

Solar Systems Mildura Power Station - Funding Confirmation

12th April 2011, Melbourne

Silex Systems Limited's (ASX: SLX) ("Silex") wholly owned subsidiary, Solar Systems Pty Ltd ("Solar Systems"), welcomes the Victorian Government's confirmation that it will continue to support Solar Systems' Mildura Solar Power Station Project through a \$50 million funding package announced by Silex last year (refer ASX release dated 21/07/10).

Silex CEO Dr Michael Goldsworthy said, "We are very excited about the commercial potential of this technology, which is expected to provide low cost electricity from large utility-scale solar power stations. In addition to the Mildura project, we have also received strong overseas interest in the technology from parties interested in developing other similar projects around the world."

Solar Systems' current commercialisation program is on track to be completed in the third quarter of this year, paving the way for the first stage of the Mildura Solar Power Station Project to proceed thereafter.

The program involves two parallel activities: the Technology Optimisation Project and the Bridgewater Pilot Demonstration Facility.

The first commercial version of Solar Systems' unique 'Dense Array' concentrating photovoltaic (CPV) technology will be tested at its Bridgewater Pilot Demonstration Facility in the coming months.

Technology Optimisation Project

The development of Solar Systems' first commercial product, CS500 Mk5 Dish System is on track to be completed in the third quarter of this year. Significant progress has been made in recent months through detailed engineering design revision of the core CPV converter technology.

Another key milestone in this project is for the CS500 Mk5 Dish System to receive IEC certification – the industry's standard for certifying the operating performance and reliability of the technology. Solar Systems are working closely with TUV Labs in Arizona, and expect to receive certification before the end of 2011.

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Bridgewater 0.5MW Pilot Demonstration Facility

Work is well advanced on a significant upgrade to Solar Systems' Bridgewater Pilot Demonstration Facility in central Victoria with the construction of a 0.5MW test plant utilising 16 units of the CS500 Mk5 Dish System.

The 0.5MW test plant will enable full-scale deployment and performance verification of the technology leading to market release towards the end of this year. Activities during this period will also include initial production at Solar Systems' convertor manufacturing facility in Melbourne, supply chain optimisation and cost reduction for system equipment.

The Bridgewater Demonstration Facility is on track to be officially opened during the third quarter of this year.

Mildura 100MW Solar Power Station Project

The completion of testing at the Bridgewater Demonstration Facility will lead to the construction of a 2MW pilot plant in Mildura, scheduled to commence later in 2011 and to be completed by the end of 2012.

Successful deployment of the 2MW pilot plant is a precursor to moving forward with the construction of a large 100MW solar power station (enough to power up to 40,000 average homes).

Solar Systems is hopeful that several more large scale power station projects can proceed over the next few years in key offshore markets, including the USA and the Middle East. The company has received strong interest in the technology from these and other markets.

Government Funding Contribution

The Mildura Solar Power Station Project has received strong support with a financial contribution of up to \$125 million (subject to milestones being met) from the Victorian State Government (up to \$50 million confirmed, of which \$5 million has been allocated to current activities) and from the Australian Federal Government (up to \$75 million – currently being finalised) - refer to ASX release 09/02/10.

In a recent interview, the Victorian Minister for Energy and Resources Mr Michael O'Brien confirmed his Government's support for the Mildura project and the Solar Systems' funding package.

'Dense Array' CPV - Technology Overview

Solar Systems' CPV technology is suited to large utility-scale electrical power generation using its proprietary 'Dense Array' concentrating photovoltaic (CPV) solar conversion technology. This technology involves concentrating a large area of sunlight to approximately 500 times the normal intensity, and focussing this energy onto ultra-high efficiency photovoltaic cells which directly convert the light into electricity at low cost. The 'Dense Array' technology is in the final stages of preparation for potential deployment in 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 currently capable of approximately 40% conversion efficiency - approximately double the efficiency of today's best silicon-based cells - and the use of active cooling to maximize power output and lifetime performance from the solar cells.

Further Information

Solar Systems: www.solarsystems.com.au.

Silex Systems Limited: www.silex.com.au

Media and Investor Enquiries

Dr Michael Goldsworthy
Silex Systems Limited
Managing Director and CEO
(02) 9532 1331

Mr Chris Wilks
Silex Systems Limited
Executive Director
(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.