

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).

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|---|--|--|
| 1 | +Class of +securities issued or to be issued | Ordinary Share |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 8,399,362 Ordinary Share |
| 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) | Fully Paid Ordinary Shares |
| 4 | <p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • 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 | <p>The new ordinary shares will rank equally with current ASX listed ordinary shares (ESI) from the date of allotment.</p> |

+ See chapter 19 for defined terms.

5	Issue price or consideration	A\$142,789 (\$0.0170 per share)
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6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Being conversion of the unsecured Convertible Note issued part on 25 February 2011.
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7	Dates of entering +securities into uncertificated holdings or despatch of certificates	20 May 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
		881,410,482	Ordinary shares (ESI)
		497,264,535	Listed Options exercisable at 2.0¢ on or before 16 January 2014 (ESIO)

9	Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	Number	+Class
		2.0	Unsecured Convertible Notes with a total face value of US\$500,000 (A\$467,611) 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. All Convertible Notes have a maturity date of 2 November 2013 if not converted beforehand.
		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

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	None
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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

+ See chapter 19 for defined terms.

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: 20 May 2011