

21 November 2011

ASX ANNOUNCEMENT

\$4 MILLION CAPITAL RAISING TO FUND COMPANY EXPANSION THROUGH ACQUISITION AND NEW BUSINESS OPPORTUNITIES

Highlights:

- Solco will look to raise up to \$4 Million through underwritten 2:7 Rights Issue at 7 cents per share.
- Company looking to capitalise on acquisition and expansion opportunities fuelled by the current tougher market impacting on some participants.
- New Clean Energy Bill to provide potential upside to commercial solar industry.

Solco Limited (ASX: SOO) ("Solco" or "the Company") is pleased to announce a capital raising to raise \$4 Million. The funds will be raised by way of a non-renounceable underwritten rights issue of ordinary shares (on a 2:7 basis) to existing shareholders. The rights issue will be priced at 7 cents per share and will be underwritten by Investorfirst Securities Limited.

Executive Chairman David Richardson, who will take up his full entitlement under the Rights Issue said the funds would be retained for use by the Company to assist with the acquisition of other businesses and/ or business assets should the appropriate option present itself and as working capital.

"Solco is being presented with a range of exciting opportunities for acquisitions as well as new business opportunities and the Board wants to be in a position to capitalise on them, if they fit the Company's vision going forward," he said.

"Solco is ideally positioned to make the most of the current conditions in the solar energy sector because of our long track record, established brand, national scale and profitable operations."

"The carbon tax legislation will put solar back on the table for discussion for businesses as an option for carbon emission offsets and cost mitigation, especially as un-subsidised solar production nears price parity with traditional electricity prices," he said.

Outlook for FY2012

Solco recently released revenue guidance in October 2011 noting a decline in forecast revenues for the 2012 FY as current market conditions force a decline in average sell prices. The Company however, remains in a strong financial position and is looking to seize strategic opportunities that are becoming available in solar energy and renewables at the current time.

SOLCO LTD

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Important Details

The offer consists of a total of 57,032,469 new ordinary shares to be offered to Solco shareholders who are resident in Australia and New Zealand and other countries where it is lawful to make the rights issue by way of a non-renounceable rights issue to raise up to \$3,992,273 (before expenses of the Offer).

The Record Date for the Right Issue is expected to be 7.00pm (AEDST) on Tuesday 29 November 2011 and Offer Documentation is expected to be despatched to eligible shareholders on 1 December 2011.

The Rights Issue will be underwritten by Investorfirst Securities Limited who will be paid 5% commission on funds raised (excluding those funds relating to entitlements taken up by Mr. Richardson).

The Rights Issue is not dependent on obtaining shareholder approval.

Full details of the terms and conditions of the Rights Issue are contained in the Offer Document which has been lodged with ASX today.

Important Dates

Event	Date
Lodgement of offer Document, Appendix 3B and Cleansing Statement with ASX	21 November 2011
Ex Date	23 November 2011
Record Date	29 November 2011
Offer Document sent to Shareholders	1 December 2011
Closing Date	15 December 2011
Allotment Date	19 December 2011
Despatch Date	20 December 2011
Expected commencement of normal trading in new shares on ASX	21 December 2011

These dates are indicative only and may be subject to change.

On behalf of the Board



Darren Crawte
Company Secretary

ENDS

About Solco

Solco is one of the leading national solar power and pumping product wholesalers, with nationwide distribution networks and an increasing presence in the development of solar power projects and the generation of electricity from solar sources. Our growth is supported by a strong balance sheet and experienced Board.

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