

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2016-07-18** | Period of Report: **2016-07-14**
SEC Accession No. [0001493152-16-011598](#)

([HTML Version](#) on [secdatabase.com](#))

FILER

INTEGRATED ENVIRONMENTAL TECHNOLOGIES, LTD.

CIK: **1084031** | IRS No.: **980200471** | State of Incorporation: **NV** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **000-26309** | Film No.: **161770433**
SIC: **3569** General industrial machinery & equipment, nec

Mailing Address

4235 COMMERCE STREET
4235 COMMERCE STREET
LITTLE RIVER SC 29566

Business Address

4235 COMMERCE STREET
LITTLE RIVER SC 29566
843-390-2500

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15 (d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

July 14, 2016

INTEGRATED ENVIRONMENTAL TECHNOLOGIES, LTD.

(Exact name of registrant as specified in charter)

Nevada
(State or other jurisdiction
of incorporation)

000-26309
(Commission
File Number)

98-0200471
(IRS Employer
Identification No.)

4235 Commerce Street, Little River, South Carolina
(Address of principal executive offices)

29566
(Zip Code)

Registrant's telephone number, including area code: (843) 390-2500

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

Section 3 – Securities and Trading Markets

Item 3.02. Unregistered Sales of Equity Securities.

Issuance of Zero Coupon Secured Convertible Debentures

On July 14, 2016, Integrated Environmental Technologies, Ltd. (the “Company”) issued zero coupon secured convertible debentures to eight individual investors and one institutional investor (each a “Debenture” and collectively, the “Debentures”) in the aggregate principal amount of \$670,577. In connection with the issuance of the Debentures, the Company issued warrants (the “Debenture Warrants”) to purchase an aggregate of 67,055,700 shares of its common stock, par value \$.001 per share (“Common Stock”). The gross proceeds received in connection with this private placement were \$603,500, which will be used for working capital purposes.

The Debentures have a one-year term maturing on July 14, 2017, contain an original issue discount of 10% and are secured by the Company’s assets. The entire principal amount of a Debenture is convertible at any time into shares of Common Stock at the option of the holder at a conversion price of \$0.01 per share (the “Conversion Price”). If at any time subsequent to the issuance of the Debentures and prior to the conversion of the Debentures into shares of Common Stock, the Company closes on a financing involving the issuance of convertible debentures or shares of Common Stock with or at a per share conversion price or purchase price that is less than the Conversion Price (the “Subsequent Financing Per Share Price”), then the Conversion Price shall be reduced to seventy-five percent (75%) of the Subsequent Financing Per Share Price. The quoted market price of Common Stock on July 14, 2016 was \$0.009 per share. An aggregate of 67,055,700 shares of Common Stock can be issued pursuant to the Debentures at the current conversion price of \$0.01 per share.

The Debenture Warrants have a five-year term and provide the holders with the right to purchase an aggregate of 67,055,700 shares of Common Stock at \$0.01 per share. All of the shares of Common Stock underlying the Debenture Warrants are fully vested. The Debenture Warrants contain a cashless exercise provision and are callable in the event the closing price of Common Stock averaged over a period of ten (10) consecutive trading days is equal to or greater than \$0.04 per share. The exercise price of the Debenture Warrants is subject to adjustment for stock dividends, stock splits, or similar events.

Zanett Convertible Debenture

On August 21, 2012, the Company issued to Zanett Opportunity Fund, Ltd. an 8% convertible debenture in the amount of \$476,125 (the “Zanett August 2012 Debenture”). The Zanett August 2012 Debenture had a three-year term maturing on August 21, 2015 and was originally convertible into 4,761,250 of Common Stock at a conversion price of \$0.10 per share. Effective July 7, 2016, the Zanett August 2012 Debenture was amended to extend the maturity date to December 31, 2017 and reduce the conversion price to \$0.07 per share. As a result of this amendment, the Zanett August 2012 Debenture is convertible into 6,801,786 shares of Common Stock.

Section 5 – Corporate Governance and Management

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Effective July 1, 2016, David R. LaVance, the Company’s President and Chief Executive Officer and Thomas S. Gifford, the Company’s Executive Vice President and Chief Financial Officer, each agreed to reduce their respective annual salary to \$110,000. Prior to the reduction, Mr. LaVance’s annual salary was \$235,000 and Mr. Gifford’s annual salary was \$200,000. The reduced salaries will remain in effect until: (a)(i) IET reaches positive earnings before interest, taxes, depreciation and amortization, adjusted for non-cash expenses (“Adjusted EBITDA”), for one calendar quarter, and (ii) the subsequent calendar quarter Adjusted EBITDA is projected to remain positive, factoring in the increased salaries for each of Mr. LaVance and Mr. Gifford, or (b) some other corporate activity occurs whereby an adjustment is justified, as determined by the Company’s compensation committee.

Section 9 – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

<u>Exhibit No.</u>	<u>Description</u>
4.1	Form of Zero Coupon Secured Convertible Debenture issued to eight individual investors and one institutional investor on July 14, 2016 in the aggregate principal amount of \$670,577.
4.2	Form of Warrant issued to eight individual investors and one institutional investor on July 14, 2016 in connection with the issuance on July 14, 2016 of Zero Coupon Secured Debentures in the aggregate principal amount of \$670,577.
4.3	Addendum dated July 7, 2016 to the 8% Convertible Debenture dated August 21, 2012 between Zanett Opportunity Fund, Ltd. and the Company.
99.1	Press Release Re: Integrated Environmental Technologies, Ltd. Secures Additional Capital

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

INTEGRATED ENVIRONMENTAL TECHNOLOGIES, LTD.

July 15, 2016

By: /s/ David R. LaVance

David R. LaVance
President and Chief Executive Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
4.1	Form of Zero Coupon Secured Convertible Debenture issued to eight individual investors and one institutional investor on July 14, 2016 in the aggregate principal amount of \$670,577.
4.2	Form of Warrant issued to eight individual investors and one institutional investor on July 14, 2016 in connection with the issuance on July 14, 2016 of Zero Coupon Secured Debentures in the aggregate principal amount of \$670,577.
4.3	Addendum dated July 7, 2016 to the 8% Convertible Debenture dated August 21, 2012 between Zanett Opportunity Fund, Ltd. and the Company.
99.1	Press Release Re: Integrated Environmental Technologies, Ltd. Secures Additional Capital

THIS ZERO COUPON CONVERTIBLE DEBENTURE AND THE COMMON STOCK ISSUABLE UPON CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), NOR UNDER ANY STATE SECURITIES LAW, AND MAY NOT BE PLEDGED, SOLD, ASSIGNED, HYPOTHECATED OR OTHERWISE TRANSFERRED UNTIL (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAW OR (2) THE COMPANY RECEIVES AN OPINION OF COUNSEL, EITHER FROM COUNSEL TO THE COMPANY OR COUNSEL TO THE HOLDER HEREOF WHO IS REASONABLY SATISFACTORY TO THE COMPANY, THAT SUCH ZERO COUPON CONVERTIBLE DEBENTURE OR COMMON STOCK MAY BE PLEDGED, SOLD, ASSIGNED, HYPOTHECATED OR TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR APPLICABLE STATE SECURITIES LAWS.

