

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Environmental Clean Technologies Limited

ABN

28 009 120 405

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Convertible Notes
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	1 Convertible Note with a face value of US\$250,000

+ See chapter 19 for defined terms.

3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	The Convertible Note has a maturity date of 10 January 2014 and, on this date, the outstanding principal amount of the Convertible Note (being, the outstanding issue price of the Convertible Note to the extent that it has not been converted) will be repaid by the Company. Each Convertible Note is convertible into ordinary shares based on the average of the three lowest Volume Weighted Average Prices during the 15 trading days prior to the date of conversion of part or all of the Convertible Note in accordance with the terms and conditions as previously advised The details of the terms of the Convertible Note are set out in the Company's ASX announcement on 26 October 2010 and summarised in the Appendix 3B for the first Convertible Note issue advised on 2 November 2010.
4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Third issue of a Convertible Note Each new ordinary share issued on conversion of the Convertible Note will be issued as fully paid and will rank equally with, and have the same rights and liabilities as, existing ordinary shares in the Company in all respects.
5 Issue price or consideration	A\$244,845.99 (Convertible Note face value of US\$250,000)
6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	ECT will use the funds raised through the issue of the Convertible Note for: • further commercialisation of the Company's Coldry technology, including ongoing feasibility studies and design work for a demonstration plant; • further development of the Matmor technology; and • on-going working capital requirements.

7	Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates	10 January 2011
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8	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	Number	+Class
		796,389,763	Ordinary shares (ESI)
		497,264,535	Listed options (ESIO)

9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>~2.5</td><td>Convertible Notes with a total face value of USD846,300 (AUDAUD835,986.77) convertible into ordinary shares based on the average of the three lowest Volume Weighted Average Prices during the 15 trading days prior to the date of conversion of part or all of the Convertible Note in accordance with the terms and conditions as previously advised.</td></tr><tr><td>1,000,000</td><td>Unlisted options exercisable at 20.0 cents and expiring on 14th February 2011.</td></tr><tr><td>1,539,145</td><td>Options exercisable at 11.3 cents each and expiring on 2 June 2011</td></tr><tr><td>708,306</td><td>Options exercisable at 5.59 cents each and expiring on 25 Sept 2011</td></tr><tr><td>794,806</td><td>Options exercisable at 4.04 cents each and expiring on 8 Oct 2011</td></tr><tr><td>962,106</td><td>Options exercisable at 3.795 cents each and expiring on 17 November 2011</td></tr><tr><td>360,999</td><td>Options exercisable at 3.12 cents each and expiring on 23 December 2011</td></tr></table>	Number	+Class	~2.5	Convertible Notes with a total face value of USD846,300 (AUDAUD835,986.77) convertible into ordinary shares based on the average of the three lowest Volume Weighted Average Prices during the 15 trading days prior to the date of conversion of part or all of the Convertible Note in accordance with the terms and conditions as previously advised.	1,000,000	Unlisted options exercisable at 20.0 cents and expiring on 14th February 2011.	1,539,145	Options exercisable at 11.3 cents each and expiring on 2 June 2011	708,306	Options exercisable at 5.59 cents each and expiring on 25 Sept 2011	794,806	Options exercisable at 4.04 cents each and expiring on 8 Oct 2011	962,106	Options exercisable at 3.795 cents each and expiring on 17 November 2011	360,999	Options exercisable at 3.12 cents each and expiring on 23 December 2011
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10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	None
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⁺ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue

NOT A BONUS ISSUE OR PRO RATA ISSUE SO QUESTIONS 11 to 33 NOT APPLICABLE

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☐ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

NOT A NEW CLASS OF SECURITIES TO BE LISTED AND BOX 34(b) NOT TICKED SO QUESTIONS 35 to 42 NOT APPLICABLE

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Signed: John Osborne
(Company secretary)

Date: 10 January 2011

+ See chapter 19 for defined terms.