

EnviroMission

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COMPANY ANNOUNCEMENTS DIVISION
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EnviroMission Operations and Quarterly Financial Report Appendix 4C - Period Ending 31 March 2009

EnviroMission's operations for the period to 31 March 2009 have been focused on activities to support the shift in business strategy to commercialize Solar Tower technology in a United States development first scenario.

These activities are exemplified by the incorporation of a fully owned US subsidiary, EnviroMission (USA), Inc., establishment of US headquarters in Phoenix Arizona and discussions with southwest power authorities, councils, analysts and finance sector representatives.

It is intended EnviroMission (USA), Inc. will manage the day to day operations in Phoenix whilst strategy and executive management will be provided by EnviroMission Limited in Australia.

Mr. Roger Davey, Executive Chairman and Chief Executive Officer of EnviroMission Limited will also serve in the position of Chief Executive Officer, EnviroMission (USA), Inc. to provide seamless and cost effective management and accountability that is intended to also enhance overall shareholder value.

The southwest region of the US, specifically Arizona, has been identified as an ideal Solar Tower development destination based on meteorological data and regional market conditions that include strong mandates for renewable energy generation and availability of incentives in the US market.

Expenditure associated with the establishment of an office and presence in the US is viewed as an investment in doing business in the US and a necessary cost to support EnviroMission's revised development strategy.

EnviroMission will continue to manage Solar Tower development in Australia in parallel with a more global focus to include direct involvement in the US and China.

EnviroMission's interest to develop the Australian Solar Tower concept outside of Australia sat behind the initial negotiation to merge with SolarMission Technologies Inc (SolarMission); however a legal matter involving SolarMission at that time resulted in mutual termination of very advanced merger negotiation.

Following a review of the extensive due diligence relating to the merger transaction, including a legal review of claims against SolarMission, a forensic audit of SolarMission's share registry, and an audit of the paper trail to holdings preceding the formation of SolarMission, it was decided there was no substance to the litigation and SolarMission held strong prospects for damages against the plaintiff; on this basis EnviroMission confidently proceeded to acquire SolarMission in the interests of more immediate global market access.

EnviroMission made a direct share exchange offer to all SolarMission common shareholders, seeking at least majority control of SolarMission, and successfully acquired 58.92% of eligible shares representing 98% of shareholders – this transaction was then approved by EnviroMission's shareholders at the 2008 Annual General Meeting on December 19.

Claims against SolarMission have since been refiled and EnviroMission has now been joined to that civil suit. It has been asserted EnviroMission's acquisition of SolarMission was not valid, however the transaction met all regulatory conditions and due process in Australia and the United States and was subject to an independent expert's report by DMR that was also reviewed by the Australian Securities and Investments Commission (ASIC) as part of EnviroMission's explanatory statement

to shareholders for their consideration of the transaction at the EnviroMission 2008 AGM; a motion to dismiss has been filed by SolarMission (a company now majority owned by EnviroMission) with the Nevada District Court and EnviroMission is taking instruction from counsel.

The civil suit has been filed by an individual holder of 5,000,000 special restricted SolarMission shares; these diluting, non-trading shares, may only be sold back to SolarMission and SolarMission has no interest in acquiring these shares at this time.

EnviroMission's Chief Executive, Mr. Roger Davey has said there is no doubt in his mind that the civil suit, *Senanayake v SolarMission Technologies Inc et al* is 'unwarranted, unmerited and is taken without regard to the facts or the rights of EnviroMission and could be viewed as a measure of the plaintiff's awareness of EnviroMission's prospects for success'.

Regardless if EnviroMission is dismissed from the civil suit, the companies will carefully evaluate the merits of pursuing claims against Mr. Senanayake *et al* in other, more convenient forums.

EnviroMission's global development focus also includes China and recent talks held in China as the guest of EnviroMission's non-executive director, Mr. Guoxiang Ma, were designed to progress and energize existing agreements between Shanghai based, Shanghai Xiang Jiang Industrial Company Limited and EnviroMission. Talks included the promotion and exhibition of Solar Tower technology at the upcoming World Trade Fair in Shanghai in 2010.

Mr. Ma showcased a dynamic example of a Solar Tower model at his Shanghai Solar Tower development offices; the model was developed to promote awareness of Solar Tower technology at development negotiations - the model has been responsible for stirring great enthusiasm and interest in Solar Tower power stations in the region.

A more technical larger scale model of the Australian Solar Tower concept that is anticipated to cost close to US\$200,000 is proposed for development and exhibition at the upcoming World Trade Fair in Shanghai in 2010. It is proposed exhibition at the World Trade Fair will promote awareness and understanding of the innovation and function of Solar Tower technology and design.

The World Trade Fair model is intended to inform the construction of a US\$40,000,000 proof-of-concept, demonstration plant in China, ahead of full-scale power station development in the region.

EnviroMission and its collaborators will work with Shanghai Xiang Jiang to facilitate the engineering of a demonstration power station that will benefit the learning and refinement of the technology for ultimate full-scale development. Details of this proposal will be released via the ASX as details are released from negotiations for this proposal.

Funds raised in the quarter ended 31 March have been vital to the realization of corporate and development outcomes, including the cost of legal representation to achieve these objectives.

Ongoing fundraising will be sought in line with anticipated expenditure with greater emphasis on investment out of the United States based on development plans in that market.

Appendix 4C follows, being EnviroMission's Quarterly Test Entity Report for the quarter ended 31 March, 2008.

Ends.



Kim Forté
Communications Manager
EnviroMission Limited
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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

ENVIROMISSION LIMITED

ABN

52 094 963 238

Quarter ended ("current quarter")

31 MARCH 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date 96 months) \$A'000
1.1 Receipts from customers		
1.2 Payments for		
(a) staff costs	-	-
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(898)	(1,947)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	-	4
1.5 Interest and other costs of finance paid	(38)	(38)
1.6 Income taxes paid		
1.7 Other – R & D tax offset refund	-	96
Net operating cash flows	(936)	(1,885)

	Current quarter \$A'000	Year to date 9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(936)	(1,885)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (provide details if material)		
Net investing cash flows	-	-
1.14 Total operating and investing cash flows	(936)	(1,885)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	766	2,323
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings	-	56
1.18 Repayment of borrowings	(151)	(201)
1.19 Dividends paid		
1.20 Other (provide details if material)		
Net financing cash flows	615	2,178
Net increase (decrease) in cash held	(321)	293
1.21 Cash at beginning of quarter/year to date	625	11
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	304	304

Payments to directors of the entity and associates of the directors

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

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	85
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
	These transactions were payments for: <ul style="list-style-type: none">• Remuneration of the Executive Chairman/Chief Executive Officer - \$85,242	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Nil

Financing facilities available

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

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities-short term		
3.2	Credit standby arrangements	Nil	Nil

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	304	625
4.2 Deposits at call	0	0
4.3 Bank overdraft	0	0
4.4 Other (provide details)	0	0
Total: cash at end of quarter (item 1.22)	304	625

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 30-04-2009
Director

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.