

EnviroMission Limited

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ASX

Level 40

Central Park

152-158 St. Georges Terrace

Perth, WA 6000

By email

Dear Mr Secrett

ENVIROMISSION RESPONSE TO ASX QUESTIONS (received via email)

Pursuant to listing rule 18.7, EnviroMission provides the following responses to questions from the ASX:

Per Valentia Investment

1. Has the Company received at any time on or before the date of this letter the Valentia US\$15m Investment (in full or in part, including the US\$10 million funds referred to in the Valentia December 2016 Update)?

EnviroMission has not received any funds from Valentia.

2. Please advise the form and content of the advice from Valentia that supported the Company's statement in the Valentia December 2016 Update that "as recently as today, EnviroMission received advice from Valentia that remittance of the investment is expected within days."

EnviroMission received written and verbal advice on 16 December 2016 indicating Valentia expected final confirmation about remittance of the investment commitment '*within days*'.

3. Does the Valentia US\$15m Investment still constitute the initial investment to be made by Valentia in the Company, or has Valentia's initial investment been amended to the US\$10 million funds referred to in the Valentia December 2016 Update?

The investment commitment detailed in a HOA was for US\$15,000,000 to be received in two tranches, an initial tranche of US\$10,000,000, with a second tranche of US\$5,000,000 to be received within seven days of completion of the first tranche of US\$10,000,000.

4. If the answer to question 1 is “yes”, please advise the amount of the funds received by the Company and the date on which those funds were received by the Company?

N/A

If the answer to question 1 is “yes, but only in respect of part of the funds due to the Company” or “no”, please respond to the following.

5. What is the status of the Valentia HOA?

EnviroMission terminated the Valentia HOA on 17 February 2017. Valentia continues to state it is committed to placing the investment; although new terms would be applied to any future investment.

6. Did the Company issue to Valentia the “formal notice of breach and intention to terminate” in respect of the Valentia HOA (“Notice”) that the Company disclosed in the Valentia December 2016 Update it had instructed legal counsel to prepare?

Yes

If the answer to question 6 is “yes”, please advise the following.

- 6.1. The date on which the Notice was issued to Valentia.

Notice of Intention to Terminate the Heads of Agreement with EnviroMission was issued on 16 December, 2016.

- 6.2. Did Valentia respond to the Notice? If so, please advise the date and details of Valentia’s response.

Valentia Chairman, Takeshi Ono, acknowledged and understood EnviroMission’s decision.

- 6.3. Did Valentia comply in full, or take steps to comply, with the Notice and remedy all breaches detailed in the Notice?

Valentia have not complied nor remedied breaches detailed within the Notice of Intention to Terminate the HOA.

If so, please detail the steps taken by Valentia in respect of the Notice, advise whether the Company considers these steps to be satisfactory and state whether these steps have remedied (in full or in part) the breaches detailed in the Notice.

7. If the Company did not issue the Notice to Valentia, what steps has the Company taken or intends to take with respect to enforcing the Valentia HOA and also to receiving all or the balance of the funds due to it under the Valentia HOA (including the Valentia US\$15m Investment)?

In answering this question, please advise whether the Company has taken or intends to take steps to terminate the Valentia HOA, and what those steps have been or may be.

Please advise the form and content of the notice from the Company to Valentia that supported the Company’s statement in the Valentia December 2016 Update that it “has notified Valentia of its intention to progress the termination of the HOA”.

N/A

8. Please advise the date on which the Company expects to receive all or the balance of the funds (including the Valentia US\$15m Investment) due to it pursuant to the Valentia HOA, and the reason for the further delay.

N/A

9. Does the Company expect to receive all or the balance of the funds due to it pursuant to the Valentia HOA?

EnviroMission does not expect to receive the Valentia investment under the terms of the now terminated HOA, however, Valentia verbally advised EnviroMission on Sunday 19 February 2016 and again, verbally, on Wednesday 21 February 2017 that the investment funds held in London are to be transferred to Singapore and a portion of the funds are due to be released to Valentia for sole management including US\$10M for investment in EnviroMission Limited.

