



**ENVIRONMENTAL CLEAN
TECHNOLOGIES LIMITED**

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

TO BE HELD AT:

Norton Rose

Level 15, 485 Bourke Street, Melbourne, Victoria

At 10:00 AM on Friday, 26th November 2010

TO BE VALID, THE PROXY FORM ENCLOSED FOR USE AT THE MEETING MUST BE COMPLETED AND RETURNED NO LATER THAN 10:00 AM ON WEDNESDAY, 24TH NOVEMBER 2010

IMPORTANT

This document is important and requires your immediate attention. It should be read in its entirety. If you are in doubt as to the course you should follow, you should consult your legal, financial or other professional adviser immediately.



Contents

Chairman's Letter	3
Notice of General Meeting	4
Explanatory Memorandum	7
Glossary	15
Attachment 1	16

A proxy form is enclosed separately



Chairman's Letter

22nd October 2010

Dear Shareholder,

This year's Annual General Meeting will be held at Norton Rose, Level 15, 485 Bourke Street, Melbourne, Victoria commencing at 10:00 AM on Friday, 26th November 2010. The Directors look forward to the opportunity to provide Shareholders with an update on the Company's progress at the AGM.

The Meeting will consider the Remuneration Report for the Company, the re-election of Mr Larry Hanley as a director of the Company who was appointed in April 2010, the re-election as directors of Mr John Hutchinson and Dr Dennis Brockenshire who stand down by rotation and offer themselves for re-election, the approval of shares to be issued pursuant to the Tincor Joint Venture Agreement, the approval of a proposed issue of Convertible Notes, and the approval of prior share issues to refresh the Company's ability to issue up to 15% of the Company's equity without additional shareholder approval.

I encourage you to read the Explanatory Memorandum in full and look forward to seeing you at the AGM on 26th November 2010.

Yours sincerely

Dave Woodall
Chairman



Notice of Annual General Meeting

The Annual General Meeting of Environmental Clean Technologies Limited (ACN 009 120 405) will be held at Norton Rose, Level 15, RACV Tower, 485 Bourke Street, Melbourne, Victoria, on 26th November 2010 at 10:00 AM, Melbourne time.

AGENDA

ORDINARY BUSINESS

1. Annual Financial Report

To receive and consider the Annual Financial Report of the Company for the year ended 30 June 2010 and the related Directors' Report, Directors' Declaration and Auditor's Report.

2. Resolution 1 - Remuneration Report

To consider and, if thought fit, to pass the following resolution as an **advisory resolution**:

"That, for the purposes of section 250R of the *Corporations Act 2001*, the Remuneration Report, contained in the section of the Director's Report entitled 'Remuneration of Directors and Officers', be adopted".

Please note that the vote on this resolution is advisory only and does not bind the Directors or the Company.

3. Resolution 2 - Election of Mr Larry Hanley

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

"That Mr Larry Hanley, who was appointed by the Board in accordance with clause 13.4 of the Constitution, being eligible for re-election, be re-elected as a Director of the Company."

4. Resolution 3 - Re-election of Mr John Hutchinson

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

"That Mr John Hutchinson, who retires in accordance with clause 13.2 of the Constitution, being eligible for re-election, be re-elected as a Director of the Company."

5. Resolution 4 - Re-election of Dr Dennis Brockenshire

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

"That Dr Dennis Brockenshire, who retires in accordance with clause 13.2 of the Constitution, being eligible for re-election, be re-elected as a Director of the Company."

6. Resolution 5 – Approval of issue of Shares

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, shareholders approve the issue of 28,846,154 Shares to Victoria Coldry Pty Ltd on the terms and conditions described in the Explanatory Memorandum accompanying this Notice of Meeting."



7. Resolution 6 – Approval of issue of Convertible Notes

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, shareholders approve the issue of Convertible Notes to La Jolla Cove Investors, Inc., and the issue of new fully paid ordinary shares to La Jolla Cove Investors, Inc. upon conversion of all or any part of the Convertible Notes, on the terms and conditions described in the Explanatory Memorandum accompanying this Notice of Meeting.”

8. Resolution 7 - Ratification of prior issue of Shares and Options

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders approve the prior issue of 160,823,889 Shares and 30,000,000 Options as described in the Explanatory Memorandum accompanying this Notice of Meeting.”

