



EnviroMission Limited

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24 February 2017

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



Roger Davey
Executive Chairman
Chief Executive Officer
EnviroMission Limited
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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Name of entity

ENVIROMISSION LIMITED

ABN

52 094 963 238

Quarter ended ("current quarter")

31-Dec-16

Consolidated statement of cash flows

1 Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 months) \$A'000
1.1	Fee income - development rights	-	67
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(19)	(42)
	(f) administration and corporate costs	(5)	(228)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net operating cash flows	(24)	(203)

Appendix 4C
Quarterly report for entities
subject to Listing Rule 4.7B

	Current quarter \$A'000	Year to date (6 months) \$A'000
2 Cash flows related to investing activities		
2.1 Payment to acquire :		
(a) property, plant and equipment	-	-
(b) businesses (item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividend received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net investing cash flows	-	-
3 Cash flows related to financing activities		
3.1 Proceeds from issue of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	47
3.4 Transaction costs related to issue of shares, convertible notes or options	(5)	(42)
3.5 Proceeds from borrowings	-	119
3.6 Repayment of borrowings	(3)	(6)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.1 Net financing cash flows	(8)	118
4 Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalent at beginning of quarter/year to date	36	92
4.2 Net cash from /(used in) operating activities (item 1.9 above)	(24)	(203)
4.3 Net cash from /(used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from /(used in) financing activities (item 3.10 above)	(8)	118
4.5 Effect of movement in exchange rates on cash held	1	(2)
4.6 Cash and cash equivalents at end of quarter	5	5

Appendix 4C
Quarterly report for entities
subject to Listing Rule 4.7B

5 Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	5	36
5.2 Call deposits	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5	36

6 Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Included below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
20
-

Consultancy fee and services fee paid to directors for the services provided.

7 Payments to related entities of the entity and associates of the related entities

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Included below any explanation necessary to understand the transactions included in items 7.1 and 7.2.

Current quarter \$A'000
-
-

8 Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available \$A	Amount used \$A
8.1 Loan facilities	250,000	Nil
8.2 Credit standby arrangements	Nil	Nil
8.3 Others - Reserve Equity Finance	Nil	Nil
Others - Promissory Note	Nil	Nil

- 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

(1) EnviroMission has a loan facility of \$250,000 from an "unrelated" shareholder at an interest rate of 10% per annum.

Appendix 4C
Quarterly report for entities
subject to Listing Rule 4.7B

9	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	-
9.2	Product manufacturing and operating costs	-
9.3	Advertising and marketing	-
9.4	Leased assets	-
9.5	Staff costs	(17)
9.6	Administration and corporate costs	(4)
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows	(21)

10	Acquisitions and disposals of business entities items 2.1 (b) and 2.2 (b) above	Acquisitions	Disposals
10.1	Name of entity	N/A	N/A
10.2	Place of incorporation or registration	N/A	N/A
10.3	Consideration for acquisition or disposal	N/A	N/A
10.4	Total net assets	N/A	N/A
10.5	Nature of business	N/A	N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Director)

Date: 20 February 2017

Print name: Roger Davey

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- 2 If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.



16 February 2017

Mr Roger Davey
Executive Chairman and Chief Executive Officer
EnviroMission Limited
238 Albert Road
SOUTH MELBOURNE VIC 3205

By email

Dear Mr Davey

ENVIROMISSION LIMITED ("COMPANY") – ASX QUERY LETTER

ASX Limited ("ASX") refers to the following.

