

3rd Quarter FY 2012 – Quarterly Report and Appendix 4C Improved Cash Flow and Balance Sheet

Queanbeyan, Australia – 26 April 2012 – During the quarter our vision of DSC becoming a preeminent solar enabling technology for BIPV came a step closer with the announcement of developments in the USA and Korea for glass based built environment applications.

In the third quarter, an improved cash flow and balance sheet shows net operating monthly burn rate of \$560K due to reduced expenditure and receipt of a \$0.73M R&D tax rebate. For the year-to-date cash burn is averaging \$847K, which compares favourably with the previous year of \$940K.

At the end of the quarter cash was \$5.74M up from \$2.67M at the end of the previous quarter, which reflects the Share Purchase Plan the company completed in March. Dyesol continues to look at options to lower cash burn while maintaining our leading technological position in DSC.

An important management change occurred during the quarter, with Dr. Gavin Tulloch's role as Director of Technology ending and his position on the Board changed from Executive Director to Non-Executive Director at the end of March. The terms of these changes are now in dispute between Dr. Tulloch and Dyesol. Dyesol's independent Directors have also agreed to defer compensation at this time and are reviewing options for increasing the equity component of salaries generally.

Stabilising the Share Price and Short Term Funding

During the quarter, to support the Company pathway to mass market commercialisation of DSC enabled (building) products, Dyesol cancelled the Bergen Global Opportunity Fund, LP Equity Line of Credit and successfully raised AUD \$5 million from a Share Purchase Plan (SPP) offered to eligible existing shareholders and an additional placement to sophisticated investors. The Equity Line of Credit had contributed to the falling share price and the Board's decision to cancel the facility was an important step towards stabilising the share price and providing for short-term cash needs through the SPP.

The success of the Share Purchase Plan was a validation from our existing shareholders that they believe in Dyesol's strategy of being a materials and IP supplier – not products manufacturer – in the Building Integrated Photovoltaic (BIPV) value chain.

During the period, the Board answered shareholder concerns in a formal, written Q&A format, and Executive Chairman, Richard Caldwell, addressed the market in two radio interviews to provide further insight into operations and short and long term activities (both the Shareholder Q&A document and audio files of the radio interviews are accessible at www.dyesol.com).

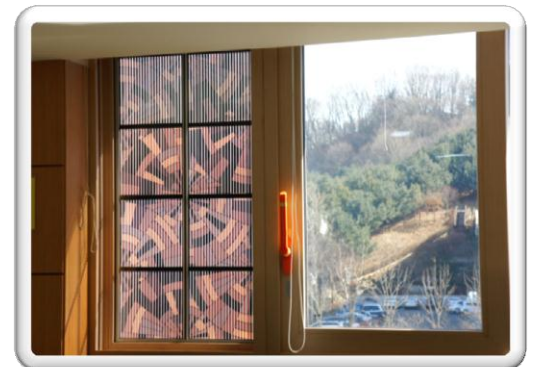
Scientific Community Validation

In late February, the "Father of the Dye Solar Cell", DSC co-inventor, and Chairman of Dyesol's Technology Advisory Board, Professor Michael Grätzel, was announced the winner of the World Cultural Council's *2012 Albert Einstein World Award of Science*. Professor Graetzel was selected for this prestigious award because of DSC's capability to make a substantial impact on the adoption of sustainable energy throughout the world and make a large contribution to the use of clean, renewable energy and associated reduction in pollution. This recognition, by a highly prestigious international body, is not only a tremendous mark of respect for Professor Graetzel but also a welcomed endorsement in the DSC technology and applications Dyesol is working to commercialise.

Solar Enabling DSC Technology Applications Progress

Progress towards commercialising DSC enabled glass also passed another milestone in the United States of America during the quarter and the Company announced significant progress in overcoming challenges associated with assembly of large glass-based DSC panels faced by the Company's Ohio-based joint-venture called DyeTec Solar. One of the most important outcomes of this progress was further confirmation that DSC glass panels can be produced in relatively "low tech" manufacturing environments instead of the high-cost extreme clean room environments often associated with other solar technologies. In March Dyesol's Ohio team successfully produced large DSC glass panels which exceeded 1.20 meters x 60 centimetres in size. This was a great result for the Company this quarter.

