

1 December 2010

SOLCO SECURES LANDMARK EXCLUSIVITY AGREEMENT WITH GLOBAL SOLAR MANUFACTURER

Highlights

- Solco completes exclusive supply agreement with a major solar pumping manufacturer
- Agreement significantly increases Solco's share of growing solar pumping market
- Agreement will drive improved sales margins and profitability for Solco's Solar Pumping Division
- Boosts Solco's national sales capacity and market penetration ability
- Underpins Solco's growing position as a leading importer and wholesale supplier of solar products



Solco Limited (ASX: SOO, "Solco" or "the Company") has secured an exclusive supply arrangement with a global solar pumping manufacturer, in a deal which is expected to significantly increase Solco's share of Australia's growing solar pumping market, and boost the margins and profitability of its Solar Pumping division in future years.

The exclusive supply deal, which commences from 1 December 2010 for a minimum of three years, is with German-based Lorentz - a solar pump systems specialist and one of three major solar pumping manufacturers in the world.

Solco's Chief Executive Officer Mark Norman said this supply agreement represented a major milestone towards becoming one of Australia's largest wholesale suppliers of solar pumping equipment by market share.

"This agreement will allow us to supply a wider range of products and substantially increase our market share," said Mr Norman.

"By being able to import equipment directly from Lorentz – rather than through third party distributors – we will be able to generate greater revenue and create higher margins and profitability, as well as delivering more attractive sales packages for our customers."

“Currently, the major users of solar pumping equipment are farmers, pastoralists, mining companies and remote communities with no access to mains water and electricity supplies – and with greater awareness of the importance of water conservation due to the effects of climate change, we expect the market to grow and diversify further in the coming years.”

Lorentz CEO Bernt Lorentz said, “We are excited by the cooperation with Solco and the generated benefits for our customers.”

“This partnership will merge the leading product offering from Lorentz with the outstanding distribution and support capabilities of Solco,” said Mr Lorentz.

This agreement follows Solco’s earlier exclusive supply agreement with leading Chinese solar company, Astronergy for distribution of its solar modules throughout Australia, New Zealand, Papua New Guinea, Nauru and other Oceania nations - and further cements Solco’s position as Australia’s leading importer and wholesale supplier of solar products.

About Lorentz

BERNT LORENTZ GmbH & Co. KG is specialised in solar-operated pump systems and considered one of the leading manufacturers in the field. Founded in 1993 in Hamburg, Germany, LORENTZ has more than 150 employees and is represented in more than 100 countries. Its local service partners maintain a close link to the customer and guarantee professional support, installation and maintenance. Its competence as system provider allows it to respond flexibly to individual customer requests and suggest comprehensive solutions – all over the globe

About Solco

Solco is a leading provider of solar water and power solutions for a broad range of customers, environments and requirements, with specialised divisions in Solar Products and Pumping, Projects and Power Generation.

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