

EnviroMission Limited  
ACN: 094 963 238  
3 Raglan Street  
South Melbourne, Victoria 3205  
T +61 3 9693 5666  
F +61 3 9699 7566  
E [communications@enviromission.com.au](mailto:communications@enviromission.com.au)

ASX Code: EVM  
US OTC Code: EVOMY

C  
O  
M  
P  
A  
N  
Y  
  
A  
N  
N  
O  
U  
N  
C  
E  
M  
E  
N  
T

## EnviroMission Moves on Global Development

EnviroMission's previously announced intention to acquire majority ownership of SolarMission Technologies Inc (SMT) has now been formalized to all SMT common share and warrant holders.

An EnviroMission Stock Exchange Agreement has been issued to all SMT common share and warrant holders and will remain open until AEST 19:00 on 27 June 2008.

EnviroMission shareholder approval of a share exchange with SMT will be sought at a meeting of the members of EnviroMission, if the offer achieves the majority threshold condition outlined within the Stock Exchange Agreement.

EnviroMission's letter of offer to SMT common share and warrant holders follows this announcement.

### Impact to EnviroMission shareholders

EnviroMission shareholders currently have an investment in Solar Tower development in Australia, and a stake in the intellectual property of the enhanced Solar Tower concept, wherever it is applied.

If the offer meets the majority threshold condition and shareholder approval, all EnviroMission shareholders will then hold an investment in an international Solar Tower development company that also owns the intellectual property and know-how for the enhanced Solar Tower concept.

Whilst take-up and approval of the share exchange offer will result in dilution of current EnviroMission shareholdings, each shareholder will subsequently own shares in a global renewable energy development company with access to greater commercial opportunities.

EnviroMission has held some concern that the benefits expected from the utilization of the enhanced Solar Tower concept outside Australia could be affected by the limitation that EnviroMission does not ultimately control Solar Tower development decisions in other markets.

The maximum number of EnviroMission shares required to secure ownership of the global Solar Tower development company is 184,675,979 (in the event **all** SMT common share and warrant holders accept the EnviroMission share exchange offer).

### **Impact to individual SolarMission common share and warrant holders.**

SMT common share and warrant holders have maintained a long-term investment in Solar Tower development through the unlisted US based company; take-up of the offer will provide SMT common share and warrant holders access to liquidity in their investment via ownership of publicly listed and tradable securities, whilst ensuring ongoing development remains vested with the key developers and supporters of the technology to date.

### **How will Solar Tower development progress if the majority threshold is met and approved by EnviroMission shareholders?**

EnviroMission will move to develop the enhanced Solar Tower concept in the US without delay.

EnviroMission will review global development opportunities for the enhanced Solar Tower concept.

EnviroMission will lobby the Australian Federal Government for comparable incentives to those available to renewable energy developers in global markets where EnviroMission will be eligible to undertake development in its own right.

The introduction of competition to the development decision is thought to increase the overall commercial prospects for Solar Tower development in Australia.

## Message from EnviroMission Chief Executive Officer

“Development of Solar Tower technology in Australia has been frustratingly protracted by shifting energy policies and financial and energy market conditions that operate without the pressure of competition.

“The commercialisation environment in Australia requires renewable energy technologies to compete with coal and gas, and more recently ‘clean coal’ technologies, without the necessary and critical incentives or development urgency available to renewable energy developers in markets of specific interest to EnviroMission if the share exchange offer is accepted.

“Solar Tower development can only benefit from the proposed restructure to unite all the interests of Solar Tower investment in one company to achieve greater focus and commercial outcomes” Mr. Davey, EnviroMission Chief Executive Officer, said in support of the share exchange offer.

Ends.



Kim Forte  
Communications Director  
EnviroMission Limited

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

Ground Floor  
3 Raglan Street  
South Melbourne  
Victoria, Australia 3205  
T: +61 3 9693 5666  
F: +61 3 9699 7566  
www.enviromission.com.au

27 May 2008

**Offer by EnviroMission Limited ACN 094 963 238 (EVM) to acquire your shares and / or warrants in SolarMission Technologies, Inc (SMT)**

Dear Stockholder,

Your investment in SMT represents a stake in the development rights to Solar Tower technology first obtained by SolarMission in 1999.

SolarMission granted the first sub-license to develop Solar Tower technology to EVM in exchange for ordinary shares in EVM at the time of EVM's public listing on the Australian Stock Exchange in 2001.

EVM was formed for the purpose of promoting and developing Solar Tower technology in Australia from concept through to construction to be the world's first Solar Tower power plant.

EVM has since developed and enhanced the Solar Tower technology to previously unavailable levels of commercial viability through ongoing research, development, enhancement and know how.

The current license arrangement between SMT and EVM presents barriers to both SMT and EVM that stand to be addressed through a consolidation of both companies.

The proposal by EVM to acquire the stock in SMT, as set out in this letter, is considered to be mutually beneficial for both EVM and SMT by providing SMT stockholders with access to liquidity in their current investment through ownership of publicly listed and tradable securities and greater prospect for all shareholders through a single development entity free of license constraints.

As a result, the board of directors of EVM has approved the acquisition of all of the outstanding shares of SMT common stock and warrants to purchase shares of SMT common stock, including the [0] shares of SMT common stock, and [0] warrants held by you. Accordingly, please review carefully this offer letter and the enclosed EnviroMission Stock Exchange Agreement as well as the public filings of EVM for

2007 enclosed with this letter and all the other public filings of EVM contained on EVM's website (referred to below) with your legal, accounting and financial advisors.

