



Notice of Annual General Meeting

Wednesday, 19 October 2016: Environmental Clean Technologies Limited (ASX:ESI) (ECT or Company) is pleased to provide the Notice of Meeting & Explanatory Memorandum for this year's Annual General Meeting.

The Notice will be mailed to all shareholders according to the required timetables.

The notice contains important information, which should be read in full and considered carefully.

The Annual General Meeting will be held at 10:00am on Thursday 24 November 2016 at the offices of RSM Bird Cameron, Level 21, 55 Collins Street, Melbourne, Victoria.

For further information, contact:

Ashley Moore – *Managing Director* info@ectltd.com.au

About ECT

ECT is in the business of commercialising leading-edge energy and resource technologies, which are capable of delivering financial and environmental benefits.

We are focused on advancing a portfolio of technologies, which have significant market potential globally.

ECT's business plan is to pragmatically commercialise these technologies and secure sustainable, profitable income streams through licencing and other commercial mechanisms.

About Coldry

When applied to lignite and some sub-bituminous coals, the Coldry beneficiation process produces a black coal equivalent (BCE) in the form of pellets. Coldry pellets have equal or superior energy value to many black coals and produce lower CO₂ emissions than raw lignite.

About MATMOR

The MATMOR process has the potential to revolutionise primary iron making.

MATMOR is a simple, low cost, low emission, production technology, utilising the patented MATMOR retort, which enables the use of cheaper feedstocks to produce primary iron.



**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 Thursday, 24 November 2016**

TO BE VALID, THE PROXY FORM ENCLOSED FOR USE AT THE MEETING MUST BE COMPLETED AND RETURNED NO LATER THAN 10:00 AM ON TUESDAY, 22 NOVEMBER 2016

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

19 October 2016

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 Thursday, 24 November 2016.

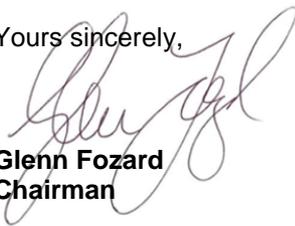
The Directors look forward to the opportunity to provide Shareholders with an update on the Company's progress at the Annual General Meeting, including an overview of the milestones achieved in the past year and the strategy moving forward.

The Meeting will consider:

- the Financial Accounts for the Company;
- the Remuneration Report for the Company;
- the re-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;
- Approval of the potential issue of new shares to NLC and NMDC, and;

I encourage you to read the Explanatory Memorandum in full and look forward to seeing you at the Annual General Meeting on 24 November 2016.

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 Thursday 24 November 2016 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 2016 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 2016 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 – Re-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 retires in accordance with clause 13.2 of the Constitution, being eligible for re-election, be re-elected as a Director of the Company."

"That Mr Barry Richards, 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."

4. Resolution 4 - 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 121,312,544 Listed Shares, 30,000,000 ESIOB Listed Options and 170,000,000 Unlisted Options as described in the Explanatory Memorandum accompanying this Notice of Meeting."

5. Resolution 5 – 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."

6. Resolution 6 - Approval of issue of New Shares

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 10% of the issued capital of the Company (at the time of this Notice) to NLC India Limited and NMDC Limited or their nominees, on the terms and conditions described in the Explanatory Memorandum accompanying this Notice of Meeting."



7. 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 2016 Remuneration Report for the Company and any of their Closely Related Parties.
2. Resolution 4 by a person who participated in the issue of securities and any associate of such a person.
3. Resolution 5 by any person who may participate in an issue of securities permitted by Resolution 5, 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 5.
4. Resolution 6 by any person, and any associate of such a person, who may participate in an issue of securities permitted by Resolution 6, if it is passed.

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 4, 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 Wednesday, 10 November 2016. 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 that Resolution, 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 Australia Pty Ltd, on request by contacting them directly. Contact details for Security Transfer Australia 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 Tuesday, 22 November 2016.

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 Australia Pty Ltd

Postal Address: PO BOX 52, Collins Street West, VIC 8007
Street Address: Exchange Tower, Leve 9, Suite 913
530 Little Collins Street
MELBOURNE VIC 3000 AUSTRALIA
Telephone: +61 3 9628 2200
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 2016 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 Tuesday, 22 November 2016. Questions to the Auditor must be received no later than 5 business days before the Meeting, being Thursday, 17 November 2016.