OTHER BUSINESS

To deal with any other business that may be brought forward in accordance with the Constitution and the Corporations Act.

Voting exclusion statement

As required by the ASX Listing Rules, the Company will disregard any votes cast on:

1. Resolution 5 by Coldry Victoria Pty Ltd and any associate or related party of Coldry Victoria Pty Ltd;
2. Resolution 6 by La Jolla Cove Investors, Inc. and any associate or related party of La Jolla Cove Investors, Inc.; and
3. Resolution 7 by any of the parties that were allotted shares or options under the applicable issues and any associate or related party of any of those parties.

However, the Company need not disregard votes of the above parties if:

1. it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
2. it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Explanatory Memorandum

The accompanying Explanatory Memorandum forms part of this Notice of Annual General Meeting and should be read in conjunction with it. A Glossary of terms used in this Notice of Annual General Meeting and Explanatory Memorandum is contained in the Explanatory Memorandum

By order of the Board

Kosmas Galtos
Chief Executive
22nd October 2010



NOTES REGARDING PROXIES AND VOTING

Appointing a proxy

A shareholder who is entitled to attend and vote can appoint a proxy to attend and vote at the Meeting on their behalf. A proxy need not be a shareholder.

A shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If proportions or numbers are not specified, each proxy may exercise half the available votes.

For an appointment of a proxy to be effective, the proxy's appointment (and, if the appointment is signed by an attorney, the authority under which it was signed or a certified copy of the authority) must be received by Environmental Clean Technologies' share registry by 10:00 AM on Wednesday, 24th November 2010.

A proxy form is included with this Notice. If you require a second proxy form, please contact Environmental Clean Technologies' share registry or you may copy the proxy form.

Proxy forms may be lodged by posting, delivery or facsimile to the Company's share registry as follows:

Security Transfer Registrars Pty Ltd

Postal Address:	PO BOX 535, Applecross, Western Australia 6953
Street Address:	Alexandrea House, Suite 1, 770 Canning Highway, Applecross, Western Australia 6153
Telephone:	+61 8 9315 2333
Facsimile	+61 8 9315 2233
Email	registrar@securitytransfer.com.au

Corporate shareholders

Corporate shareholders wishing to appoint a representative to attend the Meeting on their behalf must provide that person with a properly executed letter confirming that they are authorised to act as the company's representative. The authorisation may be effective either for this Meeting only or for all meetings of Environmental Clean Technologies.

Eligibility to vote at the Meeting

For the purpose of Regulation 7.11.37 of the Corporations Regulations 2001, Environmental Clean Technologies has determined, for the purposes of voting entitlements at the Meeting, that Environmental Clean Technologies' shares are taken to be held by those shareholders registered at 4:00 PM Melbourne time on Wednesday, 24th November 2010. Accordingly, only those persons will be entitled to attend and vote at the Meeting.

Registration

If you are attending the Meeting, **please bring your personalised proxy form with you**. If you do not bring your form with you, you will still be able to attend the Meeting, but on registration, representatives from the Company's share registry will need to verify your identity.

How undirected proxies held by the Chairman of the Meeting will be voted

The Chairman of Environmental Clean Technologies will chair the Meeting and will vote undirected proxies in favour of each Resolution. Environmental Clean Technologies encourages all shareholders who submit proxies to direct their proxy how to vote on the Resolutions.



Explanatory Memorandum

This Explanatory Memorandum (which is included in, and forms part of, the Notice of Annual General Meeting) is provided to shareholders to explain the resolutions to be put to shareholders at the Annual General Meeting and to assist shareholders to determine how they wish to vote on the resolutions.

The Annual General Meeting will be held at Norton Rose, Level 15, RACV Tower, 485 Bourke Street, Melbourne, Victoria on Friday, 26th November 2010 at 10:00 AM, Melbourne time.

1. Annual Financial Report

The Corporations Act requires the Financial Report, Directors' Report and Auditor's Report to be laid before the meeting. There is no requirement in the Corporations Act or the Company's Constitution for shareholders to vote on, approve or adopt these reports. Shareholders will have a reasonable opportunity at the Meeting to ask questions and make comments on these reports and on the business, operations and management of the Company.

