



**ENVIRONMENTAL CLEAN
TECHNOLOGIES LIMITED**

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

TO BE HELD AT:

**RSM Bird Cameron
Level 21, 55 Collins Street, Melbourne, Victoria
At 10:00 am on Friday, 27 November 2015**

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, 25 NOVEMBER 2015

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



Chairman's Letter

28 October 2015

Dear Shareholder,

This year's Annual General Meeting will be held at the offices of RSM Bird Cameron, Level 21, 55 Collins Street, Melbourne, Victoria commencing at 10:00 am on Friday, 27 November 2015.

The Directors look forward to the opportunity to provide Shareholders with an update on the Company's progress at the Annual General Meeting, including an overview of the milestones achieved in the past year and the strategy moving forward.

The Meeting will consider:

- the Financial Accounts for the Company;
- the Remuneration Report for the Company;
- the election of Mr David Smith and Mr Barry Richards as directors of the Company;
- the ratification of prior share issues;
- approval of additional placement capacity; and
- approval of the issue of Securities under the ECT Executive & Director Incentive Plan.

I encourage you to read the Explanatory Memorandum in full and look forward to seeing you at the Annual General Meeting on 27 November 2015.

Yours sincerely,

Glenn Fozard
Chairman



Notice of Annual General Meeting

The Annual General Meeting of Environmental Clean Technologies Limited (ACN 009 120 405) will be held at RSM Bird Cameron, Level 21, 55 Collins Street, Melbourne, Victoria on Friday 27 November 2015 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 2015 and the related Directors' Report, Directors' Declaration and Auditor's Report.

2. Resolution 1 - Remuneration Report

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

"That, for the purposes of section 250R of the Corporations Act 2001 (Cth), the Remuneration Report for the Company for the financial year ended 30 June 2015 be adopted."

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

3. Resolutions 2, & 3 – Election of Mr David Smith and Mr Barry Richards

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

"That Mr David Smith, who was appointed as a Non-executive Director by the Board in accordance with clauses 13.4 and 17.1 of the Constitution, being eligible for election, be elected as a Director of the Company."

"That Mr Barry Richards, who was appointed as a Non-executive Director by the Board in accordance with clauses 13.4 and 17.1 of the Constitution, being eligible for election, be elected as a Director of the Company."

4. Resolution 4 – Re-election of Mr Glenn Fozard

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

"That Mr Glenn Fozard, 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 5 - 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 171,500,000 ESIOB Listed Options as described in the Explanatory Memorandum accompanying this Notice of Meeting."

6. Resolution 6 – Approval for additional placement capacity of Securities

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions described in the Explanatory Memorandum accompanying this Notice of Meeting."



7. Resolution 7 – Approval of the issue of Securities under the ECT Executive & Director Incentive Plan

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

“That for the purposes of Exception 9 in ASX Listing Rule 7.2 and for all other purposes, Shareholders approve as an exception to ASX Listing Rule 7.1 the issue of Securities under the Plan as detailed in this Notice and accompanying Explanatory Memorandum.”

8. 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 a Director or other Key Management Personnel of the Company whose remuneration is included in the 2014 Remuneration Report for the Company and any of their Closely Related Parties.
2. Resolution 5 by a person who participated in the issue of securities and any associate of such a person.
3. Resolution 6 by any person who may participate in an issue of securities permitted by Resolution 6, if it is passed. The Company has taken the view that the persons who may participate in such an issue cannot be determined and so will not disregard any votes cast on Resolution 6.
4. Resolution 7 by any Director or Executive of the Company, and any associate of a Director or Executive.

However, a Director, a Key Management Personnel or their Closely Related Parties may cast a vote on Resolution 1 if:

1. the person is acting as proxy for a person who is entitled to vote and the proxy form specifies how the proxy is to vote; or
2. the person is the Chairman voting an undirected proxy which expressly authorises the Chairman to vote the proxy on a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Company need not disregard votes of the above parties for Resolutions 5 and 6 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.

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 Thursday, 12 November 2015. 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 all Resolutions. 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 above. However, the Chairman of the meeting is not permitted to vote an undirected proxy on Resolution 1, unless the proxy expressly authorises the Chairman to vote the proxy on such Resolution even if it is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel.