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 2016



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 Thursday, 24 November 2016 at 10:00 am, Melbourne time.

1. Annual Financial Report

The full year results for the Company are available in the 2016 Annual Report sent to those Shareholders who elected to receive the annual report or online at www.ecltld.com.au. Any relevant announcements made by the Company after the date of the 2016 Annual Report will be available on the Company's website at www.ecltld.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 2016 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 2016 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 2016 is set out in the Directors' Report (included in the 2016 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 – Re-Election of Mr David Smith and Mr Barry Richards (Non-executive Directors)

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.

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

David has a strong legal and commercial background, having practiced commercial law for over 24 years including nearly 18 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. David chairs the Company's Audit and Risk Committee. This year David was recognised as a 'Best Lawyer - Intellectual Property' for the third year running and is recommended by Doyle's Guide as a Leading Commercialisation & IP Transactions Lawyer. 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, elected at the 2015 AGM 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 17 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. Resolution 4 - 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 24 October 2016

In the 12-month period to 24 October 2016 there were a number of issues of new Shares and Options in the Company. In total 121,312,544 Shares, 30,000,000 ESIOB listed Options and 170,000,000 Unlisted Options were issued.

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

Of the new Shares and Listed Options issued, the issue of 121,312,544 Shares and 30,000,000 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	Unlisted Options
26 October 2015: Exercise of Options	1,157,095		
20 January 2016: Exercise of Options	191,667		
20 January 2016: Conversion of Fast Finance Debt	75,062,300		
27 January 2016: Exercise of Options	5,555,556		
10 March 2016: Exercise of Options	32,790,370		
10 March 2016: Issue of shares in satisfaction of a performance milestone payment to YES BANK India	1,000,000		
10 March 2016: Issue of ESIOB Options in satisfaction of a performance payment to Platinum Road nominee(s)		30,000,000	
10 March 2016: Issue of Unlisted Options in satisfaction of contractual obligations under the Options Exercise program announced on 9 January 2015			170,000,000
8 September 2016: Exercise of Options	5,555,556		
Total subject to ASX LR 7.4 exceptions	45,250,244	0	
To be ratified at 2014 AGM	76,062,300	30,000,000	170,000,000
Grand Total Issued	121,312,544	30,000,000	170,000,000

(c) Resolution 4

Resolution 4 requests Shareholders to ratify, for the purposes of ASX Listing Rule 7.4, the issue of 121,312,544 ESI Listed Shares to the following parties:

- On 20 January 2016 the Company issued 75,062,300 new ESI Listed Shares at a nominal issue price of 2.0¢ per Share to clients of Platinum Road Pty Ltd in satisfaction of \$1,692,913 relating to the 'Fast Finance' facility. Should this resolution not be passed, the Company will be required to satisfy this contractual obligation with cash.
- On 10 March 2016 the Company issued 1,000,000 new ESI Listed Shares at a nominal issue price of 2.0¢ per Share to YES BANK in satisfaction of a performance milestone payment relating to activities in India. Should this resolution not be passed, the Company will be required to satisfy this contractual obligation with cash.
- 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).

Further, Resolution 4 requests Shareholders to ratify, for the purposes of ASX Listing Rule 7.4, the issue of 30,000,000 ESIOB Listed Options to the following parties:

- On or about 10 March 2016 the Company issued 30,000,000 new ESIOB Listed Options at a nominal issue price of 0.6¢ per Option to nominees of Platinum Road in satisfaction of a performance milestone in relation to the Options Exercise Mandate. Should this resolution not be passed, the Company will be required to satisfy this contractual obligation with cash.

Further, Resolution 4 requests Shareholders to ratify, for the purposes of ASX Listing Rule 7.4, the issue of 170,000,000 Unlisted Options to the following parties:

- On or about 10 March 2016 the Company issued 170 million Unlisted Options to clients of Platinum Road Pty Ltd in satisfaction of contractual obligations under the Options Exercise program announced on 9 January 2015. The Options to be approved will not be listed on ASX and will be exercisable and convertible into Shares on a 1 for 1 basis upon the payment of 1.5¢ at any time up until 31 July 2018. Should this resolution not be passed, the Company will be required to satisfy this contractual obligation with cash.