The Auditor of the Company is required to attend the meeting and will be available to take shareholders' questions and comments about the conduct of the audit, and the preparation and content of the Auditor's Report.

Members may forward written questions to the Auditor on these matters for response at the meeting. These should be emailed to info@ectltd.com.au or mailed to the Company Secretary, Suite 802, 530 Little Collins Street, Melbourne, Victoria, 3000 and may be submitted up to 5 business days before the meeting.

The Company is required by law to forward all questions to the Auditor and the Auditor is required to prepare a list of questions that the Auditor considers are relevant to the conduct of the audit and the content of the Auditor's Report. The Auditor may omit questions that are the same in substance to other questions and questions that are not received in a timely manner. At the Meeting the Chairman will give the Auditor a reasonable opportunity to answer the questions on the question list. The list of questions prepared by the Auditor will be available on the Company's website, www.ectltd.com.au, prior to the Meeting. In addition, copies of the list of questions will be available at the Meeting.

The Auditor of the Company will also be available to take shareholders' questions at the Meeting regarding accounting policies adopted by the Company in relation to the preparation of the financial statements, and the independence of the Auditor in relation to the conduct of the audit.

2. Resolution 1 - Remuneration Report

The Remuneration Report of the Company for the financial year ended 30 June 2010 is set out in the Directors' Report (which accompanies the Annual Financial Report) in the section entitled 'Remuneration of Directors and Officers' (**'Remuneration Report'**).

In compliance with section 300A of the Corporations Act, the Remuneration Report sets out the Company's policy for determining the nature and amount of remuneration for the Directors and specified executive officers of the Company. The Board has a policy of ensuring that remuneration paid to Directors and management is market competitive while at the same time aligned to the achievement of strategic objectives and the creation of value for shareholders.

Where appropriate the Board has taken advice from independent remuneration consultants to ensure remuneration to Directors and management is in line with the market and similar sized operations.

Section 205R of the Corporations Act requires a resolution in relation to the Remuneration Report to be included in the business of the Annual General Meeting, so that shareholders have opportunity to comment and ask questions on the content of the Remuneration Report and exercise a vote for its adoption. The vote on the resolution is advisory only and does not bind the Directors or the Company.



3. Resolution 2 - Election of Mr Larry Hanley - Non-Executive Director

Clause 13.4 of the Company's Constitution provides that the Board may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed holds office only until the next following general meeting and is then eligible for re-election. Mr Hanley was appointed as a Director by the Board on 1st April 2010 and, being eligible, offers himself for re-election at the Meeting.

Larry Hanley (MBA, B.Com, Dip F.P.) is an experienced director, public accountant and company auditor with extensive background in financial and capital management. Special responsibilities include member of the audit and compliance committee. Further details of Mr Hanley's experience and background is provided in the 2010 Annual Report.

Recommendation

The Board unanimously recommends that shareholders vote in favour of Resolution 2.

4. Resolutions 3 and 4 – Re-election of Mr John Hutchinson and Dr Dennis Brockenshire - Non-Executive Directors

Clause 3.2 of the Company's Constitution and ASX Listing Rule 14.4 provide that a Director must not hold office without re-election after the third Annual General Meeting following the Director's appointment or three years, whichever is longer. In addition, clause 3.2 of the Constitution provides that one-third of the Directors for the time being, or if their number is not a multiple of three, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office at each Annual General Meeting of the Company.

Mr John Hutchinson

Mr John Hutchinson (AOM, RFD, ED, FIEAust, CPEng) was appointed as a non-executive director in June 2007, re-elected in November 2008 and is retiring from the board under these rotation rules and, being eligible, offers himself for re-election at the Meeting.

Mr Hutchinson is a very experienced engineer in the coal and utilities field. Formerly in a senior position with the State Electricity Commission (SEC. Vic), John was responsible for \$12B electricity generating, coal production and Latrobe Valley SEC assets and their performance. He also held positions with Coal Corporation of Victoria (General Manager) and Energy Brix Australia (CEO). Mr Hutchinson is a board member of Gippsland Regional Economy and Ecology Network Inc. Special responsibilities include Deputy Chairman, a member of the remuneration committee as a non-executive director as well as Chairman of the audit and compliance committee.