RA Solar Tower Development

10. Did the Company receive any of the funds the RA Solar development fee (comprised of US1 million cash and an equity investment of \$1 million, as stated by the Company in the ASX May 2016 Query Letter & Response) referred to in the RA Solar December 2016 Update on or before the date of expected receipt of Friday, 16 December 2016?

EnviroMission has not received funds from RA Solar.

11. Please advise the form and content of the communication from RA Solar that supported the Company's statement in the RA Solar December 2016 Update that "RA Solar has indicated funds will to be remitted to EnviroMission by Friday 16 December, 2016."

RA Solar advised EnviroMission (via SMS, 9 December 2016) that funds could be expected to be received by EnviroMission within seven days.

12. Has the Company at any time on or before the date of this letter received any of the funds constituting the RA Solar development fee?

No.

13. If the answer to question 12 is "yes", please advise the amount of the funds received by the Company and the date on which those funds were received by the Company?

N/A

If the answer to question 12 is "yes, but only in respect of part of the funds due to the Company" or "no", please respond to the following.

14. What is the status of the RA Solar HOA?

RA Solar HOA is ongoing.

15. Has RA Solar PVT Ltd provided the “definitive timeline” for completion of the executed RA Solar HOA?

Yes.

If the answer to question 15 is “yes”, please advise the date of RA Solar’s response and disclose the timeline.

EnviroMission received advice from RA Solar (via SMS, 20 February 2017) that it is expecting the investor bank to remit funds during the week commencing 27 February 2017.

ASX notes that the Company stated in the RA Solar December 2016 Update that it had required “RA Solar to provide a definitive timeline” in respect of executing the RA Solar HOA.

16. Please advise the date on which the Company expects to receive all or the balance of the RA Solar development fee due to it pursuant to the RA Solar HOA, and the reason for the further delay.

RA Solar have informed EnviroMission that EnviroMission may receive funds during the week commencing 27 February 2017.

17. What steps has the Company taken or intends to take with respect to completing the executed RA Solar HOA and also to receiving the funds due to it under the RA Solar HOA?

In the event the funds now stated by RA Solar to be remitted during the week commencing 27 February 2017 are not received EnviroMission intends to issue RA Solar with a formal Notice of Termination of the HOA.

ASX notes that the Company stated in the RA Solar December 2016 Update that while it “has agreed to this final extension of time” it “has not waived its rights under the Agreement and reserves the right to exercise those rights in the event RA Solar does not meet this revised commitment.”

18. Does the Company expect to receive all or the balance of the RA Solar development fee due to it pursuant to the RA Solar HOA ?

EnviroMission has received advice from RA Solar that US\$1M, representing part of the development licence fee and will be paid to EnviroMission immediately on receipt of RA Solar’s investment and the additional terms of the HOA requiring a direct equity investment in EnviroMission Limited must follow.

Q Analytica LLC Investment

19. Please provide an update on the status of the heads of agreement executed by the Company with Q Analytica LLC in respect of commercialising the Company’s solar tower renewable energy technology in the Middle East and North Africa (“Q Analytica HOA”).

QA LLC are currently in breach of the terms of the HOA with EnviroMission.

20. Please advise the date on which the Company expects to receive all or the balance of the funds due to it pursuant to the Q Analytica HOA, and the reason for the further delay.

QA have breached the timings of the HOA, however QA have indicated they are ready to move forward on confirmation of development progress in the USA.

Apollo Development Inc Investment

21. Has the Company received at any time on or before the date of this letter the remaining balance (in full or in part) of the Texas solar tower development fees owed by Apollo Development Inc. to the Company pursuant to the Texas Solar Tower Development Fee Agreement (“Texas Agreement”) the subject of the Texas Announcement?

