

Media Release (4 pages) – 10 July 2007



Market Update

Dyesol International

Dyesol reports on progress in its international business development

Sydney 10 July 2007:

At the recent strategic review, Dyesol confirmed the international business strategy to form regional business centres to undertake distribution, marketing, manufacture and development of the company's wide range of technological solutions for Dye Solar Cells.

The international arm of the company has achieved significant growth in the first half of this calendar year both in strategic business activities and product sales.

East and South East Asia

The first international business and technology centre for Dyesol is Dyesol East Asia (DEA) based in Singapore (ASX announcement 12.02.2007). DEA's city offices are located in Orchard Road, and the company is evaluating sites for laboratory and pilot production activities. DEA is managed by William Wong, an experienced high tech business developer in the S E Asian region. The business model for DEA includes collaborative development projects with government and local industry, manufacture for regional markets, establishment of joint ventures for product manufacture, supply of materials and laboratory facilities, and research and development for products suited to the tropical environment. In Singapore, as in other regions, Dyesol works closely with government authorities and organisations to provide the optimum benefit to the region and Dyesol.

From Singapore the company has been meeting with government and commercial organisations in several SE Asian countries with a view to collaborative development projects, materials manufacture for sales into new ventures in the region, and supply of prototype and testing equipments.

Early this year Dyesol also reconfirmed its relationship with the Chinese Academy of Science's Institute of Plasma Physics through signature of a collaboration agreement to strengthen the long term technology cooperation. In this phase, the partners aim to accelerate the Chinese government sponsored development project at IPP to the pilot production phase and to increase commercial collaboration.

Following appointment in 2006 of CCIC in Japan to market and distribute Dyesol products in Japan which resulted in substantial growth of sales of Dyesol materials in Japan, Dyesol formed an alliance with Peccell Technologies Inc, in May this year. Peccell and Dyesol have complimentary business activities such that Dyesol has become the sole distributor of Peccell products outside of Japan. By leveraging Dyesol's world-wide IP position, Peccell products are able to be marketed into world markets.

In addition, sales of materials in Thailand and Taiwan have significantly exceeded forecasts and the company is forging closer relations with key organisations developing their own dye solar cell products. One such collaboration is with Mahidol University in Bangkok, from which a group of scientists will be visiting Dyesol in August for a concentrated training course.

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Dyesol UK Limited

Following commencement in December 2006 of the collaborative development project with the Corus Group, the world's fifth largest steel company, directed to develop solar metal building products, Dyesol concluded that the company would be best served by establishing operations in UK. At the same time the Stern Report was released and the UK government made major commitments to reducing carbon footprint through renewable energy. Consequently, Dyesol formed Dyesol UK Limited as a fully owned subsidiary in March this year. This enables Dyesol to bid for UK grants and government projects and Dyesol UK will exploit IP generated in the UK. One of Dyesol's strengths in the UK is being the only company to hold world-wide rights to exploitation of DSC technology.

Shortly after establishment of Dyesol UK, sales commenced to G24i, a company based in South Wales committed to mass manufacture of flexible solar cells initially for the burgeoning wireless communications markets. Dyesol accepted its largest ever materials order from G24i in April and following discussions in Cardiff, we have commenced planning for materials manufacture in the UK. Also in April, we appointed Dr Andrew King to manage the business development activities in UK. Dr King has investigated a number of regional incentive programmes (see photo at Optic facilities in St Asaph, Wales), and a final decision on location will be made once formal offers are reviewed this month. The UK business will carry out similar activities to those in Australia, with key activities directed to the UK requirements being:

- Prototype facilities for the joint development programme with Corus
- Dye manufacture and development
- Technical services utilising a complete DSC manufacturing and analysis laboratory
- Cooperative research and development projects
- Equipment and facility sales

In the first two months of operations, the company has entered into confidentiality arrangements with three key potential strategic technology partners in UK.

The strong progress on our strategic collaboration with Corus has been announced in June.