Dr Dennis Brockenshire

Dr Dennis Brockenshire (OAM, DTech, MBA, BComm, Dip ElecEng, Dip MechEng, FAICD, FIE(Aust)) was appointed as a non-executive director in May 2008, elected in September 2008 and is retiring from the board under these rotation rules and, being eligible, offers himself for re-election at the Meeting.

Dr Brockenshire has 35 years experience in senior management positions including 13 years as Managing Director/CEO of Barwon Water, and 20 years experience in the Energy Industry. He is a director of several private companies and a past Director of the Water Services Association of Australia, Utilities Insurance Company, Victorian Industry Association, Save Water Alliance Plumbing Industry Commission, G21 Geelong Regional Alliance and Chairman of the Geelong Area Consultative Committee. Special responsibilities include member of the remuneration committee as a non-executive director as well as Chairman of the strategic planning committee



Additional Information

Further detail of Mr Hutchinson's and Dr Brockenshire's experience and background is provided in the 2010 Annual Report.

Recommendation

The Board unanimously recommends that shareholders vote in favour of Resolutions 3 and 4.

5. Resolution 5 – Approval of issue of Shares

Environmental Clean Technologies proposes to enter into a Joint Venture Agreement with Tincom Australia Pty Ltd and Victoria Coldry Pty Ltd (**Victoria Coldry**) for the purpose of establishing an incorporated joint venture to undertake a feasibility study and, if successful progress to phased construction and commercial operation, of a Coldry Plant and the manufacturing and exporting of Coldry Products. The joint venture will be conducted through the joint venture vehicle, Victoria Coldry Pty Ltd..

As a condition precedent to the obligations of the parties under the Joint Venture Agreement, Tincom Australia Pty Ltd must deposit \$1,500,000 into a bank account in the name of Victoria Coldry to enable the joint venture to meet its initial payments under the feasibility study.

In consideration for Victoria Coldry agreeing to the assignment of its rights, title and interests in all improvements made to the Coldry Technology to ECT during the joint venture period (pursuant to the Coldry Technology Licence Agreement between Victoria Coldry and ECT), ECT has agreed to issue 28,846,154 fully paid ordinary shares to Victoria Coldry after the conditions precedent in the Joint Venutre Agreement have been satisfied.

It is expected that the Joint Venture Agreement will be executed by 31 December 2010 and the conditions precedent satisfied shortly thereafter.

ASX Listing Rule 7.1

Subject to a number of exceptions, ASX Listing Rule 7.1 limits the number of securities that a company may issue or agree to issue without shareholder approval in any 12 month period to 15% of its issued securities.

Shareholder approval for the issue of the issue of the 28,846,154 new Shares to Victoria Coldry is sought so that these shares will be excluded from the calculation of the 15% limit under ASX Listing Rule 7.1.

Information required for shareholder approval

In accordance with ASX Listing Rule 7.3, the following information is provided for shareholders:

1. The total number of Shares that will be issued with shareholder approval under Resolution 5 will be 28,846,154 Shares.
2. The 28,846,154 new Shares will be issued as soon as the conditions precedent under the proposed Joint Venture Agreement have been satisfied.. If the conditions precedent under the proposed Joint Venture Agreement are not satisfied on or before 26 February 2011, any shareholder approval obtained under this Resolution 5 will lapse in accordance with ASX Listing Rule 7.3.2. Accordingly, if these Shares are issued after 26th February 2011, they will be included in the 15% limit unless a subsequent shareholder approval is granted.
3. The Shares will be issued as consideration for the assignment of Victoria Coldry's rights, title and interests in the improvements discussed above.
4. The allottee of the Shares will be Victoria Coldry Pty Ltd.



5. The Shares to be issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
6. The no cash will be raised by the issue of the Shares to Victoria Coldry Pty Ltd.

Recommendation

The Board unanimously recommends that shareholders vote in favour of the Resolution.

6. Resolution 6 – Approval of issue of Convertible Notes

The Company is currently negotiating a financing arrangement with La Jolla Cove Investors, Inc. (La Jolla) which is expected to be implemented during October 2010. Under the agreement governing the financing arrangement (Funding Agreement), the Company will issue a series of Convertible Notes to La Jolla with a total issue price of up to US\$2,500,000.

