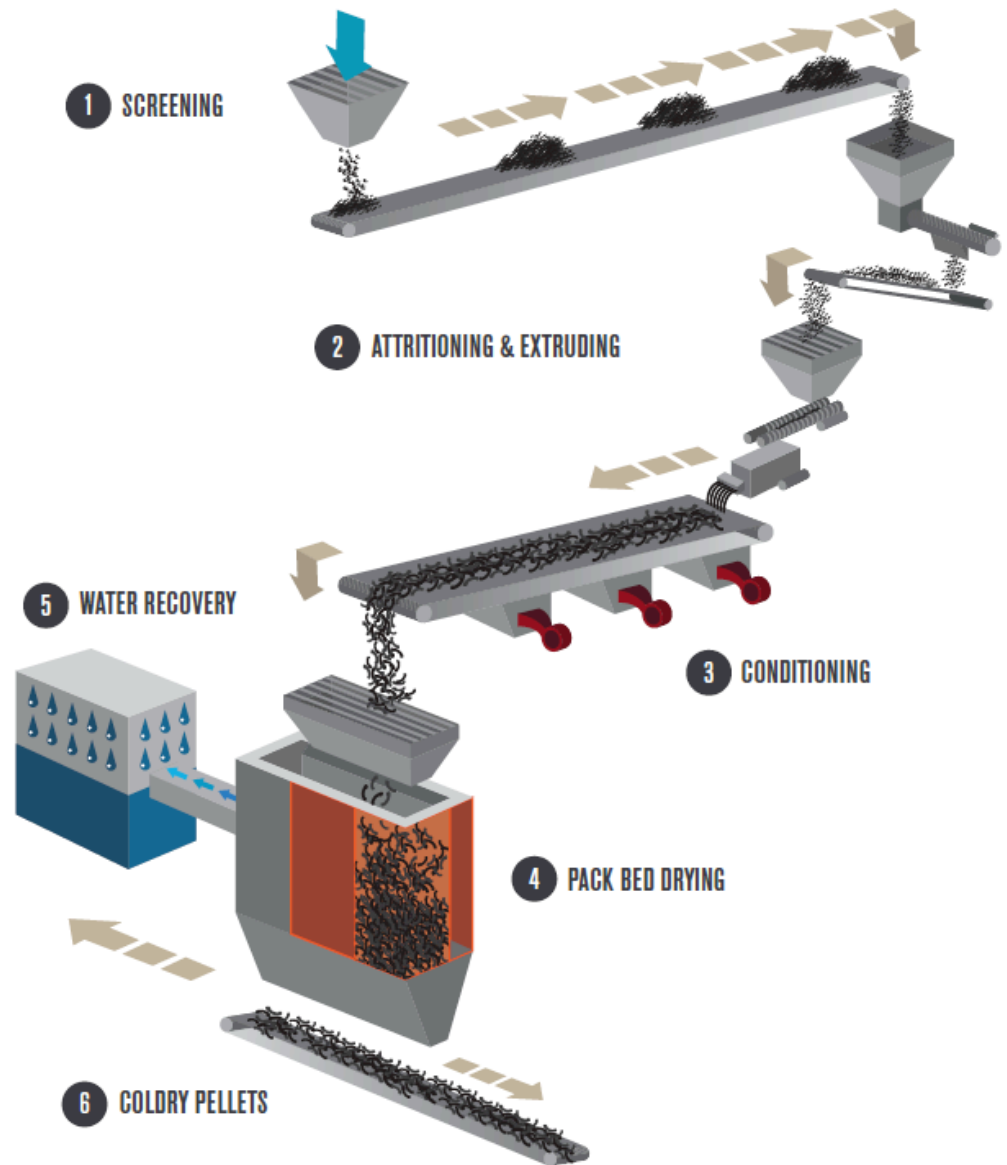
Unique Iron Making Technology

- Primary iron production
- Unique lignite-based process – no coking plant required!
- Recover iron from iron ore and waste streams such as mill scale and nickel tailings

