

Update on Mildura 100MW Solar Power Station Funding

18th August 2014

Silex Systems Limited (“Silex”) (ASX: SLX) (OTCQX: SILXY) has today announced an update on funding arrangements for Solar Systems’ proposed 100MW Mildura Power Station Project, located in Carwarp, near Mildura in Victoria.

Following a joint review by the Australian Renewable Energy Agency (ARENA) and Solar Systems, a wholly owned subsidiary of Silex, both parties have agreed to suspend plans for the 100MW Mildura Solar Power Station and accordingly terminate the funding deed for \$75 million of conditional support for the project from ARENA. The decision was based on a number of factors, including low wholesale electricity prices and the uncertainty surrounding the Renewable Energy Target.

Due to these circumstances, the \$35 million in conditional funding from the Victorian Government under the Energy Technology Innovation Strategy Fund will also be terminated.

Solar Systems is currently exploring alternatives to further develop the Mildura site on a smaller scale, and will continue discussions with ARENA and the Victorian Government regarding potential funding support for its concentrated photovoltaic (CPV) ‘Dense Array’ dish technology and other possible Australian-based projects.

ARENA CEO Ivor Frischknecht said: “ARENA enjoys a good working relationship with Solar Systems and remains open to considering any new or revised project opportunities that are ready for testing and demonstration.”

Silex CEO and Managing Director, Dr Michael Goldsworthy said: “After careful consideration of project economics, we have decided to reassess plans for the Mildura 100MW Solar Power Station. Since we launched the 1.5MW Mildura Demonstration Facility in June last year, we have captured a great deal of useful data and are now investigating alternative opportunities to build on the outstanding work already achieved at the Mildura site.”

“We acknowledge and appreciate the support and funding that has been provided to date by the Federal and Victorian Governments.”

“We believe that concentrated photovoltaic technology has a strong future in delivering clean, low cost energy to supplement base load power in many suitable regions around the world and we continue to assess deployment of our unique ‘Dense Array’ dish technology in prospective offshore markets,” Dr Goldsworthy added.

Further Information

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

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