In respect of Resolution 1, if the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on those Resolutions, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

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, 25 November 2015.

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: Alexandria 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 company'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 or the Company's share registry will need to verify your identity.

Questions from Shareholders

There are 2 ways to ask the Directors or the Auditor a question:

1. Post or email your question to the Company at:
Environmental Clean Technologies Limited
502/9 Yarra Street,
South Yarra, Vic, 3141 Australia

Email: info@ectltd.com.au
Telephone: +61 (0) 3 9939 4595
Attention: Company Secretary

2. Attend the Meeting

Questions to the Company should relate to matters that are relevant to the Meeting, including matters arising from the 2015 Annual Report and general questions regarding the Company's management or performance. Written questions to the Auditor should relate to the conduct of the audit or the content of the Auditor's Report.

Please note that written questions to the Company must be received no later than 10:00 am (Melbourne time) on Wednesday, 25 November 2015. Questions to the Auditor must be received no later than 5 business days before the Meeting, being Friday, 20 November 2015.

The Company is required by law to forward all questions to the Auditor, from which the Auditor is required to prepare a list of those questions that are considered to be relevant to the conduct of the audit or the content of the Auditor's Report. The Auditor may omit questions that are the same in substance to other questions. 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 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

Ashley Moore
Managing Director
28 October 2015



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 the offices of RSM Bird Cameron, Level 21, 55 Collins Street, Melbourne, Victoria on Friday, 27 November 2015 at 10:00 am, Melbourne time.

1. Annual Financial Report

The full year results for the Company are available in the 2015 Annual Report sent to those Shareholders who elected to receive the annual report or online at www.ectltd.com.au. Any relevant announcements made by the Company after the date of the 2015 Annual Report will be available on the Company's website at www.ectltd.com.au.

The Corporations Act and the Company's Constitution require the following reports in respect of the financial year of the Company ended on 30 June 2015 to be presented to the Meeting:

- the Financial Report (which includes the Financial Statements and Directors' declaration);
- the Directors' Report (which includes the Remuneration Report); and
- the Auditor's Report.

Except for the non-binding advisory resolution in respect of the Remuneration Report (refer to Resolution 1 below), there is no requirement in the Corporations Act or the Constitution for Shareholders to approve the Financial Report, the Directors' Report or the Auditor's Report.

In accordance with the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about or make comments on the management or performance of the Company.

The Auditor of the Company is required to attend the Meeting and will be available to take Shareholder's questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the 2015 financial statements of the Company and the independence of the Auditor in relation to the conduct of the audit. The Auditor will also be allowed a reasonable opportunity to answer written questions submitted in accordance with the process described previously.

2. Resolution 1 - Adoption of Remuneration Report

The Remuneration Report of the Company for the financial year ended 30 June 2015 is set out in the Directors' Report (included in the 2015 Annual Report) (**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.

Section 250R of the Corporations Act requires a resolution in relation to the Remuneration Report to be included in the business of the 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 Resolution 1 is advisory only and does not bind the Directors or the Company.

The vote on Resolution 1 will, in the first instance, be determined by a show of hands as required by clause 12.12 of the Constitution. However, if there is any doubt regarding the outcome of the voting, the Chairman of the Meeting will demand a poll for Resolution 1 so that the votes for and against the Resolution can be accurately determined. If a poll is required, it will be held towards the end of the Meeting.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation to vote the proxy in accordance with the Chairman's intention.

3. Resolutions 2 and 3 – Election of Mr David Smith and Mr Barry Richards (Non-executive Directors)

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.



Resolution 2: Mr David Smith was appointed as a Director by the Board on 1st February 2015 and being eligible, offers himself for election at the meeting.

David has a strong legal and commercial background, having practiced commercial law for over 24 years including nearly 17 years as a partner in national firms. He is currently a partner in the intellectual property and technology group at Gadens Lawyers. He has assisted many companies with protecting their intellectual property, IP commercialisation agreements, collaborative research agreements and international negotiations. This year David was recognised as a 'Best Lawyer - Intellectual Property' for the second year running. He is currently Vice President of Bicycle Network where he also chairs the Audit and Risk Committee.

Resolution 3: Mr Barry Richards was appointed as a Director by the Board on 5th June 2015 and being eligible, offers himself for election at the meeting.