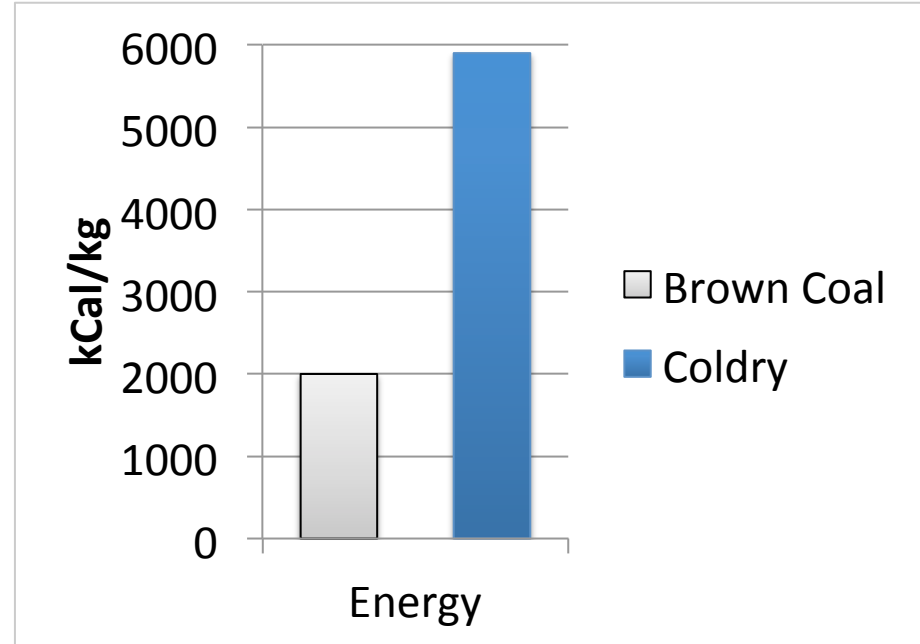
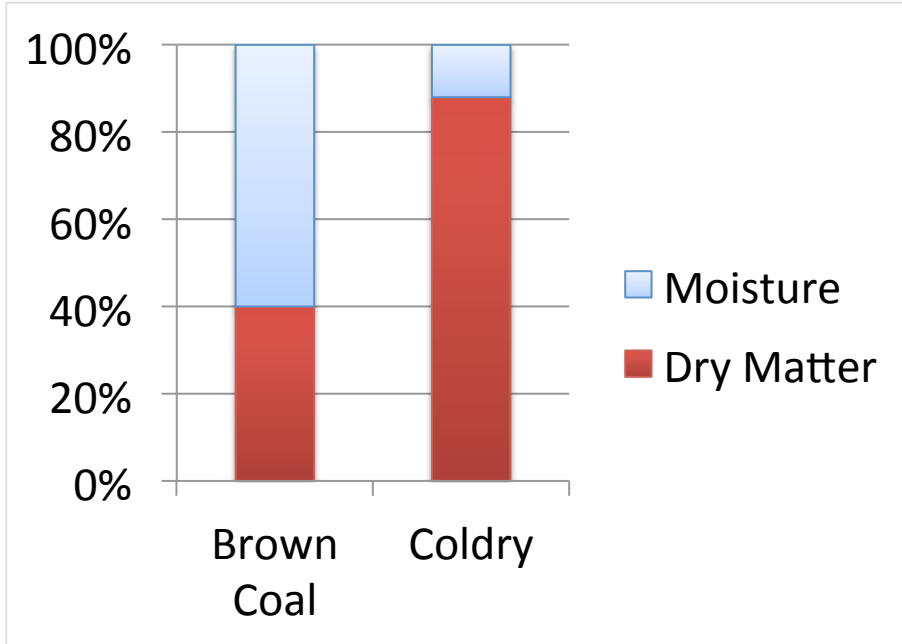


