



**ENVIRONMENTAL CLEAN
TECHNOLOGIES LIMITED**

NOTICE OF GENERAL MEETING AND EXPLANATORY MEMORANDUM

TO BE HELD AT:

Norton Rose

Level 15, RACV Tower, 485 Bourke Street, Melbourne, Victoria

At 10:00 am on Friday, 27th April 2012

Dear Shareholder,

The Directors of Environmental Clean Technologies Limited (the **Company** or **ECT**) provide the following Notice of a shareholders meeting to ratify the issue in December 2011 of unlisted Options, the placement of new Shares and Options in January 2012 and issue of new Shares in February 2012. Ratification of the prior issues will enable the Company to refresh its 15% limit on new issues of securities without shareholder approval.

Shareholders will also be asked to consider 3 further placements, 2 on the same terms as the January 2012 placement of up to \$405,000 and \$475,000 respectively to provide on-going working capital funding and to proceed with the Design for Tender and a further placement to Monash Capital Group Pty Ltd to secure \$4.0 million to accelerate completion of the Design for Tender and provide working capital funding to the end of 2012 - early 2013. In addition, Shareholders will be asked to approve the issue of a Convertible Note with a face value of \$210,000 to payout a Converting Loan with the same face value.

The following Notice of Meeting and the Explanatory Memorandum provides further detail of the Resolutions and I encourage you to read them in full.

The Meeting will only be dealing with the matters on the Agenda and there will be no general update provided at the Meeting. Any questions from Shareholders at the Meeting will only be dealt with if confined to matters directly related to the Resolutions before the Meeting.

I look forward to seeing you at the Meeting on 27th April 2012.

Yours sincerely,

Mike Davies
Managing Director and Executive Chairman
22nd March 2012

A Proxy Form is enclosed separately

TO BE VALID, THE PROXY FORM ENCLOSED FOR USE AT THE MEETING MUST BE COMPLETED AND RETURNED NO LATER THAN 10:00 AM MELBOURNE TIME ON WEDNESDAY, 25TH APRIL 2012



Notice of General Meeting of Shareholders

The General Meeting of Environmental Clean Technologies Limited (ACN 009 120 405) shareholders (the **Meeting**) will be held at Norton Rose, Level 15, RACV Tower, 485 Bourke Street, Melbourne, Victoria on 27th April 2012 at 10:00 am, Melbourne time.

Agenda

Resolution 1 - 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 119,333,336 Shares and 57,916,668 listed Options and 20,000,000 unlisted Options as described in the Explanatory Memorandum accompanying this Notice of Meeting."

Resolution 2 – Approval of issue of new 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 7.1 and for all other purposes, Shareholders approve the issue of up to 67.5 million Shares and 33.75 million listed Options on the terms and conditions described in the Explanatory Memorandum accompanying this Notice of Meeting."

Resolution 3 – Approval of issue of new 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 7.1 and for all other purposes, Shareholders approve the issue of up to 79,166,667 Shares and 39,583,334 listed Options to Mr Michael Kirwan on the terms and conditions described in the Explanatory Memorandum accompanying this Notice of Meeting."

Resolution 4 – Approval of issue of new 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 7.1 and for all other purposes, Shareholders approve the issue of 300 million Shares and 300 million listed Options to raise \$4.0 million on the terms and conditions described in the Explanatory Memorandum accompanying this Notice of Meeting."

Resolution 5 – Approval of issue of Convertible Note

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 the Convertible Note and the issue of Shares upon conversion of all or any part of the Convertible Note, on the terms and conditions described in the Explanatory Memorandum accompanying this Notice of Meeting."

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 participated in the issue of the unlisted Options in December 2011, the issue of Shares and listed Options in January 2012 and issue of Shares in February 2012 and any associate of any of those parties.
2. Resolutions 2, 3 and 4 by any person who may participate in the proposed issue and a person who might obtain a benefit including Mr Kirwin in respect of Resolution 3 and Monash Capital Group Pty Ltd in respect of Resolution 4, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 2, 3 or 4 is passed, and any associate of such a person; and
3. Resolution 5 by any person who may participate in the proposed issue of the Convertible Note and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 5 is passed, and any associate of such a person

The Company need not disregard votes of the above persons for Resolutions 1, 2, 3, 4 and 5 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.

