

PowerFilm, Inc.

Organizational Changes

18 July 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 the following organizational changes.

Ron Mason has been named Sales Director to lead the sales team at PowerFilm. Ron's sales career includes a strong mix of both achieving strong sales results and in leading and building sales teams. Prior to his joining PowerFilm in 2008 where he has built important customer relationships and increased military and marine sales, Ron served as Senior Vice President, Sales at Bankers Systems and as Executive Vice President, Sales at Olivetti North America where revenues exceeded \$200 million.

Merlin "Mert" Hanson is retiring with immediate effect as Chairman of the Board of Directors of PowerFilm, Inc. Mert has served on the Board since 2006 and has provided valuable leadership to the Board and to the Company overall.

"PowerFilm is grateful for his essential guidance through several important milestones in the growth of the Company. We thank Mert for his service and wish him and his wife Linda the very best," commented Frank Jeffrey, PowerFilm CEO.

For further information, please contact:

PowerFilm, Inc. +1 (515) 292 7606 x 102
Frank Jeffrey, CEO
Mike Coon, VP, Building Integrated, Business
Development, and External Relations

Nomura Code Securities Limited +44 (0) 20 7776 1200
Juliet Thompson
Giles Balleny

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.