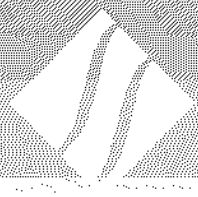


Silex
SYSTEMS LIMITED

A UNIQUE TECHNOLOGY COMPANY



Silex Systems Limited

Forward looking statements

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. Most of the company's technologies are in the development stage and have not been commercially deployed. Accordingly, the statements in this presentation 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 factors. Some factors that could affect future results and 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, zirconium, carbon and others, the outcomes of the company's interests in various semiconductor and photonics technologies, and the development of alternative technologies.



Vision

OUR MISSION :

To become a world leader in:

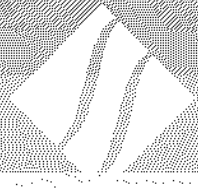
- Isotopically Engineered Materials and Applications
- ‘Wafer-Scale’ Semiconductor and Photonics Technologies



Vision

OUR STRATEGY :

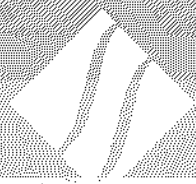
- to accelerate the commercialisation of our technologies, and
- to penetrate markets efficiently through alliances with key industry players.



Technologies and Target Markets

1) SILEX Technology Division (Sydney)	Est Market Size US\$
Nuclear Industry Materials (Uranium, Zirconium)	~ \$3,500M
Semiconductor Industry Materials (Silicon, Carbon)	> \$1,000M
Medical Diagnostic Materials (Oxygen, Carbon)	> \$100M

2) Semiconductor/Photonics Technology Division	Est Market Size US\$
Silicon Planar Lightwave Circuits (Translucent – Palo Alto, USA)	> \$4,000M
Silicon Isotope Superlattice (Keio University – Tokyo)	(?)
Fiberbyte (Adelaide & USA)	> \$500M

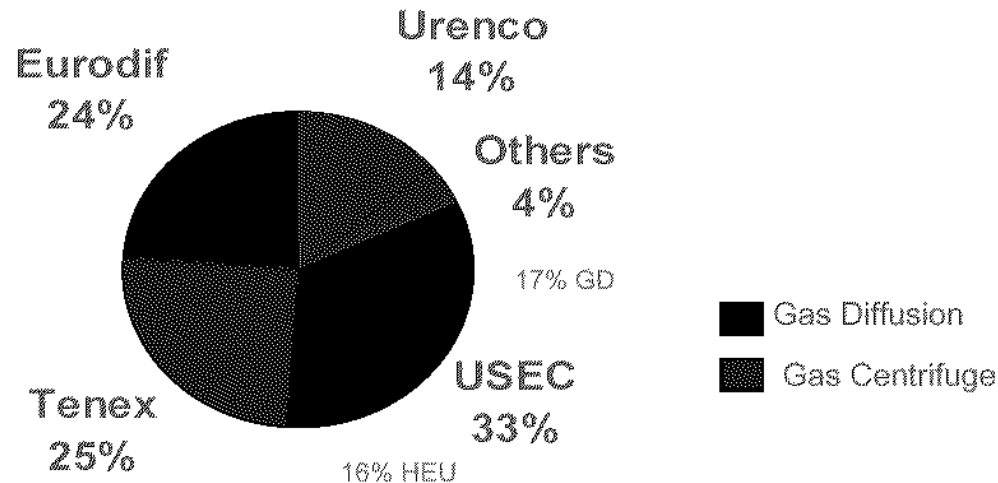


SILEX Uranium Enrichment Project

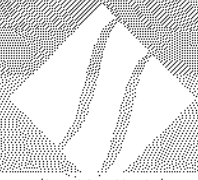
SILEX v Existing Technologies

	SILEX	CENTRIFUGE	GAS DIFFUSION
INVENTED	1990's	1940's	1940's
PROCESS	Laser Excitation	Mechanical (centrifugal force)	Mechanical (compression/diffusion)
ENRICHMENT EFFICIENCY	2 to 20	1.25	1.004
ESTIMATED COST PER UNIT (US\$)	\$30~\$40	\$70~\$80	>\$100
% OF EXISTING MARKET	0%	40%	45%
STATUS	Under Development 3 rd Generation	Proven 2 nd Generation	Obsolete 1 st Generation

Uranium Enrichment Market



- USEC withdrew from the SILEX uranium project in May 2003 after 6 yrs support.
- We believe the withdrawal was triggered by pressure from DOE to develop their American Centrifuge Technology, and preserve USEC's monopoly on Russian HEU sales.
- USEC has limited resources and could not continue with both projects.
- The SILEX Project is progressing well, albeit with delays - we will pursue a new commercial partner once the current test program is complete (mid 2004).

