



**ENVIRONMENTAL CLEAN
TECHNOLOGIES LIMITED**

NOTICE OF GENERAL MEETING AND EXPLANATORY MEMORANDUM

TO BE HELD AT:

Norton Rose Fulbright

Level 15, 485 Bourke Street, Melbourne, Victoria

At 10:00 am on Friday 30 May 2014

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, 28 MAY 2014.

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.

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A Proxy Form is enclosed separately



Director's Letter

30 April 2014

Dear Shareholder,

This Extraordinary General Meeting will be held at the offices of Norton Rose Fulbright, Level 15, 485 Bourke Street, Melbourne commencing at 10:00 am on Friday, 30 May 2014.

The Directors provide this notice of a shareholders meeting to consider the issuance of a new series of listed options as a replacement for the issue previously approved at the 2013 Annual General Meeting. That issue, though approved, was delayed due to changes in market conditions. This meeting will consider the revised pricing and structure for a new listed options series, as well as consider a bonus issue of new listed options. The Terms and Conditions of these new options are outlined in the attached Notice of Meeting and its Explanatory Memorandum. I encourage you to read these documents in full.

Because the offer is not a standard pro rata issue, shareholder approval is required for the directors to participate, which is the reason for Resolution 4. It is not intended that the directors participate other than on the same terms and conditions as other optionholders or shareholders or, if relevant, other underwriters.

This meeting is called to deal with matters on the agenda. There will be a brief company update provided at the meeting by the Managing Director in addition to a presentation by a representative from YES Bank, India. Questions from shareholders will be dealt with as they relate to the matters on the agenda and resolutions before the meeting.

I look forward to seeing you at the meeting on Friday, 30 May 2014.

Yours sincerely,

Glenn Fozard
Chairman



Notice of General Meeting

A General Meeting of Environmental Clean Technologies Limited (ACN 009 120 405) will be held at Norton Rose Fulbright, Level 15, 485 Bourke Street, Melbourne, Victoria on Friday, 30 May 2014 at 10:00 am, Australian Eastern Standard Time (AEST).

AGENDA

ORDINARY BUSINESS

1. Resolution 1 - Approve the issue of New Options

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

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 1,046,172,364 New Options on the terms and conditions described in the Explanatory Memorandum accompanying this Notice of Meeting.”

2. Resolution 2 – Approve the additional issue of New Options

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 350,000,000 New Options on the terms and conditions described in the Explanatory Memorandum accompanying this Notice of Meeting.”

3. Resolution 3 - Approve the issue of Bonus Options

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

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of Bonus Options (ESIOB), on the terms and conditions described in the Explanatory Memorandum accompanying this Notice of Meeting.”

4. Resolution 4 - Approve the issue of New Options and Bonus Options to Directors and other related parties

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

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of New Options and Bonus Options to related parties, on the terms and conditions described in the Explanatory Memorandum accompanying this Notice of Meeting.”

5. Resolution 5 - Ratification of prior issues 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 and ratify the prior issue of 55,555,557 Shares as detailed 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 Corporations Act and ASX Listing Rules, the Company will disregard any votes cast on:

1. Resolution 1 by any person who may participate in an issue of Securities that are issued pursuant to an approval granted by Resolution 1 and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities. The Company has taken the view that the persons who may participate cannot be determined and so will not disregard any votes cast on Resolution 1.
2. Resolution 2 by any person who may participate in an issue of Securities that are issued pursuant to an approval granted by Resolution 1 and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities. The Company has taken the view that the persons who may participate cannot be determined and so will not disregard any votes cast on Resolution 2.
3. Resolution 3 by any person who may participate in an issue of Securities that are issued pursuant to an approval granted by Resolution 3 and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities. The Company has taken the view that the persons who may participate cannot be determined and so will not disregard any votes cast on Resolution 3.
4. Resolution 4 by any related party who may participate in an issue of Securities that are issued pursuant to an approval granted by Resolution 4.
5. Resolution 5 by a person who participated in the issue of the Shares referred to in Resolution 5 and any associate of such a person.

The Company need not disregard votes of the above persons for Resolution 4 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 Meeting and should be read in conjunction with it. A Glossary of terms used in this Notice of Meeting and Explanatory Memorandum is contained in the Explanatory Memorandum.

