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November 16th, 2011

Dear Customer,

Re: Interim Operational Update

Dr Michael Goldsworthy, the CEO of Silex Systems Limited yesterday released an operational update to the ASX pertaining to the Silex Systems group of companies. Please refer to the Interim Operational Update announcement.

Unfortunately aspects of the release have been distorted in the media today and I would like to take this opportunity to clarify SilexSolar's current position.

SilexSolar's manufacturing facilities have been suspended with the manufacturing facility placed in "care and maintenance" mode. SilexSolar still employs 20 people, mostly in the areas of sales and marketing with a small contingent of manufacturing employees. These and other measures have significantly reduced ongoing costs.

These steps whilst unfortunate have been made in the face of an extremely volatile market, with sales volumes down considerably, panel prices plummeting under the strain of a massive global oversupply and the abandonment of reasonable support policies from various governments.

SilexSolar is continuing with its PV panel business and has sufficient inventory to support sales over the next few months, we will focus on sales in the residential rooftop market as well as opportunities in the commercial medium-scale project market.

I would also take this opportunity to reiterate that we will continue to stand behind the quality of our products and the warranty we offer to our customers. With the full backing and support of the Silex Group we intend to continue to bring new products and innovation to the Australian PV market both now and into the future.

Best regards,

A handwritten signature in black ink, appearing to read "Craig Menzies".

Craig Menzies
Chief Executive Officer (CEO)
SilexSolar Pty Ltd.