ENVIRONMENTAL Clean Technologies LTD

ABN 28 009 120 405

24 January 2007

Company Announcements Office
Australian Stock Exchange Limited

Dear Sir /Madam

By e-Lodgement
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$2M Convertible Note Raising

The Directors of Environmental Clean Technologies Ltd are pleased to advise that the Company has issued $2M of convertible notes.

The convertible note will be funded by way of an existing share placement of 9,090,909 FPO ESI shares at 21 cents per and was offered by a major shareholder of the company. The proceeds of this placement were then issued by the same shareholder back to ESI via the note.

The convertible notes are unsecured,with a yield of 7.5% per annum and each note has the right to convert into one ordinary share at a strike of 30c per share but escrowed for the first 12months.

The terms of the convertible note are very agreeable for ESI and existing shareholders with no immediate dilutionary effect. ESI will be looking to draft a bankable valuation of the company's technology and the removal of any debenture over the company's assets prior to this valuation was a priority.

This capital raising will provide financial flexibility and enable the Company to continue to pursue the further advancement of technology assets and provide general working capital.

Ends.

For and behalf of the Board.

SEAN HENBURY
Company Secretary

For further information, please contact:

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