

SOLCO LIMITED (ASX : SOO)**ABN 27 084 656 691****QUARTERLY ACTIVITIES UPDATE**

Increased sales for the final quarter from the continued uptake of solar PV products were largely driven by the Solar Homes and Communities programme and falling solar system pricing. Sales revenue from operations increased by a healthy 46% to \$8.61m as compared to the corresponding period for 2008 fiscal year.

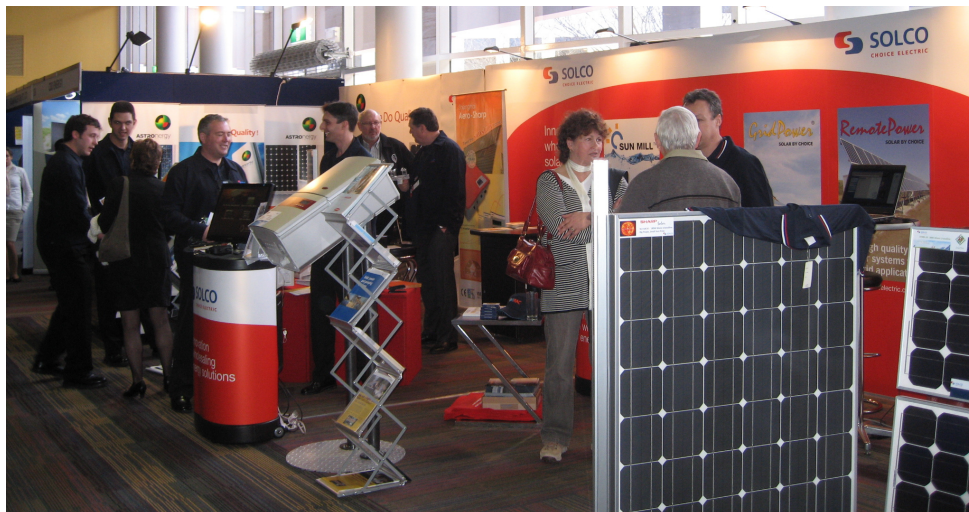
Notwithstanding the finalisation of the Solar Homes and Communities Plan's rebate, there is a significant back log of system installs that we believe will continue through to at least the end of this calendar year. This has been caused largely due to the unprecedented demand in the final weeks of the programme.

Although legislation has not yet passed for the replacement Solar Credits programme we expect this to occur during the first quarter of the 2009 financial year and for demand to increase during quarter two. Based upon the strong growth experienced in fiscal year 2008/09 and the expected demand in the first half of this fiscal year, we have invested in growing our stock level to \$6.8m from \$5.26m at the end of the 3rd quarter.

From a working capital perspective we are pleased to report our third consecutive quarter where we have generated a net operating cash flow of at least \$1m. Cash at bank as at 30 June 2009 was \$4.54m.

ATRAA 2009 CONFERENCE

With its strong profitable growth in the solar PV market, Solco Choice Electric will be expanding its presence at the national PV conference and exhibition, ATRAA 2009 in Canberra. At this exhibition we will be releasing an expanded range of products to better service this rapidly expanding market, solidifying our position as a key renewable components and systems supplier.



Mark Norman
CEO/ Managing Director
31 July 2009

SOLCO LTD**ABN 27 084 656 691**

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

SOLCO LTD

ABN

27 084 656 691

Quarter ended ("current quarter")

30 JUNE 2009

Consolidated statement of cash flows

| Cash flows related to operating activities | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|--|---|----------------------------|--|
| 1.1 | Receipts from customers | 9,345 | 29,297 |
| 1.2 | Payments for | | |
| | (a) staff costs | (546) | (2,151) |
| | (b) advertising and marketing | (23) | (132) |
| | (c) research and development | (1) | (8) |
| | (d) leased assets | (100) | (395) |
| | (e) other working capital | (7,623) | (25,632) |
| 1.3 | Dividends received | - | - |
| 1.4 | Interest and other items of a similar nature received | 46 | 148 |
| 1.5 | Interest and other costs of finance paid | (5) | (16) |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Other (provide details if material) | - | - |
| | Net operating cash flows | 1,093 | 1,111 |

+ See chapter 19 for defined terms.

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| | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|--|----------------------------|--|
| 1.8 Net operating cash flows (carried forward) | 1,093 | 1,111 |
| 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 | (11) | (28) |
| (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 | 5 | 5 |
| (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) | (3) | (3) |
| Net investing cash flows | (9) | (26) |
| 1.14 Total operating and investing cash flows | 1,084 | 1,085 |
| Cash flows related to financing activities | | |
| 1.15 Proceeds from issues of shares, options, etc. | - | - |
| 1.16 Proceeds from sale of forfeited shares | - | - |
| 1.17 Proceeds from borrowings | - | - |
| 1.18 Repayment of borrowings | (16) | (28) |
| 1.19 Dividends paid | - | - |
| 1.20 Other | - | - |
| Net financing cash flows | (16) | (28) |
| Net increase/ (decrease) in cash held | 1,068 | 1,057 |
| 1.21 Cash at beginning of quarter/year to date | 3,471 | 3,482 |
| 1.22 Exchange rate adjustments to item 1.20 | - | - |
| 1.23 Cash at end of quarter | 4,539 | 4,539 |

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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 | 70 |
| 1.25 | Aggregate amount of loans to the parties included in item 1.11 | - |
| 1.26 | Explanation necessary for an understanding of the transactions | |
| | Directors Fees & Salaries. | |

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

N/A

- 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

N/A

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 | 2,000 | - |
| 3.2 | Credit standby arrangements | - | - |

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Quarterly report for entities
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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 | 4,501 | 3,433 |
| 4.2 Deposits at call | 38 | 38 |
| 4.3 Bank overdraft | - | - |
| 4.4 Other (Term Deposit) | - | - |
| Total: cash at end of quarter (item 1.23) | 4,539 | 3,471 |

Acquisitions and disposals of business entities

| | Acquisitions (Item 1.9(a)) | Disposals (Item 1.10(a)) |
|---|-------------------------------|-----------------------------|
| 5.1 Name of entity | - | - |
| 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
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:
 (Company Secretary)

Date: 30th July 2009

Print name: Darren Crawte

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