INTEGRATED ENVIRONMENTAL TECHNOLOGIES, LTD.
Zero Coupon Convertible Secured Debenture
Due July __, 2017

\$ _____

As of July __, 2016

INTEGRATED ENVIRONMENTAL TECHNOLOGIES, LTD., a corporation incorporated under the laws of the state of Nevada (the "Company"), for value received, hereby promises to pay to _____, or his, hers or its registered assigns (the "Holder"), with an address at _____, upon due presentation and surrender of this Zero Coupon Convertible Debenture (this "Debenture" and collectively with the other Convertible Debentures issued by the Company in the offering in which this Debenture was purchased, the "Debentures") on or after July __, 2018 (the "Maturity Date"), the principal amount of _____ Dollars (\$ _____) as hereinafter provided.

This Debenture was issued by the Company as of July __, 2016 (the "Issuance Date").

ARTICLE I
PAYMENT OF PRINCIPAL; METHOD OF PAYMENT; SECURITY INTEREST

1.1. Payment of Principal. Payment of the principal on this Debenture shall be due on the Maturity Date. Principal shall be paid: (a) in the lawful currency of the United States of America by check or wire transfer; or (b) pursuant to Section 2.1, Section 2.2 or Section 2.3, in shares of the Company's common stock, par value \$0.001 per share ("Common Stock"). The principal hereof is payable at the Holder's address above or such other address as the Holder shall designate from time to time by written notice to the Company, without any requirement for the presentation of this Debenture or making any notation thereon, except that the Holder hereof agrees that payment of the final amount due shall be made only upon surrender of this Debenture to the Company for cancellation.

Prior to any sale or other disposition of this instrument, the Holder hereof agrees to endorse hereon the amount of principal paid hereon and the last date to which interest has been paid hereon and to notify the Company of the name and address of the transferee in accordance with the terms of Section 2.6 of this Debenture.

1.2. Extension of Payment Date. If this Debenture or any installment hereof becomes due and payable on a Saturday, Sunday or other day on which banks in the state of New Jersey are authorized to remain closed, the due date hereof shall be extended to the next succeeding full Business Day. “Business Day” means any day that is not a Saturday, a Sunday or a day on which banks are required or permitted to be closed in the state of New Jersey.

1.3. Security Interest. The Debentures are secured by the assets of the Company.

ARTICLE II CONVERSION AND OTHER RIGHTS

2.1. Conversion of Principal into Common Stock at Option of Holder. At any time from the Issuance Date until the Maturity Date, this Debenture is convertible in whole or in part at the Holder’s option into shares of Common Stock, upon surrender of this Debenture, at the office of the Company, accompanied by a written notice of conversion in the form of Attachment I hereto, or otherwise in form reasonably satisfactory to the Company, duly executed by the registered Holder or his, her or its duly authorized attorney. The aggregate principal amount of this Debenture shall be convertible into shares of Common Stock at a price per share equal to \$0.01 (“Conversion Price”), subject to the adjustments as provided for in Section 2.8(a). The number of shares issued as payment shall be equal to the quotient of the aggregate outstanding principal on the date of conversion divided by the Conversion Price.

2.2. No Fractional Shares. Any fractional share resulting from any conversion of the principal or accrued and unpaid interest of this Debenture shall be rounded up to one whole share.

2.3. Transfer of Debenture; Conversion Procedure. This Debenture is not divisible. This Debenture and all rights hereunder may be sold, transferred or otherwise assigned to any person in accordance with and subject to the provisions of the Securities Act of 1933, as amended (the “Securities Act”), and the rules and regulations promulgated thereunder. Upon the transfer of this Debenture through the use of the assignment form attached hereto as Attachment I, and in accordance with applicable law or regulation, and the payment by the Holder of funds sufficient to pay any transfer tax, the Company shall issue and register this Debenture in the name of the new Holder.

In the event the Holder seeks to convert this Debenture in accordance with Section 2.1, the Company shall convert this Debenture upon surrender thereof for conversion properly endorsed and accompanied by a completed and executed Conversion Notice attached hereto as Attachment II and any documentation deemed necessary by the Company showing the availability of an exemption under applicable state and federal securities laws. Subject to the terms of this Debenture, upon surrender of this Debenture, the Company shall issue and deliver with all reasonable dispatch to or upon the written order of the Holder of this Debenture and in such name or names as such Holder may designate, a certificate or certificates for the number of full shares of Common Stock due to such Holder upon the conversion of this Debenture. The Person or Persons to whom such certificate or certificates are issued by the Company shall be deemed to have become the holder of record of such shares of Common Stock as of the date of the surrender of this Debenture. Upon conversion, the Holder will be required to execute and deliver any documentation deemed necessary by the Company showing the availability of an exemption under applicable state and federal securities laws.

2.4. Issuance of Shares of Common Stock.

(a) Issuance Upon Conversion. The Company covenants that it will at all times reserve and keep available, free from preemptive rights, out of its authorized Common Stock, solely for the purpose of issuance upon conversion of this Debenture, such number of shares of Common Stock as shall equal the aggregate number of shares of Common Stock that would be issued under this Debenture if fully converted. The Company also covenants that all of the shares of Common Stock that shall be issuable upon conversion of this Debenture shall, at the time of delivery, be duly and validly issued, fully paid, non-assessable and free from all taxes, liens and charges with respect to the issue thereof (other than those which the Company shall promptly pay or discharge).

(b) Restrictive Legend. Each certificate evidencing shares of Common Stock issued to the Holder following the conversion of this Debenture, if any, shall bear the following restrictive legend or a similar legend until such time as the transfer of such security is not restricted under the federal securities laws:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER ANY STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO (I) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT, (II) TO THE EXTENT APPLICABLE, RULE 144 UNDER THE ACT (OR ANY SIMILAR RULE UNDER SUCH ACT RELATING TO THE DISPOSITION OF SECURITIES), OR (III) AN OPINION OF COUNSEL, IF SUCH OPINION SHALL BE REASONABLY SATISFACTORY TO COUNSEL TO THE ISSUER, THAT AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT IS AVAILABLE.