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 Melbourne time on Wednesday, 25th April 2012. 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 Chairman of the Meeting intends to vote all undirected proxies in favour of Resolutions 1, 4 and 5.

Appointment of Proxies

A Proxy Form accompanies the Notice of Meeting and contains important information and other instructions regarding the lodgement of a Proxy Form 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.

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 Proxy 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 company, 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.



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 (Melbourne time) on Wednesday, 25th April 2012.

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

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.

Explanatory Memorandum

The following 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.

Resolution 1 - 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 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.

On 15th December 2011, the Company issued 20 million unlisted Options exercisable at 5.0¢ on or before 14th December 2014 in part satisfaction of fees payable for services rendered. On 10th January 2012, the Company placed 115,833,336 new Shares (ASX code: ESI) and 57,916,668 listed Options (ASX code: ESIO) to raise \$695,000. On 17th February 2012, the Company issued 3.5 million Shares to Mr Kosmas Galtos in satisfaction of a condition of Deed of Settlement following his resignation in August 2011.

The Company seeks ratification of these prior issues pursuant to ASX Listing Rule 7.4.

By ratifying the above issue 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).

Under ASX Listing Rule 7.5, the Company is required to provide the following information in relation to Resolution 1:



- The total number of securities allotted was 119,333,336 Shares (ESI), 57,916,668 listed Options (ESIO) and 20,000,000 unlisted Options.
- There were 115,833,336 Shares issued at 0.6¢ each and the listed Options were issued for nil consideration to parties that were allotted those Shares (1 Option for every 2 Shares subscribed). The \$695,000 raised is being used to complete the Design for Tender and for on-going working capital purposes.
- The 3.5 million Shares issued to Mr Galtos were for nil consideration in satisfaction of a condition of Deed of Settlement entered into between the Company and Mr Galtos following his resignation in August 2011.
- The allottees of the 115,833,336 Shares and 57,916,668 listed Options were sophisticated or professional investor clients of Greenard Willing.
- The 20,000,000 unlisted Options were issued for nil consideration in part satisfaction of fees payable for services rendered to the Company by Phillip Capital Pty Ltd.
- Each of the Shares issued was issued as fully paid ordinary shares in the capital of the Company and issued on the same terms and conditions as the Company's existing Shares.
- Each listed Option is exercisable at 2.0¢ on or before 16th January 2014 and each Option entitles the holder upon exercise to be issued with one fully paid ordinary share in the capital of the Company and issued on the same terms and conditions as the Company's existing Shares.
- Each unlisted Option is exercisable at 5.0¢ on or before 14th December 2014 and each Option entitles the holder upon exercise to be issued with one fully paid ordinary share in the capital of the Company and issued on the same terms and conditions as the Company's existing Shares.

Recommendation

The Board unanimously **RECOMMENDS** that shareholders vote in favour of **Resolution 1**.

Resolutions 2, 3 and 4 – Approval of issue of Shares and Options

The Company has an agreement with Greenard Willing to place up to \$405,000 worth of new Shares on terms similar to the 10th January 2012 placement, subject to Shareholder approval. Similarly the Company has an agreement with Mr Michael Kirwan whereby he has agreed to subscribe for up to \$475,000 worth of new Shares on terms similar to the 10th January 2012 placement, subject to Shareholder approval. The Shareholder approval being sought in Resolutions 2 and 3 is required as a condition of the Company making these 2 placements.

The Company has been evaluating funding options to accelerate the Design for Tender process and secure access to working capital for on-going development and operations through to end 2012/early 2013 and is seeking Shareholder approval to raise \$4.0 million (before expenses) by making a placement to Monash Capital Group Pty Ltd (**Monash Capital**) for the issue of 300 million new Shares and 300 million new listed Options as announced by the Company on 15 March 2012.

Monash Capital is the Australian arm of the global Monash Finance network which has its principal office in Hong Kong. Monash also has an office in Vietnam, and representation in Poland, Russia and the Middle East. Monash Capital was founded by Neil Youren, who was previously Global Head of Property Finance for the National Australia Bank and responsible for over \$30b of property and project funding whilst at the bank. The Monash Finance group currently has gross assets in excess of \$300m, with access to larger tranches for the provision of funding to infrastructure and property projects.

