

**BLUGLASS LIMITED**

**ABN 20 116 825 793**

**NOTICE OF ANNUAL GENERAL MEETING**  
including  
**EXPLANATORY STATEMENT**  
and  
**PROXY FORM**

**DATE, TIME AND VENUE OF ANNUAL GENERAL MEETING**

Monday 16th November 2009 at 2.30pm EST

Grant Thornton, Level 17, 383 Kent Street  
SYDNEY NSW 2000

**This Notice of Meeting should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.**

**Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 2) 8823 3100.**

## Notice of Annual General Meeting and Explanatory Memorandum

Notice is hereby given that the Annual General Meeting of BluGlass Limited (the Company) will be held on Monday 16th November 2009 commencing at 2.30pm (EST) at Grant Thornton, Level 17, 383 Kent Street, Sydney, NSW 2000

The Explanatory Memorandum which accompanies and forms part of this Notice of Meeting describes the matters to be considered at the Annual General Meeting.

### VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the time and place set out above.

### VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to BluGlass Limited, 74 Asquith Street, SILVERWATER, NSW, AUSTRALIA, 2128; or
- (b) facsimile to the Company on facsimile number (+61 2) 9748 2122,

so that it is received not later than 2.30pm (EST) on Saturday 14th November 2009.

The Proxy Form forms part of this Notice of Meeting.

**Proxy Forms received later than this time will be invalid.**

### VOTING ENTITLEMENT AND SNAPSHOT DATE

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered shareholders of the Company at 5:00pm (EST) on Saturday 14th November, 2009.

### AGENDA

#### Ordinary Business

#### Accounts and Reports

To receive the annual financial report of the Company for the financial year ended 30 June 2009 and the declarations and reports of the Directors and Auditors thereon.

#### Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*“That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the Adoption of the Remuneration Report as contained in the Company’s annual financial report for the year ended 30 June 2009.”*

#### Resolution 2 – Re-Election of Director – Mr Chandra Kantamneni

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

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*“That, for the purpose of clause 13.2 of the Company’s Constitution and for all other purposes, Mr Chandra Kantamneni, a Director who was appointed on 25 July 2006, retires by rotation, and, being eligible, is re-elected as a director of the Company.”*

## **Resolution 3 – Re-Election of Director – Mr George Vernados**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That for the purpose of 13.4 of the Company’s Constitution, Mr George Vernados a director who was appointed on 10 December 2008 to fill a casual vacancy and, being eligible, is re-elected as a director of the Company.”*

## **Resolution 4 – Ratification of Prior Issue of Securities**

To consider and, if thought fit, pass the following resolution, with or without amendment, as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 23,925,621 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this resolution by a person who has participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

## **Resolution 5 – Issue of Shares to a Director Pursuant to Capital Raising**

To consider and, if thought fit, pass the following resolution, with or without amendment, as an ordinary resolution:

*“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 294,118 Shares to Michael Taverner (or his nominee) on the terms and conditions and as set out in the Explanatory Memorandum.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Michael Taverner (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## **Resolution 6 – Issue of Shares to a Director Pursuant to Capital Raising**

To consider and, if thought fit, pass the following resolution, with or without amendment, as an ordinary resolution:

*“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 352,941 Shares to Greg Cornelsen (or his nominee) on the terms and conditions and as set out in the Explanatory Memorandum.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Greg Cornelsen (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## **Resolution 7 – Issue of Shares to a Director Pursuant to Capital Raising**

To consider and, if thought fit, pass the following resolution, with or without amendment, as an ordinary resolution:

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*“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 294,118 Shares to George Vernados (or his nominee) on the terms and conditions and as set out in the Explanatory Memorandum.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by George Vernados (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## **Resolution 8 – Issue of Shares to a Director Pursuant to Capital Raising**

To consider and, if thought fit, pass the following resolution, with or without amendment, as an ordinary resolution:

*“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 117,647 Shares to Chandra Kantamneni (or his nominee) on the terms and conditions and as set out in the Explanatory Memorandum.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Chandra Kantamneni (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## **Resolution 9 - Appointment of Auditor**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a Special resolution:

*“That for the purposes of sections 327D and 328A of the Corporations Act and for all other purposes, approval is given for the Directors to appoint Grant Thornton Audit Pty Ltd ABN 91 130 913 594 as auditor of the Company, having been nominated by a shareholder and consented in writing to act in the capacity of auditor.”*

## **Resolution 10 – Increase in Aggregate Director Fees**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a ordinary resolution:

*That for the purposes of ASX Listing Rule 10.17 and in accordance with Article 13.7 of the Company Constitution and all other purposes, the Company approves the maximum aggregate amount that may be paid to Directors as remuneration for their services in each financial year be set at \$400,000 which may be divided among those Directors in the manner determined by the Board of the Company from time to time.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by all Directors of the Company or any of their associates.