Convertible notes are "equity securities" for the purpose of ASX Listing Rule 7.1 and the conversion mechanism proposed for the Convertible Notes means that their issue may exceed the 15% limit in ASX Listing Rule 7.1. However, this limit does not apply to an issue that is made within 3 months after receipt of approval by shareholders and, accordingly, the Company is seeking shareholder approval for the issue of the Convertible Notes that are issued on or before 27 February 2001. Convertible Notes issued after that time will need to be subject to separate approval or counted towards the 15% limit.

The proposed arrangements with La Jolla are expected to result in a total capital raising over a six to nine month period of US\$2,500,000 (exclusive of costs and fees payable to La Jolla and the Company's corporate advisers).

ASX Listing Rule 7.1 – issue of Convertible Notes

Subject to a number of exceptions, ASX Listing Rule 7.1 limits the number of equity securities that a company may issue or agree to issue without shareholder approval in any 12 month period to 15% of its issued securities. Shareholder approval is required for the issue of Convertible Notes under ASX Listing Rule 7.1 if the number of Shares into which the Convertible Notes may be converted exceed this limit (which is likely to be the case).

ASX Listing Rule 7.2 – issue of Shares on conversion of Convertible Notes

ASX Listing Rule 7.2, Exception 4 provides that the 15% limit in ASX Listing Rule 7.1 does not apply to an issue of securities on conversion of a convertible security issued in accordance with the Listing Rules. As result, any Shares issued to La Jolla on conversion of any Convertible Note issued within 3 months after receipt of shareholder approval under Resolution 6 will not count towards the Company's 15% cap.

Issue and payment

Under the Funding Agreement, the Company will issue Convertible Notes to La Jolla progressively on receipt of payments towards the US\$2,500,000 aggregate issue price of the Convertible Notes.

La Jolla will apply and pay for, and the Company will issue, Convertible Notes as follows:

- Convertible Notes with a face value of US\$400,000, within 2 Business Days after execution of the Funding Agreement (which is expected to occur in late October);
- Convertible Notes with a face value of US\$400,000 on or about 27 November 2010; and thereafter
- Convertible Notes with a minimum face value of US\$250,000 each month until the entire aggregate issue price of US\$2,500,000 is fully subscribed.



Conversion Arrangements

Subject to ASX Listing Rule 7.1 and 7.2, La Jolla may convert some or all of the Convertible Notes (either in whole or in part) at any time.

The conversion price will be the lesser of:

- a) A\$0.20; and
- b) 80% of the average of the three lowest VWAP (Volume Weighted Average Price) during the 15 trading days prior to the election to convert.

For example, if the average of the three lowest VWAP during the 15 trading days prior to the election to convert was 2.5 cents, and La Jolla elected to convert US\$100,000 worth of Convertible Notes, the Company would issue 4,000,000 Shares.

Currency Conversion

Each Convertible Note will be issued in USD but all conversions of the Convertible Notes into ordinary shares in the Company will be made in AUD based on the actual AUD amount received by the Company in its bank account by the payment of the various issue prices for the Convertible Notes by La Jolla.

Information required for shareholder approval

In accordance with ASX Listing Rule 7.3, the following information is provided to shareholders:

1. The maximum number of shares into which the Convertible Notes may be converted is the number determined by applying the formula set out above to the aggregate issue price of the Convertible Notes of US\$2,500,000. [At the current trading price of 2.5 cents the Company would issue 100 million Shares.]
2. The approval sought under this Resolution 6 will only relate to Convertible Notes issued by the Company to La Jolla and paid for by La Jolla prior to 3 months after shareholder approval (26 February 2011). As noted above, the Convertible Notes will be issued to La Jolla progressively on receipt of payments comprising the US\$2,500,000 aggregate issue price of the Convertible Notes.
3. The Convertible Notes will be issued by an initial subscription of US\$400,000, an additional subscription of US\$400,000 in the month following the initial subscription and thereafter by minimum subscriptions of US\$250,000 per month, until the entire aggregate issue price of US\$2,500,000 is fully subscribed.
4. The allottee of the Convertible Notes will be La Jolla. The Shares issued on conversion of the Convertible Note will be issued to La Jolla or a person nominated by La Jolla.
5. The terms of the Convertible Note will be as follows:
 - (1) The Convertible Notes will be issued progressively as described above.
 - (2) The \$2,500,000 issue price of the Convertible Notes will be paid progressively as described above.
 - (3) No interest will be charged on the Convertible Notes unless the market price of Shares is below \$0.02 per Share, in which case interest will accrue at 4.75% per annum, payable monthly on the outstanding funded and non-converted Convertible Notes. Interest is payable either in cash or by the issue of new Shares (at the Company's option).



