



Silex

SYSTEMS LIMITED A.C.N. 003 372 067

Silex Completes Acquisition of Solar Systems Group Assets

Path Cleared to Finalise Development and Commercialisation of Ultra High Efficiency Utility Scale Solar Technology

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Silex Systems Ltd (Silex) announced today that it has completed the acquisition of the assets of Melbourne based Solar Systems Group (SSG). The assets have been acquired in a wholly owned subsidiary of Silex Systems, with business operations to continue in part of the previously leased premises in Abbotsford, Melbourne. The asset purchase price of \$20 million includes \$2 million cash and \$18 million in Silex shares as per the transaction details provided in our ASX release dated 9th February, 2010.

"We are very pleased to have completed the deal as announced in February. This clears the way for Silex to enter the utility-scale solar power station market with world-class technology developed here in Victoria" Dr Michael Goldsworthy, Silex CEO said today. "We are very excited with the prospects for this technology. Several commercial project enquiries from third parties are already under discussion. This, combined with the strong support from the Victorian and Federal Governments for the Mildura project (refer below), augers well for the company's future in solar power stations," he added.

SSG's solar technology is applicable to large utility-scale electrical power generation using its proprietary "Dense Array" concentrating photovoltaic (CPV) solar conversion technology. This technology utilizes ultra-high efficiency photovoltaic (PV) cells (initially developed for space applications) and is ideally suited to the burgeoning global utility-scale solar power station market. The key and unique advantages of this technology include the use of advanced 'triple junction' solar cells capable of at least 35% efficiency - approximately double the efficiency of today's best silicon-based cells - and the use of active cooling to maximize power output and lifetime performance from the solar cells.

Development of the SSG technology is at an advanced stage, with approximately \$150million having been spent on it to date. With the successful completion of the acquisition, the company has commenced a technology development and commercialization program expected to take 12 to 18 months. In parallel with this program, business development and marketing activities will be undertaken, with the aim of commencing commercial project activities in 2011.

The potential global market for utility scale solar projects, based on third party estimates (refer to ASX release 09/02/10), could be in the order of US\$25 billion per annum in 2015, with significant growth thereafter. Subject to successful commercialisation, the acquisition of SSG's unique CPV technology could provide Silex with a strong competitive advantage to enter this growing market, at relatively low entry cost.

Victorian Government Support for Development & Commercialisation Program:

The Victorian Government has stated its strong support for the technology by announcing the provision of \$3.5 million to support the completion of CPV technology development over the next 12 months. This funding is part of an existing \$50 million grant discussed below. The company has budgeted up to \$10 million (including the \$3.5 million contribution from the Victorian Government) over the next 12 to 18 months to fund this work. In parallel, a commercialisation and marketing program is being implemented to prepare the CPV technology for market, and to commence business development activities. Discussions are already underway with various third parties in relation to potential solar power station projects both in Australia and in overseas markets.

Mildura Project and Funding Grants from the Federal and Victorian Governments:

The commercialisation program could include the construction of one of the largest and most efficient solar power stations in the world in Mildura, Victoria. Stage one would involve a 2MW pilot solar facility commencing in 2011, potentially a precursor to the second stage: a ~100MW solar power station. This project has previously been the subject of strong financial support of up to \$125 million (subject to milestones being met) from the Victorian State Government (up to \$50 million) and Australian Federal Government (up to \$75 million) - refer to ASX release 09/02/10. Silex is currently in discussions with both governments to arrange the novation of these funding grants to the new solar company.

Assets Acquired:

As noted above, approximately \$150 million has been invested to date in research and development activities, power generation projects, manufacturing plant and equipment, and business development activities. The assets acquired include:

- Patented IP relating to Dense-Array CPV technology. This technology has the potential to provide low cost utility-scale solar electricity.
- A manufacturing facility located in Melbourne with an annual capacity of up to 500MW of CPV solar modules per year;
- A fully functional power generation demonstration facility (rated at ~140kW) in Bridgewater, Victoria;
- A development site and adjoining acreage (option to acquire) for a proposed 154MW solar power station project in Mildura, Victoria. This project has the conditional support of the Federal and Victorian State Governments as noted above.

Additional supplementary information in relation to this acquisition and the CPV technology has been provided in the attachment to the ASX Release dated 9th February 2010.

Further information on the Company's activities can be found on the Silex website: www.silex.com.au or by contacting Dr Michael Goldsworthy on (02) 9532 1331, or Mr Chris Wilks on (02) 9855 5404.

Forward Looking Statements and Business Risks:

Silex is a research and development Company whose assets are its proprietary rights in technologies, including, but not limited to, the SILEX technology, the Silex Solar technology and business, Translucent technology and ChronoLogic technology. Several of the Company's technologies are in the development stage and have not been commercially deployed, and therefore are high-risk. Accordingly, the statements in this announcement regarding the future of the Company's technologies and commercial prospects are forward looking and actual results could be materially different from those expressed or implied by such forward looking statements as a result of various risk factors. Some risk factors that could affect future results and commercial prospects include, but are not limited to: results from the uranium enrichment development program and the stable isotopes program; the demand for enriched materials including uranium, silicon, oxygen, carbon and others; the business risks associated with Silex Solar's manufacturing and marketing activities; the outcomes of the Company's interests in the development of various semiconductor, photonics and alternative energy technologies; the time taken to develop various technologies; the development of competing technologies; the potential for third party claims against the Company's ownership of Intellectual Property associated with its numerous technologies; the potential impact of government regulations or policies; and the outcomes of various commercialisation strategies undertaken by the Company.

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