The 2011 Rights Issue and the subsequent Shortfall Placement program ended on 23rd December 2011 and raised \$2.2 million of its target of \$3.8 million. The Directors have continued to pursue fund raising opportunities to meet the business objectives of completing the Design for Tender and pursue development of the Company's technologies. The placement of \$695,000 on 10th January 2012 and the proposed 2 placements totalling a further \$880,000 worth of new Shares and Options, subject to Shareholder approval of Resolutions 2 and 3, were to bridge the funding gap to ensure the Company had access to sufficient funds to complete the Design for Tender. Approval of Resolution 4 would provide the funding to accelerate completion of the Design for Tender and to secure working capital funding for the balance of 2012/early 2013.



If the placement of new Shares and Options as proposed in Resolutions 2 and 3 were to proceed without Shareholder approval this placement would use up a significant proportion of the 15% limit for new securities that can be issued as provided in ASX Listing Rule 7.1. A placement as proposed in Resolution 4 would exceed the 15% limit by a substantial margin and could not be contemplated without Shareholder approval. The 15% limit does not apply to an issue that is made within 3 months after receipt of approval for that issue by shareholders and, accordingly, the Company is seeking Shareholder approval in 3 resolutions to issue approximately 447 million Shares and 373 million Options on or before 26th July 2012. The Shares and Options which are the subject of these Resolutions, which are issued after that time, will need to be subject to separate Shareholder approval or be counted towards the Company's 15% limit under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 – Issue of new 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. Shareholder approval is required for the issue of new Shares and Options under ASX Listing Rule 7.1 if the number of Shares and Options to be issued may exceed this limit hence Resolutions 2, 3 and 4 seek approval 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:

Resolution 2:

- The maximum number of Shares and Options to be issued will be 67,500,000 and 33,750,000 respectively.
- The Shares and Options are expected to be issued within 10 business days of the date of this Meeting, but in the event of a delay, no later than 26th July 2012.
- The Shares will be issued at 0.6¢ each and for every 2 Shares issued 1 Option will be issued for nil consideration.
- Each Share issued will be issued as a fully paid ordinary share in the capital of the Company and issued on the same terms and conditions as the Company's existing Shares.
- Each listed Option is exercisable at 2.0¢ on or before 16 January 2014 and each Option entitles the holder upon exercise to be issued with one fully paid ordinary share in the capital of the Company and issued on the same terms and conditions as the Company's existing Shares.
- The allottees of the new Shares and listed Options will be sophisticated or professional investor clients of Greenard Willing.
- The funds raised will ensure the Company can proceed to complete the Design for Tender and has access to working capital for its on-going operations.
- The Shares and Options will be allotted on one date as noted above.

Resolution 3:

- The maximum number of Shares and Options to be issued will be 79,166,667 and 39,583,334 respectively.
- The Shares and Options are expected to be issued within 10 business days of the date of this Meeting, but in the event of a delay, no later than 26th July 2012.
- The Shares will be issued at 0.6¢ each and for every 2 Shares issued 1 Option will be issued for nil consideration.
- Each Share issued will be issued as a fully paid ordinary share in the capital of the Company and issued on the same terms and conditions as the Company's existing Shares.
- Each listed Option is exercisable at 2.0¢ on or before 16th January 2014 and each Option entitles the holder upon exercise to be issued with one fully paid ordinary share in the capital of the Company and issued on the same terms and conditions as the Company's existing Shares.



- The allottee of the new Shares and listed Options will be Mr Michael Kirwan a sophisticated and professional investor.
- The funds raised will ensure the Company can proceed to complete the Design for Tender and has access to working capital for its on-going operations.
- The Shares and Options will be allotted upon one date as noted above.

