Environmental Clean Technologies Limited

ABN 28 009 120 405

Acquisition of Coldry Technology & Share Purchase Plan shortfall

Monday 1 June 2009: Environmental Clean Technologies Limited (ASX:ESI) advises that negotiations on the formal agreements to acquire the intellectual property rights in the Coldry technology (**Coldry Technology**) from the unitholders of the Maddingly Coldry Unit Trust (**Coldry Trust**) are continuing, but have not been concluded. The substance of the terms of the acquisition remain the same as disclosed in the notice for ESI's general meeting on 4 March 2009 (**General Meeting**). The Company expects to conclude these negotiations and enter into formal agreements shortly.

Shareholders approved the issue of 55,000,000 shares and 110,000,000 options as part of the consideration for the acquisition of the Coldry Technology at the General Meeting. Listing Rule 7.3.2 requires an issue of such shares and options to occur within 3 months after the date of the approval. The Company has applied for, and received from ASX, an extension of this period by one month, to 4 July 2009.

As announced on 11 May, the Company has raised approximately $2.3 million under its Share Purchase Plan. Further, as announced on 4 May, ESI is seeking to place the shortfall of up to 59,035,000 ordinary shares and 118,070,000 free attaching options, raising up to a further $1,180,700 before costs (**Shortfall**). Expressions of interest to participate in the Shortfall closed on 29 May 2009. The Company advises that $1 million of the funds received from the Share Purchase Plan and shortfall placements will be held by the Company in a separate account and used only for payment of the cash component of the consideration for the acquisition of the Coldry Technology.

For further information contact;

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Coldry Process

The world's first economic method for dewatering brown coal, creating a high energy pellet with significantly reduced CO2 emissions compared to brown coal, while being suitable for export as a black coal substitute.

Matmor Process

A one-step method for producing low-carbon iron from inexpensive, abundant brown coals and metal bearing media such as mill scale, nickel tailings and low grade iron ore.