Dyesol in Europe

Switzerland

On 1 January 2007, Dyesol completed the acquisition of close to 99% control of Greatcell Solar S.A. (<http://www.greatcell.com/>)

Details were released to the market at that time. Greatcell continues to be our link into Swiss and EU projects – particularly Brussels based R&D projects.

Greatcell is a full partner in an FP7 bid based from Greece that is subject of first round evaluation. The company is also a funded partner in the European project OrgaPVNet for coordination of R&D activities in DC and organic PV in Europe.

Greatcell is also a partner in the Swiss CCEM sponsored 'Cost Efficient Thin Film PV for Future Electricity Generation' project that was awarded funding in December 2006.

The company has supported a bid in Spain for funding for 'Photophysical properties of nanostructured solar cells with organic conductors and optimization of their efficiency' (HOPE) that has just received notification of funding.

As part of on-going commitment to EPFL, Greatcell has registered interest with the CTI Discovery Project related to development of Ultralight PV Tiles. We continue to carry out product development at our laboratories at EPFL in collaboration with Professor Graetzel and his team. The company has also been invited to join another CTI project based in Basel. We anticipate expanding the R&D facilities in Switzerland this year.

In September, Dyesol will mount its major international exhibition at NanoEurope (<http://www.dyesol.com/conference/>). **Dyesol is the Platinum sponsor of NanoEurope** to be held from 11th to 13th September in St Gallen, as well as being the sponsor of the '**2nd International Conference on Industrialisation of DSC**' (**DSC-IC 2007**). The conference organisation and exhibition planning is being carried out by Greatcell. Greatcell President, Dr Luzzi, is conference Chairman. The conference will bring together the leading players worldwide in development and industrialisation of DSC. Shareholders and those interested in the wonderful future for DSC are

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encouraged to visit Dyesol at NanoEurope and meet our senior corporate, business and technology team. At the exhibition, Dyesol will present its range of products and technology solutions.

Germany

In second half of 2006, Dyesol was approached by IIC, a German government funded organisation tasked with attracting high technology companies to establish technology and manufacturing facilities in what was East Germany. We engaged Michael Sundman to consult to the company and coordinate evaluation of the opportunity. Over the past seven months, the Dyesol team including Gavin Tulloch, Ken McKeen, Gordon Thompson and Mike Sundman, has reviewed project options in five different regions in Germany. Our criteria for evaluation are:

- Level of EU support available
- Level of state government support offered
- Appropriate bank finance
- Local business partners
- Availability of technical services and personnel
- Suitability of sites
- R&D project support

The company aims to make a selection during the European summer and to prepare detailed business plans for formation of the local venture during that period.

Other countries

The project for manufacture of DSC panels in Turkey is continuing to move towards contract. Our Turkish partner has a new strengthened management and investment team and has formed a dedicated company to invest in the project. Dyesol is currently completing due diligence as a precursor to contract negotiations. Further information will be provided assuming that a commercial arrangement is completed.

A group of investors based in UK has obtained the rights for the project in Greece and an MOU has been signed. Due diligence will be completed once the partner has arranged the necessary finance.

Dyesol has been approached by numerous organisations in Italy, Spain, Portugal, France and Eastern Europe interested in establishing DSC technology development and manufacturing facilities. Some confidentiality agreements have been executed and several projects are being evaluated. Formal bids have been made to one Italian academic organisation.

Dyesol in the international sphere – our team

President of Dyesol International, Dr Gavin Tulloch (PhD, FAICD, CIEA) has been involved with DSC since its inception in Australia. Gavin is recognised as the ‘father’ of development and industrialisation of DSC. Prior to initiating DSC development in Australia in 1994, he had a long and successful career in high technology business, including setting up in Australia what became the world’s largest sonar products business. During that period he developed a broad range of business skills in the international sphere in business management and direction, technological leadership and financial control. Since the formation of Dyesol, he has been leading the international expansion of the company as well as directing the major technology projects.

