

# EnviroMission

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COMPANY ANNOUNCEMENTS DIVISION  
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## MERGER TO BUILD SOLAR TOWER OPPORTUNITIES

The boards of directors of EnviroMission Limited and US Based SolarMission Technologies Inc. (SolarMission) have unanimously moved to merge SolarMission with a newly formed wholly owned subsidiary of EnviroMission for the purpose of creating a single development vehicle with exclusive rights to develop Solar Tower power stations in key global markets subject to shareholder and regulator approval. Following the completion of a merger, Solar Mission will be a wholly owned subsidiary of EnviroMission.

SolarMission is currently the official Solar Tower developer and has also been a major shareholder in EnviroMission since equity was exchanged for EnviroMission's exclusive Australian Development licence in 2001.

Solar Tower licence renewal negotiations and development agreements have required a comprehensive review to more fully take into account EnviroMission's significant 'know how' and ownership of intellectual property associated with Australian development of the technology.

Shared strategic intent and the high level of cooperation currently operating between EnviroMission and SolarMission will best be served through a merger that will ensure the shareholders of both companies have equitable access to all future commercial development opportunities in line with the level of investment, research and development of both companies to date.

It is proposed that EnviroMission will offer SolarMission shareholders equity in EnviroMission to create an Australia based development group with ASX listing and NASD OTC (Pink Sheets) filing status in the United States; the terms of the proposed offer are:

2.5 ordinary EnviroMission shares for each issued and outstanding SolarMission common share

1.5 ordinary EnviroMission shares for each issued and outstanding SolarMission warrant

The proposed merger is also intended to provide a solution to potential development barriers or royalty issues where the Australian Solar Tower concept is developed in markets currently outside the control of EnviroMission.

A successful merger will make EnviroMission and its subsidiaries the sole Solar Tower developer with all assignable licence rights presently owned by EnviroMission and SolarMission to be held by the newly formed EnviroMission group.

It is also expected that the successful completion of a merger will focus the combined resources of both companies to aim for a 2007 financial close for construction of the Australian Solar Tower concept in the US, without prejudice to any current development considerations within Australia.

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Recent development cooperation between EnviroMission and SolarMission in the US, has been undertaken in good faith, based on the positive historical connection and shared strategic intent of both companies, cognisant that shareholder approval of a merger strategy will formalise this relationship to achieve appropriate and equitable commercial opportunities in a wider market for all parties to the merger.

Ends.

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