



Institutional Placement Presentation
November 2005



Presentation Objective

- ◆ Secure your support in \$2.5m cap raising - Institutions and SPP
- ◆ Confirm Strategy
- ◆ Outline expenditure
- ◆ Forward targets

To be a global leader in the distribution of decentralised, sustainable, water and power solutions.

- ◆ Global: International thinking and capability.
- ◆ Leader: The best at what we do.
- ◆ Distribution: Not manufacturing focused.
- ◆ Decentralised: Think local – village, home, and business focus.
- ◆ Sustainable: Reduced environmental foot print.
- ◆ Water: Massive global problem affecting over 2 billion people.
- ◆ Power: Renewable energy and energy efficiency focus to reduce impact of climate change.
- ◆ Solutions: Complete packages combining unique IP assets.

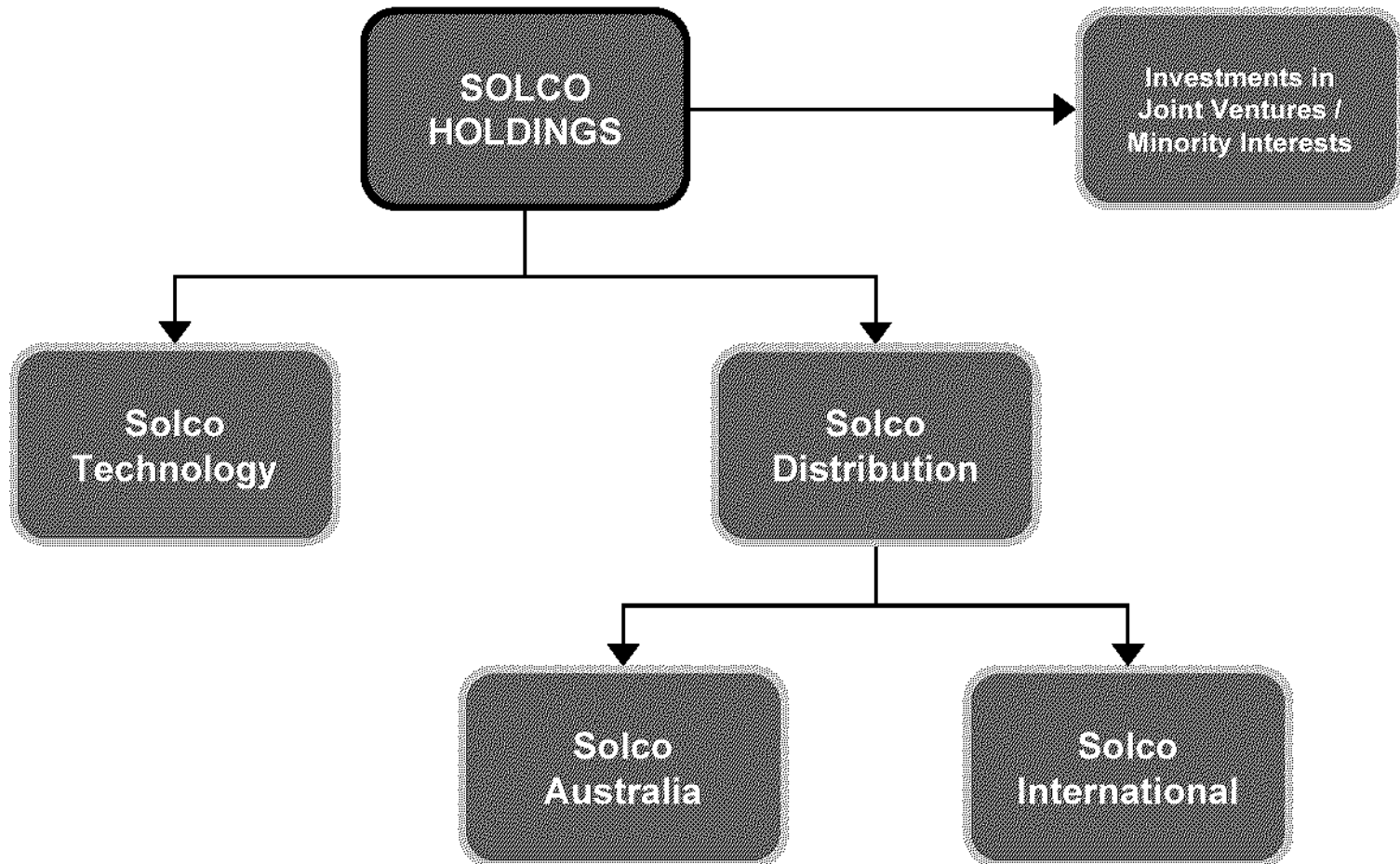
Company Overview: External Drivers

- ◆ Climate change
- ◆ Government legislation – Basix, 5 Star, MRET
- ◆ Carbon Trading – Kyoto, Climate Change Partnership
- ◆ Substitution - Oil and conventional power generation prices up
- ◆ Experience curve for renewables
- ◆ United Nations – Millennium Development Goals

