



VICTORIAN GOVERNMENT LAUNCHES MAJOR SOLAR INITIATIVES AT SOLAR SYSTEMS BRIDGEWATER FACILITY

Coincides with Finalisation of \$50M Funding for Mildura Power Station Project

21 July 2010

Silex subsidiary Solar Systems Pty Ltd was honored to host Victorian Premier, the Hon John Brumby MP, at its Bridgewater Solar Power Facility today, when he announced key policy and funding initiatives in support of the development of large scale solar power stations across northern Victoria. In conjunction with this announcement, Solar Systems is pleased to confirm the recent finalisation of arrangements with the Victorian Government for funding of up to \$50M for a 154MW power station planned for Mildura in north west Victoria.

"The announcement today by the Victorian Premier of a multi-tiered solar energy development strategy (refer to the Victorian Government website for press release) sets the pace for the deployment of medium and large scale solar power in Australia and the Asia Pacific region", Dr Michael Goldsworthy, Silex CEO said today. "In particular, the Victorian Large-Scale Solar Feed-In-Tariff is the first such initiative for larger scale solar projects in Australia. We applaud the Victorian Government for taking this important step forward for renewable energy and encourage other states to adopt similar policies in addressing the urgent challenges that climate change presents" he added.

The Victorian Government announcement sets out a strategy to achieve 5% electricity production through large-scale solar power development by 2020, equating to approximately 2500 GWh of solar electricity generation annually. The interim target for 2014 has been set at 500 GWh per annum (equating to an installed capacity of approximately 285 MW). In addition to this, the Solar Systems Mildura solar power station project will add up to 270 GWh of solar generation for an installed capacity of 154 MW.

Silex Systems is Australia's leading solar technology company with two wholly owned subsidiaries, Solar Systems P/L and SilexSolar P/L producing world-class solar PV products (refer to the Silex website: www.silex.com.au). Melbourne-based Solar Systems produces the unique 'Dense Array' concentrating photovoltaic (PV) technology ideal for large commercial and utility-scale solar deployment projects (refer to website: www.solarsystems.com.au for further details). Sydney-based SilexSolar is Australia's only manufacturer of conventional rooftop PV cells and panels, currently selling high quality, high efficiency panels into the Australian residential market (refer to website: www.silexsolar.com for further details).

"With our two solar subsidiaries leading the way, Silex is in a unique position to capitalize on the new commercial and utility scale opportunities in Australia over the next decade and beyond" Dr Goldsworthy explained. "We will compete keenly with overseas suppliers for new projects in Australia, as well as for opportunities in offshore markets as they evolve – particularly in the US, Asia and the Mediterranean Rim" he added.

Solar Systems:

Solar Systems Pty Ltd is developing a unique concentrating photovoltaic (CPV) technology which is ideally suited to larger commercial and utility-scale solar power station projects. The first such project, a solar power station of up to 154MW planned for Mildura, Victoria, will potentially be the largest and most efficient solar power station in the world.

Solar System's technology is based on its proprietary "Dense Array" solar conversion module. 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 40% efficiency - approximately double the efficiency of today's best silicon-based cells and four times the efficiency of thin film cells.

Development of the Solar Systems CPV technology is at an advanced stage, with a 15 month commercialization program underway. In parallel with this program, business development and marketing activities are being conducted with potential partners in the US, Asia and the Mediterranean Rim, with the aim of commencing commercial project activities in 2011.

More information on Solar Systems can be found on the website: www.solarsystems.com.au.

SilexSolar:

SilexSolar Pty Ltd is the only Australian manufacturer of crystalline silicon solar cells and panels, and has a strong commitment to Australian solar technology innovation, Australian-based manufacturing and green-job creation. SilexSolar's plant in Sydney Olympic Park is the largest silicon solar cell manufacturing facility in the Southern Hemisphere. With increasing cell efficiency and modest capital expenditure, the plant is estimated to have the capacity to eventually expand to approximately 200MW in cells and 50MW in panels annually

SilexSolar Pty Ltd, a wholly owned subsidiary of Silex Systems Ltd, recently announced a significant expansion in PV Panel production capacity to 35MW annual output at its Sydney Olympic Park (SOP) manufacturing facility, in response to strong demand for its high quality, high efficiency Australian-made panels from the domestic rooftop solar panel market (refer ASX release dated 5th July, 2010).

