

ENVIREPEL ENERGY, INC.

Shareholder Update: December 2008

› Dear Valued Shareholders,

This newsletter is designed to keep you informed about previously unannounced highlights of your Company's activities during recent months.



Final Touches

The initial phases of combustor construction (shown left) were discussed in the September update. Since then (photos below), we have successfully stacked the internal blocks and arches, and have erected all the steel to make the combustor one unit. We are now prepared to spray the refractory on the walls to complete the structure of the chamber.



Spotlight on Envirepel

Camera crews were out at the EEI headquarters in early December to shoot portions of a DVD on Energy Efficiency for the San Diego County Office of Education. The video, funded by San Diego Gas and Electric and the California Public Utilities Commission, will be included in High School curriculum starting in 2009. Its main focus is on Renewables and the future of Green Industry. The invitation to be a part of the video confirms the leading role that our company plays in this developing field.

Election Conclusions

Two renewable energy propositions were on the ballot during November's election in California. Proposition 7 had the ability to largely affect developing companies like ours. If passed, the legislation would have allowed "blanket" permitting and added further agency bureaucracy. State voters turned down Prop 7, which was concurrent with EEI's opposition to the bill. Thank you for your phone calls and questions leading up to the election.

The company has reviewed President-Elect Obama's New Energy for America plan. The emphasis being placed on facing the Nations energy challenge is promising. Obama's policies, if implemented as proposed, will provide a bright and flourishing future for Envirepel and the clean energy sector.

Board of Directors Update

The Board convened on November 20, 2008. During the meeting, a committee was formed to discern funding opportunities and to review financing contracts and proposals. The committee is made up of trusted Envirepel contacts and involved shareholders, each with a great deal of business and fundraising experience. Decisions were made to begin filling upper management positions with qualified people to ensure proper execution of the Business Plan following the commissioning of Kittyhawk. The Board voted to expand the number of seats on the Board to five; there are now two vacant seats that will be filled at the appropriate time. As outlined in Company Bylaws, a Shareholder Meeting will be held on the last Tuesday in March at 10:00 am. Please remember to mark your calendars and more information will follow as the date approaches.



Happy
Holidays from
all of us!

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