

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

## CEO SHAREHOLDER UPDATE

[EnviroMission Limited](#) This message to shareholders is intended to provide a narrative to EnviroMission's response to ASX questions uploaded to the market on 24 February 2017, and the pathway now underway to address the listing reinstatement requirements of the ASX.

EnviroMission's position on defaulted, deferred and protracted agreements for the commercialisation and development of Solar Towers in defined global markets will also be addressed.

EnviroMission implemented a *partnering for commercialisation* model to address geographic, cultural, economic and statutory considerations associated with commercialising a disruptive and highly differentiated energy technology in diverse markets – this strategy for a robust programme of commercialisation beyond the geographic, cultural and economic limits of EnviroMission's resources, resulted in agreements being reached for India, MENA and the US.

The *partnering for commercialisation* model also provided the opportunity for parallel development with EnviroMission positioned as the head developer (distinct from project developer) and facilitator for transfer of key learnings and innovations associated with Solar Tower development across licenced regions. Despite Solar Tower technology being generically available for development, it has been widely disclosed that the technology will in every instance require site specific engineering and design specific to the social, environmental, economic and legal jurisdictions of each region.

Each 'partner' to Solar Tower commercialisation is aware of the capital required to support regional development over and above the investment necessary to secure Solar Tower development rights from EnviroMission.

And each 'partner' has an expectation that EnviroMission will have sufficient capital to deliver the head developer role and the unanticipated delay of the Valentia investment that was intended to provide EnviroMission with that necessary capital has had the unintended consequence of attracting ASX oversight that resulted in EnviroMission being suspended 'pending receipt of funds from Valentia'.

Valentia provided repeated written and verbal assurances that the planned investment in EnviroMission was 'imminent', 'weeks away' even 'had been remitted'; all explanations provided by Valentia were sufficiently reasonable and plausible to justify EnviroMission adopting a *cause for pause* approach to terminating the Valentia investment HOA given the dynamic of the agreement stood to greatly benefit EnviroMission; however, the continual breaches of agreed extensions of time and a qualitative and quantitative assessment of the effect of the investment delay to the EnviroMission brand and stakeholders, alongside the unintended consequences of the ASX imposed suspension, gave way to the necessity to terminate the Valentia HOA. EnviroMission advised the market that a notice of intention to terminate the HOA with Valentia had been issued and Valentia persisted with confidence that it had the ability to meet the investment deed of the agreement, however Valentia did not meet the terms of the notice and EnviroMission advised Valentia the HOA was terminated.

EnviroMission has now undertaken the process of advising all parties of stalled Solar Tower commercialisation agreements must now meet these terms within a timely framework to avoid a review that could result in the termination of their agreements with EnviroMission.

The review process that commenced in Q2-2016, has resulted in EnviroMission terminating the Solar Tower development rights HOA for the India market with Mumbai based RA Solar PVT LTD effective 21 March, 2017.

EnviroMission still firmly believes the India market remains a commercially viable development opportunity and will now explore these opportunities with other alternate entities.

EnviroMission is cognisant of the impact of the ASX suspension on all the entities proposing Solar Tower commercialisation via development rights agreements, and where appropriate EnviroMission will work with these entities to fulfil their development objectives.

EnviroMission is confident that capital required to execute the next stage of commercialisation will also provide confidence to development partners to fulfil any outstanding obligations under existing HOA to provide EnviroMission with working capital due from development rights, fees and royalties.

EnviroMission has consulted with the ASX and will actively cooperate to meet ASX requirements to resolve the suspension as a priority over the next quarter.

EnviroMission will be making the necessary submissions to the ASX required at Listing Rule 12:1 regarding our level of operations, and Listing Rule 12:2 regarding financial imperatives that alternative capital negotiations are expected to satisfy.

These submissions are required to assist the ASX in their consideration of whether or not the ASX will reinstate the EnviroMission security for quotation.

The lifting of the suspension is important to EnviroMission's shareholders to ensure benefit from the traction of being invested in a highly differentiated and disruptive energy technology at a time when energy supply and security is high on policy makers' agendas and on the radar of retail and institutional investors.

Roger C. Davey  
Chief Executive Officer  
EnviroMission Limited

Enquiries to:  
Kim Forte  
Communications Director  
+61414690356  
kforte@enviromission.com.au