Coldry Process

- Coldry Technology is a simple, mechanical process
- Attritioning collapses coal pore structure, mobilising **physically** trapped water
- Stimulates natural chemistry of brown coal to expel **chemically** bound water
- Extruded into pellet shapes
- Ejected water migrates to the surface of coal pellets
- Utilising low temperature **waste heat** from host power station, the surface moisture on the Coldry pellet is evaporated



Coldry Product



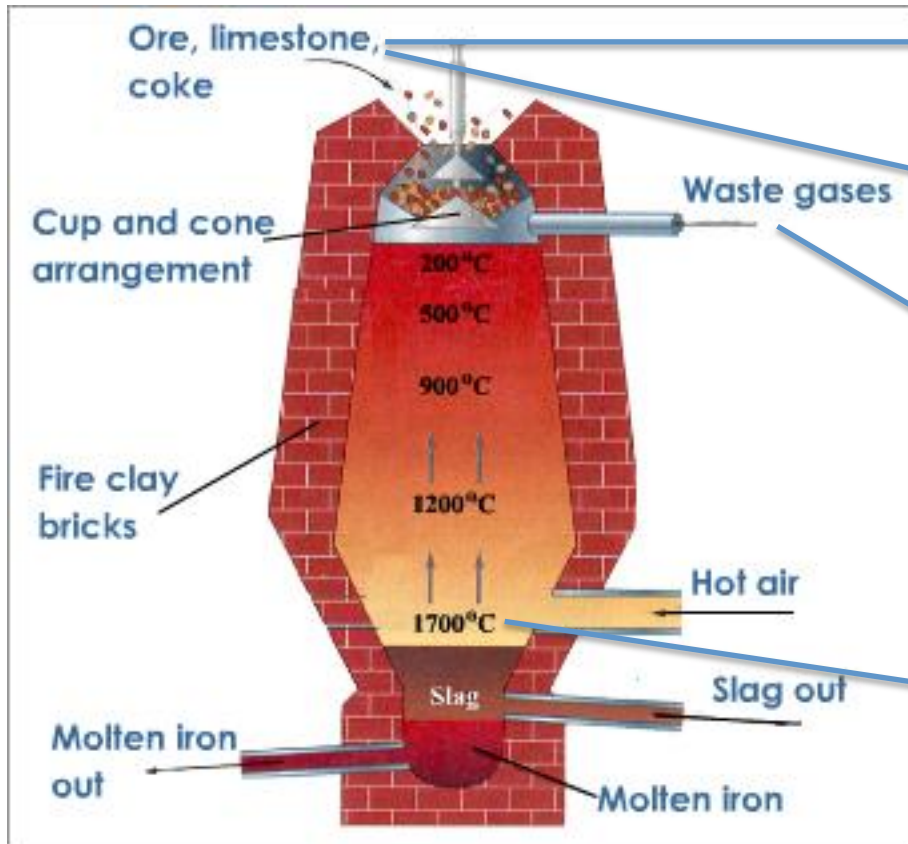
MATMOR Technology

- Unique iron making technology – replaces metallurgical coal with cheap, abundant brown coal
- Uses Coldry process to combine metal bearing media, brown coal and flux prior to smelting via patented MATMOR furnace
- Produces iron billets for secondary steel making
- Status of development – test plant (1 tonne per day)
- Next steps – scale up to pilot plant (20 tonnes per day)



Blast Furnace Iron vs. Matmor

Blast Furnace: Status Quo



20-30m tall;
10-12m wide

Matmor: New Potential

Coke / Coking coal vs. Lignite
\$250 / tonne vs. ~\$10 / tonne

Iron media sources include low
cost & waste stream options

Waste gases recirculated to
recover energy & reduce
overall CO2 emissions

Lower temperatures =
Lower energy consumption;
typically 1000 degC max

Reduced footprint =
Potential for Reduced capital

Commercialisation Status - Coldry

Coldry:

- IP secure (Patents granted or progressing well in key markets)
- Pilot Plant operational, & progressively upgraded
- Commercial Detail Design commenced for lead project – Victoria Coldry
 - Design for Tender: Deliverables, Timeframe, Value, Next steps
 - First production & revenue: 2014 commissioning
- Product application testing programs in place
- Domestic market applications
 - C-tax hedge / CO2 abatement, Conversion plants