2.5. Adjustment of Conversion Price and Number of Underlying Shares. The number of shares of Common Stock issuable upon the conversion of this Debenture and the Conversion Price shall be subject to adjustment from time to time as follows:

(a) Adjustment for Stock Splits and Combinations. If the Company at any time or from time to time after the date of this Debenture effects a subdivision of the outstanding Common Stock or combines the outstanding shares of Common Stock, then, in each such case, the Conversion Price in effect immediately prior to such event shall be adjusted so that each Holder of conversion rights under this Debenture shall have the right to convert his, her or its interests into the number of shares of Common Stock which he, she or it would have owned after the event had such shares of Common Stock been converted immediately prior to the occurrence of such event. Any adjustment under this Section 2.8(a) shall become effective as of the date and time such subdivision or combination becomes effective.

(b) Subsequent Financing. If at any time subsequent to the issuance of the Debentures and prior to the conversion of the Debentures into shares of Common Stock, the Company closes on a financing involving the issuance of shares of Common Stock with or at a per share purchase price that is less than the Conversion Price (the “Subsequent Financing Per Share Price”), then the Conversion Price shall be reduced to seventy-five percent (75%) of the Subsequent Financing Per Share Price.

(c) No Impairment. The Company will not, through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company.

(d) Record Date. If the Company takes a record of the holders of Common Stock for the purpose of entitling them (i) to receive a dividend or other distribution payable in Common Stock, or in any rights, options or warrants to subscribe for or to purchase Common Stock (such rights or options or warrants being herein called “Options”) or in any stock or other securities convertible into or exchangeable for Common Stock (such convertible or exchangeable stock or securities being herein called “Convertible Securities”) or (ii) to subscribe for or purchase Common Stock, Options or Convertible Securities, then such record date shall be deemed to be the date of the issue or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase, as the case may be.

(e) Actions to Maintain Conversion Price Above Par Value. Before taking any action which would cause an adjustment in the Maturity Date Conversion Price such that, upon conversion of this Debenture, shares of Common Stock with par value, if any, would be deemed to be issued below the then par value of the Common Stock, the Company will take any corporate action which may, in the opinion of its counsel, be reasonable necessary in order that the Company may validly and legally issue fully paid and non-assessable shares of Common Stock at the Maturity Date Conversion Price as so adjusted.

(f) Certificate of Adjustment. In any case of an adjustment of the number of shares of Common Stock or other securities issuable upon conversion of this Debenture, the Chief Financial Officer or the President of the Company shall compute such adjustment in accordance with the provisions hereof and prepare and sign a certificate showing such adjustment, and shall mail such certificate, by first class mail, postage prepaid, to the Holder of this Debenture at the Holder’s address as shown in the Company’s books. The certificate shall set forth such adjustment, showing in detail the facts upon which such adjustment is based, including a statement of the number of shares of Common Stock and the type and amount, if any, of other property which at the time would be received upon conversion of this Debenture.

(g) Closing of Books. The Company will at no time close its transfer books against the transfer of any shares of Common Stock issued or issuable upon the conversion of this Debenture in any manner which interferes with the timely conversion of this Debenture into shares of Common Stock.

ARTICLE III **COVENANTS**

3.1. Prior to the conversion or payment of the last outstanding Debenture, any of the following actions by the Company is subject to the prior written consent of holders of more than fifty percent (50%) of the aggregate principal amount of the then outstanding Debentures.

(a) any material related party transaction entered into by the Company that is not approved by the Company's board of directors or a committee thereof;

(b) the purchase, redemption, retirement or acquisition for value by the Company of any of the Company's capital stock or other securities now or hereafter outstanding, except for the acquisition of the Company's capital stock or other securities in connection with the settlement of any legal proceedings or pursuant to any outstanding agreement or instrument;

(c) the return by the Company of any capital to its stockholders;

(d) the distribution by the Company of any of its assets to its stockholders;

(e) the payment or declaration by the Company of any dividend on any of its capital stock or other securities;

(f) the grant of any lien, or suffer to exist any lien, on the assets of the Company, except for (i) statutory liens for taxes not yet due or being diligently contested in good faith and for which appropriate reserves have been established in accordance with United States Generally Accepted Accounting Principals, (ii) statutory liens of landlords, carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due, (iii) liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, (iv) applicable easements, restrictive covenants, rights of way and similar restrictions of record that do not materially impair the present or anticipate value or use of the encumbered asset, (v) zoning laws and other land use restrictions that do not materially impair the present or anticipate value or use of the encumbered asset, (vi) in the case of leased property, all matters, whether or not of record, affecting the title of lessor (and any underlying lessor) that do not materially impair the present or anticipated value or use of the encumbered asset or (vii) liens associated with capital lease and equipment financing agreements; or

(g) the filing for bankruptcy, dissolution or liquidation or a general assignment for the benefit of creditors by the Company.

ARTICLE IV
EVENTS OF DEFAULT

4.1. If one or more of the following described events (each of which being an “Event of Default” hereunder) shall occur and shall be continuing, holders of more than fifty percent (50%) of the aggregate principal amount of the then outstanding Debentures may declare immediate payment of all of the Debentures.

(a) failure to pay when due any outstanding obligation under the Debentures;

(b) failure of the Company to observe or perform any covenants or agreements of the Debentures or any other related documents, and such failure continues for a period of thirty (30) calendar days after receipt of written notice by the Company from holders of more than fifty percent (50%) of the aggregate principal amount of the outstanding Debentures of such failure;

(c) any representation, warranty, certification or statement made by the Company to the purchasers of the Debentures shall prove to have been incorrect in any material respect when made (or deemed made);

(d) a judgment or order for the payment of money in excess of two hundred fifty thousand dollars (\$250,000) shall be rendered against the Company and such judgment or order shall continue unsatisfied and un-stayed for a period of ten (10) calendar days;

(e) the Company shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall take any corporate action to authorize any of the foregoing; or

(f) an involuntary case or other proceeding shall be commenced against the Company seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed for a period of sixty (60) calendar days; or an order for relief shall be entered against the Company under the federal bankruptcy laws as now or hereafter in effect.

ARTICLE V
MISCELLANEOUS

5.1. Prepayment. The principal amount of this Debenture and any accrued and unpaid interest thereon may be prepaid, in whole or in part, at any time without penalty or premium, at the discretion of the Company, subject to first offering the Holder the option to convert this Debenture into Common Stock at the Maturity Date Conversion Price. The Company must provide written notice to the Holder of its intention to prepay this Debenture and allow the Holder ten (10) calendar days after receipt of such notice to convert.

5.2. Rights Cumulative. The rights, powers and remedies given to the Holder under this Debenture shall be in addition to all rights, powers and remedies given to him, her or it by virtue of any document or instrument executed in connection therewith, or any statute or rule of law.

5.3. No Waivers. Any forbearance, failure or delay by the Holder in exercising any right, power or remedy under this Debenture, any documents or instruments executed in connection herewith or otherwise available to the Holder shall not be deemed to be a waiver of such right, power or remedy, nor shall any single or partial exercise of any right, power or remedy preclude the further exercise thereof.