NOTES REGARDING PROXIES AND VOTING

Voting entitlements

Pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Directors have determined that the shareholding of each Shareholder for the purposes of ascertaining voting entitlements for the Meeting will be as it appears in the share register at 7:00 pm on Wednesday, 28 May 2014. Accordingly, only those persons will be entitled to attend and vote at the Meeting.

Important voting information

The Company encourages all Shareholders who submit proxies to direct their proxy how to vote on the Resolutions.

The Chairperson intends to vote undirected proxies in favour of Resolutions 1, 3, 4 and 5. If you want the Chairman to vote as your proxy but to vote otherwise you need to indicate your voting directions by marking the boxes.



Appointing a proxy

A Proxy Form accompanies the Notice of Meeting.

The Proxy Form contains important information and other instructions, which you should carefully read.

A Shareholder who is entitled to attend and vote at the Meeting has the right to appoint a proxy to attend and vote on his or her behalf. The proxy need not be a Shareholder of the Company.

A Shareholder who is entitled to cast 2 or more votes may appoint not more than 2 proxies to attend and vote at the Meeting and may specify the proportion or number of votes each proxy is appointed to exercise. If you want to appoint 2 proxies, an additional proxy form will be supplied by the Company's share registry, Security Transfer Registrars Pty Ltd, on request by contacting them directly. Contact details for Security Transfer Registrars Pty Ltd are shown below. Where 2 proxies are appointed, both forms should be completed with the nominated proportion or number of votes each proxy may exercise. Otherwise each proxy may exercise half of the votes (disregarding fractions).

Proxy Forms must be signed by a Shareholder or the Shareholder's attorney or, if the Shareholder is a corporation, must be signed by 2 directors or by a director and a secretary, or if it is a proprietary company that has a sole director who is also the sole secretary (or has no secretary), by that director, or under hand of its attorney or duly authorised officer. If the Proxy Form is signed by a person who is not the registered holder of Shares (e.g. an attorney), then the relevant authority (e.g. in the case of proxy forms signed by an attorney, the power of attorney or a certified copy of the power of attorney) must either have been exhibited previously to the Company or be enclosed with the Proxy Form.

Please read the instructions and other information on the Proxy Form.

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, 28 May 2014.

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 post, 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

A Shareholder which is a body corporate and which is entitled to attend and vote at the Meeting, or a proxy which is a body corporate and which is appointed by a Shareholder entitled to attend and vote at the Meeting, may appoint a person to act as its representative in accordance with section 250D of the Corporations Act. The representative must present satisfactory evidence that they are authorised to act as the body corporate's representative prior to admission to the Meeting. The authorisation may be effective either for this Meeting only or for all meetings of the Company.



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.

Questions from Shareholders

There are 2 ways to ask the Directors a question:

1. Post or email your question to the Company at:

Environmental Clean Technologies Limited
Level 7, 530 Little Collins Street,
Melbourne Vic, 3000 Australia
Email: info@ectltd.com.au
Telephone: +61 (0) 3 9909 7684
Attention: Company Secretary

2. Attend the Meeting

Questions to the Company should relate to matters that are relevant to the Meeting, and general questions regarding the Company's management or performance.

Please note that written questions to the Company must be received no later than 10:00 am (Melbourne time) Wednesday, 28 May 2014.

The Chairman of the Meeting will answer as many of the frequently asked questions submitted to the Company as possible at the Meeting.

By order of the Board

Glenn Fozard
Chairman
30 April 2014



Explanatory Memorandum

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

The General Meeting will be held at the offices of Norton Rose Fulbright, Level 15, 485 Bourke Street, Melbourne, Victoria on Friday, 30 May 2014 at 10:00 am, Melbourne time.

1. Resolutions 1 & 2 – Approve the issue of New Options

New Options

The Company is proposing to offer options (**New Options** or **ESIOA**) on the terms set out below.

Resolution 1 seeks approval to offer up to 1,046,172,364 New Options to holders of the Company's expired series of listed options (**ESIO**) as at the date of their expiry, on the terms detailed below.

Resolution 2 seeks approval to offer up to 350,000,000 additional New Options on the terms detailed below.

