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Uranium Enrichment Project Interim Update

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The following interim update is provided with respect to the Test Loop program being conducted by Global Laser Enrichment (GLE) in the USA. In 2006, GLE acquired the exclusive rights to develop and commercialize the third-generation SILEX laser enrichment technology globally through a license from Silex Systems.

- 1) *Test Loop Progress:* Enrichment testing continues at the GLE Test Loop facility in Wilmington, North Carolina, with significant progress made since the initial tests were conducted in late July. The results of recent testing are very encouraging, providing further confirmation on process performance. As time goes on, there will be an increasing focus on process optimization and validation of engineering parameters.

The Test Loop is designed to validate the commercial feasibility of the SILEX Technology and advance the design of the equipment, facility and processes for the planned commercial production facility. GLE anticipates obtaining sufficient data from the Test Loop by the end of 2009 to decide whether to proceed with plans for a full-scale commercial enrichment facility.

- 2) *Progress with Commercial Production Facility Plans:* A separate team continues to progress plans for a commercial production facility in parallel with Test Loop activities. If a decision is made to proceed with a commercial facility, GLE plans to co-locate the facility on the site of the existing nuclear fuel manufacturing facilities of Global Nuclear Fuel and the new plants and services business of GE Hitachi Nuclear Energy, headquartered in Wilmington N.C. Subject to the decision to proceed, the GLE commercial production facility would have a target capacity of 3.5 million to 6 million separative work units (SWU_{sep}). A SWU is a unit measuring the energy used to enrich uranium, which is then fabricated into fuel assemblies for nuclear power plants.

As previously disclosed (refer ASX release 31/7/09), GLE is expected to refine its projected schedule at the end of 2009. If the decision is made to proceed with the commercial production facility, the schedule would be determined in part by the licensing process, expected to take approximately 30 months from August 17, 2009, the date that the U.S. Nuclear Regulatory Commission (NRC) formally accepted the license application submitted by GLE. Accordingly, GLE would expect the timing for receiving an NRC license to be the end of 2011 or the beginning of 2012. Subject to proceeding, GLE could begin construction of certain ancillary facilities with NRC permission including site preparation, prior to receiving the license. More detailed information on the schedule is expected to be available from GLE in late 2009.

Further information on the Company's activities can be found on the Silex website: www.silex.com.au or by contacting Dr Michael Goldsworthy on (02) 9532 1331, or Mr Chris Wilks on (02) 9855 5404.

Forward Looking Statements and Business Risks:

Silex is a research and development Company whose assets are its proprietary rights in technologies, including, but not limited to, the SILEX technology, the Silex Solar 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 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 Silex Solar's manufacturing and 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.