5.4. Amendments in Writing. No modification or waiver of any provision of this Debenture, or any documents or instruments executed in connection herewith shall be effective unless it shall be in writing and signed by the Holder, and any such modification or waiver shall apply only in the specific instance for which given.

5.5. Governing Law. This Debenture, the rights and obligations of the parties hereto and any dispute arising out of or relating to this Debenture, shall be adjudicated in, governed by, construed in and interpreted in accordance with the laws of the state of New Jersey, without regard to its conflict of law principles. Each of the parties hereto consents to submit itself to the personal jurisdiction of the state courts of the state of New Jersey in the event any dispute arises out of this Debenture and agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court.

5.6. Successors. The term "Holder" as used herein shall be deemed to include the Holder and its successors, endorsees and assigns.

5.7. Stamp or Transfer Tax. The Company will pay any documentary stamp or transfer taxes attributable to the initial issuance of the Common Stock issuable upon the conversion of this Debenture; provided, however, that the Company shall not be required to pay any tax or taxes which may be payable in respect of any transfer involved in the issuance or delivery of any certificates for the Common Stock in a name other than that of the Holder in respect of which such Common Stock is issued, and in such case the Company shall not be required to issue or deliver any certificate for the Common Stock until the person requesting the same has paid to the Company the amount of such tax or has established to the Company's satisfaction that such tax has been paid.

5.8. Mutilated, Lost, Stolen or Destroyed Debenture. In case this Debenture shall be mutilated, lost, stolen or destroyed, the Company shall issue and deliver in exchange and substitution for and upon cancellation of the mutilated Debenture, or in lieu of and substitution for the Debenture, mutilated, lost, stolen or destroyed, a new Debenture of like tenor and representing an equivalent right or interest, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction and an indemnity, if requested, also reasonably satisfactory to it.

5.9. No Rights as Stockholder. Prior to the conversion of the Debenture, the Holder shall not be entitled to any of the rights of a stockholder of the Company, including, without limitation, the right to vote or to receive dividends or other distributions, but shall be entitled to receive notice of:

(a) any stockholder meeting;

(b) a “change of control” event;

(c) issuance of Common Stock or any other equity securities convertible or exchangeable into Common Stock; except for those issuances made under options, warrants and other rights approved by the Company’s board of directors or a committee thereof;

(d) a judgment or order for the payment of money rendered against the Company in excess of \$50,000;

(e) involuntary case or other proceeding commenced against the Company seeking liquidation, bankruptcy or dissolution; or

(f) order for relief entered against the Company under the federal bankruptcy laws.

5.10. Notices. Any notice required to be given pursuant to this Debenture shall be in writing and shall be deemed given upon delivery if delivered personally or by a recognized commercial courier with receipt acknowledged, or upon the expiration of seventy-two (72) hours after the same has been deposited in the United States mail, by certified or registered mail, return receipt requested, postage prepaid, and addressed to the Holder at his, her or its address appearing on the books of the Company.

5.11. No Registration or Registration Rights. Neither the Debenture nor the securities receivable upon the conversion of the Debenture have been registered by the Company under the Securities Act or the securities law of any state or other jurisdiction, and the Company shall be under no obligation to register such securities.

IN WITNESS WHEREOF, Integrated Environmental Technologies, Ltd. has caused this Debenture to be duly executed and delivered as of the date first above written.

INTEGRATED ENVIRONMENTAL TECHNOLOGIES, LTD.

By: _____

Name: Thomas S. Gifford

Title: Executive Vice President and Chief Financial Officer

ATTACHMENT I

Assignment

For value received, the undersigned hereby assigns to _____, \$_____ principal amount of Zero Coupon Convertible Debenture due July __, 2017 evidenced hereby and hereby irrevocably appoints _____ attorney to transfer the Debenture on the books of the within named corporation with full power of substitution in the premises.

Dated:

In the presence of:

Print Name

Signature

ATTACHMENT II

CONVERSION NOTICE

TO: INTEGRATED ENVIRONMENTAL TECHNOLOGIES, LTD.

The undersigned holder of this Debenture hereby irrevocably exercises the option to convert \$_____ principal amount of such Debenture (which may be less than the stated principal amount thereof) into shares of Common Stock of Integrated Environmental Technologies, Ltd., in accordance with the terms of such Debenture, and directs that the shares of Common Stock issuable and deliverable upon such conversion, be issued and delivered to the undersigned unless a different name has been indicated below. If shares of Common Stock are to be issued in the name of a person other than the undersigned holder of such Debenture, the undersigned will pay all transfer taxes payable with respect thereto.

Address of Holder

Print Name of Holder

Signature of Holder

Principal amount of Debenture to be converted \$_____

If shares are to be issued otherwise then to the holder:

Address of Transferee

Print Name of Transferee

Social Security or Employer Identification Number of Transferee

Issuance Date of Debenture: July __, 2016

THE SECURITIES REPRESENTED BY THIS WARRANT CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO (I) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (II) RULE 144 UNDER THE SECURITIES ACT (OR ANY SIMILAR RULE UNDER THE SECURITIES ACT RELATING TO THE DISPOSITION OF SECURITIES), TO THE EXTENT APPLICABLE, OR (III) AN OPINION OF COUNSEL, IF SUCH OPINION SHALL BE REASONABLY SATISFACTORY TO COUNSEL TO THE ISSUER, THAT AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT IS AVAILABLE.

INTEGRATED ENVIRONMENTAL
TECHNOLOGIES LTD.

WARRANT

Common Stock, par value \$0.001 per share

Date of Issue: July __, 2016

Warrant to Purchase
_____ Shares of Common Stock

THIS CERTIFIES THAT, for value received, _____, or his, her or its beneficiaries or assigns, is entitled, subject to the provisions of this Warrant (this "Warrant"), to purchase an aggregate of _____ shares of common stock, par value \$0.001 per share ("Common Stock"), of Integrated Environmental Technologies, Ltd. (the "Company").

The number of shares of the Common Stock to be received upon the exercise of this Warrant and the payment of the Underlying Share Purchase Price (as hereinafter defined) is subject to adjustment from time-to-time as hereinafter set forth.

SECTION 1. Definitions. The following terms as used in this Warrant shall have the meanings set forth below:

- (a) "Assignment Form" means the form attached hereto as **Exhibit A**.
- (b) "Business Day" means any day other than a Saturday, a Sunday or a day on which banks are required or permitted to be closed in the state of New Jersey.
- (c) "Call Exercise Period" shall have the meaning set forth in Section 2(d)(iii) hereof.
- (d) "Call Notice" shall have the meaning set forth in Section 2(d)(ii) hereof.
- (e) "Cashless Exercise" shall have the meaning set forth in Section 2(e) hereof.
- (f) "Cashless Exercise Form" means the form attached hereto as **Exhibit B**.