Barry has a strong industry and commercial background of over 30 years including his role as Managing Director of Mecrus Pty Ltd since its formation over 16 years ago, contract and business development roles with Siemens / Silcar, and operations and maintenance management experience with the State Electricity Commission of Victoria (SECV). He provides extensive experience in business management, major project development and delivery, coal plant operations and maintenance and has a broad understanding of technology and process development.

Recommendation

The Board (other than Mr Smith with respect to Resolution 2 and Mr Richards with respect to Resolution 3) recommends that Shareholders vote in favour of Resolutions 2 and 3.

4. Resolutions 4 – Re-election of Mr Glenn Fozard (Executive Director)

Clause 13.2 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 3 years, whichever is longer. In addition, clause 13.2 of the Constitution provides that one-third of the Directors for the time being, or if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office at each Annual General Meeting of the Company. The Directors to retire at an Annual General Meeting are those who have been longest in office since their last election. Given Mr Fozard is the only Director who falls under clause 13.2, he is by default required to stand for re-election at the 2015 AGM.

Mr Glenn Fozard was appointed as a Director by the Board on 23rd August 2013, re-elected at the 2014 AGM and being eligible, offers himself for re-election at the Meeting.

Mr. Fozard brings to ECT a strong commercial background and extensive experience in the finance and capital markets at both board and executive management level. He has over 13 years experience in the finance sector holding various senior management and sales roles, including 5 years at Macquarie Bank's Securitised Lending division.

With in-depth experience in tailored financing solutions for SME's in the cleantech and agricultural industries, Mr. Fozard is the founding partner of Greenard Willing, a specialist financial advisory firm.

Mr. Fozard has held an advisory position with ECT for over 5 years, has contributed significantly towards the capital raising for the Company during that time.

On 5th June 2015 Mr Fozard was appointed to an Executive role in support of the increased workload within the Company as it pursues its commercialisation activities. In his executive role Mr Fozard reports to Managing Director, Mr Ashley Moore and is responsible for a range of capital, commercial and other project-focused assignments.

Mr. Fozard holds a Bachelor of Business and a Bachelor of Arts from Monash University majoring in international trade and psychology.

Recommendation

The Board (other than Mr Fozard) recommends that Shareholders vote in favour of Resolution 4.

5. 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 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.

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 28 October 2015

In the 12-month period to 28 October 2015 there were a number of issues of new Shares and Options in the Company. In total 207,928,157 Shares and 171,500,000 ESIOB listed Options were issued.

(b) Issues of Shares not requiring ratification for the purposes ASX Listing Rule 7.4

Of the new Shares and Options issued, the issue of 207,928,157 Shares and 171,500,000 listed ESIOB Options were ratified or approved by Shareholders, or fell within the 15% limit in ASX Listing Rule 7.1. The issues were as follows:

Details	ESI	ESIOB Listed Options
12 December 2014: Issue of ESIOB Listed Options as part consideration for the purchase of the Matmor Assets		150,000,000
6 May 2015: Issue of ESIOB Listed Options in lieu of cash for fees in relation to the Fast Finance Loan facility.		21,500,000
27 May 2015: Exercise of ESIOA Listed Options	54,457,591	
5 June 2015: Exercise of ESIOA Listed Options	55,542,409	
22 Sept 2015: Exercise of ESIOA Listed Options	27,928,157	
1 Oct 2015: Exercise of ESIOB Listed Options	35,000,000	
1 Oct 2015: Exercise of ESIOA Listed Options	35,000,000	
Total subject to ASX LR 7.4 exceptions	207,928,157	0
To be ratified at 2014 AGM	0	171,500,000
Grand Total Issued	207,928,157	171,500,000

(c) Resolution 5

Resolution 5 requests Shareholders to ratify, for the purposes of ASX Listing Rule 7.4, the issue of 171,500,000 ESIOB Listed Options to the following parties:

On 12 December 2014 the Company issued 150,000,000 new ESIOB Listed Options at a nominal issue price of 0.67¢ per Option (the closing price on the day was 0.4¢) to Maddingley Brown Coal Pty Ltd in satisfaction of \$1,000,000 of the total \$4,500,000 acquisition price of the Matmor Assets.