Vice President is Ken McKeen. Ken has been involved with Dyesol since its inception and has been an active member of the Executive Management Committee leading the market strategy for the company. Ken is the company’s ‘front office’, the first point of contact for corporations interested in collaboration with Dyesol. Ken’s background in dealing with top executives in a broad range of industries provides Dyesol with an ideal interface to the market place.

In Switzerland, the company is ably led by Its President, Professor Dr Andreas Luzzi, with Gavin Tulloch as Director General. Andreas has a leading position in the international solar energy academic, government and industrial spheres and is also Director of SPF, the Swiss national institute for Solar Thermal research, development, testing and accreditation.

In UK, the business development is led by Dr Andrew King, Director. Dr King has a long and successful career in high technology business development from start-ups to multi-national industry – specialising in materials science. He has represented the UK industry in international technology searches, where Dr King and Dyesol became acquainted.

Dyesol Market Update

In Singapore, local Dyesol East Asia director is William Wong. William has worked for blue chip companies such as HP and ExxonMobil. He has also founded a VC backed business in Singapore and has held executive positions for multi-national companies, such as the GM of Amway and the EVP/COO (Asia Pacific) for NHT Global, a US company listed on the NASDAQ. Mr Wong travels widely in SE Asia where he has experience in business management in Malaysia, Indonesia, Thailand, Vietnam, China, Macau, HK, Philippines and Taiwan.

To coordinate and plan our business entrée to Germany, Michael Sundman joined the Dyesol consulting team in late 2006. Mike has previously worked with the company's international team evaluating business and investment opportunities in Europe. Before founding his own company in 1999, Michael Sundman gained more than 20 years of international business development experience in major multinational companies. Based in Basel, he is fluent in French and German. Each of the 3 major companies he worked for (Seagram International, Ciba-Geigy A.G., The Baloise Insurance Group) was in a different industry. In each case, Mr Sundman had business development responsibility during a period of unprecedented industry turmoil. Each situation called for different strategic transactions and the experience Mike gained is highly valuable to Dyesol in corporate Europe.

Dyesol International is supported by a strengthened management and technology team In Australia. During the past six months 16 new engineering and scientific staff have been appointed. To provide support to the company's MD, **Sylvia Tulloch; Dr Hans Desilvestro (Chief Scientist) and Gordon Thompson (Director)** are providing functional leadership in the scientific and engineering aspects of the Australian Operations.

Dyesol Chairman, Richard Caldwell said 'We have made major steps forward in securing our international footprint for Dyesol, and it bodes well for the future of the company as an international force in new generation photovoltaics. I am pleased that we can draw on the vast experience and leadership that Gavin Tulloch, Ken Mc Keen and their team bring to the company'. Sylvia Tulloch, MD, added 'Dyesol's reputation will certainly be enhanced by the upcoming major exhibition and conference in collaboration with NanoEurope. This event in mid September, will provide our international shareholders with a great opportunity to meet the business and technology leaders from Dyesol and witness the scientific and product innovations that form the core of our business strategy'.

Background Information for Media Release

The Technology – DYE SOLAR CELLS

DSC technology can best be described as 'artificial photosynthesis' using an electrolyte, a layer of titania (a pigment used in white paints and tooth paste) and ruthenium dye sandwiched between glass. Light striking the dye excites electrons which are absorbed by the titania to become an electric current many times stronger than that found in natural photosynthesis in plants. Compared to conventional silicon based photovoltaic technology, Dyesol's technology has lower cost and embodied energy in manufacture, it produces electricity more efficiently even in low light conditions and can be directly incorporated into buildings by replacing conventional glass panels rather than taking up roof or extra land area.

The Company – DYESOL Limited

Dyesol is located in Queanbeyan NSW (near Canberra) and in August 2005 was listed on the Australian Stock Exchange (ASX Code 'DYE'). Dyesol manufactures and supplies a range of Dye Solar Cell products comprising equipment, chemicals, materials, components and related services to researchers and manufacturers of DSC. The Company is playing a key role in taking this third generation solar technology out of the laboratory and into the community.

More detail about the company and the technology can be found at: www.dyesol.com