- (g) “Change of Control” shall have the meaning set forth in Section 4(b)(i) hereof.
- (h) “Common Stock” shall have the meaning set forth in the introductory paragraph.
- (i) “Company” shall have the meaning set forth in the introductory paragraph, or any successor thereof.
- (j) “Exercise Date” shall mean any date on which the Company shall have received (i) this Warrant, together with a Subscription Form duly executed by the Warrant Holder, or his, her or its attorney-in-fact duly authorized in writing, and (ii) payment in cash, or by check made payable to the Company, of an amount in lawful money of the United States of America equal to the Underlying Share Purchase Price, plus transfer taxes, if any.
- (k) “Issuance Date” means July __, 2016.
- (l) “Market Price” on any Exercise Date or other date of valuation, means the value of one share of Common Stock, determined as follows:

(i) If the Common Stock is then listed or admitted to trading on a NASDAQ market system or a stock exchange which reports closing sale prices, the Market Price shall be the closing sale price on the Exercise Date or such other date of valuation on such NASDAQ market system or principal stock exchange on which the Common Stock is then listed or admitted to trading, or, if no closing sale price is reported on such day, then the Market Price shall be the closing sale price of the Common Stock on such NASDAQ market system or such exchange on the next preceding day for which a closing sale price is reported.

(ii) If the Common Stock is not then listed or admitted to trading on a NASDAQ market system or a stock exchange which reports closing sale prices, the Market Price shall be the closing sale price on the Exercise Date or such other date of valuation as reported in the over-the-counter market, or, if no closing sale price is reported on such day, the average of the closing bid and asked prices of the Common Stock in the over-the-counter market on the Exercise Date or such other date of valuation.

(m) “Person” means an individual, partnership, corporation, limited liability company, trust, unincorporated organization, joint venture, agency, government or political subdivision thereof, or any other entity of any kind.

(n) “Securities Act” means the Securities Act of 1933, as amended.

(o) “Subscription Form” means the form attached hereto as **Exhibit C**.

(p) “Underlying Share Expiration Date” means the last date on which this Warrant may be exercised, which shall be 5:00 p.m., New York City time, on the day before the date which is five (5) years from the Issuance Date, or if such expiration date is not a Business Day, at or before 5:00 p.m. New York City time on the next following Business Day.

(q) “Underlying Share Purchase Price” shall mean the purchase price to be paid upon the exercise of this Warrant with respect to the Underlying Shares in accordance with the terms hereof, which price shall be \$0.01 per Underlying Share, subject to adjustment from time to time pursuant to the provisions of Section 4 hereof.

(r) “Underlying Shares” means the _____ shares of Common Stock that are the subject of this Warrant, subject to adjustment from time to time as provided herein.

(s) “Warrant” shall have the meaning set forth in the introductory paragraph.

(t) “Warrant Holder” means a person or entity in whose name this Warrant shall be either initially or subsequently registered upon the books to be maintained by the Company for such purpose, and “Warrant Holders” means, collectively, the Warrant Holder and all other persons or entities in whose name this Warrant shall be either initially or subsequently registered upon the books to be maintained by the Company for such purpose.

SECTION 2. Duration, Vesting and Exercise.

(a) Duration. This Warrant may be exercised from time to time, upon the terms and subject to the conditions set forth herein, at any time on or before the Underlying Share Expiration Date. If this Warrant is not exercised in accordance with the terms hereof on or before the Underlying Share Expiration Date, the Warrant Holder shall no longer be entitled to purchase the Underlying Shares and all rights hereunder to purchase such Underlying Shares shall thereupon cease.

(b) Vesting. All of the Underlying Shares shall be immediately eligible for purchase on the Issuance Date.

(c) Exercise.

i. A Warrant Holder may exercise this Warrant, in whole or in part, to purchase the Underlying Shares in such amounts as may be elected upon (A) the surrender of this Warrant to the Company at its corporate office, together with a duly executed Subscription Form and the full Underlying Share Purchase Price for each Underlying Share to be purchased, in lawful money of the United States, or by check payable in United States dollars to the order of the Company, and (B) compliance with and subject to the other conditions set forth herein.

ii. Upon receipt of this Warrant, together with a duly executed Subscription Form, and accompanied by payment of the Underlying Share Purchase Price for the number of Underlying Shares for which this Warrant is then being exercised, the Company shall, subject to Section 5(b) hereof, cause to be issued and delivered promptly to the Warrant Holder certificates for such shares of Common Stock in such denominations as are requested by the Warrant Holder in the Subscription Form.

iii. In case a Warrant Holder shall exercise this Warrant with respect to less than all of the Underlying Shares, the Company will execute a new Warrant, which shall be exercisable for the balance of the Underlying Shares that may be purchased upon exercise of the unexercised portion of this Warrant and shall deliver such new Warrant to the Warrant Holder.

iv. This Warrant shall be deemed to have been exercised immediately prior to the close of business on the Exercise Date, and the Person entitled to receive the vested Underlying Shares and any new Warrant representing the unexercised portion of this Warrant deliverable upon such exercise shall be treated for all purposes as the holder of such Underlying Shares and new Warrant, respectively, as of the close of business on the Exercise Date.

v. The Company covenants and agrees that it will pay when due and payable any and all taxes that may be payable in respect of the issue of this Warrant or the issue of any vested Underlying Shares. The Company shall not, however, be required to pay any tax that may be payable in respect of any transfer by the Warrant Holder of this Warrant or any Underlying Shares to any person or entity at the time of surrender. Until the payment of the tax referred to in the previous sentence and the presentation to the Company by the Warrant Holder of reasonable proof of such payment, the Company shall not be required to issue Underlying Shares or a new Warrant representing the unexercised portion of this Warrant to any transferee.

(d) Callable at Company Option.

i. Trigger Event. In the event that the average Market Price of Common Stock for any ten (10) trading days following the Issuance Date is equal to or greater than \$0.04, then the Company, at its option, can call for the unexercised portion of this Warrant.

ii. Call Notice. If the Company chooses to call the unexercised portion of this Warrant, then the Company will provide written notification (the "Call Notice") to the Warrant Holder informing the Warrant Holder of the Company's intent.

iii. Exercise and Payment. The Warrant Holder will have ten (10) days from receipt of the Call Notice to exercise and make payment to the Company for the unexercised portion of this Warrant (the "Call Exercise Period").

iv. Failure to Exercise During Call Exercise Period. If the Warrant Holder fails to exercise and remit payment during the Call Exercise Period, then the unexercised portion of this Warrant shall be forfeited by the Warrant Holder and this Warrant will terminate.

