



Solar Thin Films, Inc. (OTC: SLTZ)

has been a very active stock since announcing it was making the move from solar module production equipment and turnkey facility production to the establishment, operation and management of solar farms across the globe.

In our opinion, the reason investor interest is building in SLTZ is because solar farms are among one of the hottest sectors of the market. The reason for the buzz is that companies that establish, operate, and manage solar farms are reaping the rewards of government mandates on clean energy in the form of grants for project funding and revenues from power companies.

SLTZ is not alone. Some of the smartest money on the planet is getting into the game. Google announced early last year that it invested €3.5 million (\$5 million USD) into a solar photovoltaic farm in Brandenburg an der Havel, Germany, which is near Berlin. Still looking for more opportunities, Google announced in December that it is investing \$94 million in solar panel farms in the Sacramento area and another \$168 million to help develop a solar energy power plant in California's Mojave Desert in cooperation with Brightsource. BrightSource just finalized \$1.6 billion in loans from the U.S Department of Energy as well as a \$168 million investment from Google. It is not just Google. Duke Energy announced last month it has purchased three solar power plants in North Carolina and two in Arizona. Duke owns nine PV solar power plants with total solar capacity of about 50 megawatts. It is also building a 5-MW facility in North Carolina. Still not convinced? Last month

First Solar announced that Warren Buffett's MidAmerican Energy Holdings will buy its 550 megawatt, \$2 billion Topaz solar farm located in San Luis Obispo County. One of the two largest under construction in the world, both of which are being built by First Solar, the Topaz, When complete it will generate enough electricity to power 160,000 average California homes. In our opinion, solar power is here to stay.

Cenergy, Inc.

Cenergy is a subsidiary of SLTZ that will seek to engage in the development and syndication of Solar Power projects. Forming Cenergy is SLTZ's latest step in shifting its focus to the establishment, operation and management of international solar farms. SLTZ has recruited top management for its new initiative from Israel. Why Israel, You might ask? Solar power in Israel, and the Israeli solar energy industry, dates back to the 1950's. By the late 1960's one in twenty households heated its water with the sun. Currently, over 90% of Israeli homes heat water with a solar water heater. Israeli engineers are at the cutting edge of solar energy technology and its solar companies work on projects around the world.

There is no oil on Israeli land, and the country strained relations with its oil-rich neighbors has made the search for a consistent source of energy a national priority. Israeli researchers have advanced solar technology to the point that it is cost competitive with fossil fuels. Israel is at the top of the list worldwide when it comes to number of sunny days per year. Recently, Israel

OTC Symbol: SLTZ
Current Price: \$0.043
Shares Outstanding: 24.36 million

Market Cap: \$1.05 million
52 Week Trading Range:
52-Week Low: \$0.235
52-Week High: \$0.01

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Forming Cenergy is SLTZ's latest step in shifting its focus to the establishment, operation and management of international solar farms.



In Germany 35% of production by 2020 and 80% by 2050. Renewable energy mandates call for 18% of its energy to be renewable by 2020, 30% by 2020, and 60% by 2050.

announced the launch of a breakthrough solar farm that many hope will be so affordable that it will lead to a meaningful reduction of fossil fuel usage. The technology, a system of rotating dishes made up of mirrors, is capable of harnessing up to 75 percent of incoming sunlight, which is five times the capacity of traditional solar panels. In addition, using mirrors to reduce the number of photovoltaic cells needed, it makes the cost of solar energy roughly comparable to fossil fuels. It goes without saying that Israel is one of the epicenters of solar technology.

The two top Israeli executives who recently joined the company have the potential to take SLTZ to the next level. Under their guidance, SLTZ could become a major player in the development and syndication of Solar Power projects. Here is a brief bio of the two:

Shlomo Ariel - President and a Director

Mr. Ariel will serve as President and a Director of Cenergy. He brings significant experience in general management and leadership throughout his career. Since 2005 Mr. Ariel has served as VP Israel Business Development at the Wolfson Group in New York. Prior to that, Mr. Ariel co-founded Ness Technologies, the largest IT Company in Israel today, and later served as Ness Technologies' COO and Corporate Secretary. Prior to joining Ness Technologies, Mr. Ariel served in the Israeli Defense Forces for 22 years where he achieved the rank of Commander of an Armor Brigade and was head of Armor Doctrine & Development. Mr. Ariel holds an MBA from the Hebrew University in Jerusalem, and a BA from National Defense College IDF. Since 2009 Mr. Ariel has been managing a clean energy company, Greensol, which is



located in Israel. Greensol, has initiated 10 megawatts of photovoltaic projects in Israel.

