



Silex

SYSTEMS LIMITED A.C.N. 003 372 067

Lucas Heights
Science & Technology Centre
New Illawarra Road
Lucas Heights NSW 2234 Australia
PO Box 75
Menai Central NSW 2234
Tel: (02) 9532 1331
Fax: (02) 9532 1332
www.silex.com.au

TEST LOOP MILESTONE ACHIEVED

21st May, 2013

Highlights:

- ***Test Loop Program Phase I Milestone successfully completed at GE-Hitachi GLE facility in USA.***
- ***US\$15 million milestone payment to be paid to Silex in July 2013.***
- ***Technology now being engineered to commercial scale in Phase II program.***

Silex Systems Limited (ASX:SLX) ('Silex') is pleased to announce that the Test Loop Program Phase I Milestone: Technology Demonstration, has been successfully completed at GE-Hitachi Global Laser Enrichment's ('GLE') facility in Wilmington, North Carolina, USA. Completion of the Phase I milestone triggers a US\$15 million milestone payment from GLE to Silex, to be paid in July 2013.

"The achievement of the Test Loop Phase I Milestone – involving advanced technology demonstration - is a key step in the commercialisation of the SILEX uranium enrichment technology," Dr Michael Goldsworthy, Silex CEO said today.

"This milestone follows receipt of approval from the US Nuclear Regulatory Commission for a construction and operating license in September last year. Our teams both in Wilmington, North Carolina and Oak Ridge, Tennessee are now firmly focused on Phase II, which includes the economic and engineering validation and scale-up for the construction of the initial commercial production module for the world's first laser enrichment plant," he added.

Chris Monetta, GLE President and CEO, said: "GLE is very pleased with the successful completion of the Phase I Test Loop Program. It is a great tribute to the combined GLE-Silex team after several years of excellent work."

Although the Phase I objectives for the Test Loop program have been achieved, the Test Loop will continue to be upgraded and optimized as part of the Phase II program, the objective of which is to provide full economic and engineering validation of the technology necessary to support the construction and operation of the first commercial production module.

The Path Forward

GLE is conducting a stage-gated approach to commercialisation of the SILEX laser enrichment technology, with the following three phases:

Phase	Objectives	Status
Phase I:	Test Loop technology demonstration and NRC commercial plant license approval	Completed
Phase II:	Economic and engineering validation for the initial commercial production module	Commenced in 2012
Phase III:	Construction of the first full-scale commercial production facility	Yet to commence

Subject to the outcome of the Phase II program and securing of sufficient conditional customer commitments, GLE plans to make a decision regarding deployment of the technology and the construction of the first full-scale commercial production facility taking into account opportunities and sites as recently disclosed to the ASX.

Further Milestone Payments

Following a recent review and update to the original Technology Commercialisation and License Agreement, signed between Silex and General Electric in 2006, the final commercialisation milestone payment has been restructured into two payments:

- Commencement of construction for the initial commercial plant: US\$5 million
- NRC verification of construction compliance of the initial commercial plant: US\$15 million

The timeline for these milestones and related activities will be reviewed as Phase II proceeds. Other commercial terms in the agreement, including the royalty, remain unchanged.

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.

Company	Media and Investor Relations
<i>Michael Goldsworthy, CEO, or Julie Ducie, CFO / Company Secretary (02) 9704 8888</i>	<i>Media: Ben Oliver, Buchan Consulting, (03) 9866 4722 Investor: Jane Lowe, Buchan Consulting, (02) 9237 2807</i>

About Silex

Silex Systems Limited (ASX: SLX) is a world leader in research, development and commercialisation of leading edge technologies in key strategic markets, including nuclear power, solar power, semiconductor materials and instrumentation. Silex is a member of the S&P/ASX 300 index and operates four divisions:

Silex has licensed its SILEX laser enrichment technology to Global Laser Enrichment, a business venture comprising GE (51%), Hitachi (25%) and Cameco (24%). Silex and GLE are commercialising the technology for potential deployment in the USA with two sites currently under consideration in North Carolina and Kentucky.

Solar Systems has developed ultra-high efficiency concentrating photovoltaic (CPV) technology based on its proprietary 'Dense Array' system, targeting deployment of utility-scale solar power stations in key global markets.

Translucent has developed novel semiconductor materials based on the 'rare earth oxide' family for application to the manufacturing of next generation devices in the semiconductor, power electronics and photovoltaics industries; and

ChronoLogic has developed the world's first high precision timing and control products based on the ultra-low cost USB-inSync™ platform, targeting applications in the electronic instrumentation markets.

For more 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 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 commercialisation program; the demand for enriched uranium; 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, instrumentation 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.