(e) Cashless Exercise. In lieu of exercising this Warrant in accordance with Section 2(c) and payment of the Underlying Share Purchase Price, a Warrant Holder may exercise this Warrant, in whole or in part, by presentation and surrender of this Warrant to the Company, together with a duly executed Cashless Exercise Form (a "Cashless Exercise"). Acceptance by the Company of such presentation and surrender shall be deemed a waiver of the Warrant Holder's obligation to pay all or any portion of the Underlying Share Purchase Price in cash, as the case may be. In the event of a Cashless Exercise, the Warrant Holder shall exchange this Warrant for that number of shares of Common Stock determined by multiplying the number of shares of Common Stock for which this Warrant is being exercised by a fraction, the numerator of which shall be the difference between the Market Price on the Exercise Date and the Underlying Share Purchase Price, and the denominator of which shall be the then Market Price on the Exercise Date.

SECTION 3. Covenants.

(a) Issuance and Sale of Underlying Shares. The Company covenants that it will at all times reserve and keep available, free from preemptive rights, out of its authorized Common Stock, solely for the purpose of issuance upon exercise of this Warrant, such number of shares of Common Stock as shall equal the aggregate number of the Underlying Shares. The Company covenants that all shares of Common Stock that shall be issuable upon exercise of this Warrant shall, at the time of delivery, be duly and validly issued, fully paid, non-assessable and free from all taxes, liens and charges with respect to the issue thereof (other than those which the Company shall promptly pay or discharge).

(b) Restrictive Legend. Each certificate evidencing shares of Common Stock issued to the Warrant Holder following the exercise of this Warrant shall bear the following restrictive legend, or a restrictive legend similar thereto, until such time as the transfer of such security is not restricted under the federal securities laws:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO (I) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (II) RULE 144 UNDER THE SECURITIES ACT (OR ANY SIMILAR RULE UNDER THE SECURITIES ACT RELATING TO THE DISPOSITION OF SECURITIES), TO THE EXTENT APPLICABLE, OR (III) AN OPINION OF COUNSEL, IF SUCH OPINION SHALL BE REASONABLY SATISFACTORY TO COUNSEL TO THE ISSUER, THAT AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT IS AVAILABLE.

SECTION 4. Adjustment of Underlying Share Purchase Price and Number of Underlying Shares. The number of Underlying Shares purchasable upon the exercise of this Warrant and the payment of the Underlying Share Purchase Price shall be subject to adjustment from time to time as follows:

(a) Adjustment for Stock Splits and Combinations. If the Company at any time or from time to time after the date of this Warrant shall effect a subdivision of the outstanding Common Stock or combines the outstanding shares of Common Stock, then, in each such case, the Underlying Share Purchase Price in effect immediately prior to such event and the number of shares of Common Stock eligible for purchase hereunder shall be adjusted so that the Warrant Holder shall have the right to purchase the number of shares of Common Stock which he, she or it would have received after the event had such shares of Common Stock been purchased immediately prior to the occurrence of such event. Any adjustment under this Section 4(a) shall become effective as of the date and time such subdivision or combination becomes effective.

(b) Reorganization, Reclassification, Consolidation, Merger or Sale.

(i) Any recapitalization, reorganization, reclassification, consolidation, merger or any other transaction which is effected in such a way that holders of more than fifty percent (50%) of the shares of Common Stock then outstanding are entitled to receive (either directly or upon subsequent liquidation) stock, securities or assets of another Person with respect to or in exchange for their shares of Common Stock, is referred to herein as a “Change of Control.”

(ii) Prior to the consummation of any Change of Control, the Company shall make appropriate provisions to insure that the Warrant Holder shall thereafter have the right to acquire and receive in lieu of or in addition to (as the case may be) the shares of Common Stock immediately theretofore acquirable and receivable upon the exercise of such Warrant Holder’s rights under this Warrant, such shares of Common Stock or other securities as may be issuable or payable with respect to or in exchange for the number of shares of Common Stock immediately theretofore acquirable and receivable upon the exercise of such Warrant Holder’s rights under this Warrant.

(c) No Impairment. The Company will not, through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company.

(d) Certificate of Adjustment. In any case of an adjustment of the number of shares of Common Stock to be purchased under this Warrant at the Underlying Share Purchase Price, an officer of the Company shall compute such adjustment in accordance with the provisions hereof and prepare and sign a certificate showing such adjustment and shall mail such certificate, by first class mail, postage prepaid, to the Warrant Holder at the address of the Warrant Holder set forth or as provided herein. The certificate shall set forth such adjustment, showing in detail the facts upon which such adjustment is based upon, including a statement of the number of shares of Common Stock and the type and amount, if any, of other property which at the time would be received upon the purchase of the Underlying Shares.

(e) Closing of Books. The Company will at no time close its transfer books against the transfer of any shares of Common Stock issued or issuable upon the purchase of any shares of Common Stock under this Warrant in any manner which interferes with the timely purchase of such shares of Common Stock, except as otherwise may be required by law.

SECTION 5. Other Provisions Relating to Rights of the Warrant Holder.

(a) Warrant Holder not a Stockholder. The Warrant Holder, as such, shall not be entitled to vote or receive dividends or be deemed a holder of Common Stock for any purpose whatsoever, nor shall anything contained in this Warrant be construed to confer upon the Warrant Holder, as such, any of the rights of a stockholder of the Company, including, but not limited to, the right to vote for the election of directors or on any other matter, give or withhold consent to any action by the Company (whether upon any recapitalization, issue of stock, reclassification of stock, consolidation, merger, conveyance or otherwise), receive notice of meetings or other action affecting stockholders (except for notices provided for in this Warrant), receive dividends or subscription rights, until this Warrant shall have been exercised to purchase Underlying Shares, at which time the Person or Persons in whose name or names the certificate or certificates for the shares of Common Stock are registered shall be deemed the holder or holders of record of such shares of Common Stock for all purposes.

(b) Fractional Shares. Anything contained herein to the contrary notwithstanding, the Company shall not be required to issue any fractional shares of Common Stock in connection with the exercise of this Warrant. In any case where the Warrant Holder would, except for the provisions of this Section 5(b), be entitled under the terms of this Warrant to receive a fraction of a share of Common Stock upon the exercise of this Warrant, the Company shall, upon the exercise of this Warrant and receipt of the Underlying Share Purchase Price, issue the largest number of whole shares of Common Stock purchasable upon exercise of this Warrant. The Warrant Holder expressly waives his, her or its right to receive a certificate of any fraction of a share of Common Stock upon the exercise hereof. However, with respect to any fraction of a share of Common Stock called for upon any exercise hereof, the Company shall pay to the Warrant Holder an amount in cash equal to such fraction multiplied by the market price per share of Common Stock.

(c) Absolute Owner. Prior to due presentment for registration of transfer of this Warrant, the Company may deem and treat the Warrant Holder as the absolute owner of this Warrant for the purpose of any exercise thereof and for all other purposes and the Company shall not be affected by any notice to the contrary.

