

Submission to the Nuclear Fuel Cycle Royal Commission and Paducah Laser Enrichment Opportunity Update

4th August 2015

Silex Systems Limited (“Silex”) (ASX: SLX) (OTCQX: SILXY) provides the following information to shareholders:

i) Submission to the South Australian Nuclear Fuel Cycle Royal Commission:

Silex has lodged a submission to the Nuclear Fuel Cycle Royal Commission being conducted by the South Australian Government. The submission can be found on the Silex website (noted above). In summary, Silex supports an expansion of value adding nuclear fuel cycle activities, in particular uranium conversion and enrichment, which could roughly double the value of Australia’s current uranium oxide exports. Furthermore, if an enrichment industry is established in South Australia, Silex believes that utilising the SILEX-based laser enrichment technology would generate additional benefits compared to using foreign-owned centrifuge technology, including significantly higher economic returns to Australia in terms of tax revenues generated by royalties flowing back to Silex, and other high-tech industry spin-offs along with a new highly skilled workforce.

ii) Paducah Laser Enrichment Opportunity Update:

In November 2013, the US Department of Energy (DOE) selected the licensee of the SILEX technology, GE-Hitachi Global Laser Enrichment LLC (‘GLE’), to enter into exclusive negotiations for future operations at the DOE’s nuclear fuel site in Paducah, Kentucky. These negotiations, concerning the establishment of GLE’s proposed Paducah Laser Enrichment Facility (PLEF), are nearing completion with an outcome likely in the next few months. Execution of an agreement will be subject to approval by the US Secretary of Energy.

The Paducah opportunity would potentially involve using the PLEF to reprocess hundreds of thousands of tons of high assay tails inventories left over from previous enrichment activities in the US which are owned by the DOE. Reprocessing would occur over a 40 year period to produce natural grade uranium (about a third of the feed quantity) and low assay tails. The natural grade uranium produced at the PLEF would be sold into the expanding global uranium market, and assuming a production rate in the order of 2000 metric tons (4.4 million pounds) per year, would be equivalent to one of the world’s largest uranium mines.

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 on +61 2 9704 8888:

- Michael Goldsworthy, CEO / Managing Director; or
- Julie Ducie, CFO / Company Secretary

About Silex Systems Limited

In June 2014, a major strategic review of Silex resulted in a significant restructuring of the Company. Under the restructure, the Board determined to refocus efforts on the Company's primary economic asset, the SILEX laser enrichment technology and to significantly reduce cash burn beyond FY 2015. The implementation of the restructure is nearing completion.

The strategic review will allow Silex to continue to support uranium enrichment technology licensee, GLE - in their efforts to bring the SILEX technology to market. Should this be successfully achieved, Silex could earn attractive royalty revenues, under a technology commercialisation and license agreement, signed originally in 2006.

For more detailed information on Silex Systems Limited, please visit www.silex.com.au

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, Solar Systems technology, and Translucent 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 commercialisation program; the demand for enriched uranium; 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.