1. **Offer**

This letter constitutes an offer by EVM to acquire all the shares of common stock of SMT and all the warrants to purchase shares of common stock of SMT (together, "SMT Securities") that you hold in exchange for shares in EVM as follows:

- For each share of common stock of SMT ("SMT Shares"), EVM offers to issue you with three (3) fully paid ordinary shares in EVM; and
- For each SMT warrant to purchase shares of SMT common stock ("SMT Warrants"), EVM offers to issue you with two (2) fully paid ordinary shares in EVM.

EVM's offer applies to 100% of your SMT Securities. EVM will not accept any amount less than 100% of your SMT Securities.

This offer is made subject to the conditions set out in section 5 of this letter.

Enclosed with this letter are two copies of the EnviroMission Stock Exchange Agreement (the "Exchange Agreement"), which contains all the terms and conditions of EVM's offer to purchase your SMT Securities in exchange for issuing shares in EVM to you. Please review the Exchange Agreements well as the public filings of EVM for 2007 enclosed with this letter and all the other public filings of EVM contained on EVM's website (referred to below), carefully with your legal, accounting and financial advisors to ensure that you are comfortable with its terms.

This offer is being made by EVM at the same time and on the same terms and conditions to all persons who are registered on the register of SMT on the date of this letter as holders of SMT Securities.

When considering this offer, we urge you to visit EVM's website ([www.enviromission.com](http://www.enviromission.com)), which contains detailed information about EVM, including its corporate structure, business activities, relevant financial information and, in the "news" portal, a copy of all of EVM's filings with the Australian Stock Exchange.

2. **Offer Period**

The offer constituted by this letter will remain open for acceptance during the period commencing on the date of this letter of offer and ending at 7 pm on **the 27<sup>th</sup>, June 2008** (Australian Eastern Standard Time) (**Offer Period**).

EVM may extend the period during which this offer remains open for acceptance.

### 3. **How to accept this offer**

You may only accept this offer in respect of all - not some - of your SMT Securities.

You may accept this Offer at any time during the Offer Period.

If you wish to accept this offer, please:

- (a) complete and sign the two (2) enclosed copies of the Exchange Agreement as follows:
  - (i) complete item 5 of Schedule 1 of the Exchange Agreement in respect of your details for notices; then
  - (ii) sign both enclosed copies of the Exchange Agreement; and
- (b) deliver to EVM the following documents by forwarding them to EnviroMission, Ground Floor, 3 Raglan Street, South Melbourne, Victoria 3205, Australia marked to the attention of Kim Forté before the expiry of the Offer Period:
  - (i) the two (2) duly completed and signed originals of the Exchange Agreement;
  - (ii) the certificates representing the SMT Securities that you have agreed to transfer to EnviroMission, which EVM will hold in escrow pending completion of the transaction;
  - (iii) if you hold SMT Shares, the duly signed enclosed stock power with respect to the SMT Shares in favour of EVM with effect on, and subject to, completion of the transaction; and
  - (iv) if you hold SMT Warrants, the duly signed warrant assignment form in respect of the SMT Warrants in favour of EVM with effect on, and subject to, completion of the transaction.

If you are unable to deliver originals of the documents referred to in (b) above before the expiry of this Offer Period, but you wish to accept this offer, you may instead fax copies of the original documents to EnviroMission marked to the attention of Kim Forté on the facsimile number + 61 3 9699 7566 provided that the originals of all the documents are hand delivered or if posted, sent by registered post, to EVM and received by EVM before the time for completion of the transaction.

### 4. **Your acceptance is irrevocable**

Once you have accepted this offer by complying with the above procedure, you will not be able to revoke your acceptance and the Exchange Agreement will be binding on you.

5. **Conditions of Transaction**

**The transaction the subject of this offer, namely the exchange of SMT Securities for EVM shares, will only occur if and once the following conditions have been met:**

- (a) EVM obtains all necessary approvals from:
  - (i) the shareholders of EVM;
  - (ii) the Australian Securities and Investments Commission; and
  - (iii) the Australian Securities Exchange; and
- (b) EVM receives acceptances to the offer by a number of SMT stockholders who together hold more than fifty percent (50%) of each of the SMT Shares and the SMT Warrants.

**If, despite your valid acceptance of EVM's offer, any of the above conditions have not been satisfied or waived by 30 Nov 2008 in accordance with clause 3 of the Exchange Agreement, EVM can terminate the Exchange Agreement. If EVM elects to terminate the Exchange Agreement, EVM will as soon as practicable, return to you any stock certificates representing your SMT Securities that EVM holds in escrow pursuant to this letter.**

6. **Completion of transaction**

If you accept this offer as set out in this letter and the conditions of the offer are fulfilled or waived by EVM, EVM will issue and allot the relevant number of EVM Shares as relates to your SMT Securities within thirty (30) days of the conditions being fulfilled or waived.

If you have any questions regarding this offer please contact Kim Forté on: +61 3 9693 5666 or send an email to [kforté@enviromission.com.au](mailto:kforté@enviromission.com.au).

If you are doubt as to whether to accept this offer you should seek advice from your accountant, solicitor or other professional adviser.



Roger Davey,  
Chief Executive Officer  
Executive Chairman  
EnviroMission Limited