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 4:

- a. The total number of securities allotted was 121,312,544 ESI Listed Shares and 30,000,000 ESIOP Listed Options as set out in item 4(c) above.
- b. The prices at which the new Shares and new Options were issued are detailed in item 4(c) above.
- c. Each of the securities issued was issued as either ESI Listed Shares or ESIOP Listed Options of the Company, issued on the same terms and conditions as the Company's existing ESI Listed Shares and ESIOP Listed Options.
- d. The parties to whom the Shares and Options were issued are detailed in item 4(c) above.
- e. The purpose for the issue of the Shares and Options is detailed in item 4(c) above.
- f. 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 4.

5. Resolution 5 - 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 5 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 5 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 5 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 24 October 2015, the Company had on issue 2,617,454,518 Shares and in the 12 months to 24 November 2016 the Company issued a further 45,250,244 Shares with approval under ASX Listing Rule 7.2 making A in the above formula 2,662,654,762.

Based on this calculation the Company would theoretically have as at 28 October 2016 a capacity to issue:

- 399,398,214 equity securities under ASX Listing Rule 7.1 (15% of A); and
- subject to Shareholder approval being obtained under Resolution 5, 266,265,476 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 5 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 24 October 2016 (being 2,662,654,762) 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 24 October 2016 level, 50% lower and 100% higher and assuming the placement Share price is at the Current Price of 1.6¢ (Share price as at 18 October 2016), half the Current Price at 0.8¢ and double the Current Price at 3.2¢.

Variable A in LR 7.1A.2	Dilution			
	Share price	\$0.008	\$0.016	\$0.032
		Half Current Price	Current Price	Double Current Price
Current Variable A	10% Voting Dilution	266,265,476	266,265,476	266,265,476
	Funds Raised	\$2,130,124	\$4,260,248	\$8,520,495
50% Increase in Variable A	10% Voting Dilution	399,398,214	310,545,545	310,545,545
	Funds Raised	\$3,195,186	\$4,968,729	\$9,937,457
100% Increase in Variable A	10% Voting Dilution	532,530,952	414,060,726	414,060,726
	Funds Raised	\$4,260,248	\$6,624,972	\$13,249,943

The table has been prepared on the following assumptions:

- (a) The Company issues the maximum number of equity securities available if the additional 10% placement capacity is permitted by shareholders approving Resolution 5.
- (b) No Options are exercised into Shares before the date of the issue of the equity securities.
- (c) 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%.
- (d) 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.
- (e) 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.
- (f) The Current Price is \$0.016 (18 October 2016).



Expiry of approval. If approved by Shareholders, the Company may issue equity securities on terms as detailed in this Explanatory Memorandum from 24 November 2016 until the earlier to occur of:

- 24 November 2017; 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 5 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 5 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 24 October 2015 was 2,618,611,613. The total number of shares issued in the 12 months since 24 October 2015 was 121,312,544, representing 4.6% of the total Securities on issue at 24 November 2015.
- (b) Details of all Securities issued in the 12-month period prior to the date of the meeting are set out below.
 - On 26 October 2015 the Company issued 1,000,000 Shares at a nominal issue price of 0.9¢ per share as the result of the exercise of ESIOA Listed Options.
 - On 26 October 2015 the Company issued 157,095 Shares at a nominal issue price of 1.5¢ per share as the result of the exercise of ESIOB Listed Options.
 - On 20 January 2016 the Company issued 166,667 Shares at a nominal issue price of 0.9¢ per share as the result of the exercise of ESIOA Listed Options.
 - On 20 January 2016 the Company issued 25,000 Shares at a nominal issue price of 1.5¢ per share as the result of the exercise of ESIOB Listed Options.
 - On 20 January 2016 the Company issued 75,062,300 Shares at a nominal issue price of 2.0¢ per share to clients of Platinum Road Pty Ltd as satisfaction of \$1,667,913 of the 'Fast Finance' loan facility.
 - On 27 January 2016 the Company issued 5,555,556 Shares at a nominal issue price of 0.9¢ per share as the result of the exercise of ESIOA Listed Options.
 - On 10 March 2016 the Company issued 32,790,370 Shares at a nominal issue price of 1.5¢ per share as the result of the exercise of ESIOB Listed Options.
 - On 10 March 2016 the Company issued 1,000,00 Shares at a nominal issue price of 2.0¢ per share in satisfaction of a performance milestone payment to YES BANK India.
 - On 10 March 2016 the Company issued 30,000,000 new ESIOB Listed Options at a nominal issue price of 0.6¢ per Option to nominees of Platinum Road in satisfaction of a performance milestone in relation to the Options Exercise Mandate.
 - On or about 10 March 2016 the Company issued 170 million Unlisted Options to clients of Platinum Road Pty Ltd in satisfaction of contractual obligations under the Options Exercise program announced on 9 January 2015. The Options to be issued will not be listed on ASX and will be exercisable and convertible into Shares on a 1 for 1 basis upon the payment of 1.5¢ at any time up until 31 July 2018.
 - On 8 September 2016 the Company issued 5,555,556 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 5 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 5.



