



Silex

SYSTEMS LIMITED A.C.N. 003 372 067

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SILEX PROJECTS MAKING GOOD PROGRESS

2008 SHAPING UP AS A KEY YEAR

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In response to the many shareholder enquiries being received regarding the recent downward movement in the share price of Silex Systems, the following statement is provided by the Company.

The Company's projects continue to make good progress in line with expectations. We will be providing our usual update on all projects along with our half year financial results towards the end of February. The Company understands its continuous disclosure obligations and believes that it is in compliance with ASX listing rule 3.1.

Our share price continues to suffer as negative economic indicators, particularly in the US, adversely effect global equity markets. Given that the Company's technologies are still under development or in the commercialization phase, our share price seems to be more heavily discounted as investors apparently move to lower risk positions. The Board and management remain very excited about the future prospects for the Company, with several of our technologies moving closer to commercialization. We therefore see no valid reason for the recent decline in the Company's share price. Briefly, the status of our projects is provided in the summary below (which should be read in conjunction with our previous ASX Project Update dated 30/08/07, and the AGM Presentation dated 29/11/07 – refer to our website):

Uranium Project: The Test Loop Project being conducted at GE-Hitachi's nuclear energy headquarters in Wilmington NC (USA) is progressing in line with expectations. Activities are currently focused on construction of Test Loop facilities and equipment. GE-Hitachi plans to complete the Test Loop program in the late 2008 / early 2009 timeframe. The prospects for a dramatic increase in global nuclear power capacity continue to look more favourable as the threats of climate change become more evident.

Translucent: The solar cell project being conducted by Translucent is approaching the first important milestone, with the initial demonstration of sample cells expected by the end of the current quarter. Subject to results, these sample cells would then be tested and validated by a recognized third party, with a view to commencing the commercialization phase thereafter. Parallel activities in the photonics project are also focusing on the pre-commercialization milestone, and are expected to result the demonstration of the first optical signal processing devices later in 2008.

Fiberbyte: Whilst Fiberbyte's initial product range is market-ready, rollout has been held back pending commercial discussions with interested third parties. It is anticipated that these discussions will enable the company to form key commercial partnerships which will accelerate the adoption of Fiberbyte's novel USB-inSync™ technology in key markets during 2008.

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.

Contacts:

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Forward Looking Statements and Business Risks:

Silex is a research and development Company whose assets are its proprietary rights in technologies, including, but not limited to, the SILEX technology, Translucent technology and Fiberbyte technology. In general, 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 uranium enrichment development program and the stable isotopes program, the demand for enriched materials including uranium, silicon, oxygen, carbon and others, 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.