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Solar Systems Awarded Australian Solar Institute Funding Grant Program for Development of Next-Generation Solar Cells

23 March 2012

Silex Systems Limited (“Silex”) (ASX: SLX) is pleased to announce that its wholly owned subsidiary, Solar Systems Pty Ltd (“Solar Systems”), has been awarded a \$2 million Australian Solar Institute (ASI) funding grant for the ‘Development of High Efficiency Multi-Junction Solar Cells on Low Cost Large Area Silicon Substrates’.

Silex CEO Dr Michael Goldsworthy said, “This is a key program for Solar Systems which has the potential to reduce the cost of energy production from Concentrating Photovoltaic (CPV) technologies by up to 20%”.

“This could significantly enhance the competitiveness of the ‘Dense Array’ modules produced by Solar Systems,” said Dr Goldsworthy.

Solar Systems will utilise advanced materials technology developed by primary project partner Translucent Inc., another subsidiary of Silex Systems Limited.

“The use of large area silicon substrate technology will also provide Translucent the ability to fast track commercialisation of one of the three target applications for its novel materials process technology,” Dr Goldsworthy added.

Solar Systems will also partner with key CPV cell suppliers, Spectrolab Inc (a Boeing company), Emcore Corporation and IQE Plc to utilise their industry standard multi-junction cell production facilities to verify volume production of these next-generation solar cells, which are today already operating at over 40% efficiency. Solar Systems will then incorporate the cells in its ‘Dense Array’ system to verify and characterize the performance of the new CPV modules at its Bridgewater Test Facility in Central Victoria.

In addition to the funding grant from the ASI, Solar Systems will contribute a total of approximately \$3 million in project funding, comprising \$2 million of in-kind support and around \$1 million in cash contributions over the three year project duration. Solar Systems greatly appreciate the support of the ASI.

About Solar Systems:

In March 2010, Silex announced that it had completed the acquisition of the assets of Melbourne based Solar Systems Group from the company's Administrators, including the technology intellectual property and patents, a new manufacturing facility in Abbotsford, Melbourne, and a large-scale pilot demonstration facility in Bridgewater, central Victoria.

Solar Systems' solar technology is applicable to large utility-scale electrical power generation using its proprietary 'Dense Array' concentrating photovoltaic (CPV) solar conversion technology. This technology utilizes ultra-high efficiency photovoltaic (PV) cells (initially developed for space applications) and is ideally suited to the burgeoning global utility-scale solar power station market. The key and unique advantages of this technology include the use of advanced 'multi-junction' solar cells, currently capable of over 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.

For more information visit: www.solarsystems.com.au.

About Translucent:

Translucent, 98% owned by Silex, has been developing advanced materials, principally insulating rare earth oxides (REO's) in its state-of-the-art development facility in Palo Alto, California. The initial R&D activities focused on applications in the photonics and semiconductor industries. By incorporating REO's onto well-established semiconductor materials such as silicon, and making them compatible with industrial processes, the original photonics applications pursued by Translucent have been expanded to include photovoltaics (multi-junction cell technology), substrates for LED production, and power electronic devices (power FET's). All these potential applications had the common theme of using the REO's to develop low cost "on-silicon" solutions.

Translucent has now incorporated its REO technology into its crystalline semiconductor-on-insulator (cSOI™) platform, for which it has numerous patents and pending patents. cSOI™ is an "on-silicon" platform, meaning that it leverages the low-cost fabrication techniques long established in the silicon semiconductor industry while still harvesting the breakthrough advantages of the REO materials. After years of rigorous R&D effort, Translucent is now close to realizing the first commercial products based on the cSOI™ wafer platform technology.

For more information visit: www.translucentinc.com

About the Australian Solar Institute

The Australian government established the Australian Solar Institute (“ASI”) to keep Australia at the forefront of solar innovation.

A major objective of the Australian Solar Institute is to fund research and development programs to improve the efficiency and cost effectiveness of photovoltaic and concentrating solar power technologies.

For further information on ASI refer to australiansolarinstitute.com

Further information on the Company’s activities can be found on the Silex website: www.silex.com.au or by contacting the person listed below:

Contacts: Dr Michael Goldsworthy or Julie Ducie on (02) 9532 1331

Media Contacts: Alan Jury or David Akers on (02) 8298 6100

Forward looking Statements, 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 Programme and the stable isotopes Programme; 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.