Commercialisation Status - Matmor

Matmor:

- IP secure (Australian Patent + back-to-back protection of Coldry)
- Test Plant operational
- Pilot plant design brief complete
- Partner / lead application search
 - Screening and support testing underway
- Move to Pilot plant design when we locate the right partner

Technology leveraged energy resource project



Coldry Project examples

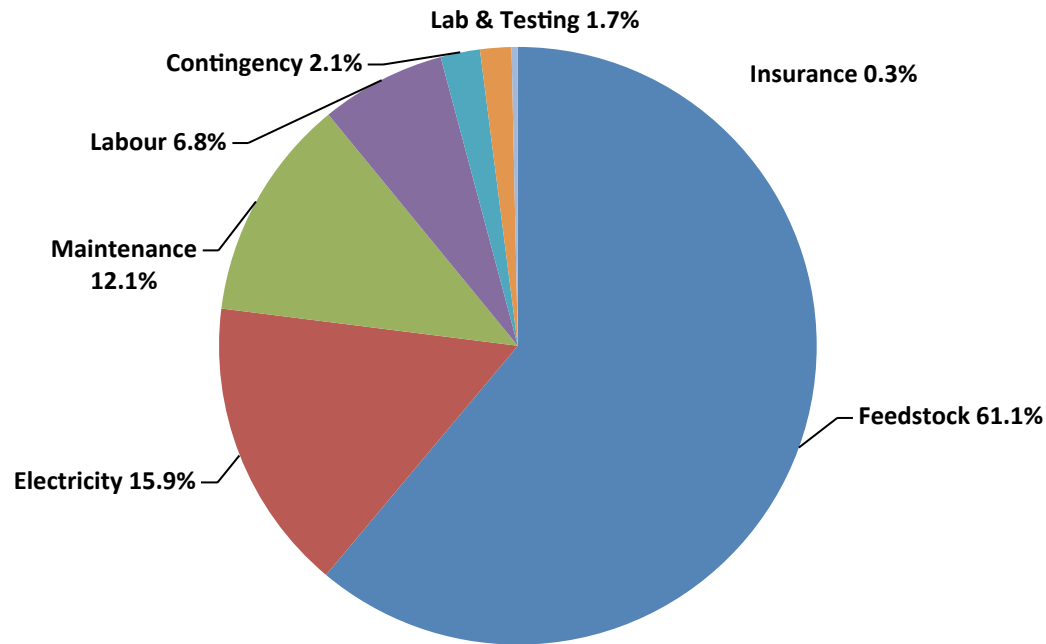
Victoria – Coldry production, use & export:

1. Resource: Victorian Lignite (400+ Bn tonnes, >2.5Bn at Loy Yang alone)
2. Technology – Coldry
3. Market:
 - a. China coal demand - export
 - b. India coal demand - export
 - c. Australia electricity demand with CO₂ reduction targets – domestic
4. Capital – Tincom & others

China – Coldry production & use:

1. Resource: Inner Mongolia (e.g. immediate vicinity reserves of 10+ Bn tonnes in one case)
2. Technology – Coldry
3. Market:
 - a. Additional expansion capacity using higher efficiency generation technology
 - b. Supply within the group to support coal shortages at other stations without efficiency loss associated with consumption of raw coal
 - c. Provision of higher energy raw material to Coal Conversion plants
4. Capital – Dependent on specific project opportunities

