



COMPANY ANNOUNCEMENT

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[ASX: EVM](#)
[OTCQX: EVOMY](#)

ENVIROMISSION CHAIRMAN'S ADDRESS TO SHAREHOLDERS

EnviroMission's operational activities continue to be focused on development of the La Paz Solar Tower development.

Working capital has been successfully raised over the period to maintain EnviroMission's operations and corporate actions evidenced in the accounts audited by Wragg Weir for the 2011/12 period.

Due diligence of Solar Tower technology has provided a strong case for commercialization, and despite all due diligence, delays have been experienced with finalizing project finance - a situation that is more a case of the '*inconvenient parallelism*' of the impact of the capital market to the organization of capital in a post global financial crisis period.

I want to stress that detail of the project finance is subject to strict confidentiality requirements of the financier/s, however I am able to confirm the project financier has favored asset and carbon credit ownership and higher power sales terms over the terms of the pre-existing Power Purchase Agreement under arrangement with the Southern California Public Power Authority (SCPPA).

As prudence would have it, new requirements to the Renewable Energy Portfolio Standards of energy providers in the State of California, placed pressure on SCPPA members to provide an immediacy of certainty of the delivery of projects in their renewable energy portfolio – EnviroMission could not satisfy that immediacy because the La Paz development project finance was still in the pipeline - this provided SCPPA with a talking point to revisit their Power Purchase Agreement with EnviroMission and resulted in SCPPA and EnviroMission terminating that Power Purchase Agreement – EnviroMission may still submit to an open Request for Proposals (RFP) with SCPPA at a future point in time.

EnviroMission's project finance timetable was not able to satisfy SCPPA requirements for *certainty of delivery* despite project finance arrangements being well advanced and the Power Purchase Agreement being made after extensive due diligence by SCPPA of a transparent timetable and process to market.

While forward power sales do provide comfort to prospective financiers for the certainty they offer to cost to benefit and return on investment analysis, forward power sales also lock in commercial arrangements occasionally out of step with the passage of time.

The SCPPA power purchase agreement executed or otherwise, suggested a strong case for the salability of Solar Tower power - and there is no change to that view.

In the USA renewable energy is mandated into supply portfolios and the will for renewable energy development now awaits the action of the capital market to deliver that objective; I can confirm EnviroMission is well advanced along this road.

Investment in publicly listed entities through the trading platform does not provide operating capital directly to a listed entity whereas direct capital investment in a listed entity provides vital operating capital.

EnviroMission has been sustained over the period through the direct injection of cash by investors and conversion of debt by some creditors in exchange for EnviroMission ordinary securities; these placements, represent the majority of resolutions put to security holders for consideration at this 2011/12 AGM today.

Of the 180M returning votes received by EnviroMission, around 0.1% of those returning votes (in this case two security holders) did not support the resolutions put to shareholders by the company; the EnviroMission board of directors and management see this as a strong expression of support from security holders for these resolutions.

The project management team, including businesses directly involved in the delivery of the La Paz Solar Tower, including; Hensel Phelps; Faithful+Gould; Aon; Arup; Cemex; Terracon; Greenberg Traurig; and, Sprung Construction, continue to work to schedule in anticipation of confirmation of project finance.

Thank you to the project team, past and present board members, management and staff in Australia and the United States for their support and contribution, and thank you to every investor that has shared the vision for Solar Tower development.

Ends.

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