

**MEDIA RELEASE
OCTOBER 13, 2008****\$70M SOLAR CELL FACTORY
TO CREATE 115 NEW JOBS IN CANBERRA REGION**

More than one hundred new jobs would be created in Canberra under a plan to build a \$70 million high-tech solar cell factory in the area. The factory will produce 19 million solar cells each year, enough to power about 20,000 Australian homes.

The company, Spark Solar Australia, last week completed the first round of its capital raising with a Swiss investment fund. The factory will be built next year and the first cells will be produced in early 2010.

“The market for solar cells is enormous and there are not enough cells being made globally to meet demand”, said Interim CEO, Dr Michelle McCann.

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

Photovoltaic solar cells convert sunlight to electricity and are used in the manufacture of solar panels. Last year the global market for photovoltaics grew by a massive 70%, to 4.3 Giga Watts (\$21 billion).

Within Canberra, potential sites have been indentified in Mitchell and Hume. The company is also considering sites in Queanbyean and Wollongong.

“We would prefer to be close to the ANU for collaboration purposes, but of course we have to consider other business factors, including state or territory government incentives,” said Dr McCann.

The company also has plans to develop its own new high efficiency technology, the Angled Buried Contact cell or ‘ABC cell’ for short.

With two production lines planned, the company has forecast revenues of more than \$150 million per annum. The bulk of the cells will be exported to Germany and elsewhere, but some of the output will be sold into the smaller Australian market.

“Once the Australian market grows, we will be well-placed to expand and meet domestic demand”, Dr McCann said.

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

ENDS – FURTHER BACKGROUND BELOW

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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.
- The company has been offered \$4 million in cash as a state government incentive to set up in Geelong.
- BP Solar is the only other solar cell maker in Australia producing commercial volumes. BP Solar’s output (50 megawatts of cells per annum) is 17 per cent lower than Spark’s planned output (at least 60 megawatts).
- The ABC technology was first developed by Directors Dr 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.
- Expected 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 has already been achieved at peak usage times in many locations around the world including Germany, Japan, California and Australia. 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 (see PI report).

FURTHER KEY BACKGROUND FACTS (NOT FOR PUBLICATION)

- The company’s cell technology is NOT related to the silver cell technology from the ANU.
- The company is NOT related to Dyesol in Queanbeyan.

FURTHER QUOTES – DR MICHELLE MCCANN

In relation to state government incentives to establish in their states:

“The incentives that other state governments offer are very attractive compared with those currently available in the ACT.”

“Given the current global financial market downturn, if a future ACT Government could provide a loan guarantee to Spark, it would be enormously beneficial to our financing ability and would definitely seal a decision to establish in Canberra instead of elsewhere.”

General:

“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.”

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