

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 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

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	Convertible Notes
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	1 Convertible Note with a face value of US\$400,000 convertible into ordinary shares based on the average of the three lowest Volume Weighted Average Prices during the 15 trading days prior to issue of the Convertible Note in accordance with the terms and conditions set out below

+ See chapter 19 for defined terms.

- 3 Principal terms of the +securities (eg, 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)

The Convertible Note has a maturity date of 4th November 2013 and, on this date, the outstanding principal amount of the Convertible Note (being, the outstanding issue price of the Convertible Note to the extent that it has not been converted) will be repaid by the Company.

The Convertible Note is convertible, either in whole or in part, into fully paid ordinary shares in the Company. The number of ordinary 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 the lesser of:

- (a) the "ceiling price" of \$0.20 (20 cents per share); and
- (b) 80% of the average of the three lowest Volume Weighted Average Prices during the 15 trading days prior to La Jolla Cove's election to convert.

No interest will be charged on the Convertible Note unless the market price of the Company's ordinary shares is trading on ASX below \$0.020 per share. In such case, interest will be payable on the full outstanding principal amount of the Convertible Note for each day on which the trading price of the Company's shares is below \$0.020 (2 cents) at a rate of 4.75% per annum. Interest will be payable monthly in arrears and will be paid, at the Company's option, by either cash or the issue of new ordinary shares in the Company..

Further details of the terms of the Convertible Note are set out in the Company's ASX announcement on 26 October 2010.

<p>4 Do the +securities rank equally in all respects from the date of allotment 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>First issue of a Convertible Note</p> <p>Each new ordinary share issued on conversion of the Convertible Note will be issued as fully paid and will rank equally with, and have the same rights and liabilities as, existing ordinary shares in the Company in all respects.</p>
<p>5 Issue price or consideration</p>	<p>\$392,734.41 (Convertible Note face value of US\$400,000)</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>ECT will use the funds raised through the issue of the Convertible Note for:</p> <ul style="list-style-type: none"> • further commercialisation of the Company's Coldry technology, including ongoing feasibility studies and design work for a demonstration plant; • further development of the Matmor technology; and • on-going working capital requirements.
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>2 November 2010</p>

<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<p>Number</p>	<p>+Class</p>
	<p>784,693,457</p>	<p>Ordinary shares (ESI)</p>
	<p>497,264,535[#]</p>	<p>Listed options (ESIO)</p>

[#] **Note.** The number of ESI on issue increased by 3,500,000 from Appendix 3B lodged on 30 June 2010. The Company in a reconciliation of its outstanding shares and options identified the number of options issued as consideration for the partial underwriting of the SPP in May 2009 as being understated in an Appendix 3B lodged on 15 May 2009

+ See chapter 19 for defined terms.

9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	+Class
		1	Convertible Note with a face value of US\$400,000 convertible into ordinary shares based on the average of the three lowest Volume Weighted Average Prices during the 15 trading days prior to issue of the Convertible Note in accordance with the terms and conditions set out above
		1,252,478	Options exercisable at 15.22 cents each and expiring on 12 December 2010
		1,000,000	Unlisted options exercisable at 20C and expiring on 14th February 2011.
		1,539,145	Options exercisable at 11.3 cents each and expiring on 2 June 2011
		708,306	Options exercisable at 5.59 cents each and expiring on 25 Sept 2011
		794,806	Options exercisable at 4.04 cents each and expiring on 8 Oct 2011
		962,106	Options exercisable at 3.795 cents each and expiring on 17 November 2011
		360,999	Options exercisable at 3.12 cents each and expiring on 23 December 2011

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) None

Part 2 - Bonus issue or pro rata issue

NOT A BONUS ISSUE OR PRO RATA ISSUE SO QUESTIONS 11 to 33 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 A NEW CLASS OF SECURITIES TO BE LISTED AND BOX 34(b)
NOT TICKED SO QUESTIONS 35 to 42 NOT APPLICABLE**

+ See chapter 19 for defined terms.

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.
- 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 not available now, 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.

Signed: John Osborne
(Company secretary)

Date: 4th November 2010