The total number of New Options (ESIOA) to be issued with approval under Resolutions 1 & 2 will not exceed 160% of the number of ESIO on issue as at the ESIO expiry date, being 5pm on 16 January 2014. The maximum number of New Options (ESIOA) issued with approval under Resolutions 1 & 2 will not exceed 1,394,896,485 (that is, 160% of 871,810,303).

The Company will apply for New Options (ESIOA) to be quoted on the ASX.

The terms of the New Options will be (in summary):

Issue Price:	0.1 cents
Exercise Price:	0.9 cents
Expiry:	30 June 2017
Listed:	Yes
Eligibility:	Holders of ESIO at 5.00 pm on 16 January 2014
Entitlement:	One New Option for each ESIO held at expiry
Shortfall:	Directors reserve the right to place shortfall
Oversubscriptions:	Directors reserve the right to accept oversubscriptions
Capital raising:	Approximately \$1,046,172 if fully subscribed (New Options approved under Resolution 1). Approximately \$350,000 if fully subscribed (New Options approved under Resolution 2)

The Directors intend to invite shareholders who were not holders of ESIO to submit expressions of interest in any shortfall. Invitations to express interest in shortfall will be sent to shareholders at the same time as applications for New Options are sent to former option holders. The Directors reserve the right to place shortfall, and are considering underwriting arrangements for the offer. Directors and their associates may participate in offer and in the underwriting. Resolution 4 seeks approval for Directors and other related parties to participate in the offer of New Options on the same terms as other shareholders or holders of ESIO (if they are shareholders or holders of ESIO) or as other underwriters or participants in any underwriting. Information on any underwriting arrangements entered into will be disclosed in the offer document for New Options.



Resolution 1 – offer of New Options

The total number of New Options (ESIOA) to be issued with approval under Resolution 1, including oversubscriptions, will not exceed 120% of the number of ESIO on issue as at the ESIO expiry date, being 5:00 pm on 16 January 2014. There were 871,810,303 ESIO on issue at the expiry date and the maximum number of New Options (ESIOA) issued with approval under Resolution 1 will not exceed 1,046,172,364 (that is, 120% of 871,810,303).

On the assumption that the offer is fully subscribed and there are no oversubscriptions, the offer will raise approximately \$871,810 before expenses based on the number of ESIO on issue at the date of this Notice. If the offer is fully subscribed and oversubscriptions of 20% are received and accepted the offer will raise approximately \$1,046,172 before expenses.

Resolution 2 – offer of additional New Options

In addition to the offer of New Options approved under Resolution 1, the Company is seeking shareholder approval to issue additional New Options.

The total number of New Options to be issued with approval under Resolution 2 will not exceed 350,000,000 (that is, approximately 40% of 871,810,303, the number of ESIO on issue at the ESIO expiry date, being 5:00 pm on 16 January 2014).

If fully subscribed, the New Options issued with approval under Resolution 2 will raise approximately \$350,000.

Relationship between Resolution 1 and Resolution 2

The Directors have decided to separate the approval of the first tranche of New Options under Resolution 1 from the approval of the second tranche of New Options under Resolution 2 in order to allow shareholders to approve the first but not the second tranche of New Options if they so wish.

Total number of New Options (ESIOA) to be issued

The total number of New Options (ESIOA) to be issued with approval under Resolutions 1 & 2, assuming both resolutions are passed, will not exceed 1,396,172,364, which is approximately 160% of 871,810,303 (the number of ESIO on issue at the ESIO expiry date, being 5:00 pm on 16 January 2014).

The approval of Resolutions 1 & 2 will not cause the total number of options to exceed the total number of Fully Paid Ordinary Shares (ESI) in accordance with Listing Rule 7.16.

ASX Listing Rule 7.1 – Issue of New Options

Subject to a number of exceptions, ASX Listing Rule 7.1 limits the number of equity securities that a listed company may issue or agree to issue without shareholder approval in any 12 month period to 15% of its issued securities. The New Options will be equity securities for these purposes. Resolutions 1 and 2 seek approval of the issue of New Options pursuant to ASX Listing Rule 7.1.