Valentia Investment

- A. The Company's announcement titled "EnviroMission Signs US\$110M Funding Heads of Agreement" and released to the market on 1 September 2015 ("Valentia Announcement") regarding execution by the Company of a heads of agreement with "a multi-billion dollar Japanese Fund" which provides a commitment of funding for the Company's La Paz solar tower ("Valentia HOA"), and which includes the following statements.
- *"US\$10,000,000 to be banked on or before September 30, 2015 (if due to ongoing global stock market volatility, the Japanese Fund requests an extension to the date of the initial payment on September 30, EnviroMission is prepared to discuss and agree to an extension)."*
 - *"The initial payment of US\$10,000,000 will be by way of direct equity investment at US\$0.20 per share (50,000,000 shares) or a twelve month non - interest bearing convertible note with a conversion price of US\$0.20 per share."*
 - *"On completion of the initial investment the Japanese Fund must, within nine months of the initial closing, subscribe and pay for US\$50,000,000 'Subsequent Placement Shares'."*
 - *"The Japanese Fund has agreed to invest US\$50,000,000 into the La Paz Solar Tower Development at project company level."*
- B. The Company's announcement titled "EnviroMission Signs US\$110M Funding Heads of Agreement" and released to the market on 3 September 2015 which clarifies that the investment disclosed in the Valentia Announcement will be subject to shareholder approval if required by the listing rules and that the Japanese fund is Valentia Co. Ltd ("Valentia") which is "an investment Funds Manager domiciled in Japan with more than US\$200B at the Fund's discretion from Japanese and multiple national companies."



- C. A number of announcements released by the Company during the period of September 2015 to December 2016 inclusive, which variously amended the Valentia funding structure (including an initial investment of US\$10 million which was amended in subsequent announcements to be an initial investment of US\$15 million to be received in tranches (“Valentia US\$15m Investment”)), announced revised timeframes for receipt of the Valentia funding, gave updates on the expected receipt of the Valentia funding, and announced imminent receipt of the Valentia funding.
- D. The Company’s announcement titled “Valentia Update” and released to the market on 9 December 2016 (“Valentia December 2016 Update”) which includes the following statements.
- *“EnviroMission has instructed legal counsel to prepare a formal notice of breach and intention to terminate under the terms of the HOA with Japan based funds manager, Valentia Co Ltd., for investment in EnviroMission Limited.*
- Under the terms of the HOA Valentia has seven days from the date of the notice to comply.*
- Valentia has reassured EnviroMission the fund’s intended investment of US\$10M remains ‘definite’ with remittance expected to occur ‘in days’.*
- *““All dealings with Valentia indicated reasonable cause to continue to trust the agreement would be met; as recently as today, EnviroMission received advice from Valentia that remittance of the investment is expected within days.”*

RA Solar Tower Development

- E. The Company’s announcements titled “Executed HOA Paves Way for Indian Development” and released to the market on 23 July 2014 and “Indian Solar Tower Development HOA Closure Imminent” and released to the market on 5 February 2015, which together announced the execution of a heads of agreement with an Indian entity (subsequently disclosed as RA Solar Power Pvt Ltd – “RA Solar”) to form a joint venture to commercialise solar tower renewable energy technology in India and pursuant to which the Company would receive development funds to commercialise a solar tower in India (“RA Solar HOA”).
- F. The Company’s announcement titled “India Solar Tower Development Update” released to the market on 12 June 2015 regarding an update about the RA Solar HOA, and which includes the following statements.
- *“EnviroMission Limited (ASX:EVM, OTCQX:EVOMY) Proponent of Solar Tower development in India, RA Solar Power Pvt Ltd, Mumbai India, has advised EnviroMission, funds have been sourced for capitalisation of the India development entity to meet the development fee due to EnviroMission and the project finance for construction of the first Solar Tower in India; these funds are currently held by a major international bank pending release.*
- On release of the funds to RA Solar, EnviroMission will receive; a US\$2,000,000 development fee (cash and equity subscription); hold 20% of the issued capital of RA Solar Pvt Ltd; and, receive ongoing technology management and royalty fees over the term of the agreement.”*



G. A number of announcements released by the Company during the period of September 2015 to December 2016 inclusive, which variously announced revised timeframes for receipt of the RA Solar development fee and gave updates on the expected receipt of the RA Solar development fee.

H. The Company's announcement titled "RA Solar Development Rights License Update" and released to the market on 12 December 2016 ("RA Solar December 2016 Update") which reads as follows.

- *"EnviroMission has sought advice on the protracted execution of the terms of the Heads of Agreement with Mumbai based, RA Solar PVT Ltd, to secure from EnviroMission, Solar Tower development rights in the India market; as a result, EnviroMission has required RA Solar to provide a definitive timeline for market release.*

RA Solar has indicated funds will to be remitted to EnviroMission by Friday 16 December, 2016.