SECTION 6. Division, Split-Up, Combination, Exchange and Transfer of Warrants

(a) Request. Subject to compliance with applicable federal and state securities laws, this Warrant may be divided, split up, combined or exchanged for other Warrants of like tenor to purchase a like aggregate number of Underlying Shares. If the Warrant Holder desires to divide, split up, combine or exchange this Warrant, he, she or it shall make such request in writing delivered to the Company at its corporate offices in Little River, South Carolina, or as otherwise directed by the Company in writing, and shall surrender this Warrant to be so divided, split up, combined or exchanged at said office; provided, however, that if this Warrant is divided or split up and any resulting Warrant is to be issued in the name of a person other than the Warrant Holder, the Warrant Holder must comply with the provisions of Section 6(b) hereof. Upon any such surrender for a division, split-up, combination or exchange, the Company shall execute and deliver to the Warrant Holder the new Warrants as so requested. The Company may require the Warrant Holder to pay a sum sufficient to cover any tax, governmental or other charge that may be imposed in connection with any division, split-up, combination or exchange of this Warrant.

(b) Assignment; Replacement of Warrant. Subject to compliance with applicable federal and state securities laws, this Warrant as it relates to Underlying Shares may be sold, transferred, assigned or hypothecated by the Warrant Holder at any time, in whole or in part; provided, however, that the Company may, at its sole discretion, request that the Warrant Holder provide an opinion of counsel, which opinion shall be reasonably satisfactory to counsel to the Company, that the transfer, assignment or hypothecation qualifies for an exemption from registration under the Securities Act. Any division or assignment permitted of this Warrant shall be made by surrender by the Warrant Holder of this Warrant to the Company at its principal office with the Assignment Form attached as **Exhibit A** hereto duly executed, together with funds sufficient to pay any transfer tax. In such event, the Company shall, without charge, execute and deliver one or more new Warrants in the name of the assignees named in such instrument of assignment and the surrendered Warrant shall promptly be canceled; provided, however, that if less than all of the Underlying Shares are assigned, the remainder of this Warrant will be evidenced by a new Warrant. Upon receipt by the Company of evidence satisfactory to it of the loss, theft, destruction or mutilation of this Warrant and (in the case of loss, theft or destruction) of reasonably satisfactory indemnification, and (in the case of mutilation) upon surrender and cancellation of this Warrant, the Company will execute and deliver a new Warrant of like tenor and date and any such lost, stolen or destroyed Warrant shall thereupon become void.

SECTION 7 Other Matters.

(a) Taxes and Charges. The Company will from time to time promptly pay, subject to the provisions of paragraph (v) of Section 2(c), all taxes and charges that may be imposed upon the Company in respect of the issuance or delivery, but not the transfer, of this Warrant or the Underlying Shares.

(b) Notices. Notice or demand pursuant to this Warrant to be given or made by the Warrant Holder to or on the Company or by the Company to or on the Warrant Holder, shall be sufficiently given or made if delivered personally or by overnight courier, or sent by registered or certified mail, postage prepaid, return receipt requested, or by facsimile transmission, electronically confirmed, and addressed, until another address is designated in writing by either the Company or the Warrant Holder, as the case may be, as follows:

If to the Company:

Integrated Environmental Technologies, Ltd.
4235 Commerce Street
Little River, S. Carolina 29566
Attention: President and Chief Executive Officer
Telephone No.: (843) 390-2500
Facsimile No.: (843) 390-3900

If to the Warrant Holder:

XXXXXXXXXX
XXXXXXXXXX
XXXXXXXXXX
Telephone No.: XXXXXXX

Except as otherwise provided herein, notices delivered in accordance with the foregoing provisions of this Section 7(b) shall be effective (i) when delivered, if delivered personally or by facsimile transmission electronically confirmed, (ii) one Business Day after being delivered (properly addressed and all fees paid) for overnight delivery to a courier (such as Federal Express) which regularly provides such service and regularly obtains executed receipts evidencing delivery, or (iii) five (5) days after being sent by registered or certified mail, postage prepaid, return receipt requested.

(c) Governing Law. The validity, interpretation and performance of this Warrant shall be governed by the laws of the state of New Jersey, without giving effect to the conflicts of laws principles thereof.

(d) Exclusive Benefit. Nothing in this Warrant is intended, or shall be construed, to confer upon, or give to, any Person other than the Company and the Warrant Holder any right, remedy or claim hereunder, and all covenants, conditions, stipulations, promises and agreements contained in this Warrant shall be for the sole and exclusive benefit of the Company and the Warrant Holder and their successors, survivors and permitted assigns hereunder. This Warrant is for the benefit of and is enforceable by any subsequent Warrant Holder.

(e) Headings. The article headings herein are for convenience only and are not part of this Warrant and shall not affect the interpretation hereof.

IN WITNESS WHEREOF, Integrated Environmental Technologies, Ltd. has caused this Warrant to be duly executed and delivered as of the date first above written.

**INTEGRATED ENVIRONMENTAL
TECHNOLOGIES, LTD.**

By: _____

Name: Thomas S. Gifford

Title: Executive Vice President and
Chief Financial Officer

ASSIGNMENT FORM

For value received, the undersigned hereby sells, assigns and transfers unto _____ whose address is _____ and whose social security or other identifying number is _____, this Warrant to purchase _____ Underlying Shares, and hereby irrevocably constitutes and appoints the Secretary of Integrated Environmental Technologies, Ltd. as his, hers or its attorney-in-fact to transfer the same on the books of the Company with full power of substitution and re-substitution. If said number of Underlying Shares is less than all of the Underlying Shares purchasable under this Warrant so assigned, the undersigned requests that a new Warrant representing the remaining Underlying Shares be registered in the name of _____ whose address is _____ whose social security or other identifying number is _____, and that such new Warrant be delivered to _____, whose address is _____.

Date: _____

(Signature)

(Print Name)

Warrant Holder:

Warrant Date:

CASHLESS EXERCISE FORM

(To be executed upon exercise of this Warrant pursuant to Section 2(e) of this Warrant)

The undersigned hereby irrevocably elects to surrender _____ shares purchasable under this Warrant being delivered herewith, for such shares of Common Stock issuable in exchange therefor pursuant to the Cashless Exercise provisions of this Warrant, as provided for in Section 2(e) of this Warrant.

Please issue a certificate or certificates for the shares of Common Stock issuable as a result of this Cashless Exercise in the name of, and pay cash for fractional shares:

(Please print name, address, and social security number/tax identification number.)

and, if said number of shares of Common Stock shall not be all the shares of Common Stock purchasable under this Warrant, that a new Warrant for the balance remaining of the shares of Common Stock purchasable under this Warrant be registered in the name of the undersigned Warrant Holder or his, her or its transferee as below indicated and delivered to the address stated below.

Dated: _____

Name of Warrant Holder
or transferee:

(Please Print)

Address: _____

Signature: _____

NOTE: Signature must conform to the name of Warrant Holder as specified on the face of this Warrant or with the name of the transferee appearing in the Assignment Form attached as **Exhibit A** to this Warrant..