Resolution 4:

- The maximum number of Shares and Options to be issued will be 300 million and 300 million respectively.
- The proposed issue of Shares and Options is expected to be within 5 business days following Shareholder approval, but in the event of a delay, no later than 26th July 2012.
- The 300 million Shares will be issued at approximately 1.33¢ per share and the 300 million Options will be issued for nil consideration to raise a total of \$4.0 million (before expenses).
- Each Share issued will be issued as a fully paid ordinary share in the capital of the Company and issued on the same terms and conditions as the Company's existing Shares.
- Each Option is exercisable at no less than 2.0¢ and no earlier than 16th January 2014 and each Option entitles the holder upon exercise to be issued with one fully paid ordinary share in the capital of the Company and issued on the same terms and conditions as the Company's existing Shares.
- The proposed placee of the new Shares and Options will be Monash Capital or its nominated entity or entities. Following the placement contemplated by Resolutions 2, 3 and 4, Monash Capital and its nominees will hold approximately 16% of the issued capital of the Company.
- The proposed placement of \$4.0 million (before expenses) will enable the Company to accelerate completion of the Design for Tender and provide working capital for its on-going operations through to end 2012/early 2013.
- All of the Shares and Options will be allotted to Monash Capital or its nominated entity or entities upon receipt of the subscription of the \$4.0 million and is expected within 5 business days following Shareholder approval and in any event no later than 26th July 2012.

Recommendation

The Board, as of the date of this Notice, makes **NO RECOMMENDATION** in respect of **Resolutions 2 and 3**.

The Board unanimously **RECOMMENDS** that Shareholders vote in favour of **Resolution 4**.

3. Resolution 5 – Approval of issue of Convertible Notes

The Company has repaid all the outstanding unconverted convertible notes currently on issue to La Jolla Cove Investors, Inc. (**La Jolla Convertible Notes**) and in order to finance the final payout of the Company has agreed to offer a \$210,000 convertible note to an experienced and sophisticated investor client of Menzies Securities, Marbrijen Pty Ltd ACN 127 479 467 (the **Investor**) (**Convertible Note**). The proposed Convertible Note has a 2 year maturity. Resolution 5 seeks Shareholder approval for the issue of the Convertible Note. The subsequent issue of Shares as a result of the Convertible Note being converted to Shares will not be counted towards the Company's 15% limit due to the operation of ASX Listing Rule 7.2, Exception 4, which excludes securities issued upon the conversion of convertible securities from the 15% cap in ASX Listing Rule 7.1, provided those convertible securities were issued in compliance with the ASX Listing Rules.

The Convertible Note is an "equity security" for the purpose of ASX Listing Rule 7.1 and the conversion mechanism proposed for the Convertible Note means that their issue may exceed the 15% limit in ASX Listing Rule 7.1. However under the ASX Listing Rules, this limit does not apply to an issue that is made within 3 months after receipt of approval by shareholders and, accordingly, the Company is seeking Shareholder approval for the issue of the Convertible Note. If the Convertible Note is issued after 26th July 2012 it will need to be subject to separate Shareholder approval or counted towards the Company's 15% limit.



Issue and payment

On 28th February 2012 the Company announced it had secured a Converting Loan facilitated by Menzies Securities totalling \$210,000 (**Converting Loan**). The Converting Loan was made by the Investor. As soon as possible following obtaining Shareholder approval, the Company will issue a Convertible Note with a face value of \$210,000 to the Investor in full discharge of the Converting Loan.

Conversion Arrangements

It is proposed that the Investor may convert some or all of the Convertible Note (either in whole or in part).

The price for determining conversion of all or part of the outstanding Convertible Note will be, at the Investor's election:

1. 80% of the lowest daily volume weighted average price (**VWAP**) of Shares for the preceding 10 trading days prior to the election to convert; or
2. 0.6¢. If the Investor elects to convert under this mechanism, it receives, at no cost 1 listed Option (ESIO) for each 2 Shares issued upon conversion. This is the same issue price as under 2011 Rights Issue.

For example, if the lowest VWAP for Shares during the 10 trading days prior to the election to convert was 0.6¢, and the Investors elected to convert \$100,000 worth of the Convertible Note under the first conversion option above, the Company would issue 20,833,333 Shares [$\$100,000/(\$0.006 \times 80\%)$].