Result is young high growth market with numerous consolidation opportunities

= Medium to long term global market growth > 20%

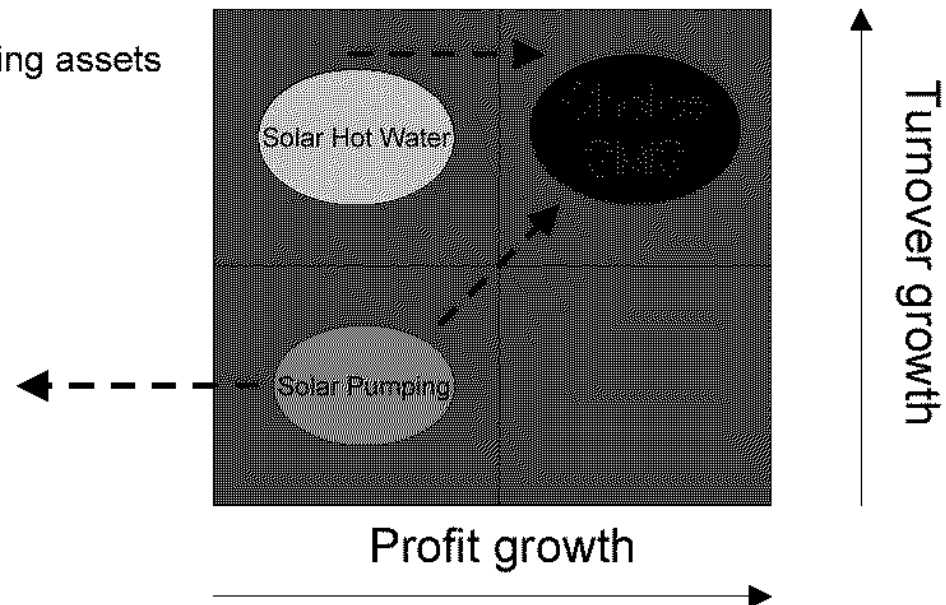
Company Overview: Corporate Structure



Strategy Outline: Phase 1

Phase 1: Diversify offering and secure profitable business units – April 04 to Dec 31 2005

- ◆ Choice and Solco acquisitions
 - Choice - best 7 months in 20 years
 - Solco – five new international licensees in 2 years at excellent margins, strong IP
- ◆ Increase product range 5 fold
- ◆ Develop rural distribution network
- ◆ Divest and/or restructure non performing assets
 - Pumping by Choice
 - Cut overheads \$500k pa
 - Outsource manufacture



Phase 1: Equity Raised & Use of Funds

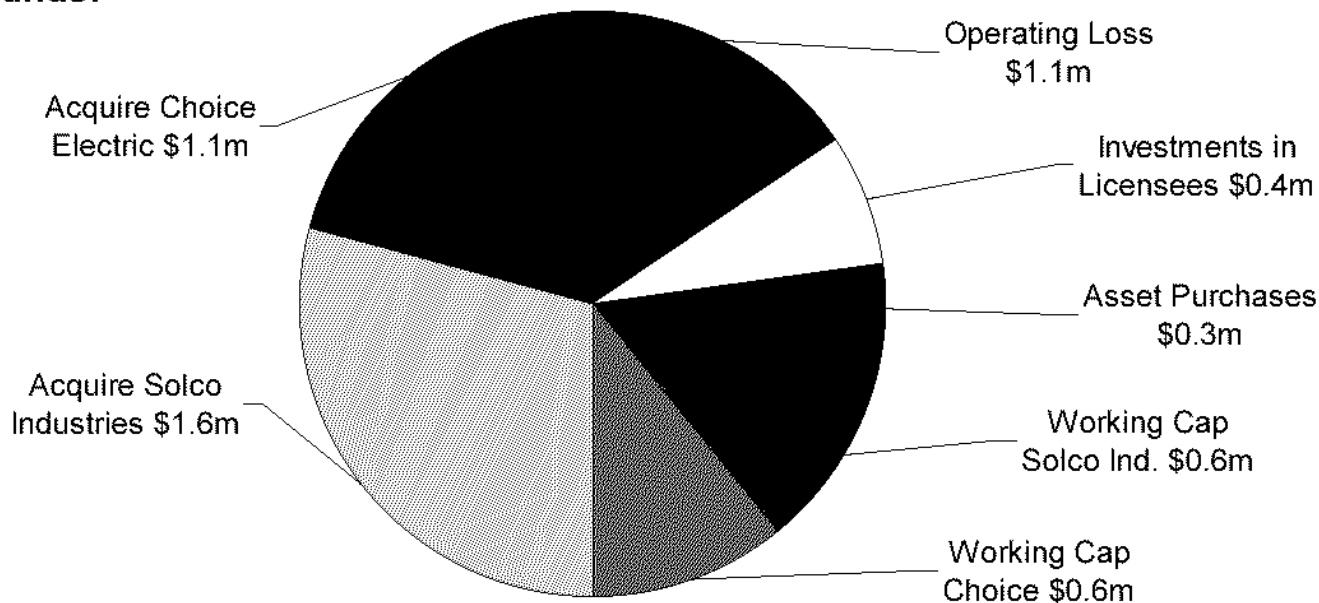
Total Net Cash Raised \$5.9m:

