ENVIROTECH ENERGY SOLUTIONS E LUS LETTER

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February 2019, ISSUE 11







Dear Investors,

We think a more general Envirotech & sector news is appropriate for this time of year, as opposed to focusing on our specific projects.

The company has stopped actively searching for new grid connections, those that remain available are variously in difficult areas, too expensive, or in places where the services that batteries can provide are not economically viable.

This therefore is enabling us to concentrate on the development and ultimately construction and operation of our preferred sites with the best returns and/or most economic build cost, to give best return on investment, to make the projects 'bankable'.

Through the later half of 2018 the battery storage development sector was stuck in an uncertainty limbo, with the National Grid still in consultation about future energy scenarios, the network operators like UK Power Networks and Scottish & Southern Electricity were hamstrung in their system investment needs and obligations, and the UK government in disarray due to Brexit, and the associated lack of parliamentary time and will.

We are pleased to say that 2019 has begun on a more positive note. Publication of guidance (albeit 4 months late) from the National Grid, together with changes in grid transmission charge structure and decisive statements from them, have renewed the general focus on large scale grid connected batteries, and the introduction of 'new' services required from battery installations will enable batteries with a sub .2 second response time to access double the (diminished) earnings of last year!

Incorporation of these earnings into our financial models and the IRR uplift, will enable us to more easily access the institutional finance we require to build and operate even our most ambitious projects.

We will be attending the Energy Storage Summit in London at the end of February See: storagesummit.solarenergyevents.com and look forward to bringing you our news from that event.

Kind Regards

Christopher Hill **Chief Executive Officer**

Envirotech Energy Solutions Ltd