On 6 May 2015 the Company issued 21,500,000 new ESIOB Listed Options at a nominal issue price of 0.4¢ per Option to Platinum Road Pty Ltd in satisfaction of fees relating to the establishment of the Fast Finance loan facility and the development, execution of a corporate strategic review and associated Board report.

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).

(d) Information required for shareholder ratification

Under ASX Listing Rule 7.5, the Company is required to provide the following information in relation to Resolution 5:

- The total number of securities allotted was 171,500,000 ESIOB Listed Options as set out in item 4(c) above.
- The prices at which the new Shares and new Options were issued are detailed in item 4(c) above.
- Each of the securities issued was issued as ESIOB Listed Options of the Company, issued on the same terms and conditions as the Company's existing ESIOB Listed Options.
- The parties to whom the Shares and Options were issued are detailed in item 4(c) above.
- The purpose for the issue of the Shares and Options is detailed in item 4(c) above.
- A voting exclusion statement is included in the Notice of Annual General Meeting.

Recommendation

The Board unanimously recommends that shareholders vote in favour of Resolution 5.



6. Resolution 6 - Approval for additional placement capacity of Securities

ASX Listing Rule 7.1A was introduced to provide eligible mid to small cap listed entities with the ability to seek shareholder approval to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue by way of placements over a 12-month period over and above the 15% permitted under ASX Listing Rule 7.1. The authority to undertake such placements requires shareholder approval by way of a **special resolution** at an AGM and such approval is valid for 12 months from the date of the AGM. To be eligible the company, at the time of the AGM, must not have a market capitalisation of more than \$300 million and cannot be included in the S&P/ASX 300 Index. Furthermore, the securities must not be issued at a price that is less than 75% of the volume weighted average price (VWAP) of the securities calculated over the 15 trading days on which trades in those securities were recorded immediately before the date on which the issue price of the securities is agreed, or the issue date (if the securities are not issued within 5 trading days of the date on which the issue price is agreed).

As at the date of this Notice the Company has 2,617,454,518 fully paid ordinary Shares on issue and Resolution 6 seeks approval for the Company to have the capacity to issue new equity securities equal to 10% of the sum of the number of Shares on issue 12 months before the date of issue or agreement plus the number of Shares issued in the 12 months with approval of holders of ordinary securities under ASX Listing Rule 7.1 (security issues approved by shareholders) or ASX Listing Rule 7.4 (ratification of securities issued under the 15% limit of ASX Listing Rule 7.1) or under an exception in ASX Listing Rule 7.2 (exemptions to ASX Listing Rule 7.1 including Shares issued pursuant to a pro-rata rights issue and approved employee incentive schemes). The Company, as at the date of this Notice, has on issue 2 classes of equity securities, Shares and Options listed on ASX. If Resolution 6 is approved the Directors may, at their discretion, issue equity securities up to 25% of the number of ordinary securities on issue by way of placements over a 12-month period pursuant to ASX Listing Rules 7.1 and 7.1A.

Determination of the additional capacity to issue Securities if Resolution 6 approved

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12-month period after the date of the annual general meeting, a number of equity securities calculated in accordance with the following formula:

$(A \times D) - E$

- A** is the number of shares on issue 12 months before the date of issue or agreement:
- plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
 - plus the number of partly paid shares that became fully paid in the 12 months;
 - plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
 - less the number of fully paid shares cancelled in the 12 months.

(Note that A is has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity).

D is 10%

E is the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rule 7.1 or 7.4.

On 28 October 2014, the Company had on issue 2,409,526,361 Shares and in the 12 months to 28 November 2015 the Company issued a further 207,928,157 Shares with approval under ASX Listing Rule 7.2 making A in the above formula 2,617,454,518.

Based on this calculation the Company would theoretically have as at 28 October 2015 a capacity to issue:

- 392,618,178 equity securities under ASX Listing Rule 7.1 (15% of A); and
- subject to Shareholder approval being obtained under Resolution 6, 261,745,452 equity securities under ASX Listing Rule 7.1A (10% of A).

(These theoretical numbers of shares are relevant to the discussion of dilution below.)