Another exciting development in the quarter was reflected in the announcement, "DSC: A beautiful future emerges in Korea". The DSC modules (tiles) used in the window systems installed at Seoul City's Human Resource Development Centre, were produced and supplied by Dyesol Limited's Korean joint venture partner, Timo Technology, using Dyesol DSC materials, technology and know-how. Investors and stakeholder were able to see photos of a commercial building installation of striking DSC enabled windows with clean energy generating capability. This provides an understanding of how DSC can be used to create beautiful designs in glass applications. This announcement generated more web traffic and interest than any other announcement since April 2011, a response which signals the significant appeal of DSC applications on windows.



In the United Kingdom, Dyesol and partner Tata Steel Europe have continued work on Dye Solar Cell (DSC) enabled steel sheet roofing building material. The objective of this collaboration is to establish and commercialise a coil coated DSC photovoltaic-energy-producing steel roofing product, manufacturing process and supply chain. During the quarter, the work underway in Shotton, Wales, has been focused on performance improvement, validation and testing.

Radio interviews with Executive Management and news releases for the quarter are available on Dyesol's website at www.dyesol.com.

The Company – DYESOL Limited

Dyesol is a global supplier of Dye Solar Cell (DSC) materials, technology and know-how. DSC is a photovoltaic technology enabling metal, glass and polymeric based products in the building, transport and electronics sectors to generate energy and improve energy efficiency. Dyesol partners with leading multinational companies who possess significant market share and established routes-to-market. The company is listed on the Australian Stock Exchange ([DYE](http://www.asx.com.au)), the German Open Market ([D5I.F](http://www.fsb.fairfax.de)), and is trading on the OTCQX ([DYSOY](http://www.otcmarkets.com)) through its depository BNY Mellon. Learn more: www.dyesol.com Subscribe to Mailing List and eNewsletter [here](#).

The Technology – DYE SOLAR CELLS

[DSC technology](#) can best be described as 'artificial photosynthesis' using an electrolyte, a layer of titania (a pigment used in white paints and tooth paste) and ruthenium dye deposited on glass, metal or polymer substrates. Light striking the dye excites electrons which are absorbed by the titania to become an electric current. Compared to conventional silicon based photovoltaic technology, Dyesol's technology has lower cost and embodied energy in manufacture, it produces electricity more efficiently even in low light conditions and can be directly incorporated into buildings by replacing conventional glass panels or metal sheets rather than taking up roof or extra land area.

- Ends -

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

DYESOL LIMITED

ABN

92 111 723 883

Quarter ended ("current quarter")

31 MARCH 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	342	1,106
1.2 Payments for		
(a) staff costs	(1,448)	(4,380)
(b) advertising and marketing	(253)	(1,024)
(c) research & development & other working capital	(1,050)	(4,541)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	8	22
1.5 Interest and other costs of finance paid	-	(40)
1.6 Income taxes received/(paid) (R&D Tax rebate)	730	730
1.7 Other (R&D grant received)	-	502
Net operating cash flows	(1,671)	(7,625)

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,671)	(7,625)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(148)	(345)
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (payment for product development cost)	(370)	(1,025)
Net investing cash flows	(518)	(1,370)
1.14 Total operating and investing cash flows	(2,189)	(8,995)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc (net)	5,525	8,826
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings	-	366
1.18 Repayment of borrowings	-	(451)
1.19 Dividends paid		
1.20 Other	(257)	(279)
Net financing cash flows	5,268	8,462
Net increase/ (decrease) in cash held	3,079	(533)
1.21 Cash at beginning of quarter/year to date	2,671	6,293
1.22 Exchange rate adjustments to item 1.21	(10)	(20)
1.23 Cash at end of quarter	5,740	5,740

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	198
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

<u>1.24</u>		
-	Directors' and associates' remuneration	78
-	Marketing services provided by directors and related entities	66
-	Technical services provided by directors and related entities	54

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

The Share Purchase and Convertible Security Agreement between Dyesol Ltd and Bergen Global Opportunity Fund, LP dated on or about December 1, 2012 was terminated effective on 29 February 2012. As discharge of the security represented by 1,300,000 collateral shares and in full and final settlement of all Bergen's liabilities in connection with the collateral shares, Bergen has set off the collateral shares amount against the amount outstanding in connection with the convertible security valued at \$800,000, funds for which were received by the Company on 15 December 2011. In addition, 1,249,219 ordinary fully paid shares has been issued to Bergen Global Opportunity Fund, LP in respect to a partial redemption of the convertible security. After this conversion and set-off of the collateral shares, the balance of the convertible security was \$396,420.

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	NIL	NIL
3.2	Credit standby arrangements	NIL	NIL

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	5,740	2,671
4.2 Deposits at call		
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.23)	5,740	2,671

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

Executive Chairman

Date: **26 April 2012**

Print name: **Richard Caldwell**