Adiv Baruch - Chairman of the Board

Mr. Baruch has served as a venture partner with Infinity-I-China, an equity investment company since 2007. Mr. Baruch is also a member of the founding group who led the initiation of the Clean Energy Incubator for the State of Israel (Capital Nature). From January 2004 until November 2006, he served as the President and CEO of B.O.S., a company publicly traded on both NASDAQ (BOSC) and the Tel Aviv Stock Exchange. From 1999 to 2003, he served as Executive Vice President Business Development of Ness Technologies, and the president of Ness

Ventures. He has served as founder and executive/director for several information technology companies and Internet start-ups. Mr. Baruch is actively involved as the Chairman of The Israel Export and International Cooperation Institute, Hi-Tech and Telecom Division, and a board member of the IEIC. Mr. Baruch serves as a director in several public and private companies, including Rabintex Industries Ltd, an international manufacturer of personal protection equipment and armored systems, as well as an Israeli community and mobile portal company, all of which are public traded companies listed on the Tel Aviv Stock Exchange. Mr. Baruch has led global strategies for many companies in the technology related sector and has executed many successful mergers and acquisitions.

Mr. Baruch has a B.Sc. in Information Systems and Industrial Engineering from the Technion - Israel Institute of Technology. Adiv is amongst the founders of Greensol and acts as a managing partner.

In addition Robert Rubin will continue to serve as a Director of the Company.

In a recent announcement, SLTZ confirmed it is in talks with a large European renewable energy developer on several solar energy projects in Europe. The total output of the projects is anticipated to exceed 100 megawatts. Even though these are just talks and there are no assurances that any contracts will result, or that any contracts signed will have successful results, this is a huge step in the right direction. The European Union has a mission to take at least 20% of their entire energy from renewable resources by 2020. Last year they announced that they would lay a series of highly-efficient cables across the Mediterranean, build a series of solar power plants in the Sahara, and import renewable energy from across the sea. If just one percent of the Saharan Desert were covered in concentrating solar panels it would create enough energy to power the entire world. The initiative is being financed by a group of European companies and is supported by the EU government.

Adiv Baruch, Chairman of the Board of Cenergy Global Corp, stated, "We are building a strong relationship with some of the leading players in the European market, who are experienced in developing profitable renewable energy projects. We are exposed to large size projects with unique economic parameters."

Renewable Portfolio Standards

A renewable portfolio standard is a state policy requiring electricity providers to obtain a minimum percentage of their power from renewable energy resources by a certain date. Currently there are approximately 30 states plus the District of Columbia that have RPS policies in place. Together these states account for more than half of the electricity sales in the United States. Five other states, North Dakota, South Dakota, Utah, Virginia, and Vermont, have nonbinding goals for adoption of renewable energy instead of an RPS. Most of the states are requiring 10% to 20% of electric power come from renewable energy. Maine has set its standards high by requiring 40% from renewable sources.

Over 16 of the approximately 30 states with RPS programs have also established a set-aside for solar energy. This results in the creation and trading of RECs specific to solar known as Solar Renewable Energy Certificates (SRECs). The solar set-aside establishes a separate market for SRECs that encourages the inclusion of solar technology in the renewable energy mix. This differs from the REC multiplier approach used by some states in which a REC from solar might count 2-3 times as much as any other REC. Multipliers have had limited impact in promoting solar technology since most REC buyers will find it easier to source 2-3 times their REC needs from the economics and scale that come with wind farms. With a separate market for SRECs, states are able to ensure that a portion of their renewable energy comes from solar. As a result, states with solar carve-outs, such as New Jersey, have had more suc-

cess in promoting solar energy through the RPS than states, such as Texas, with a generic REC market or REC multiplier. In our opinion, SLTZ is in moving into the right sector of the market at the right time, which could be why investors are buying up shares of this little known company.

China adopted a renewable energy target in 2006 and modified it in 2009. Renewable electricity must be 500 GigaWatts (GW) by 2020. 300 GW must come from hydro, 150 GW from wind, 30 GW from biomass, and 20 GW from solar PV. The Chinese government is also mandating that renewable energy account for 15% of energy production by 2020.

The European Union passed the Directive on Electricity Production from Renewable Energy Sources in 2001 and expanded it in 2007. Currently, renewable electricity must make up 33% of power production by 2020. Renewable energy must be 20% by 2020.

The German Renewable Energy Act, since its adoption in 2000, is producing strong growth in renewable power capacity by encouraging private investors through guaranteed Feed-in tariffs. Germany has adopted targets more aggressive than EU mandated targets. Germany's mandate calls for renewable electricity to be 35% of production by 2020 and 80% by 2050. Renewable energy mandates call for 18% of the energy produced to be renewable by 2020, 30% by 2020, and 60% by 2050.

In our opinion, the mandates supported by the governments in these countries create a tremendous opportunity for SLTZ.