

# EnviroMission

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COMPANY ANNOUNCEMENTS DIVISION  
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## Mutual Termination of Proposed Merger

A previously announced merger agreement between EnviroMission Limited (EnviroMission) with United States based SolarMission Technologies, Inc. (SolarMission), to form a single Solar Tower development entity, has been terminated with the agreement of both parties. The inability of SolarMission to meet the terms of the Agreement and Plan of Merger executed as of 5 June 2007 has led to the termination of the merger.

A key provision of the Agreement and Plan of Merger was unable to be satisfied by SolarMission following SolarMission's disclosure of unresolved litigation, and the threat of further litigation by a SolarMission shareholder. SolarMission has informed EnviroMission that the shareholder's threatened action concerned, principally, the SolarMission shareholders' approval process of the proposed merger at its special meeting of shareholders on 20 June, 2007.

Both EnviroMission and SolarMission have concluded that the litigation, actual and threatened, could not be resolved within the time required within the Agreement and Plan of Merger and EnviroMission concluded that such litigation presented unacceptable and unnecessary risks to the merger for EnviroMission shareholders.

As a result of the discussion surrounding the merger with SolarMission, EnviroMission expects to receive SolarMission's support and collaboration to allow EnviroMission to continue its current development programme in the US based on an development objectives shared by both companies.

EnviroMission will proceed on the basis that both companies will evaluate the possibility of future alliances as and when they appear to serve the best interests of both companies' shareholders.

Ends.



Roger Davey,  
Executive Chairman  
Chief Executive Officer  
EnviroMission Limited