6. Resolution 6 – Approval of issue of new Shares

On 19 January 2016, the Company announced the Tripartite Collaboration Agreement with NLC India Limited (NLC) and NMDC Limited (NMDC) for the joint development of an integrated Coldry demonstration and Matmor pilot plant in India. On 1 July 2016 the Company announced the completion of the key deliverable under the Tripartite Collaboration Agreement, being the Techno-Economic Feasibility Study, as a prelude to agreeing on commercial terms under a Master Project Agreement (MPA). At the date of this Notice, the MPA is yet to be finalised.

NLC and NMDC intend to contribute one-third each to the cost of the proposed project. Current capital expenditure estimates are ₹150 crore rupees (current A\$ equivalent approx. A\$29.6 million). The full project cost estimates are subject to refinement throughout the detailed design program.

The MPA is likely to contemplate a range of project funding mechanisms, including debt, equity and other forms of suitable project funding.

In the interest of preserving the Company's ability to maintain a flexible approach to finalising negotiations of the MPA, the Company seeks shareholder approval for the issue of Shares as part of that agreement. The material terms of this provisional placement would include:

- No greater than 10% (combined between NLC and NMDC) of the Shares on issue at the date of this Notice will be issued under the placement without further shareholder approval.
- An issue price of 3.3¢ per share (floor price) or 15 day VWAP, whichever is greater, up to a ceiling of 4.3¢ per share.
- The shares may be issued progressively, in line with the timing of placement tranches.

With regard to the issue pricing above, shareholders will note the release of the updated equity research report on the Company, published by ABID on 29 September 2016 (<http://www.abid.co/ASX.ESI>).

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 Resolution 6 seeks 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:

1. The maximum number of Shares proposed to be issued pursuant to the MPA as described above will be 10% of the shares on issue at the date of this Notice, calculated as $2,738,767,062 \times 10\% = 273,876,706$.
2. The proposed issue of Shares, subject to the terms of the MPA, is intended to be within 3 months following Shareholder approval.
3. Under the proposed issue pursuant the MPA, up to 273,876,706 Shares will be issued at the greater of:
 - 3.3¢ or per share, or
 - 15 day VWAPbut capped at 4.3¢ per share.
4. 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.
5. The proposed allottees of the new Shares will be NLC India, NMDC Limited or their nominated entity or entities. Following the placement contemplated by Resolution 6, NLC India Limited and NMDC Limited and their nominees will hold up to approximately 10% of the issued capital of the Company.
6. The proposed placement at the floor price of 3.3¢ and capped price of 4.3¢ will provide funds of up to \$9.04 million and \$11.78 million respectively (before expenses), which will be used to fund the on-going development of the Company's Coldry and Matmor technologies and to meet working capital needs.
7. 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 6.



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 Thursday, 24 November 2016;

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

NLC means NLC India Limited;

NMDC means NMDC Limited;

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 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 Australia Pty Ltd
All Correspondence to:
PO BOX 52
Collins Street West VIC 8007
Exchange Tower, Level 9, Suite 913
530 Little Collins Street
MELBOURNE VIC 3000 AUSTRALIA
T: +61 3 9628 2200 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

«Company_code» «Sequence_number»

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

Code:

Holder Number:

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	<input type="text" value="«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 Thursday 24 November 2016 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. Re-Election of Mr David Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-Election of Mr Barry Richards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Ratification of prior issue of Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval for additional placement capacity of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval of issue of New Shares	<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 <input type="text"/> Sole Director & Sole Company Secretary	Security Holder 2 <input type="text"/> Director	Security Holder 3 <input type="text"/> Director/Company Secretary
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Proxies must be received by Security Transfer Australia Pty Ltd no later than 10:00am AEST on Tuesday 22 November 2016.