- (4) The maturity date of the Convertible Notes will be three years after the date of their issue. On maturity the unconverted balance of the Convertible Notes must be repaid.
- (5) The Convertible Notes will include a "floor price" of \$0.02 per Share. If Shares are trading on the ASX at or the floor price at the time as the La Jolla seeks to convert all or a portion of the Convertible Notes, the Company may elect to refuse such conversion in exchange for the redemption of the portion of the Convertible Notes that the La Jolla sought to convert.
- (6) The number of Shares into which the Convertible Notes may be converted will be equal to the dollar amount being converted divided by the Conversion Price. The "Conversion Price" will be equal to the lesser of: (a) the "ceiling price" of \$0.20 and (b) 80% of the average of the three lowest VWAP (Volume Weighted Average Price) during the 15 trading days prior to the election to convert.
- (7) The Company may terminate the financing arrangements if the trading price of Shares falls below 1 cent for a period of at least 10 consecutive trading days. If the Company terminates the financing arrangements on this basis, La Jolla will not pay any outstanding amount of the aggregate issue price and will only be entitled to convert so much of the Convertible Notes as has been issued by the Company as at the date of termination.

6 The funds raised by the issue of the Convertible Notes will be used for:

- (1) further commercialisation of the Company's Coldry technology, including ongoing feasibility studies and design work for a demonstration plant;
- (2) further development of the Matmor technology; and
- (3) on-going working capital requirements.

Recommendation

The Board unanimously recommends that shareholders vote in favour of the Resolution.

7. Resolution 7 - Ratification of prior issue of Shares

Subject to a number of exceptions, ASX Listing Rule 7.1 limits the number of securities that a company may issue or agree to issue without shareholder approval in any 12 month period to 15% of its issued securities.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

(a) Issue of securities in 12 months to 15 October 2010

In the twelve month period to 15th October 2010 there were a number of issues of new securities in the Company. In total 160,823,888 new Shares and 30,000,000 new Options were issued.

(b) Issue not requiring ratification for the purposes ASX Listing Rule 7.4

Of the new Shares and Options issued, 82,143,900 fully paid Shares were issued upon the conversion of Convertible Notes. The underlying Convertible Notes were issued with the approval of the holders of ordinary securities in the Company, pursuant to ASX Listing Rule 7.1, at the General Meeting of the Company held on 18 November 2008.



The issue of the 82,143,900 new Shares are therefore exempt from the 15% limit under ASX Listing Rule 7.1 by virtue of ASX Listing Rule 7.2, Exception 4 which allows for the conversion of convertible securities which were issued in compliance with the ASX Listing Rules.

In addition, 15,194,695 new Shares were issued as the result of the exercise of 15,194,695 Options. The issue of these new Shares are also exempt from the 15% limit under ASX Listing 7.1 by virtue of ASX Listing Rule 7.2, Exception 4 which also allows for the conversion of options which were issued in compliance with the ASX Listing Rules. The underlying Options were issued with the approval of the holders of ordinary securities in the Company pursuant to ASX Listing Rule 7.1 or were subsequently ratified under ASX Listing Rule 7.4.

(c) Issues requiring ratification for the purposes ASX Listing Rule 7.4

- On 19 November 2009, the Company issued 2,500,000 new Shares at 4.0¢ per share to Intersuisse Pty Ltd in settlement of an arrangement fee payable by the Company to Intersuisse Pty Ltd for managing the rollover of maturing convertible notes.
- On 9 December 2009, the Company issued 60,000,000 new Shares at 4.4¢ per share and 30,000,000 Options at nil consideration per option by way of a private placement to institutional, experienced and sophisticated investors as detailed in Attachment 1.
- On 21 June 2010, the Company issued 735,294 new Shares at 3.4¢ per share to Mr Kos Galtos, the Chief Executive of the Company, as incentive shares in consideration for his performance during the year ended 30 April 2009.
- On 30 June 2010, the Company issued 250,000 new Shares at 3.2¢ per share to Romfal Sifat Pty Ltd in consideration for providing loan shares under a Share Lending Agreement from November 2008.

