

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Environmental Clean Technologies Limited

ABN

28 009 120 405

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares (ASX code: ESI) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 62,500,000 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully Paid Ordinary Shares ranking equally with existing Ordinary Shares |

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<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none">▪ the date from which they do▪ the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment▪ the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	<p>Yes, the new shares will rank equally with existing ESI securities</p>
<p>5 Issue price or consideration</p>	<p>\$450,000 - Conversion Notice received in relation to the Strategic Deliverable Bond as outlined in item 6.</p>

+ See chapter 19 for defined terms.

6 Purpose of the issue
(If issued as consideration for
the acquisition of assets, clearly
identify those assets)

- On 21 November 2012 the Company advised it would be issuing Strategic Deliverable Bonds with a face value of up to \$2,500,000.
- On 5 July 2013 the Company advised it would extend the SDB by up to \$1,400,000.
- On 19 February 2013 the Company received a conversion notice for part of the Bond, being \$750,000.
- On 21 May 2013 the Company received a 2nd conversion notice for part of the Bond, being \$150,000.
- On 7 June 2013 the Company has received a 3rd Conversion Notice for part of the Bond, being \$200,000.
- On 26 June 2013 the Company has received a 4rd Conversion Notice for part of the Bond, being \$150,000.
- As at 11 July 2013 the Company has received a 5th Conversion Notice for part of the Bond, being \$100,000.
- As at 17th July the Company has received a 6th Conversion Notice for part of the Bond, being \$150,000
- As at 19th July the Company has received a 7th Conversion Notice for part of the Bond, being \$150,000.
- As at 15th August the Company has received an 8th Conversion Notice for part of the Bond, being \$150,000.
- As at 20th August the Company has received a 9th Conversion Notice for part of the Bond, being \$300,000.
- As at 21st August the Company has received a 10th Conversion Notice for part of the Bond, being \$254,000.
- As at 21st August the Company has received an 11th Conversion Notice for part of the Bond being \$71,000.
- As at 12th September the Company has received a 12th Conversion Notice for part of the Bond being \$450,000.
- The conversion is upon the terms of the Bonds as shown in the announcement of 21 November 2012. The Bond issued to date has been in consideration for the work being undertaken by Arup to deliver design and engineering works associated with the development and delivery of the Coldry technology.

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6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?	Yes. If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i
6b	The date the security holder resolution under rule 7.1A was passed	29 November 2012
6c	Number of +securities issued without security holder approval under rule 7.1	Nil
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	62,500,000 (per Resolution 2 at the EGM held on 23 August 2013)
6f	Number of +securities issued under an exception in rule 7.2	Nil
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1 remaining capacity is 310,545,544 and 7.1A capacity is 207,030,363.

+ See chapter 19 for defined terms.

7 ***Issue dates**

Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.

Cross reference: item 33 of Appendix 3B.

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8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the ⁺ securities in section 2 if applicable)	Number	⁺ Class
		2,070,303,626	Ordinary Shares (ESI)
		871,885,303	Listed Options exercisable at approximately 2.0¢ on or before 16 January 2014 (ESIO)
9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the ⁺ securities in section 2 if applicable)	Number	⁺ Class
		20,000,000	Unlisted options exercisable at 5.0 cents each and expiring on 14 December 2014
		\$1.25 million	The balance of the strategic deliverable bond and convertible into fully paid ordinary shares ranking equally with existing Ordinary Shares. Refer ASX Announcements of 21 November 2012 and 5 July 2013.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	None	

+ See chapter 19 for defined terms.

Part 2 - Pro rata issue

Not applicable

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ⁺Securities described in Part 1

(b) All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Not applicable

Entities that have ticked box 34(b)

Not applicable

Quotation agreement

1 ⁺Quotation of our additional ⁺securities is in ASX's absolute discretion. ASX may quote the ⁺securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the ⁺securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those ⁺securities should not be granted ⁺quotation.
- An offer of the ⁺securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
- Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any ⁺securities to be quoted and that no-one has any right to return any ⁺securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the ⁺securities be quoted.

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- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:


.....
Company secretary

Date: 12 September 2013

Print name:

Adam Giles

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	1,609,093,752
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>Nil</p> <p>461,209,874</p> <p>Nil</p>
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	2,070,303,626

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Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	310,545,544
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“C”	Nil
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	2,070,303,626 x 0.15 = 292,427,888
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	Nil
Total [“A” x 0.15] – “C”	310,545,544 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	2,070,303,626
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	207,030,363
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“E”	Nil

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Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 <i>Note: number must be same as shown in Step 2</i>	207,030,363
Subtract "E" <i>Note: number must be same as shown in Step 3</i>	Nil
Total ["A" x 0.10] – "E"	207,030,363 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.