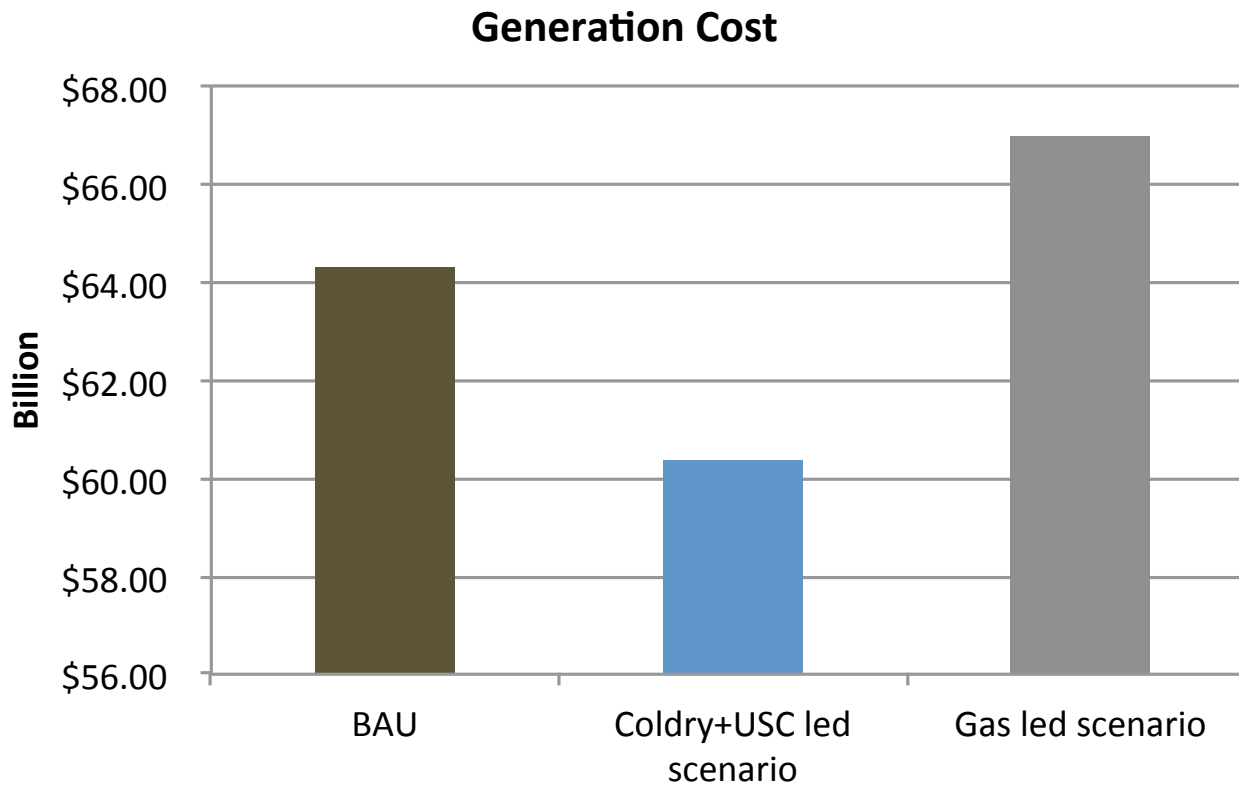
Indicative cost of production



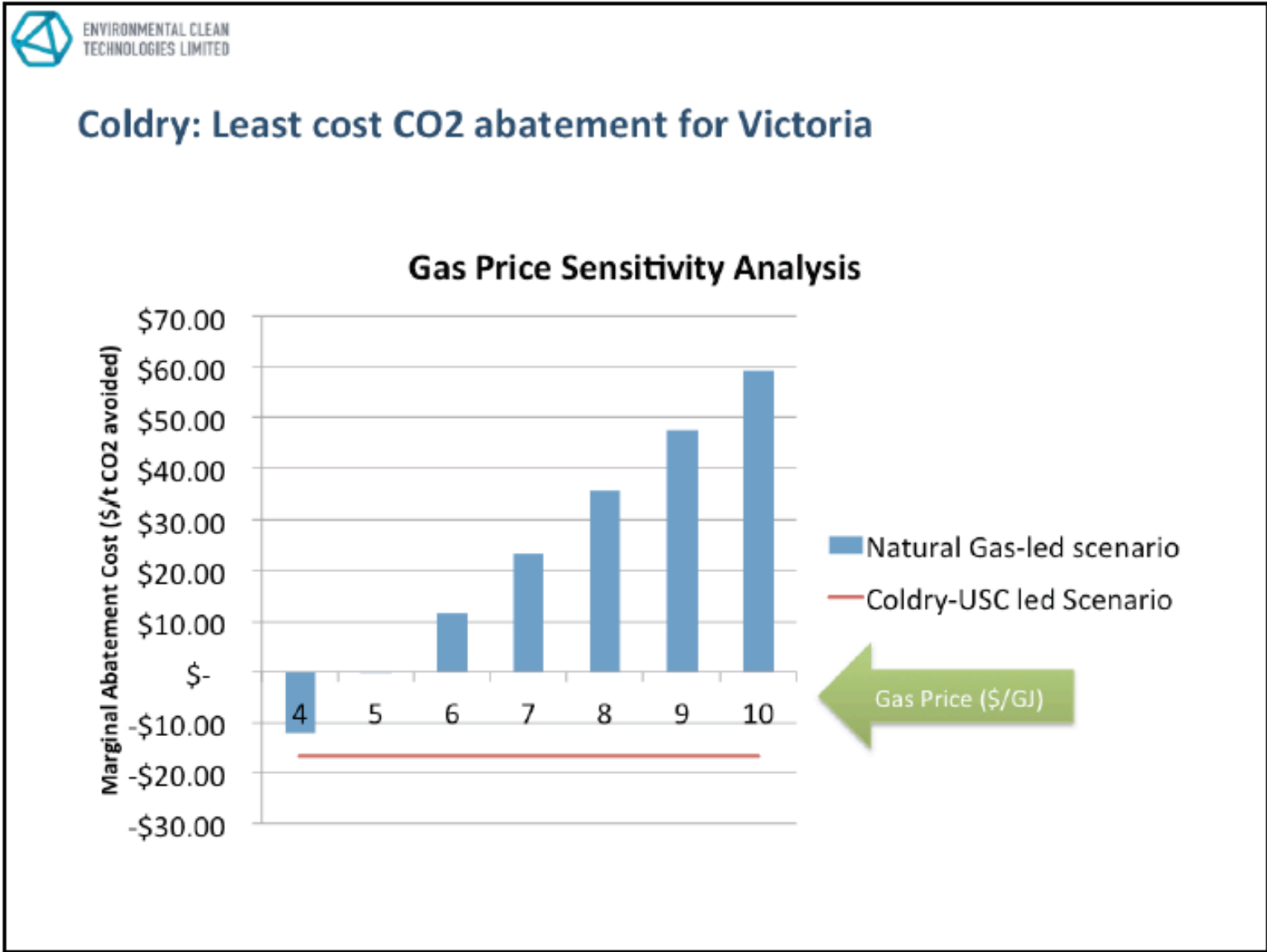
COSTS	AUD/tonne
Electricity	\$5.56
Maintenance	\$4.70
Labour	\$1.42
Contingency	\$0.63
Lab & Testing	\$0.50
Insurance	\$0.10
Production Cost	\$12.93
Feedstock (est)	\$18.06
TOTAL Ex-Works	\$30.99
Freight	\$40.00
TOTAL COST	\$70.99
Qinhuangdao (5,500 kcal/kg) - 10%	\$117.85
ECT Margin Potential	\$46.86

Generation cost – cumulative spend 2012-2025

Delivering least cost abatement



Mitigation cost vs. Natural Gas costs



Summary

- The Company
 - Resource & Energy Focus
 - Technology value add
 - High Value products, High value resource security
- Coldry Technology
 - High Moisture Coal Dewatering
 - Exportable black coal equivalent
 - Cost effective CO₂ abatement solution
- Victorian Coldry Project
 - 2 Mtpa stage 1
 - Cost of production: \$31 per tonne
 - Site: Loy Yang Power Station, Victoria
 - Customers: Tincom, China Datang, Victorian domestic & others

Thank you

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