SUBSCRIPTION FORM

The undersigned hereby irrevocably elects to exercise this Warrant, to purchase _____ Underlying Shares and tenders payment herewith in the amount of \$____. The undersigned requests that a certificate for such Underlying Shares be registered in the name of _____, whose address is _____ and whose social security or other identifying number is _____, and that such Underlying Shares be delivered to _____, whose address is _____. If said number of Underlying Shares is less than all of the Underlying Shares purchasable under this Warrant, the undersigned requests that a new Warrant representing the remaining Underlying Shares be registered in the name of _____, whose address is _____ and whose social security or other identifying number is _____, and that such new Warrant be delivered to _____ whose address is _____

Date: _____

(Signature)

(Print Name)

Warrant Holder:

Warrant Date:

ADDENDUM TO THE 8% CONVERTIBLE DEBENTURE
between
ZANETT OPPORTUNITY FUND, LTD.
and
INTEGRATED ENVIRONMENTAL TECHNOLOGIES, LTD.

This Addendum (this "Addendum") to the 8% Convertible Debenture (as such term is defined below), entered into as of the 7th day of July, 2016 (the "Addendum Effective Date"), is by and between Zanett Opportunity Fund, Ltd. (the "Holder") and Integrated Environmental Technologies, Ltd. (the "Company"). Capitalized terms used herein, but not otherwise defined herein, shall have the meanings given to such terms in the 8% Convertible Debenture issued as of August 21, 2012 (the "Debenture").

WHEREAS, the Company promised to pay to the Holder, or its registered assigns, upon due presentation and surrender of the Debenture, on or after August 21, 2015, the principal amount of Four Hundred Seventy-Five Thousand One Hundred Dollars (\$476,125); and

WHEREAS, the Company and Holder desire to modify the aforementioned Debenture for the mutual benefit of both parties;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. The modifications of the Debenture herein will be effective as of the Addendum Effective Date and will remain in effect for the duration of the Debenture unless further modified in writing by the parties hereto.
2. The original Maturity Date of August 21, 2015 shall be replaced with December 31, 2017.
3. The original Conversion Price of \$0.10 per share shall be replaced with \$0.07 per share.
4. Other than as specifically modified in this Addendum, all other terms, conditions and covenants of the Debenture shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned have executed this Addendum, effective as of the Addendum Effective Date.

**INTEGRATED ENVIRONMENTAL
TECHNOLOGIES, LTD.**

ZANETT OPPORTUNITY FUND, LTD.

By: /s/ Thomas S. Gifford

By: /s/ Zachary E. McAdoo

Name: Thomas S. Gifford

Name: Zachary E. McAdoo

Title: Executive Vice President and
Chief Financial Officer

Title: President, McAdoo Capital, Inc.,
Investment Manager to Zanett Opportunity Fund, Ltd.

Integrated Environmental Technologies, Ltd. Secures Additional Capital***Management Reduces Operating Expenses By Over 25%***

Little River, SC, – July 14, 2016 – Integrated Environmental Technologies, Ltd. (OTC QB: IEVM) (“IET” or the “Company”), a specialty chemical supplier providing EPA-approved, cost-effective, environmentally responsible cleaning and disinfecting solutions primarily to the oil and gas industry with additional opportunities in healthcare and food production, today announced that it secured, in a private placement, \$603,500 of gross proceeds from the issuance of zero coupon secured convertible debentures (the “Debentures”) in the principal amount of \$670,577. The Debentures have a one-year term, contain an original issue discount of 10% and can be converted into shares of the Company’s common stock at a price of \$0.01 per share. The Debentures are accompanied by detachable, 5-year warrants to purchase an equal number of shares of common stock that the Debentures are convertible into at the same price as the Debenture conversion price. The proceeds from the sale of these Debentures will provide working capital and funds for operations as the Company expands its current revenue base of oil and gas well maintenance programs. Prior to the consummation of the private offering, IET had approximately 320,571,000 shares of common stock outstanding and fully diluted shares totaling 372,794,000 (inclusive of all options, warrants and convertible debt).

In addition, IET announced that it has reduced its operating expenses by over 25% as it adjusted its sales, marketing and administrative costs, decreased executive management’s compensation by approximately 50%, and implemented a commission-based, compensation program for its sales team. Monthly operating expenses in the second half of 2016 are expected to average approximately \$155,000 per month, down from approximately \$241,000 per month during the first quarter 2016 and an estimated \$180,000 per month during the second quarter 2016.

“Our cost reduction effort is designed to enable IET to be more financially responsive in light of the oscillating economics recently encountered by the oil and gas drilling industry. The current cost structure will facilitate our efforts to achieve a financially stronger company to persevere through inconsistent economic cycles. Given the decrease in our operating expenses and our current revenue trajectory, we believe that the funds we have secured today should carry us into the month of December when we anticipate achieving cash flow breakeven,” commented David LaVance, President and Chief Executive Officer of Integrated Environmental Technologies, Ltd.

About Integrated Environmental Technologies, Ltd.

Integrated Environmental Technologies, Ltd. is a publicly-traded company that operates through its wholly-owned operating subsidiary, I.E.T., Inc. All of the Company’s products and services are marketed and sold under the umbrella brand name EcoTreatments™. The Company markets and sells its anolyte disinfecting solution under the Excelyte® brand name, which is produced by the Company’s proprietary EcaFlo® equipment that utilizes an electrolytic process known as electrochemical activation to reliably produce environmentally responsible solutions for cleaning, sanitizing and disinfecting. Excelyte® solutions are EPA-registered, non-porous, hard-surface disinfectants and sanitizers approved for hospital-level use and are also approved for use as a biocide in oil and gas drilling. The Company’s EcaFlo® equipment also produces an industrial-grade surfactant that the Company markets under the Catholyte Zero™ brand name. Catholyte Zero™ solutions are environmentally friendly cleansers and degreasers for oil and gas, janitorial, sanitation and food processing uses. To learn more, visit www.ecotreatments.com.

Company Contact:

Tom Gifford
Executive Vice President & CFO
Integrated Environmental Technologies, Ltd.
732-820-1415
tgifford@ietltd.net

Investor Contact:

Yvonne L. Zappulla
Managing Director
Grannus Financial Advisors, Inc.
212-681-4108
yvonne@grannusfinancial.com

Statements about the Company's future expectations and all other statements in this press release other than historical facts are forward-looking statements. Such statements are subject to certain risks, trends and uncertainties that could cause actual results to differ materially from expected results. Among these risks, trends and uncertainties are economic conditions both generally and within the industries in which the Company may participate; competition within the Company's chosen industries, including competition from much larger competitors; technological advances; available capital; regulatory approval; and failure by the Company to successfully develop or acquire products and form new business relationships. Since these statements involve risks and uncertainties and are subject to change at any time, the Company's actual results could differ materially from expected results.
