

Enviro Mission

EnviroMission Limited
ABN: 52 094 963 238

Ground Floor
3 Raglan Street
South Melbourne.
Victoria, Australia 3206
T: +61 3 9693 5666
F: +61 3 9699 7566
www.enviromission.com.au

2 August 2007

Mr Nicholas Ong
Senior Adviser, Issuers, Perth
Australian Stock Exchange Limited
GPO Box D187
PERTH WA 6840

By facsimile: 08 92212020

Dear Mr Ong

ENVIROMISSION LIMITED QUARTERLY REPORT – APPENDIX 4C RESPONSE

I refer to your letter of 1 August 2007 regarding the quarterly report of EnviroMission Limited (Appendix 4C) for the period ended 30 June 2007.

In response to your questions I provide the following information:

1. Current cash reserves are sufficient to meet operating requirements for the quarter ending 30 September 2007, following the receipt of additional loan funds of \$155,000 in July, as reported in Appendix 4C. Revenues approximating \$222,000 in August will result in positive operating cash flow in the September 2007 quarter. A recently negotiated financing facility of up to \$500,000 over the next 3 months is available to the company, such facility repayable no later than 31 March 2008. This facility together with the cash funds available as referred to above will be sufficient for the operating needs of the company through to 31 March 2008 and beyond.
2. Whilst EnviroMission expects to have negative operating cashflow subsequent to the September 2007 quarter, negotiations are well advanced for a US\$4 million interest only facility to be available to the company, repayable 5 years from the date of signing, which will provide the Company with sufficient funds beyond 31 March 2008.

3. On behalf of the Directors of EnviroMission, I can confirm that the company is in compliance with the listing rules, and in particular, Listing Rule 3.1.
4. On behalf of the Directors of EnviroMission, I can confirm that the company is in compliance with Listing Rule 12.2.

I trust this satisfies the questions raised in your letter.

Yours sincerely



Ian Riley
Company Secretary

FAXED
1 August 2007



ASX Limited
ABN 98 008 624 691
Level 8
Exchange Plaza
2 The Esplanade
Perth WA 6000

GPO Box D187
Perth WA 6840

Telephone 61 (08) 9224 0017
Facsimile 61 (08) 9221 2020
Internet <http://www.asx.com.au>

Ian Riley
Company Secretary
EnviroMission Limited
Ground Floor, 3-5 Raglan Street
South Melbourne VIC 3205

By Facsimile: (03) 9699 7566

Dear Ian

EnviroMission Limited (the "Company")

I refer to the Company's Quarterly Report in the form of Appendix 4C for the period ended 30 June 2007, released to ASX Limited ("ASX") on 31 July 2007, (the "Appendix 4C").

ASX notes that the Company has reported the following.

1. Receipts from customers of \$0.00.
2. Net negative operating cash flows for the quarter of \$184,000.
3. Cash at end of quarter of \$32,000.

In light of the information contained in the Appendix 4C, please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C, the Company may only have sufficient cash to fund its activities for the coming month. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives as set out in its Appendix 4C? The Company's business objectives and strategies may have changed since the date of the Appendix 4C. If so, this should be taken into account in your response.
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

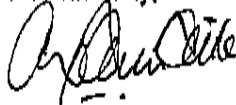
This letter and your response will be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me on **facsimile number (08) 9221 2020**. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than 5.00 p.m. E.S.T. on Thursday, 2 August 2007**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries regarding any of the above, please contact me on (08) 9224 0017.

Yours sincerely,



Nicholas Ong
Senior Adviser, Issuers (Perth)

ENTERED