In parallel with the panel assembly line expansion, SilexSolar is also developing higher efficiency solar cell technology at the SOP plant in collaboration with the University of NSW and Suntech Power under a research program which was recently awarded \$5 million funding from the Australian Solar Institute (refer ASX release dated 12 May, 2010). This project aims to increase solar cell efficiency from around 17% currently to approximately 20% by 2012, which would potentially increase the plant panel production capacity from 35MW p.a. to approximately 40MW p.a.

Further information of SilexSolar's plans and activities can be found on the company's website: www.silexsolar.com.

Additional information on the Silex Group'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 Systems is a research and development Company whose assets are its proprietary rights in various technologies, including, but not limited to, the SILEX technology, the SilexSolar technology and business, Solar Systems 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 SILEX 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 SilexSolar's manufacturing and marketing activities; the risks associated with the development of Solar Systems technology and related 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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SILEX CEO'S SPEECH

(Dr Michael Goldsworthy)

VICTORIAN PREMIER'S VISIT TO THE BRIDGEWATER SOLAR FACILITY

21 July 2010

1. I would like to extend a warm welcome to Premier John Brumby, and to
 - Environment & Climate Change Minister, Gavin Jennings
 - Rural & Regional Development Minister, Jacinta Allan

 - Ladies & Gentlemen:
2. Welcome to Bridgewater
 - We are honored to host this important announcement at the Bridgewater solar demonstration facility here today.
3. The policy and funding initiatives announced by the Victorian Government today are ground-breaking for the development and deployment of medium to large-scale solar power in Australia.
 - The Victorian Government has become the pace setter for solar energy policy in Australia and the Asia Pacific region.

 - We applaud the Victorian Government in taking this key step forward.

 - These initiatives will help ensure that Victoria meets its 5% solar power target by 2020.

 - We encourage other state governments to adopt similar policies in order to meet the challenges of climate change.
4. With regard to today's announcement, we note in particular the key initiative of a large-scale feed-in-tariff which will help drive the deployment of medium to large scale solar power stations across Victoria and hopefully across Australia.
 - This is the first such initiative for medium to large scale solar power deployment in Australia, and will help open up new markets for solar energy beyond the conventional residential rooftop market

 - We congratulate the Victorian Government on taking the lead in adopting this key solar energy strategy.

5. Behind us here at Bridgewater is an exciting world leading solar technology being developed by Solar Systems in Melbourne – you can see the scale of this technology – which is ideally suited to medium to large scale deployment.
 - To this end, we have recently finalized arrangements with the Victorian Government for funding of \$50M towards a major 154MW power station planned to be built near Mildura in the next few years - beginning with 2MW pilot plant commencing in 2011.
 - This will be the largest and most efficient photovoltaic power station in the world.
 - We thank the Victorian Government for its continued support for this project, and for its strong support of the Solar Systems technology over the years
 - I know the Premier has been a keen supporter of this technology for some years – we greatly appreciate your support Premier
6. Today's announcement of a multi-tiered solar power strategy by the Premier will ensure that Mildura is not a one-off solar power station project.
 - Silex Systems and its two solar subsidiaries Silex Solar (Australia's only domestic manufacturer of rooftop solar panels) and Solar Systems, will compete keenly for additional solar power projects to be rolled out under the Victorian Government's strategy.
 - We look forward to working with the Victorian Government towards this endeavour over the next decade.
7. Once again, we congratulate Premier Brumby and the Victorian Government on this important announcement today.
 - It is a great day for solar power in Australia.
 - and a great day for the state of Victoria.
8. That concludes the formalities for this morning. There will be refreshments available for those interested.