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**DATED: 1 OCTOBER 2009  
BY ORDER OF THE BOARD**

**EMMANUEL CORREIA  
COMPANY SECRETARY**

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of a Notice of Meeting convening the Annual General Meeting ("the Meeting") of shareholders of BluGlass Limited ("BluGlass" or the "Company") to be held on Monday, 16 November 2009 at 2.30pm (EST).

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

### Accounts and Report

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2009 together with the declaration of the directors, the Directors' Report, the Remuneration Report and the Auditor's report.

In accordance with amendments to the Corporations Act the Company is no longer required to provide a hard copy of the Company's Annual Financial Report to shareholders unless a shareholder has specifically elected to receive a printed copy. These amendments may result in reducing the Company's printing costs.

Whilst the Company will not provide a hard copy of the Company's Annual Financial Report unless specifically requested to do so, shareholders may view the Company Annual Financial Report on its website at [www.bluglass.com.au](http://www.bluglass.com.au)

### 1. Resolution 1 – Adoption of Remuneration Report

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2009.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

### 2. Resolution 2 – Re-Election of Mr Chandra Kantamneni as a Director

Clause 13.2 of the Constitution requires that if the Company has three or more Directors, one third (or the number nearest one-third) of those Directors must retire at each annual general meeting, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Company currently has 4 Directors and accordingly Mr Chandra Kantamneni must retire.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

Mr Chandra Kantamneni retires by rotation and seeks re-election.

### 3. Resolution 3 – Election of Director – Mr George Vernados

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

George Vernados will retire in accordance with clause 13.4 of the Constitution and being eligible seeks re-election.

#### 4. Resolution 4 – Ratification of Prior Issue of Securities

On 6 August 2009, the Company announced that it had placed 23,825,621 Shares at \$0.17 per share to raise a total of \$4,050,356 (before costs) under a capital raising program (**Capital Raising Program**).

None of the subscribers for shares under this issue were related parties of the Company.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Share Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

#### Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Share Ratification:

- (a) 23,925,621 Shares were allotted and issued:
- (b) the Shares were issued to the Allottees at a price of \$0.17 per Share;
- (c) the Shares were all fully paid ordinary shares in the capital of the Company on the same terms and conditions of the Company's existing Shares;
- (d) The Shares were issued and allotted to the following parties:

HSBC PREM AUST SMALL CO FUND 10	243,117
CHALLENGER INVESTMENT SERVICES	944,842
KINETIC INVESTMENTS	896,013
KINETIC INVESTMENTS	1,053,785
CHALLENGER INVESTMENT SERVICES	568,125
DR KEN PTY LTD	117,647
WAKKO ENTERPRISES PTY LTD	352,941
NAOS ASSET MANAGEMENT LIMITED	4,800,000
SUSQUEHANNA PACIFIC PTY LTD	588,235
ASSET SELECTION ADVISORS PTY LIMITED	147,058
EQUITY TRUSTEES	735,294
LINDA ANN LOLLBACK	117,647
TELSTRA SUPER-ACTIVE	1,470,588
JETAN PTY LTD	1,588,235
JETAN PTY LTD	441,176
TAYCO INVESTMENTS PTY LTD	588,235

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DROGA CAPITAL PTY LIMITED	400,000
ADMIRAL RIDGE PTY LTD	147,059
E.L & C. BAILLIEU STOCKBROKING LTD	470,588
Mr. Gary Wayne Grima & Mr. Graham Derrick Grima	1,058,824
Lyndell Jane Ghietti	105,882
Geopepper Investments Pty Ltd	105,882
Steven Gower	31,765
S.J. England Pty Ltd	88,235
Jeel Pty Ltd	200,000
Kaluka Pty Ltd	2,941,176
CrawFord Falls Pty Ltd	147,058
Fortis Clearing Nominees	100,000
Energy Solar Central Pty Ltd	352,941
Tekmac Pty Ltd	300,000
Mark Scott Schumacher	200,000
Landpath Pty Ltd	294,117
Timothy James Dowling	105,882
69th Javal Pty Ltd	294,117
Mr. Domenic Barbaro	300,000
Keijo Musto	100,000
Geoffrey King	117,647
Jennifer Ann Balzan	39,176
Mr. Shaun Michael Colley & Mrs. Heather Jones	100,000
Mr. Anthony Stephen Crimmins	200,000
Giles Bourne	117,647
George Sim	500,000
CrawFord Falls Pty Ltd	354,687
Steve Nicols	100,000