The actual number of equity securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2



Notice requirements for approval under rule 7.1A

Minimum price. The Company will only issue equity securities for which the aggregate issue price of the equity securities is 75% or more of the volume weighted average price (VWAP) of equity securities in the same class calculated over the 15 trading days immediately before the date on which the issue price of the equity securities is agreed, or the issue date (if the equity securities are not issued within 5 trading days of the date on which the issue price is agreed).

Risk of economic and voting dilution. Shareholder approval of Resolution 6 and any subsequent issue of Shares pursuant to ASX Listing Rule 7.1A.2 may result in the economic and voting dilution of existing Shareholders. There is a risk that:

- the market price for the Company's equity securities may be significantly lower on the date of the issue of the equity securities than on the date of the approval at the Meeting under rule 7.1A; and
- the equity securities may be issued at a price that is at a discount to the market price for Company's equity securities on the issue date.

The impact upon the funds raised and existing shareholder dilution under alternative scenarios of share price and increases in Variable A from the level as at 21 October 2015 (being 2,617,454,518) is shown in the table below. The table provides a matrix showing the number of Shares issued for a 10% dilution and the funds raised assuming Variable A is as at the 21 October 2015 level, 50% lower and 100% higher and assuming the placement Share price is at the Current Price of 2.0¢ (Share price as at 21 October 2015), half the Current Price at 1.0¢ and double the Current Price at 4.0¢.

Variable A in LR 7.1A.2	Dilution			
	Share price	\$0.01	\$0.02	\$0.04
		Half Current Price	Current Price	Double Current Price
Current Variable A	10% Voting Dilution	261,745,452	261,745,452	261,745,452
	Funds Raised	\$2,617,455	\$5,234,909	\$10,469,818
50% Increase in Variable A	10% Voting Dilution	392,618,178	392,618,178	392,618,178
	Funds Raised	\$3,926,182	\$7,852,364	\$15,704,727
100% Increase in Variable A	10% Voting Dilution	523,490,904	523,490,904	523,490,904
	Funds Raised	\$5,234,909	\$10,469,818	\$20,939,636

The table has been prepared on the following assumptions:

- The Company issues the maximum number of equity securities available if the additional 10% placement capacity is permitted by shareholders approving Resolution 6.
- No Options are exercised into Shares before the date of the issue of the equity securities.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table shows only the effect of issues of Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1.
- The issue of equity securities under the 10% Placement Facility consists only of Shares. If the issue of equity securities includes Options or other convertible securities, it is assumed that those Options or other convertible securities are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The Current Price is \$0.02 (21 October 2015).

Expiry of approval. If approved by Shareholders, the Company may issue equity securities on terms as detailed in this Explanatory Memorandum from 27 November 2015 until the earlier to occur of:

- 27 November 2016; or
- the date of the approval by Shareholders of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), or such longer period if allowed by ASX.

The approval under Resolution 6 for the issue of the equity securities will cease to be valid if Shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking).

Purpose of new issues. Funds raised from any issues under ASX Listing Rule 7.1A.2 may be used for working capital purposes, the acquisition of assets or as consideration for the payment of expenses incurred or services rendered.

Allocation policy. The Company's allocation policy will be dependent on the prevailing market conditions at the time of any proposed issue pursuant to ASX Listing Rule 7.1A. The identity of the allottees of equity securities will be determined on a case-by-case basis having regard to the methods of raising funds that are available to the Company and advice from



the Company's corporate and financial advisers, if applicable. The allottees, if Resolution 6 is approved, have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Details of new issues under rule 7.1A from prior year.

In accordance with Listing Rule 7.3A.6 the following information is provided to Shareholders:

- (a) The total number of Securities on issue at 28 October 2014 was 2,409,526,361. The total number of shares issued in the 12 months since 28 October 2014 was 207,928,157, representing 8.6% of the total Securities on issue at 28 November 2014.
- (b) Details of all Securities issued in the 12-month period prior to the date of the meeting are set out below.

On 12 December 2014 the Company issued 150,000,000 new ESIOB Listed Options at a nominal issue price of 0.67¢ per Option to Maddingley Brown Coal Pty Ltd as satisfaction of \$1,000,000 of the total \$4,500,000 acquisition price of the Matmor Assets. The value per ESIOB Listed Option on 12 December 2014 was 0.4¢, totalling \$600,000. The nominal issue price of 0.67¢ represented a 67.5% premium to the market at the time of issue. The current (21 October 2015) value per ESIOB Listed Option is 1.0¢, totalling \$1,500,000.

