

**MEDIA RELEASE
EMBARGOED UNTIL MONDAY 9TH FEBRUARY 2009**

**RUDD GOVERNMENT AWARDS FIRST EVER MAJOR PROJECT STATUS
TO SOLAR CELL MANUFACTURING FACILITY**

“PROJECT OF STRATEGIC SIGNIFICANCE TO AUSTRALIA”

Spark Solar Australia Pty Ltd today welcomed the announcement that it is the first project to be awarded Major Project Facilitation status by the Rudd Labor Government.

The status recognises Spark’s planned manufacturing operations as “of strategic significance to Australia”.

About 115 permanent new jobs will be created under Spark’s plan to build a \$60 million high-tech solar cell factory. The operation will initially produce more than 10 million solar cells each year, or 40 megawatts - enough to power about 9,000 Australian homes. Initial planned capacity expansion would see this number triple to over 120 megawatts (30 million cells).

Photovoltaic (PV) solar cells convert sunlight to electricity and form the basic building blocks of solar panels.

“Spark will produce premium quality cells using a proven, best-of-breed cell technology from Germany,” said Interim CEO, Dr Michelle McCann.

Dr McCann, who together with Chairman Dr Peter Fath, holds the world efficiency-record for Spark’s type of cell, said that the company had already assembled an excellent team.

She said the market for solar cells is “enormous” and that “demand is strong and growing”.

Last year the global market for photovoltaics grew by a massive 70%, to 4.3 gigawatts (\$21 billion).

“Even before the factory is built, we expect to pre-sell almost all of our output for the first few years of production,” said Dr McCann.

The company last year completed its first round of capital raising with cornerstone investor Swiss fund New Energies Invest.

“We are now looking for Australian investors,” said Dr McCann.

Several potential sites for the factory have been identified. Locations being considered include Canberra, Queanbeyan, Wollongong, Geelong and Adelaide. Building is planned to start late this year with the first cells to be produced in late 2010.

“We would prefer to be close to the ANU and UNSW for collaboration purposes,” said Dr McCann.

Spark also has plans to develop its own high efficiency technology, the Angled Buried Contact cell or ‘ABC cell’.

The company has forecast revenues of close to \$150 million per annum, with much higher revenues expected following further investment and capacity expansion. The company will initially export its cells, but Dr McCann said the company has high hopes for the growing Australian market.

“The Australian market is taking off, and we are well-placed to lead the charge,” Dr McCann said.

The company says that the operation will inject \$84 million into the local economy in its first five years. ENDS

MEDIA CONTACT: Mark Jeanes 0414 995 895

SOME BACKGROUND FACTS (PUBLISHABLE)

- Spark will produce state of the art screen-printed solar cells on silicon wafers using equipment from Germany.
- Spark’s first investor is a Swiss investment fund called “New Energies Invest”. NEI are attracted to Spark, in part, because they see large potential in Australia.
- The company is looking for an Australian investor to join the current European investors.
- Before the announcement of its closure, BP Solar was the only other solar cell maker in Australia producing commercial volumes. BP Solar’s capacity (50 megawatts of cells per annum) is 17 per cent lower than Spark’s planned capacity (at least 60 megawatts).
- The ABC technology was first developed by Spark Directors Dr Michelle McCann and Dr Peter Fath, together with colleagues at the University of Konstanz in Germany. The technology substantially improves the most important feature of any solar cell - its efficiency in converting sunlight into electricity.
- “Grid parity” (the point at which electricity generated by photovoltaics (PV) is equal to the price of electricity from the grid) is an important and growing driver of the PV market. Grid parity is expected to trigger explosive growth in the global PV market.
- Grid parity has already been achieved at peak usage times in many locations around the world including Germany, Japan and Australia. In California, grid-parity for base-load power has been reached for top-tier users. Ongoing grid parity for base-load power will be achieved across large parts of Europe within the next 5-10 years. Grid parity in Australia is likely soon after 2016, according to researchers at UNSW.
- Growth in solar cell production has averaged more than 40% over the past 8 years. That’s more than growth for digital cameras, laptops and mobile phones.

FURTHER QUOTES – DR MICHELLE MCCANN

“Australia is a world leader in solar technology. But sadly the small manufacturing base that exists here means that a lot of really excellent talent and research has gone overseas in the past. We want to change that.”

“We’ve even been approached by *other* governments out of Asia and Europe with offers to set up elsewhere.”

“Once grid parity comes, everything changes. The strong growth rates we’ve seen will be just a precursor to truly explosive growth.”