(d) Summary

A summary of the securities issued or converted in the Company for the 12 month period to 15 October 2010 is as follows:

New securities issued in the 12 months to 15 October 2010	Ordinary Shares	Options
- Conversion of Convertible Notes	82,143,900	-
- Conversion of Options	15,194,695	-
- Issue to be ratified at AGM 26 th November 2010	63,485,294	30,000,000
Total new securities issued	160,823,889	30,000,000

(e) Resolution 7

Resolution 7 requests shareholders to ratify, for the purposes of ASX Listing Rule 7.4, the issue of 63,485,294 new Shares and 30,000,000 new Options to the parties detailed above.

By ratifying the above issues pursuant to ASX Listing Rule 7.4, the Company will retain the flexibility to issue new Shares and other securities in the future up to the 15% annual limit set out in ASX Listing Rule 7.1 (without the need to obtain prior shareholder approval).

(f) Information required for shareholder ratification



Under ASX Listing Rule 7.5, the Company is required to provide the following information in relation to Resolution 7:

- a. The total number of securities allotted was 63,485,294 Shares and 30,000,000 Options (as set out in item 7(c) above).
- b. The prices at which the new Shares and new Options were issued are detailed in item 7(c) above.
- c. Each of the Shares issued were issued as fully paid ordinary shares in the capital of the Company, issued on the same terms and conditions as the Company's existing Shares.
- d. Each Option issued on 9 December 2009 is exercisable at US\$0.02 on or before 16 January 2014 and each Option entitles the holder upon exercise to be issued with one fully paid ordinary share in the capital of the Company, issued on the same terms and conditions as the Company's existing Shares
- e. The parties to whom the Shares and Options were issued are detailed in item 7(c) above.
- f. The purpose for the issue of the Shares and Options is detailed in item 7(c) above. The funds received via the placement to institutional, experienced and sophisticated investors were used to strength the Company's working capital.

Recommendation

The Board unanimously recommends that shareholders vote in favour of the Resolution.



Glossary

In this Notice and Explanatory Memorandum:

\$ or A\$ means Australian dollars (AUD).

US\$ mean United States of America dollars (USD).

Annual General Meeting and **Meeting** mean the annual general meeting of the Company to be held at 10:00 AM on Friday, 26th November 2010;

ASX means ASX Limited ACN 008 624 691;

ASX Listing Rules means the listing rules of the ASX;

Auditor means PKF.

Board means the Board of Directors of the Company;

Constitution means the constitution of the Company;

Convertible Note means the convertible notes described in the Explanatory Memorandum in respect of Resolution 6;

Corporations Act means the *Corporations Act 2001* (Cth);

Directors mean the directors of the Company from to time;

Explanatory Memorandum means the explanatory memorandum which accompanies, and is incorporated as part of, the Notice of Meeting;

Environmental Clean Technologies or **Company** means Environmental Clean Technologies Limited ACN 009 120 405;

Options means options to acquire Shares;

Resolution means the resolution to be put to shareholders at the Meeting, as set out in the Notice of Annual General Meeting; and

Shares means fully paid ordinary shares in the capital of the Company.