EnviroMission has agreed to this final extension of time, however EnviroMission 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."

Q Analytica LLC Investment

I. The Company's announcement titled "Middle East Solar Tower Development HOA Signed" and released to the market on 12 October 2015 ("QA Announcement") which includes the following statements.

- *"EnviroMission Limited has executed a Heads of Agreements (HOA) with Q Analytica LLC (QA), to form a Joint Venture that will operate to commercialise EnviroMission's Solar Tower renewable energy technology in the Middle East and North Africa (MENA)."*
- *"QA will subscribe and pay for a placement of EnviroMission shares at a price equal to the higher of the AUD equivalent amount of US\$0.20 cents and the current market price, to the AUD equivalent of US\$1.5M cash to EnviroMission by November 30, 2015.*

EnviroMission will grant the licence for Solar Tower development rights in the MENA region to QA on an exclusive basis after QA pays EnviroMission an initial, non-refundable, development fee of US\$3M by December 15, 2015."

Apollo Development Inc Investment

J. The Company's announcement titled "Texas Solar Tower Development Agreement US\$ Banked" and released to the market on 19 June 2015 ("Texas Announcement") which includes the following statements.

- *"EnviroMission Limited (ASX:EVM, OTCQX:EVOMY) EnviroMission has received the first tranche of US\$250,000 due from Apollo Development Inc., under the revised Texas Solar Tower Development Fee Agreement ("Agreement") announced to the ASX on 4 June 2015.*

This payment meets the revised terms of the Agreement, with US\$1,000,000 now due to EnviroMission in a further two tranches scheduled as; US\$500,000 by 30 September 2015; and, US\$500,000 by 31 December 2015."



ASX May 2016 Query Letter

- K. ASX's letter to the Company dated 11 May 2016 enquiring about the Valentia Investment, Indian Solar Power Development, Q Analytica LLC Investment and Apollo Development Inc. Investment agreements and transactions entered into by the Company ("ASX May 2016 Query Letter") and the Company's response to the ASX May 2016 Query Letter, which were together released to the market on 17 May 2016 ("ASX May 2016 Query Letter & Response").

December 2016 Appendix 4C

- L. The Company's Appendix 4C quarterly cashflow report for the quarter ended 31 December 2016 released to the market on 2 February 2017 ("December Cashflow Report").

Listing Rules and Guidance

- M. Listing rule 18.7, which states as follows.

An entity must give ASX any information, document or explanation that ASX asks for to enable it to be satisfied that the entity is, and has been, complying with the Listing Rules. The entity must do so within the time specified by ASX. ASX may submit, or require the entity to submit, any information given to ASX to the scrutiny of an expert selected by ASX. The entity must pay for the expert.

Having regard to the above, and pursuant to listing rule 18.7, ASX requires the Company to respond **separately** to each of the following questions and requests for information in a format suitable for release to the market.

ASX Queries

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)?
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."
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?
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?

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?



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?

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

- 6.1. The date on which the Notice was issued to Valentia.
- 6.2. Did Valentia respond to the Notice? If so, please advise the date and details of Valentia’s response.
- 6.3. Did Valentia comply in full, or take steps to comply, with the Notice and remedy all breaches detailed in the Notice?

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”.

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

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?
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.”
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?



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?

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

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

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.
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?

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?

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”).
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.

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.”



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?

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

Financial and Operational Position of the Company

26. The December Cashflow 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.
27. The December Cashflow 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.
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.

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.
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.

When and Where to Send Your Response

This request is made under, and in accordance with, Listing rule 18.7. Your response is required as soon as reasonably possible and, in any event, **by not later than 3.00pm AWST on Friday, 24 February 2017.**

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under listing rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.



Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

You should note that if the information requested by this letter is information required to be given to ASX under listing rule 3.1 and it does not fall within the exceptions mentioned in listing rule 3.1A, the Company's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

In responding to this letter, you should have regard to the Company's obligations under listing rules 3.1 and 3.1A and also to Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B.

It should be noted that the Company's obligation to disclose information under listing rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Please contact me if you have any queries about this letter.

Yours sincerely

[sent electronically without signature]

Ben Secrett
Senior Adviser, ASX Listings Compliance