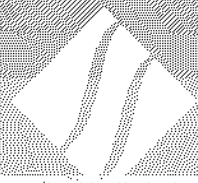


SILEX Stable Isotopes Project

- a) **SILICON Enrichment :
(Semiconductor Market)**
 - technical feasibility demonstrated → efficient enrichment
 - economic feasibility underway – Pilot Plant Program
 - commission Pilot Plant Q1 '04
 - preliminary results/economics mid '04
 - ⇒ dovetail with Sumitomo Mitsubishi wafer tests

- b) **OXYGEN Enrichment :
(Medical/Military Markets)**
 - technical feasibility tests - to be completed in Q1 '04
 - economic feasibility – Pilot Plant – results by end '04
 - fast track commercialisation activities
 - ⇒ market entry point for SILEX – cash flow by mid '05?

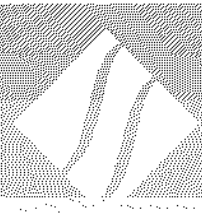
- c) **CARBON Enrichment :
(Medical/Semiconductor Markets)**
 - can follow closely behind Oxygen Project
 - currently lower priority – will be reviewed in due course



Silex Semiconductor Division

Silex Projects Focus on Solutions to Fundamental Semiconductor & Photonics Problems

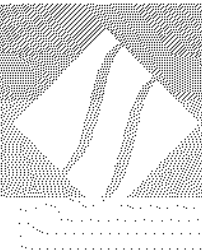
- Division grew out of SILEX Technology application to enrich silicon for semiconductor industry.
- Projects expanded to encompass potential wafer-scale solutions for a number of critical silicon-based semiconductor and photonics problems:
 1. **No Optical / Photonic Capability** \Rightarrow **Translucent Photonics**
 - Silicon cannot absorb or emit light – optical applications not possible
 2. **Low Electron Mobility (Speed)** \Rightarrow **Silicon Isotope Superlattice**
 - Microprocessor speed limited in silicon by low electron mobility
 3. **Thermal Management Issues** \Rightarrow **Enriched Silicon-28 Wafers**
 - Heat dissipation and miniaturisation problems



Translucent

Silicon Planar Lightwave Circuits (SPLC)

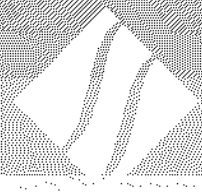
- **Translucent well positioned to pursue initial opportunity in photonics markets currently worth ~US\$4 billion p.a.**
 - April 2001: Silex acquired a 30% interest in Translucent Photonics Inc – Palo Alto based start-up for US\$5M (~A\$9.6M).
 - *The US\$5M has been used to fund prototype development and demonstration of the Translucent SPLC invention.*
 - September 2003: Silex reached agreement to increase its equity to 73% with an additional A\$8.3M and 2.4M Silex shares.
 - *2nd funding tranche and development strategy should take Translucent to positive cash flow within 2 years.*
- **The development program is progressing well – key ‘Optical Silicon’ Demonstration Milestone achieved in November 2003.**



Translucent

Overview of the Translucent Technology

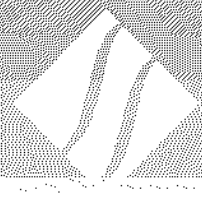
- **Translucent aims to bring Silicon economics to Telecommunications.**
- **In its natural form, Silicon is an “indirect band-gap” material that can’t be used for optical communications.**
 - This forced the use of expensive “compound semiconductors” (eg. GaAs and InP) for optical communications – incompatible with Silicon.
 - The result is very high cost optical communications systems, compared to the low cost Silicon chips used in electronics industry.
- **Synergy with SILEX**
 - Converting natural silicon into a new state to enhance its capabilities and value.