On 6 May 2015 the Company issued 21,500,000 new ESIOB Listed Options at a nominal issue price of 0.4¢ per Option to Platinum Road Pty Ltd in satisfaction of fees relating to the establishment of the Fast Finance loan facility and the development, execution of a corporate strategic review and associated Board report.

On 27 May 2015 the Company issued 54,457,591 Shares at a nominal issue price of 0.9¢ per share as the result of the exercise of ESIOA Listed Options.

On 5 June 2015 the Company issued 27,877,778 Shares at a nominal issue price of 0.9¢ per share as the result of the exercise of ESIOA Listed Options.

On 22 September 2015 the Company issued 55,542,409 Shares at a nominal issue price of 0.9¢ per share as the result of the exercise of ESIOA Listed Options and 50,379 Shares at a nominal issue price of 1.5¢ per share as the result of the exercise of ESIOB Listed Options.

On 1 October 2015 the Company issued 35,000,000 Shares at a nominal issue price of 1.5¢ per share as the result of the exercise of ESIOB Listed Options.

On 7 October 2015 the Company issued 35,000,000 Shares at a nominal issue price of 0.9¢ per share as the result of the exercise of ESIOA Listed Options.

Please note that Resolution 6 is a **special resolution** and therefore requires approval of at least 75% of votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or representative).

Recommendation

The Board unanimously recommends that shareholders vote in favour of Resolution 6.

7. Resolution 7 – Approval of the issue of Securities under the ECT Executive & Director Incentive Plan

Background

The Board considers it important that a component of executive and Director remuneration be by way of the issue of Company Securities, to help align their interests to the success of the Company. The Company has an Executive and Director Incentive Plan (the **Plan**) that permits the issue of Shares or the grant of Options to eligible executives (including Executive Directors) as an incentive component of their remuneration and to reduce the cash expenditure of the Company.

The Plan does not contemplate the issue of Securities to Non-Executive Directors.

In respect of the Managing Director the issue of Shares, Options or Performance Rights under the Plan will be applied to the provision of bonuses and / or part of his base remuneration.

The Plan to be approved in Resolution 7 is structured to comply with Exception 9 in ASX Listing Rule 7.2 so that issues of Securities under the Plan will not be taken into account for the purposes of the 15% limit on Securities that may be issued under ASX Listing Rule 7.1, with the exception that Shares issued under the Plan will be added to the total number of Securities on issue against which the 15% limit is calculated. The issue of Securities to any Director of the Company will also require approval by Shareholders under Exception 4 in ASX Listing Rule 10.12 to ASX Listing Rule 10.11 which



applies to acquisitions of Securities by a director or associate under an employee incentive scheme that have been approved for the purposes of ASX Listing Rule 10.14.

Executive bonuses

The Company has in the past provided equity incentives based upon achievement of pre-determined performance criteria. Past issues of Securities as part of employee remuneration were part of an incentive plan, but as it had never been explicitly approved pursuant to the requirements of Exception 9 in ASX Listing Rule 7.2 any issues were counted against the 15% limit allowed in ASX Listing Rule 7.1. The Company may grant bonuses on an annual basis to key management personnel through the Plan to reward performance against benchmarks agreed by the Board. Executive bonuses are part of an executive's employment contract and may be paid in cash and Securities, including Fully Paid Ordinary shares, Company Options and/or Entitlement Rights. By approving Resolution 7, any issue of Securities issued pursuant to the Plan will not be counted against the 15% limit allowed in ASX Listing Rule 7.1. If Resolution 7 is not approved the Company may still issue Securities pursuant to the Plan, however any Securities issued will be counted against the 15% limit allowed in ASX Listing Rule 7.1.

The Company's Managing Director, Mr Ashley Moore, if eligible for bonuses pursuant to the Plan must seek and receive separate Shareholder approval for the Company to issue Securities to a Director pursuant to the Plan. Such approval by shareholders will be sought at the next General Meeting after Mr Moore becomes eligible.