- ♦ Sep 04 equity raising \$2.3m @ \$0.20
- ♦ Dec 04 exercise of listed options \$1.5m @ \$0.30
- ♦ Jan 05 placement with Hendersons \$2.0m @ \$0.30

Major Shareholders:

- ♦ National Australia Bank Ltd Group 18%
- ♦ Henderson Global Investors 9%
- ♦ AMP 3%

Used of funds:



Strategy Outline: Phase 2

Phase 2: Build Scale to create genuine profits with Australian focus – Jan 06 to Dec 07

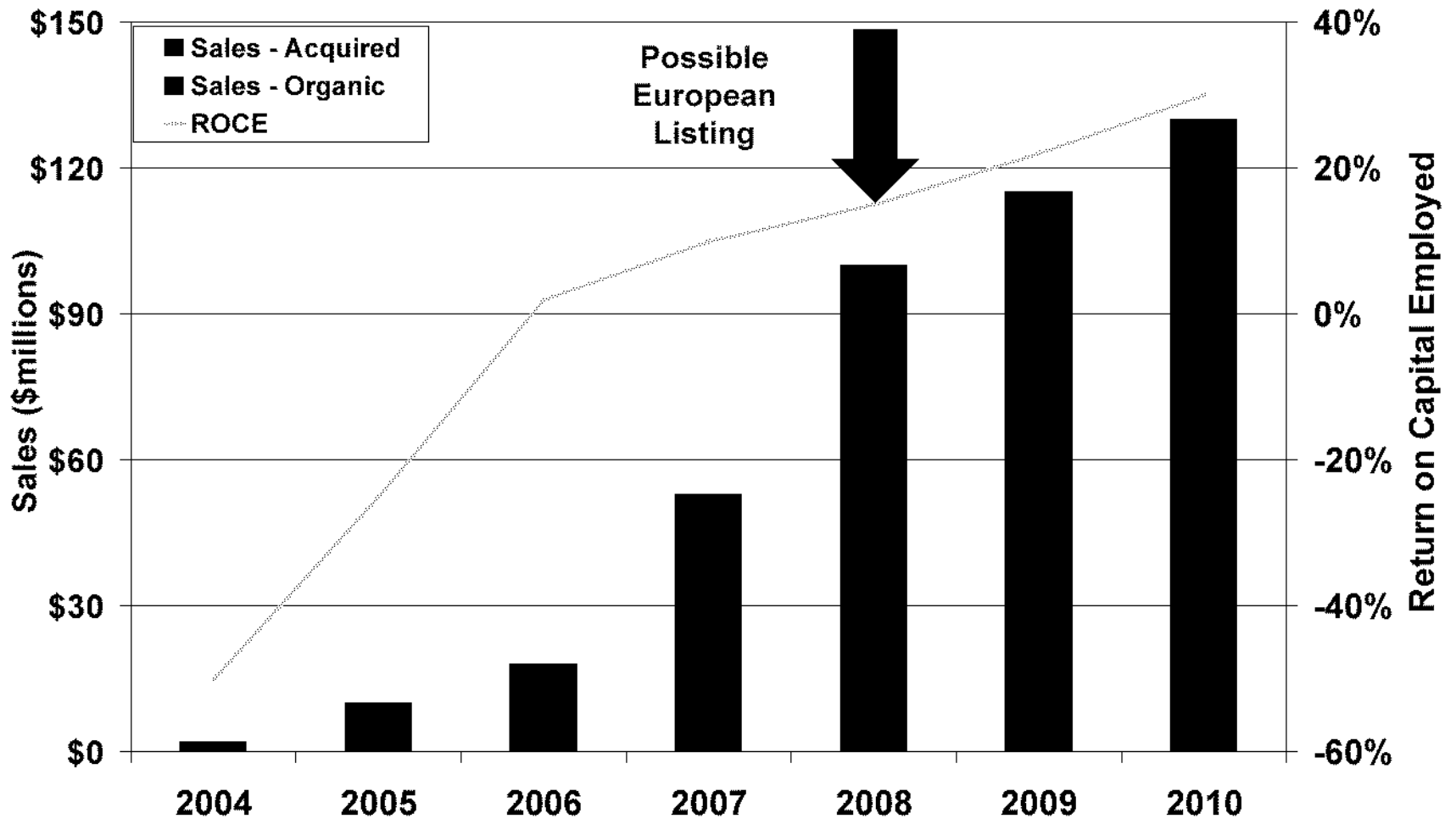
- ◆ Aggressive acquisitions strategy to collect distribution and products to approach \$100m turnover
 - A few larger acquisitions
 - Only high growth and /or profitable Australian businesses
 - Sustainable water and power solutions focus
- ◆ Establish national franchise system to sell full range of household solutions
- ◆ Continue to develop and grow international opportunities via licensees
- ◆ Expand technology licensing