- (e) The funds raised from the Placement will be used to expand the Company's research, development and commercialisation of its Remote Plasma Chemical Vapour Disposition (RPCVD) technology for LED and solar cell applications.

## 5. Resolutions 5, 6, 7 and 8 – Issue of Shares to Directors Pursuant to Capital Raising Program

### 5.1 Background

The Company announced the Capital Raising Program to ASX on 27 July 2009.

At the time of undertaking the Capital Raising Program, the Directors had committed, subject to shareholder approval, to invest up to a maximum of \$180,000 (1,058,824 Shares) under the Capital Raising Program.

The ASX Listing Rules and the Corporations Act set out a number of regulatory requirements which must be satisfied in order for the Directors to participate in the Capital Raising Program. These are set out below.

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 1,058,824 Shares to Messrs Michael Taverner, Greg Cornelsen, Chandra Kantamneni and George Venardos (**Related Parties**) on the terms and conditions set out below.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (f) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and

- (g) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The issue of Shares to the Related Parties requires the Company to obtain Shareholder approval because the issue of Shares constitutes giving a financial benefit and as Directors, Messrs Michael Taverner, Greg Cornelsen, Chandra Kantamneni and George Venardos are related parties of the Company.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 may not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of Shares to the Related Parties.

## **5.2 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)**

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares:

- (h) the related parties are Messrs Michael Taverner, Greg Cornelsen, Chandra Kantamneni and George Venardos and they are related parties by virtue of being Directors;
- (i) the maximum number of Shares (being the nature of the financial benefit being provided) to be allotted and issued to the Related Parties is:
- (i) 294,118 Shares to Michael Taverner;
- (ii) 352,941 Shares to Greg Cornelsen;
- (iii) 294,118 Shares to George Venardos; and
- (iv) 117,647 Shares to Chandra Kantamneni.
- (j) the Shares will be allotted and issued to the Related Parties no later than 1 month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated Shares will be issued on one date;
- (k) the Shares will be issued at a price of \$0.17 per Share to raise a total of \$180,000 which will be used for working capital purposes;
- (l) the Shares will be fully paid ordinary shares in the capital of the Company and will be granted on the same terms as the Company's existing Shares;
- (m) the relevant interests of the Related Parties in securities of the Company are set out below;

<b>Related Party</b>	<b>Shares</b>	<b>Options</b>
Michael Taverner	327,500	Nil
Greg Cornelsen	525,000	Nil
George Venardos	Nil	Nil
Chandra Kantamneni	Nil	Nil

- (n) the remuneration and emoluments from the Company to the Related Parties for both the current financial year and previous financial year are set out below:



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Related Party	Current Financial Year	Previous Financial Year
Michael Taverner	\$64,000	\$64,000
Greg Cornelsen	\$32,000	\$32,000
George Vernados	\$32,000	\$Nil
Chandra Kantamneni	\$32,000	\$32,000

- (o) upon the allotment and issue of Shares granted to the Related Parties, a total of 1,058,824 new Shares will be allotted and issued. This will increase the number of Shares on issue from 191,057,034 to 192,115,858 (assuming that no other Options are exercised and no other Shares issued) with the effect that the shareholding of existing Shareholders would be diluted as follows:

Related Party	Issued Shares as at the date of this Notice of Meeting	Shares to be issued	Issued Shares upon exercise of all Shares	Dilutionary effect upon exercise of Shares
Michael Taverner	327,500	294,118	191,351,152	0.16%
Greg Cornelsen	525,000	352,941	191,409,975	0.19%
George Vernados	Nil	294,118	191,351,152	0.16%
Chandra Kantamneni	Nil	117,647	191,174,681	0.07%
<b>TOTAL</b>	<b>852,500</b>	<b>1,058,824</b>	<b>192,115,858</b>	<b>0.56%</b>