ATTACHMENT 1

PLACEMENT OF 9 DECEMBER 2009 – SUBSCRIBERS TO THE PLACEMENT OF SHARES AND OPTIONS

SHAREHOLDER	Shares Placed	Options Placed
JOJO ENTERPRISES PTY LTD	11,363,630	5,681,815
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LTD	8,027,762	4,013,881
HALCROWS HOLDINGS PTY LIMITED	6,818,180	3,409,090
MR MICHAEL JOHN DEBOER	5,227,280	2,613,640
ABOUT TIME SUPERANNUATION PTY LTD	4,545,450	2,272,725
MR IAIN ROBERT MCEWIN	3,409,080	1,704,540
MR ARTHUR TSEKOURAS	2,272,730	1,136,365
MR KIT FOO CHYE	2,113,380	1,056,690
AMBERWOOD NOMINEES PTY LTD	2,000,000	1,000,000
VALDA PTY LTD	1,933,016	966,508
TILSTAR INVESTMENTS PTY LTD	1,136,360	568,180
MR GIOVANNI SPAGNOLO	1,000,000	500,000
MRS JIRACHAYA CHARNCAYASUK	1,000,000	500,000
ADVANCE PUBLICITY PTY LTD	1,000,000	500,000
MR ANDREW MURRAY GREGOR	900,000	450,000
MR ANDREW JAMES VASARELLI	750,000	375,000
GROFUND LIMITED	700,000	350,000
PLANMOOR INVESTMENTS PTY LTD	650,000	325,000
MR PETER ROBERT DUSTING	589,902	294,951
MR DON ANTON PRASANNA	500,000	250,000
WESTGLADE PTY LTD	500,000	250,000
INHOWSE PTY LTD	455,000	227,500
WANNABEE PRODUCTIONS PTY LTD	323,450	161,725
STONNINGTON SECURITIES PTY LTD	303,470	151,735
MRS KATHARINE MARY BUCKLEY	300,000	150,000
AUSTRALIAN TRADE ACCESS PTY LTD	300,000	150,000
SEKFAM PTY LTD	250,000	125,000
RICK LOWEN PTY LIMITED	250,000	125,000
RALTONIE DEVELOPMENTS PTY LTD	250,000	125,000
JAKOR PTY LTD	250,000	125,000
10Q CAPITAL PTY LTD	227,500	113,750
MR WITOLD PRESKI & MRS KRYSZYNA PRESKI	227,500	113,750
MARKSTONE CAPITAL PTY LTD	200,770	100,385
LEET INVESTMENTS PTY LTD	200,000	100,000
HOWARD MORLEY & ASSOCIATES PTY LTD	25,540	12,770
TOTAL SHARES AND OPTIONS PLACED	60,000,000	30,000,000

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

ENVIRONMENTAL CLEAN TECHNOLOGIES LIMITED

REGISTERED OFFICE:
LEVEL 1
530 LITTLE COLLINS STREET
MELBOURNE VIC 3000

ABN: 28 009 120 405

SHARE REGISTRY:
Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535,
APPLECROSS WA 6953 AUSTRALIA
770 Canning Highway,
APPLECROSS WA 6153 AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code: ESI

Holder Number:

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐

OR

The meeting Chairperson
(mark with an "X")

The name of the person you are appointing
(if this person is someone other than the Chairperson of the meeting).

or failing the person named, or if no person is named, the Chairperson of the Meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 10.00am on Friday 26 November 2010 at Norton Rose, Level 15, RACV Tower, 485 Bourke Street, Melbourne, Victoria and at any adjournment of that meeting.

SECTION B: Voting Directions to your Proxy

Please mark "X" in the box to indicate your voting directions to your Proxy.

Resolution

For Against Abstain*

1. Remuneration Report

☐
☐
☐

2. Re-election of Mr Larry Hanley

☐
☐
☐

3. Re-election of Mr John Hutchinson

☐
☐
☐

4. Re-election of Dr Dennis Hutchinson

☐
☐
☐

5. Approval of issue of Shares

☐
☐
☐

6. Approval of issue of Convertible Notes

☐
☐
☐

7. Ratification of prior issue of Shares

☐
☐
☐

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

☐

If you wish to appoint the Chairperson as your proxy and you do not wish to direct the Chairperson how to vote, please mark "X" in the box.

By marking this box, you acknowledge that the Chairperson may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him/her other than as a proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution. The Chairperson of the Meeting intends to vote undirected proxies in favour of the resolution.

SECTION C: Please Sign Below

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

1343506158

Reference Number:

1

ESI

1

NAME

[illegible]**TELEPHONE NUMBER**

()

1. Name and Address

2. Appointment of a Proxy

3. Directing your Proxy how to vote

4. Appointment of a Second Proxy

5. Signing Instructions

6. Voting exclusion

However, the Company need not disregard votes of the above parties if:

- ## 7. Lodgement of Proxy

Facsimile +61 8 9315 2233

PRIVACY STATEMENT

3968506153