ENVIRONMENTAL Clean Technologies LTD

ABN 28 009 120 405

4 July 2007

Company Announcements Office
Australian Stock Exchange Limited

By e-Lodgement

CLARIFICATION OF STATUS OF UNQUOTED OPTIONS

The Managing Director of Environmental Clean Technologies Limited (ASX:ESI), Mr Con Galtos, today responded to concerns raised by a number of shareholders to the Company's Appendix 3B announced to the market on 3 July 2007.

"The Appendix 3B lodged yesterday arose from the exercise of 1.9 million unquoted 1 cent options, which were part of 30 million 1 cent options issued in December 2005. The issue of those securities was part of the total refinancing package approved by shareholders in General Meeting to enable the Company to re-list with the ASX.

To date nearly 19 million of those 1 cent options have been exercised, with the remaining 11,192,857 (representing 4% of the Company's current total issued capital) exercisable at any time before 1 November 2008.

Due to the perceived "overhang" of those remaining 1 cent options, I have contacted each of the remaining option holders and am pleased to advise that all of them have acknowledged that the orderly exercise of their remaining options will be in the best interests of the Company's share price and all shareholders.

The stabilisation of the Company's share price and financial position overall is a prime immediate objective.

The new management team is undertaking an internal review of all aspects of corporate governance and is establishing the most effective means for the rapid and profitable commercialisation of the Company's patented Coldry and Matmor processes".

For further information contact Con Galtos on 0413 747 077.