



Notice of Annual General Meeting - additional information

As shareholders will note from the Notice of Annual General Meeting to be held at 10.30 am on Monday 29 November 2010 at Morgans, 410 Collins Street Melbourne, the resolutions to be considered include:

- Resolution 23 - approval for the grant to Roger C. Davey of 7,500,000 options to subscribe for shares, exercisable at A\$0.20 on or before 15 September 2014;
- Resolution 24 - approval for the grant to David Galbally QC of 4,000,000 options to subscribe for shares, exercisable at A\$0.20 on or before 15 September 2014; and
- Resolution 25 - approval for the grant to Roger C. Davey of 10,000,000 options to subscribe for shares, exercisable at A\$0.10 on or before 15 September 2014.

As directors of the Company, Mr Davey and Mr Galbally QC are related parties of the Company for the purposes of Listing Rule 10.11 and Chapter 2E of the Corporations Act. The following additional information is provided to shareholders to assist in consideration of these resolutions:

1 Directors remuneration package:

Shareholders are referred to pages 6 and 7 of the 30 June 2010 Annual Report (**Annual Report**) which sets out relevant details of the total remuneration packages for Mr Davey and Mr Galbally QC.

2 Directors' existing interests:

Shareholders are also referred to Note 5 on page 25 of the Annual Report which provides full details of the existing interests in the Company held by Mr Davey and Mr Galbally QC, as follows:

Director	Shares	Options	Convertible Notes
R.C. Davey	51,247,679	Nil	Nil
D. N. Galbally	1,150,000	Nil	Nil

3 Dilution effect of the issue of options on share capital

In order for Shareholders to assess the potential dilution effects arising from the proposed issues of options to Mr Davey and Mr Galbally QC, Shareholders are referred to page 4 and Note 18 on page 21 of the Annual Report which set out current details of the (fully diluted) share capital of the Company.

4 Valuation of financial benefits:

The issue of the options as proposed may amount to the giving of a financial benefit. Using the Black Scholes valuation methodology, the financial benefit is considered to be of negligible value. On the assumptions given (which in the Company's circumstances are considered to be reasonable), the options under Black Scholes methodology have negligible value (assumptions are Company share price: \$0.05; period: 1400 days; risk free rate: 5.5%; volatility: 18%).

Ends.

Enquiries
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