

Terrajoule enters into Formal Licence Agreement with Rice University

Environmental Clean Technologies Limited (ASX: **ECT**) (**ECT** or **Company**) is pleased to announce that Terrajoule Inc. (a wholly owned subsidiary of its acquisition target Terrajoule Pty Ltd) (**Terrajoule**), has entered into a formal licence agreement with William Marsh Rice University (**Rice**) to licence Rice's proprietary flash joule heating technology for the purposes of remediating soil which has been contaminated by Per- and polyfluoroalkyl substances (**PFAS**) and/or heavy metals (**Licence Agreement**).

The execution of the Licence Agreement satisfies a key condition precedent to the transaction under which ECT will acquire 100% of the issued shares in Terrajoule, as first announced by the Company on 25 September 2025 (**Transaction**). The parties are now working towards satisfying the remaining conditions to the Transaction and expect completion to occur shortly.

The key terms of the Licence Agreement are set out in the Schedule and are consistent with the indicative terms disclosed in the 25 September 2025 announcement.

This announcement is authorised for release to the ASX by the Board.

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Forward-looking Statement

This announcement may contain forward-looking statements regarding future events or performance, including but not limited to projections of financial results, anticipated growth, and business strategies.

These forward-looking statements are based on current expectations, assumptions, and projections that involve inherent risks and uncertainties. Actual results may differ materially from those anticipated due to various factors, including market conditions, regulatory changes, technological advancements, and economic conditions.

Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this announcement. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by applicable securities laws.



Investors should carefully consider the risks and uncertainties disclosed in the Company's periodic reports filed with the Australian Securities Exchange (ASX) and other regulatory authorities. Forward-looking statements are provided as of the date of this announcement, and the Company disclaims any obligation to update them, except as required by law.

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Schedule 1 – Material Terms of the Licence Agreement

Licensor	William Marsh Rice University (Rice University)
Licensee	Terrajoule Inc. (Terrajoule)
Issued shares in Terrajoule	Rice University and the lead professor of the FJH technology have been issued shares comprising 23% of the shares in Terrajoule Pty Ltd (which shares will be acquired by ECT on completion of the Transaction)
Fees	Rice University will be entitled to fees as follows: <ul style="list-style-type: none"> - an upfront licencing fee of USD\$50,000; - an annual licence maintenance fees of USD\$10,000 per annum; and - an assignment fee of USD\$100,000 (if applicable). Terrajoule will also make a contribution of US\$350,000 towards Professor Tour's laboratory at Rice (in lieu of the technology research fee referred to in the 25 September 2025 announcement).
Royalties	Rice will also be entitled to a royalty of 1.5% of gross sales attributable to the licence (subject to minimum payments of USD\$10,000 in years 1 to 2, USD\$20,000 in years 3 to 5 and US\$30,000 from year six onwards).
Non-Sale Based Sublicence Consideration	Rice will be entitled to a non-sale-based sublicence consideration as follows: <ul style="list-style-type: none"> - 30% from 0 to 24 months; - 25% from 25 to 72 months; and - 15% from 73 months onwards.
Milestone Payment	Rice will be entitled to a milestone payments as follows: <ul style="list-style-type: none"> - USD\$50,000 upon receipt of at least USD\$7,500,000 funding for the development and commercialisation of licenced products; - USD\$75,000 upon achieving sales of USD\$15,000,000 in cumulative worldwide gross sales of licenced products; and - USD\$150,000 upon achieving sales of USD\$50,000,000 in cumulative worldwide gross sales of licenced products.
Milestone Events	Terrajoule shall use best endeavours to achieve: <ul style="list-style-type: none"> - Process Scale Up: remediate 5kg of soil within 30 minutes using a sustained electrothermal system) by 31 December 2026; - Pilot Process: complete construction of an electrothermal remediation system operable at pilot scale by 31 December 2027; and - Commercial Contract: sign commercial contract with anticipated revenues of at least US\$2.5M by 31 December 2027.
Exit Fee	Rice will be entitled to an exit fee of 0.5% of the aggregate consideration for a liquidation event, with respect to Licensee, or the pre-money valuation for an initial public offering with respect to Licensee.
Other Terms	Customary terms including warranties and indemnities for an agreement of this nature.