Strategy Outline: Phase 3

Phase 3: Aggressively target international growth and diversify offering – Jan 08 to Dec 09

- ◆ Move into business and agricultural markets in Australia
- ◆ Secure significant international opportunities
- ◆ Possible European Listing
- ◆ Build IP assets to create strong competitive advantage and margins

What Does the Future Hold?



Proposed Capital Raising

Institutional Placement

- ◆ 6,000,000 shares at \$0.28 per share
- ◆ Sophisticated Investor offering (s708 compliant)
- ◆ Subject to share holder approval of company's placement capacity pursuant to ASX Listing Rule 7.1 at the company AGM to be held 30 November 2005
- ◆ Expressions of interest by – 25 November 2005
- ◆ Firm commitments by – 29 November 2005
- ◆ Stock issued by – 7 December 2005

Share Purchase Plan

- ◆ 3,000,000 shares at \$0.28 per share
- ◆ To be announced at company AGM
- ◆ Expected completion date – End January 2006

Capital Structure

Current Capital Structure

Shares on Issue	76,460,344
Share Price	\$0.295
Market Capitalisation	\$23,320,404
30 Day VWAP	\$0.303

Pro Forma Capital Structure

Institutional Placement	6,000,000	<i>7.0% of final issued capital</i>
Share Purchase Plan	3,000,000	<i>3.5% of final issued capital</i>
Placement Price	\$0.280	<i>9.2% discount to 30 Day VWAP</i>
FINAL Shares on Issue	85,460,344	

Use of Funds

Establish Franchise Network in Australia - \$500,000

- ◆ First of its kind - launch June 2006
- ◆ Provide aggressive on the ground sales force
- ◆ Solco in unique position to do
- ◆ Extended product range and finance support

Performance bonus payment for Solco Industries acquisition – \$1,300,000

- ◆ Have signed five international agreements in 14 months
- ◆ Creates global network for substantial profits in future

Invest in international Licensees - \$700,000

- ◆ Portugal Licensee includes Spain – Highest growth solar hot water market in World
- ◆ Malaysia – provides access to China and other countries
- ◆ Malta - access to Italian and middle eastern market
- ◆ Tunisia and other new licensees
- ◆ Buy back potential

Executive Summary

- ◆ Solco has grown from \$2m to \$10m in 12 months
- ◆ Cutting non performing assets to save \$500m pa in overheads
- ◆ Forecast revenue of \$16m in 2006
- ◆ Maiden profit year
- ◆ Improved management team
- ◆ Major external business drivers driven by climate change
- ◆ Aggressive acquisition strategy to build scale quickly to \$100m
- ◆ Conducting Capital Raising (Placement s708) to fund growth opportunities - \$1.68m @ 28c by 29 November 2005
- ◆ SPP of 3,000,000 shares @ 28 cents to raise \$840,000

Why Invest in Solco now?

- 1. Substantial market opportunities and external drivers**
- 2. Positioning and growth strategy**
- 3. Management team proven its ability to deliver growth**
- 4. Strong shareholder base**
- 5. European support**

Contact Details

Duncan Stone

Managing Director

Solco Limited

Ph: (08) 334 8100

Fax: (08) 9334 8199

Mobile: 0402 987 000

Email: dstone@solco.com.au

Greg Evans

Director – Investment Banking

Argonaut Capital Limited

Ph: (08) 9244 6806

Fax: (08) 9225 5055

Mobile: 0412 716 821

Email: grege@argonautlimited.com