

ENVIREPEL ENERGY, INC.

Shareholder Update: February 2009

› Dear Valued Shareholders,

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

Secure Debt Financing Deal Completed in January '09

Paradigm Global Investments, LTD was first introduced to Envirepel in November of last year. EEI's sustainable technology and unique ability to obtain permits convinced the firm to provide project debt financing to the Company. This structured financing deal ushered EEI to a position of greater viability to conventional lenders as we move forward with future project development efforts. The Company's ability to obtain this kind of financing on the first project is a tribute to the hard work, excellence and attention to detail that our staff strives to achieve every day.

Meet EEI's Newest Board Member, Jim Farooquee

Mr. Farooquee was recently elected to fill one of two vacant Envirepel Energy, Inc. Board of Directors seats. He has been working closely with the Company for several months, mainly on the financing front. He has many years of CEO experience. In the 1990's his computer company, CMS Enhancements reached an unparalleled reputation for being the most cost effective in its field. Before selling his interest in the company, he guided CMS to the \$500 million sales mark for three consecutive years. Some of his recent work has included designing, integrating, constructing and maintaining "green" power system technologies. These include solar, geothermal, wind, hydro and biomass. His industry experience in addition to notable business contacts makes him an extremely beneficial member of our team. Mr. Farooquee has demonstrated good business sense and is putting forth an immense effort to aid Envirepel in our mission.

Shareholder Meeting

Management has made a decision based on Shareholder feedback to reschedule this years Annual Meeting to a weekend day. The change is intended to alleviate work conflicts, and benefit participants traveling from out of town. We look forward to seeing you at the meeting that is now scheduled for April 25, 2009. The day will start with an optional Kittyhawk facility tour at 9:30 am at EEI's home office. The actual meeting will then begin at 11:00am. A packet including directions, agenda, corporate proxies and all information needed for the meeting will be provided to you and available at our office within the next 30 days.

CAISO Upgrades Cause On-line Schedule Delay

The California Independent System Operator (CAISO), serves as the link between utilities and power plants controlling and directing the delivery of power on the grid. This year, CAISO is implementing a system wide upgrade that will be taking place Feb 27th—April 30th. During this time no new power resources will be added to the grid. EEI's synchronization date had to be pushed back to accommodate this upgrade, Kittyhawk's new date to be on-line is May 3rd. The improvements taking place require every operation to remain carefully synched, and adding our power any earlier would be extremely dangerous and has the potential to affect California energy suppliers as well as consumers. San Diego Gas and Electric works closely with CAISO and is aware of the necessary delay.