Silicon Isotope Superlattice (SIS)

Silicon Electron Mobility

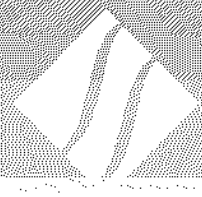
- Silicon – very cheap but mediocre electronic performance.
- SIS aims to increase electron mobility in silicon \Rightarrow higher speed/performance.
- R&D Program (with Prof. Itoh Group – Keio Uni, Tokyo) aims to demonstrate technical and economic viability by end of 2004.
- World's first SIS structure produced at Keio Lab in August 2002.
- Program delays (materials impurities) currently being resolved.
- Testing of full specification SIS expected by mid 2004.



SILEX Enriched Silicon Wafers

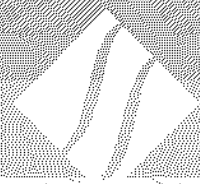
Thermal Management

- **Using enriched Silicon can reduce thermal overload in today's microprocessors → major problem with 100M transistors per chip.**
- **Potentially large market for advanced microprocessors and communications devices – silicon wafer industry > US\$6,000M p.a.**
- **SILEX – potential to be first economic source of enriched silicon.**
- **Project progressing well – Production of Si-28 from SILEX Pilot Plant in 2004.**
- **Silicon Wafer partner – Sumitomo Mitsubishi Group (SUMCO) (Second largest silicon wafer manufacturer in the world).**
- **Collaboration Agreement – 2 yr feasibility study to end of '04**



Fiberbyte Technology

- **Fiberbyte P/L - Adelaide based optical communications company.**
- **Fiberbyte has two unique technologies:**
 1. **Fibre Optic Test Equipment Technology.**
 2. **“USB Real Time” Communications Platform Technology.**
- **Silex has acquired an 83% interest in Fiberbyte in return for A\$5M development funding.**
- **Aim to make Fiberbyte cash-flow positive within 2 yrs – sales effort to commence in 2004.**



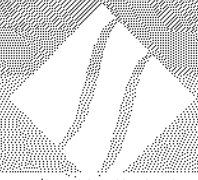
Fiberbyte Technology

1. Fibre Optic Test Equipment (FOTE) Technology:

- Current world market ~ US\$500M p.a. with growth potential.
- Integral to development, installation, operation & maintenance of all optical communications equipment and networks.
- Fiberbyte targeting both the Telco and Aerospace markets with its unique “USB-in-Synch” technology.
- Fiberbyte products (2nd Gen USB platform) offer technical and price advantages.

2. “USB Real Time” Data Communications Platform Technology:

- Capitalises on core “USB-in-Synch” proprietary technology.
- Primary target market: Real-time Data Acquisition (~US\$3B p.a).
- Manufacturers & System Integrators of real-time I/O systems – broad spectrum (electronics, semiconductors, control & automation, military, medical etc).
- Fiberbyte’s “USB Real-Time” Technology offers 1st possibility for standardised industrial datacom platform.



Silex Facilities and Resources

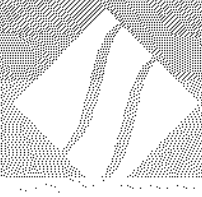
HUMAN RESOURCES

- Uranium Project - 20 Sydney
- Stable Isotope Project - 8 Sydney
- Translucent - 5 California
- Fiberbyte - 13 Adelaide

The Silex research teams are world-class, and include 14 PhD's, 10 Engineers and 14 Technicians.

FINANCIAL RESOURCES

- Silex has cash of ~ A\$36M.
- Silex has no significant liabilities.
- Existing cash reserves sufficient to fund current development activities for the foreseeable future.



Silex Priorities - 2004

- 1. Focus on commercialising existing technologies**
- 2. Identify new uranium project partner**
- 3. Develop initial commercial venture for Translucent**
- 4. Commercialisation decisions - SILEX silicon, oxygen projects.**
- 5. Set Silex on path to be cash flow positive in ~ 2 yrs**



Summary

- **Silex - A mission focused technology company.**
- **Excellent Resources**
 - Technical Teams
 - Facilities
 - Funding
- **Intellectual Property Protection**
 - Patent Applications
 - Classification
- **Clear Corporate Strategy**
 - Alliances with industry leaders
 - Broad exploitation of core technology
 - Diversification into Synergistic Technologies
 - Aim to be cash flow positive in ~ 2 yrs



SILEX

A unique company developing technology
and advanced materials for
the 21st Century.

(Please note : picture pages have been omitted from this version of the presentation for brevity.

These pictures can be found in the full Investor Presentation on the Company's website).