

Melbourne, 11th May 2015

Clean TeQ Share Issue to Reduce Debt

Based on the successful conclusion of commercial negotiations undertaken in late April and early May 2015, Clean TeQ Holdings Limited (ASX: CLQ) has today issued 7,449,143 shares to Nippon Gas Co. Ltd (**NGC**) at approximately 14.1 cents per share in settlement of \$1.05 million of principal and accrued interest owing to NGC. The issue price represents a 14.5% discount to the 30 day volume weighted average market price.

The share issue was agreed as a partial repayment of a \$2.3 million debt obligation (inclusive of accrued interest) payable to NGC on 30 September 2015. Following the share issue, the total debt obligation, including interest, payable on 30 September 2015 has been reduced to \$1.2 million.

The debt to NGC was initially incurred as deferred consideration for the acquisition by Clean TeQ of NGC's 50% shareholding in the Associated Water Joint Venture. The Associated Water Joint Venture was established with NGC to utilise Clean TeQ's proprietary continuous ion exchange technology to convert saline coal seam gas process water to agricultural-grade water. Following a successful commercial demonstration of Clean TeQ's desalination technology at the WAMBO feedlot in Queensland, Clean TeQ bought out NGC in order to return 100% ownership of the CSG water treatment technology to Clean TeQ.

In accordance with the terms of the Convertible Notes held by Robert Friedland, and as result of the share issue to NGC, CLQ has also agreed to issue 1,246,537 shares to Robert Friedland at approximately 14.1 cents per share for total cash consideration of approximately \$176,000.

Clean TeQ Chairman and CEO Sam Riggall commented "this represents a very positive development for Clean TeQ in that we have significantly strengthened our balance sheet via an opportunistic issue of equity at a time when we have seen a significant uplift in our share price. In doing so, we have also managed to consolidate full ownership and control of valuable intellectual property."

For more information about Clean TeQ contact:

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About Clean TeQ Holdings Limited (ASX: CLQ) – Based in Melbourne, Clean TeQ, using its proprietary Clean-iX[®] continuous ion exchange technology, is a world leader in resource recovery and industrial water treatment.

For more information about Clean TeQ please visit the Company's website at www.cleanteq.com.

This release may contain forward-looking statements. The actual results could differ materially from a conclusion, forecast or projection in the forward-looking information. Certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information.