Information required for Shareholder approval

Under ASX Listing Rule 7.2 Exception 9(b), the Company is required to provide the following information to shareholders to allow them to assess the proposed Plan:

Summary of the terms of the Plan

The objective of the ECT Executive & Director Incentive Plan (the Plan) is to assist in the reward, retention and motivation of executives and employees. Eligible participants in the Plan are executive directors, executives and other employees of ECT. The Plan permits the ECT Board from time to time at its discretion to issue Shares or the grant of Options or rights to Share or Options to eligible participants in the Plan. The Board will determine the procedure for issuing Shares, granting Options and rights to Share or Options, including the form and content of any invitation, offer or acceptance procedure. The Board may at its discretion impose one or more vesting conditions, including time or performance conditions, at the time of grant of rights to Share or Options under the Plan. Any issue of Shares, grant of Options and rights to Share or Options will not confer any right or interest in Shares, nor have any entitlement to dividends until any Vesting Conditions have been met. Any Options or rights to Share or Options which have not been exercised will expire and cease to exist in accordance with the terms and conditions specified at the time of grant. The Plan permits the Board to enforce forfeiture of unvested Shares, grant of Options and rights to Share or Options under defined circumstances. If a change of control of ECT occurs, the Board may at its discretion resolve that the vesting conditions applicable to unvested Options or unvested rights to Share or Options be waived. A copy of the Plan is available from the Company upon request.

Prior Issues under the Plan

There have been no Securities issued under the Plan since the date of the last approval.

Voting exclusion statement

A voting exclusion statement relating to the approval of the Plan is included in the Notice of Annual General Meeting.

Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 7.



Glossary

In this Notice and Explanatory Memorandum:

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

AGM means an annual general meeting;

Annual General Meeting or Meeting mean the annual general meeting of the Company to be held at 10:00am on Friday, 27 November 2015;

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;

Auditor means BDO East Coast Partnership;

Board means the board of Directors of the Company;

Closely Related Party has the meaning given in section 9 of the Corporations Act and includes a spouse, dependent and certain other close family members, as well as companies controlled by a KMP.

Constitution means the constitution of the Company;

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

ESIOA means listed options to acquire shares, with an exercise price of 0.9¢ per share, expiring on 31 July 2017.

ESIOB means listed options to acquire shares, with an exercise price of 1.5¢ per share, expiring on 31 July 2017.

Key Management Personnel means person having authority and responsibility for planning, directing and controlling the activities of the Company and its controlled entities, directly or indirectly, including any Director (whether executive or otherwise);

KMP means a member of the Key Management Personnel

Menzies Securities means Menzies Securities Pty Ltd ACN 130 703 463;

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

Options means options to acquire Shares;

Platinum Road means Platinum Road Pty Ltd ACN ACN 161 711 155;

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 Annual General 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.

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«EFT_REFERENCE_NUMBER»

ENVIRONMENTAL CLEAN TECHNOLOGIES LIMITED

ACN: 009 120 405

REGISTERED OFFICE:
SUITE 502
9 YARRA STREET
SOUTH YARRA VIC 3141

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

«Company_code»«Sequence_number»«Address_unknown»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

Code:

ESI

Holder Number:

«HOLDER_NUM

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.

VOTE ONLINE	Lodge your proxy vote securely at www.securitytransfer.com.au	«ONLINE
	<ol style="list-style-type: none"> Log into the Investor Centre using your holding details. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area. 	

SECTION A: Appointment of Proxy

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

The meeting chairperson

OR

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 AEDT on Friday 27 November 2015 at RSM Bird Cameron, Level 21, 55 Collins Street, Melbourne, Victoria and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION	For	Against	Abstain
1. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Election of Mr David Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Election of Mr Barry Richards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Re-election of Mr Glenn Fozard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Ratification of prior issue of Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval for additional placement capacity of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Approval of the issue of Securities under the ECT Executive & Director Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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.

SECTION C: Signature of Security Holder(s)

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
<div style="border: 1px solid black; height: 20px; width: 100%;"></div>	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
Sole Director & Sole Company Secretary	Director	Director/Company Secretary

Proxies must be received by Security Transfer Registrars Pty Ltd no later than 10:00am AEDT on Wednesday 25 November 2015.

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My/Our contact details in case of enquiries are:

Name:

Number:

1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Registrars Pty Ltd

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

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