ASX notes that the Company stated in the ASX May 2016 Query Letter & Response that “Apollo has advised EnviroMission the balance of the US\$2M Solar Tower Development Rights Fee (US\$790K) will be received by 31 December, 2016.”

EnviroMission received a further US\$50,000 in July 2016, bringing the total payment to US\$1.260M.

22. If the answer to question 21 is “yes”, please advise the amount of the funds received by the Company and the date on which those funds were received by the Company?

As above.

If the answer to question 21 is “yes”, but only in respect of part of the funds due to the Company” or “no”, please respond to the following.

23. Does the Company expect to receive all or the balance of the fees due to it pursuant to the Texas Agreement?

EnviroMission expects to receive the balance of US\$740,000 of the non-refundable development fee due to EnviroMission by 31 March 2017 – this advice was received by email from Apollo on 20 February 2017.

24. Please provide an update on the status of the Texas Agreement?

The HOA with Apollo is current.

25. Please advise the date on which the Company expects to receive all or the balance of the fees due to it pursuant to the Texas Agreement, and the reason for the further delay.

As per Q23 above.

Financial and Operational Position of the Company

26. The December Cash flow Report states in item 1.2 that the Company made payments totalling \$31,000 however item 6 states that of the payments made in item 1.2, the payments made to directors of the Company and their associates totalled \$47,000. Please explain this apparent discrepancy.

Amended cash flow report attached.

27. The December Cash flow Report states in item 4 that the Company had \$36,000 cash and cash equivalent at the beginning of the December 2016 quarter, and that during the December 2016 quarter the Company had an “Effect of movement in exchange rates on cash held” of \$8,000. Please explain the basis for this positive “Effect of movement in exchange rates on cash held” of \$8,000.

Amended cash flow report attached.

28. Please provide a brief update on the Company’s operations and activities (including in respect of commercialisation of the Company’s solar tower technology) conducted to date during the 2017 financial year and expected to be conducted during the remainder of the 2017 financial year.

Addendum to the Operations Report the following summary of Solar Tower development and commercialisation activity follows:

“EnviroMission Limited, via its 100% owned US Subsidiary EnviroMission Inc, has continued with development works related to the development of a Solar Tower power station project in La Paz, Arizona.

EnviroMission has sought formal statements of qualifications and proposals from a number of design engineering firms with intent of delivering the La Paz Solar Tower.

Much of the proposed work would be applicable to broader Solar Tower development and forms part of the intellectual property of Solar Tower development that is proprietary to EnviroMission.

A number of interviews have been completed and EnviroMission has finalised selection with a Master Services Agreement that is set to be executed upon receipt of capital.

EnviroMission has negotiated terms for the purchase of the land from ASLD.

Said terms are confidential in nature until the purchase agreement has been approved by the ASLD Board of Appeals. It is anticipated this transaction will close in Q4 2017.

EnviroMission in conjunction with project consultant, Terracon, has completed:

- *Cultural assessment of potential site known as ‘A Cultural Resources Inventory’*
- *Site geological assessment to confirm no presence of precious minerals*
- *12 test pits*
- *40 x 30 & 40 foot bore holes to inform foundation design for Solar Tower collector*
- *4 x 400 foot bore holes to inform foundation design for Solar Tower updraft tower*
- *Depth to bedrock assessment*

All reports will be provided in March 2017 subject to the receipt of capital”

(US update provided by EnviroMission Limited US subsidiary, EnviroMission Inc.)

Compliance with the Listing Rules

29. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

EnviroMission is in compliance with ASX Listing Rules.

30. Please confirm that the Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

EnviroMission's response has been completed by Roger Davey, EnviroMission Executive Chair and Chief Executive Officer after consultation with the EnviroMission board, management and legal counsel.

Mr Secrett (Ben), EnviroMission intends to provide a more detailed narrative of the current status and strategy of its arrangements relating to the commercialisation and development of Solar Towers in defined global markets.

Yours sincerely



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