Information required for Shareholder approval of Resolutions 1 & 2

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

1. The maximum number of New Options to be issued with approval under Resolution 1 will be no greater than 120% of the number of ESIO on issue as at the ESIO expiry date, being 5:00 pm on 16 January 2014. There were 871,810,303 ESIO on issue and the maximum number of New Options (ESIOA) issued will not exceed 1,046,172,364 (that is, 120% of 871,810,303).
2. The maximum number of New Options to be issued with approval under Resolution 2 will be no greater than 350,000,000.
3. The issue of New Options is expected to occur in July 2014, but in any event no later than 3



months after the date of this General Meeting, or such later date approved by ASX. If procedures for the offer and issue of the New Options cannot be completed within 3 months after the date of this General Meeting, or such later date approved by ASX, the Company intends to call another general meeting of shareholders to approve the issue of the New Options.

4. The issue price of the New Options will be 0.1 cents.
5. New Options (ESIOA) will be offered first to holders of ESIO as at 5.00 pm on 16 January 2014 (the date of expiry of ESIO) on a 1 for 1 basis. The Directors intend to invite shareholders who were not holders of ESIO to submit expressions of interest in any shortfall. Invitations to express interest in shortfall will be sent to shareholders at the same time as applications for New Options are sent to former ESIO holders. The Directors reserve the right to place shortfall. The Directors reserve the right to accept oversubscriptions as set out above, and are considering underwriting arrangements for the offer. Directors and their associates may participate in the underwriting.
6. The Terms of the New Options are the same as ESIO, except as set out above.
7. Funds raised by the issue of New Options will be used for:
 - operating capital;
 - specific project development activities in support of the Coldry Demonstration Plant (CDP);
 - Coldry Project development activities in India; and
 - further development of the Matmor process.
8. The issue date of the New Options will be July 2014. The expected timetable for the offer and issue of New Options is as follows:

Event	Date
Lodgement of the Prospectus with ASIC and ASX	Friday 30 May 2014
End of the s727(3) of <i>Corporations Act 2001</i> waiting period	Friday, 6 June 2014
Despatch of Offers to holders of ESIO and invitations to register expressions of interest to shareholders	Wednesday, 11 June 2014
Opening Date of Offer	Tuesday, 17 June 2014
Closing Date of Offer	Thursday, 26 June 2014
Allocation of shortfall and issue of New Options	Wednesday, 2 July 2014

Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolutions 1 and 2.



2. Resolution 3 – Approve the bonus issue of Bonus Options

Bonus Options

The Company is proposing to offer options (**Bonus Options** or **ESIOB**) to each holder of ordinary shares (**Shares** or **ESI**). The terms of the offer of Bonus Options (**Bonus Issue**) will be (in summary):

- Issue Price: nil
- Exercise Price: 1.5 cents
- Expiry: 30 June 2017
- Listed: Yes
- Eligibility: The estimated record date for entitlements to Bonus Options is 5.00 pm on Monday, 30 June 2014 (**Record Date**). If this date changes the Company will announce the change through ASX.
- Entitlement: One New Option for every three Shares (ESI) held on the Record Date

Directors and their associates are entitled to participate in the Bonus Issue where eligible.

The total number of Bonus Options (ESIOB) to be issued will not cause the total number of options (ESIOA & ESIOB) to exceed the total number of Shares (ESI) in accordance with Listing Rule 7.16.

No monies will be raised with the issue of the Bonus Options (ESIOB).

The Company will apply for the Bonus Options (ESIOB) to be quoted on the ASX.

The Bonus Issue will only proceed if the Directors choose to proceed with the New Options offer.

ASX Listing Rule 7.1 – Issue of New Options

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. The Bonus Options will be equity securities for these purposes. Resolution 3 seeks approval of the issue of Bonus Options pursuant to ASX Listing Rule 7.1.

Information required for Shareholder approval

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

1. The number of Bonus Options to be issued will be determined by the number of Shares on issue on the Record Date. The maximum number of Bonus Options to be issued:
 - a. will be no greater than 1/3 of the number of Shares on issue; and
 - b. will not cause the total number of options (ESIOA & ESIOB) to exceed the total number Shares on issue, in accordance with Listing Rule 7.16.
2. The issue of Bonus Options (ESIOB) is expected to occur in July 2014, but in any event no later than 3 months after the date of this General Meeting, or such later date approved by ASX. If procedures for the offer and issue of the Bonus Options cannot be completed within 3 months after the date of this General Meeting, or such later date approved by ASX, the Company intends to call another general meeting of shareholders to approve the issue of the Bonus Options.
3. The issue price of the Bonus Options will be nil.



