

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 | <ol style="list-style-type: none">1. Ordinary Shares(ASX Code: ESI)2. Options (ESIO) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <ol style="list-style-type: none">1. 15,933,334 Ordinary Shares2. 7,966,667 Options |
| 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) | <ol style="list-style-type: none">1. Fully Paid Ordinary Shares ranking equally with existing Ordinary Shares2. Listed Options exercisable at 2.0¢ on or before 16 January 2014 |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

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	Yes, the New Shares and New Options will rank equally with the existing ESI and ESIO securities respectively						
5 Issue price or consideration	15,933,334 ESI at \$0.006 per Ordinary Shares and 7,966,667 ESIO for nil consideration as a result of uptake of Shortfall from the Rights Issue covered by the Prospectus dated 26 August 2011.						
6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Funds raised from part placement of Right Issue shortfall and exercise of listed options (ESIO) is to be used to: • complete Phase 1 of the Design for Tender in respect of the Proposed Coldry Production Plant, albeit this intended use will be dependent upon further cash to be raised from placement of the Shortfall prior to the closure of the offer; • meet operational expenditure in respect of the on-going development of the Coldry Technology and the MATMOR Technology; and • meet short-term, working capital requirements.						
7 Dates of entering +securities into uncertificated holdings or despatch of certificates	Friday 23 December 2011						
8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	<table> <tr> <th data-bbox="711 1591 971 1633">Number</th><th data-bbox="971 1591 1273 1633">+Class</th></tr> <tr> <td data-bbox="711 1633 971 1686">1,315,243,910</td><td data-bbox="971 1633 1273 1686">Ordinary shares (ESI)</td></tr> <tr> <td data-bbox="711 1686 971 1845">700,804,575</td><td data-bbox="971 1686 1273 1845">Listed Options exercisable at approximately 2.0¢ on or before 16 January 2014 (ESIO)</td></tr> </table>	Number	+Class	1,315,243,910	Ordinary shares (ESI)	700,804,575	Listed Options exercisable at approximately 2.0¢ on or before 16 January 2014 (ESIO)
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1,315,243,910	Ordinary shares (ESI)						
700,804,575	Listed Options exercisable at approximately 2.0¢ on or before 16 January 2014 (ESIO)						

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9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	+Class
		~1.8 La Jolla Convertible Notes	Unsecured la Jolla Convertible Notes with a total face value of US\$413,825 (A\$381,112) 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.
		Notes with a face value of \$400,000	Secured "Menzies Securities" Convertible Note convertible into ordinary shares on or after 31 December 2011 into ordinary shares based on 80% of the average of the lowest Volume Weighted Average Prices during the 10 trading days prior to the election to convert or at the option of the "Menzies Securities" Convertible Note holder at 0.06¢ per share and if the holder elects to convert under this mechanism, they receive 1 free listed Option for each 2 Shares. All Convertible Notes have a maturity date of 30 November 2013 if not converted beforehand.
		360,999	Unlisted options exercisable at 3.12 cents each and expiring on 23 December 2011
		20,000,000	Unlisted options exercisable at 5.0 cents each and expiring on 14 December 2014
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	None	

Part 2 - Bonus issue or pro rata issue

Placement of shortfall of non-renounceable rights issue previously advised and questions 11 to 33 no longer relevant.

Part 2 completed and advised in Appendix 3Bs lodged upon announcement of Rights Issue on 26 August 2011 and following advice of take-up of entitlements on 4 October 2011.

+ See chapter 19 for defined terms.

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.

⁺ See chapter 19 for defined terms.

- 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.

Sign here:

Company secretary

Date:

23rd December 2011

Print name:

John Osborne

+ See chapter 19 for defined terms.