

PowerFilm, Inc.

\$3 Million in Military Purchase Orders

06 September 2012, PowerFilm, Inc. (AIM: PFLM), ("PowerFilm" or the "Company"), the developer and manufacturer of thin flexible solar panels and developer of roll to roll flexible electronics, today announces it has received significant purchase orders from military partners for supplying the US Army with PowerFilm's foldable solar chargers.

The orders total approximately \$3 million and are to be shipped in the second half of 2012. These are Made in USA products manufactured at the Company's advanced manufacturing facilities in Ames, Iowa. The manpackable solar panels will be fielded to Army Brigades.

PowerFilm's solar panels are being supplied as part of the Army's Capability Set 13, an integrated fielding approach that provides system and product technology packages to US Forces in a quicker more efficient manner. A five week Network Integration Evaluation (NIE), which is driven by Soldier-led evaluations, tested the functionality of these panels in a tough realistic tactical environment and validated them as being a key part of the tactical network components which comprise Capability Set 13.

The purchases include orders for PowerFilm's new industry-leading 120-Watt foldable solar charger which weighs an impressively light 6.5 pounds and fits comfortably in a backpack. Other sizes of foldable chargers to be supplied are the 10-Watt and 60-Watt versions. The large foldable solar chargers will be used in conjunction with key partners' systems as a complete solution for battery charging in the field, while smaller solar chargers will be carried by individual Soldiers to supply critical remote power where and when it is needed most.

These products are ruggedized to meet the tough demands of military deployment use. The PowerFilm solar chargers can be carried in a pack, shipped in a crate, or dropped from the air. Unlike glass solar panels, these panels are made of plastic and will not shatter upon impact. Also, based upon amorphous silicon technology, these panels are ready for Soldiers to use instantly in varying light conditions, and do not need the light-soaking waiting period that is required if Copper Indium Gallium Selenide (CIGS) solar panels are used.

As a result of the Department of Defense (DoD)'s strategic emphasis on renewable energy, PowerFilm has experienced positive movement in product demand within the military and government sectors in the first half of 2012. Extensive efforts over the past decade to educate stakeholders within key DoD initiatives have culminated in the recently announced purchase orders for PowerFilm's lightweight foldable solar chargers for individual Soldiers. PowerFilm's solar panels for the military are being provided to the Soldier as a sure supply of remote energy to power the increasing number of electronics the Soldier relies on in the tactical environment.

"We are pleased to strengthen our long-term relationship with the military and to supply Soldiers with our solar recharging products," commented Ron Mason, PowerFilm's Vice President, Sales and Marketing. "The fact that our products are rugged, lightweight, high quality, and made in the USA is important to the Army."

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A copy of this announcement will be available on the PowerFilm website at <http://www.powerfilmsolar.com>. The common shares of PowerFilm, Inc. are traded on the AIM Market of the London Stock Exchange and are not registered under the US Securities Act 1933, as amended. Such shares may not be offered or sold to residents of the United States or to persons acting on their behalf, or to other persons who are "United States Persons" within the meaning of Regulation S as promulgated under the Securities Act of 1933, unless such shares have been registered under the Securities Act or there is an available exemption from registration.

Forward-looking Statements

This release includes forward-looking statements which are based on certain assumptions and reflect management's current expectations as contemplated under the Safe Harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. Some of these factors include: uncertainty as to whether our strategies, partnerships and business plans will yield the expected benefits; general global economic conditions; general industry and market conditions and growth rates; increasing competition; the ability to identify, develop and achieve commercial success for new products, services and technologies; changes in technology; changes in laws and regulations, including government incentive programs; intellectual property rights; our ability to secure and maintain strategic relationships, including key supply relationships; the availability and cost of capital; the availability of, and our ability to retain, key personnel; and the failure of the Company to effectively integrate acquisitions. Additional factors are discussed in our public disclosure materials from time to time. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.