4. Bonus Options will be offered to holders of ESI as at 5.00 pm on Monday, 30 June 2014 on a 1 for 3 basis.
5. The Terms of the Bonus Options are set out above.
6. No funds will be raised by the issue of Bonus Options.
7. The expected timetable for the offer and issue of Bonus Options is as follows:

Event	Date
Lodgement of the Prospectus with ASIC and ASX	Friday 30 May 2014
End of the s727(3) of <i>Corporations Act 2001</i> waiting period	Friday 6 June 2014
Despatch of Offers to holders of ESI	Wednesday 11 June 2014
Record Date of Offer	Monday 30 June 2014 [4 days following closing of ESIOA offer]
Issuance of Bonus Options	Wednesday 2 July 2014

Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 3.

3. Resolution 4 – Approve the issue of New Options and Bonus Options to Directors and other related parties

ASX Listing Rule 10.11 prohibits a listed company issuing equity securities without shareholder approval to “related parties” or persons whose relationship with the listed company or related party is, in ASX’s opinion, such that such approval should be obtained. For the purposes of this rule “related parties” includes the directors of the company, their spouses, parents and children, and companies and other entities controlled by any such persons.

Resolution 4 seeks approval for Directors and other related parties to participate in the offer of New Options on the same terms as shareholders or holders of ESIO (if they are shareholders or holders of ESIO) or as underwriters or participants in any underwriting.

Information required for shareholder approval

Under ASX Listing Rule 10.13 the Company is required to provide the following information to shareholders to allow them to assess approval of the issue of equity securities to directors and other related parties.



The names of the persons

The directors and other related parties to whom New Options and Bonus Options may be issued are:

Director/officer	Related party / entity
Glenn Fozard	Greenard Willing Pty Ltd ACN 147 158 334 Fozard Investments Pty Ltd ACN 147 608 035 Fozard Investments Pty Ltd ACN 147 608 035 ATF Fozard Superannuation Fund
I McEwin	Superior Coatings (Aust) Pty Ltd ACN 088 288 653 Mr Iain Robert McEwin and Ms Dianne Church
A Moore	A & K Moore Nominees Pty Ltd ACN 124 474 031 ATF Moore Superannuation A/C
S Carter	[Carter Jacobs & Associates Pty Ltd ACN 064 569 393] ATF Carter Jacobs & Associates Superannuation Fund CDF Management Pty Ltd ACN 167 291 643
A Giles (Company Secretary)	Adam David Giles Caracob Pty Ltd ACN 006 545 482 Patrick Giles and Adam Giles ATF P G Family Super Fund A/C

The maximum number of securities to be issued (if known) or the formula for calculating the number of securities to be issued to the persons

The directors and other related parties who are shareholders will have the same entitlements as other shareholders to participate in the issue of New Options and Bonus Options.

If the Company enters into arrangements for underwriting the issue of New Options the underwriting arrangements entered into will be disclosed in the offer document for New Options. If directors or other related parties participate in those underwriting arrangements they will do so on the same basis as other persons participating in the underwriting arrangements.

The date by which the Company will issue the securities

The issue of New Options and Bonus Options (ESIOB) is expected to occur in July 2014, but in any event no later than 3 months after the date of this General Meeting, or such later date approved by ASX.

The relationship of non-director related parties to directors

The related parties specified in column 2 in the table above are entities controlled by the directors and officers specified in column 1 of the table (all of whom are directors other than Mr Giles).

The issue price of the securities and a statement of the terms of the issue

The directors and other related parties who are shareholders will have the same entitlements as other shareholders or holders of ESIO (if they are shareholders or holders of ESIO) to participate in the issue of New Options and Bonus Options, and the issues will be at the same price. The directors and other related parties may also participate as underwriters or participants in any underwriting. Information on any underwriting arrangements entered into will be disclosed in the offer document



for New Options. If directors or other related parties participate in those underwriting arrangements they will do so on the same basis as other persons participating in the underwriting arrangements.

The intended use of the funds raised

Funds raised from the issue of New Options and Bonus Options to directors and other related parties who are shareholders will be used for the same purposes as funds raised by the issue of New Options and Bonus Options. See section 1.7 above.