Information required for Shareholder approval

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

1. The maximum number of securities that will be issued is a Convertible Note with a face value of \$210,000. The maximum number of Shares into which the Convertible Note may be converted is the number determined by applying the formula set out above to the aggregate issue price of the Convertible Note of up to \$210,000. If the lowest VWAP were 0.8¢ then, under the above conversion options, the Investor can elect to have Shares issued at 0.64¢ (option 1 above) or 0.6¢ per share plus, at no cost 1 listed Option for each 2 Shares issued upon conversion (option 2 above). It is expected the Investor would choose option 2 and for conversion of the full face value of the Convertible Note (\$210,000) the Company would issue 35 million Shares and 17.5 million Options.
2. The approval sought under this Resolution 5 will only relate to Convertible Note issued by the Company to the Investor or its nominees by no later than 26th July 2012 (i.e. within 3 months of the Meeting).
3. The allottee of the Convertible Note will be the Investor or its nominees. The Shares and Options (if applicable) issued on conversion of the Convertible Note will be issued to the holder of the Convertible Note at the time.
4. The terms of the Convertible Note will be as follows:
 - a. The Convertible Note will be issued by no later than 26th July 2012.
 - b. The issue price of the Convertible Note will be \$210,000.
 - c. No interest will be charged on the Convertible Note unless the market price of Shares trading on ASX is below \$0.003 per Share for 10 consecutive days, in which case, interest will accrue at the Australian 90 day bank bill swap rate plus a margin of 3.0%, therefore at present approximately 7.75% per annum, payable quarterly on the outstanding balance of the Convertible Note. Interest is payable either in cash or by the issue of new Shares (at the Company's election).
 - d. The Convertible Note will be secured by a fixed and floating charge over the assets of the Company issued to Menzies Securities.



- e. The maturity date of the Convertible Note will be 2 years after the Convertible Note is issued. On maturity, the unconverted balance of the Convertible Note must be repaid by the Company to the holder of the Convertible Note.
- f. The number of Shares into which the Convertible Note may be converted will be equal to the dollar amount being converted divided by the conversion price. The "conversion price" will be equal to, at the Investor's election:
 - i. 80% of the lowest daily VWAP of Shares for the preceding 10 trading days prior to the election to convert; or
 - ii. 0.6¢. If the Investor elects to convert under this mechanism, they receive, at no cost, 1 listed Option (ESIO) for each 2 Shares issued upon conversion.
- g. The Company may prepay part or all of the outstanding balance of the Convertible Note by paying an amount equal to 110% of the whole or part of the value of the Convertible Note outstanding.
- h. The funds raised from the Converting Loan have been used towards the final repayment of the La Jolla convertible notes and the Company's working capital requirements. The issue of the Convertible Note will be used to discharge the Company's obligation to repay the Converting Loan.

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);

¢ means Australian cents;

2011 Rights Issue means the Company's rights issue offered under the Prospectus;

General Meeting or **Meeting** mean the general meeting of the Company to be held at 10:00am on Friday, 27th April 2012;

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;

Convertible Note means the convertible note described in item 5 of the Explanatory Memorandum;

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

Design for Tender means a design for a Coldry Plant to be located in the Latrobe Valley with sufficient documentation and engineering plans to enable a reputable construction contractor to prepare a capital and operating cost estimate of sufficient accuracy to support the further development of the Coldry Plant. The Design for Tender is described in more detail in the Prospectus, as updated in subsequent ASX announcements and on the Company's website www.ectltd.com.au ;

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;

Greenard Willing means Greenard Willing Pty Ltd ACN 147 158 334;

Investor means Marbrijen Pty Ltd ACN 127 479 467 and includes its nominees (as the context requires);

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

Monash Capital means Monash Capital Group Pty Ltd ACN 117 708 442

Notice or **Notice of Meeting** means the attached Notice of Meeting;

Options means options to acquire Shares;

Prospectus means the Company's prospectus dated 26 August 2011;

Proxy Form means the proxy form which accompanies this Notice;

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

Shareholder means the registered holder of Shares; and

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

The above Notice of Meeting and Explanatory Memorandum are issued upon the authority of the Board.

Mr Michael Davies
Managing Director and Executive Chairman.
22nd March 201