4. Resolution 5 - Ratification of prior issue of Shares and Options

Subject to a number of exceptions, ASX Listing Rule 7.1 limits the number of securities that a listed 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 approves 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.

In addition, issues made with approval under ASX Listing Rule 7.1A can also be ratified under ASX Listing Rule 7.4.

At the Annual General Meeting of the Company held on 16 November 2012, Shareholders approved by special resolution the issue of securities up to 10% of the issued capital of the Company under ASX Listing Rule 7.1A.

If the Shares issued by the Company prior to the date of the Notice of Meeting are ratified by Shareholders under ASX Listing Rule 7.4, they will be excluded from the calculation of the 10% limit under ASX Listing Rule 7.1A.

Past issues of securities

In the period prior to the date of the Notice of Meeting, there have been two issues of Shares in the Company without Shareholder approval in accordance with ASX Listing Rules 7.1 or 7.1A.

In total, 55,555,557 Shares have been issued.

Summary of past issues of securities

Resolution 5 requests Shareholders to approve, for the purposes of ASX Listing Rule 7.4, the issue of 55,555,557 Shares as outlined below:

On 26 March 2014, the Company issued 18,518,519 Shares at a nominal issue price at 0.27¢ per Share to clients of Menzies Securities in satisfaction of a conversion notice received by the Company under the terms of the Strategic Deliverable Bond.

On 8 April 2014, the Company issued 37,037,038 Shares at a nominal issue price at 0.27¢ per Share to clients of Menzies Securities in satisfaction of a conversion notice received by the Company under the terms of the Strategic Deliverable Bond.

By approving 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 and up to the 10% limit set out in ASX Listing Rule 7.1A (without the need to obtain prior Shareholder approval).

Information required for Shareholder ratification

Under ASX Listing Rule 7.5, the Company is required to provide the following information in relation to Resolution 3:



- The total number of securities in the Company allotted was 55,555,557 Shares as set out in item 3(b) above.
- The prices at which the new Shares and listed Options were issued are detailed in item 3(b) above.
- Each of the Shares was issued as fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares.
- The persons to whom the Shares and listed Options were issued are detailed in item 3(b) above.
- The purpose for the issue of the Shares and listed Options is detailed in item 3(b) above.
- A voting exclusion statement is included in the Notice of Meeting.

Recommendation

The Board unanimously **RECOMMENDS** that Shareholders vote in favour of Resolution 5.

Glossary

In this Notice and Explanatory Memorandum:

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

General Meeting or **Meeting** mean the general meeting of the Company to be held at 10:00 am on Friday, 30 May 2014;

ASX means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires);

ASX Listing Rules means the listing rules of the ASX;

Board means the board of Directors of the Company;

Constitution means the constitution of the Company;

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

Directors mean the directors of the Company from time to time;

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

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

Notice, Notice of Meeting, or Notice of General Meeting means the attached Notice of Meeting;

Options means options to acquire Shares;

Proxy Form means the proxy form, which accompanies this Notice;

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

Securities means Shares, Options, securities convertible into Share or rights to Shares or Options that maybe granted by the Company;

Shareholder means the registered holder of Shares; and

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

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.

REGISTERED OFFICE: SUITE 712 530 LITTLE COLLINS STREET MELBOURNE VIC 3000

ENVIRONMENTAL CLEAN TECHNOLOGIES LIMITED

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:

Input box for Chairperson appointment

OR

Input box for proxy name appointment

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 General Meeting of the Company to be held at 10:00am AEST on Friday 30 May 2014 at Norton Rose Fulbright, Level 15, 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*

Table with 5 rows of resolutions and 3 columns for voting: For, Against, Abstain*.

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.

Input box for Chairperson appointment

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 resolution 4 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 resolution 4 and your votes will not be counted in calculating the required majority if a poll is called on resolution 4. The Chairperson of the Meeting intends to vote undirected proxies in favour of all resolutions.

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

Signature box for Individual or Security Holder

Signature box for Security Holder 2

Signature box for Security Holder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

Proxies must be received by Security Transfer Registrars Pty Ltd no later than 10:00am AEST on Wednesday 28 May 2014.

ONLINE PROXY SERVICE

You can lodge your proxy online at www.securitytransfer.com.au

- 1. Log into the Investor Centre using your holding details. 2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

Online Proxy ID: [Input box]