- (p) the trading history of the Shares on ASX in the 12 months before the date of this Notice of Annual General Meeting is set out below:

	Price	Date
<b>Highest</b>	\$0.385	11 & 8 May 2009
<b>Lowest</b>	\$0.12	21 November 2008
<b>Last</b>	\$0.21	28 September 2009

- (q) there could conceivably be an opportunity cost to the Company if the trading price of the Shares on ASX is greater than the issue price of the Shares (17 cents). The issue price was determined with reference to the same price that other Shares were issued under the Capital Raising Program;
- (r) the primary purpose of the issue of Shares to Messrs Michael Taverner, Greg Cornelsen, Chandra Kantamneni and George Venardos is to enable them to subscribe for Shares for which they would have been otherwise eligible to subscribe for under the Capital Raising Program of the Company had they not been related parties of the company; and
- (s) each Related Party declines to make a recommendation to Shareholders in relation to the particular Resolution to grant Shares to them personally due to their material personal interest in the outcome of that Resolution. With respect to Resolutions 5, 6, 7 and 8, each Director, who does not have a material interest in the outcome of a particular Resolution, recommends that Shareholders vote in favour of that Resolution. The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue Shares to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

## 6. Resolution 9 – Appointment of Auditor

In accordance with section 327D(1) of the Corporations Act, the Company has sought and obtained a nomination from a shareholder to appoint Grant Thornton Audit Pty Ltd ABN 91 130 913 594 as the Company's auditor. A copy of this nomination is attached to this Explanatory Statement as Annexure A.

Grant Thornton Audit Pty Ltd has given written consent to act as the Company's auditor in accordance with section 328A(1) of the Corporations Act.

If resolution 9 is passed, the appointment of Grant Thornton Audit Pty Ltd as the Company's auditor will take effect at the close of this General Meeting.

## 7. Resolution 10 – Increase in Aggregate Director Fees

Article 13.7 of the Company's Constitution requires that the approval of members in a general meeting be obtained in order to increase the fees payable to Directors of the Company.

Resolution 10 seeks Shareholder approval to reset the maximum aggregate remuneration that may be paid to Directors from \$200,000 to \$400,000 per annum (exclusive of Superannuation).

The Directors are currently undertaking a search and selection process for the appointment of up to two additional Non-Executive Directors to the board of the Company. With the addition of up to two additional Directors, the current level of aggregate Director fees of \$200,000 is not considered sufficient to adequately retain, attract and remunerate the Directors of the Company.

### Technical information required by ASX Listing Rule 10.17.1

- (a) the aggregate Directors remuneration fees will be increased by \$200,000; and
- (b) if Resolution 10 is successful the new aggregate Directors fees for the Company will be \$400,000 per annum (exclusive of Superannuation).

## 8. Enquiries

Shareholders are invited to contact the Company Secretary on (+61 2) 8823 3100 if they have any queries in respect of the matters set out in these documents.

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## GLOSSARY

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**\$** means Australian dollars.

**Annual General Meeting** means the meeting convened by the Notice of Meeting.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Company** means BluGlass Limited ABN 20 116 825 793.

**Constitution** means the Company's constitution.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Director** means a current director of the Company.

**EST** means Eastern Standard Time.

**Explanatory Statement** means the explanatory statement accompanying the Notice of Meeting.

**Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement.

**Related Parties** means Messrs Michael Taverner, Greg Cornelsen, Chandra Kantamneni and George Venardos.

**Resolutions** means the resolutions set out in the Notice of Meeting or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

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## APPOINTMENT OF PROXY

I/We:

o o

of (insert address):

o o

being a member/members of BluGlass Limited entitled to attend and vote at the Annual General Meeting, hereby appoint:

The Chairman of  
The meeting  
(mark with an  
✕+)

OR

Write the name of the person you are appointing if this person is someone other than the Chairman of the Annual General Meeting.

or failing the person named attending the meeting, or if no person is named, the Chairman of the Annual General Meeting as my/our proxy to act generally at the Annual General Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of the Company to be held on Monday 16 November 2009 at 2.30 pm (EST) and at any adjournment of that Annual General Meeting.

If the Chair of the Annual General Meeting is appointed as your proxy, or may be appointed by default, and you do not wish to direct your proxy how to vote as your proxy in respect of the Resolutions please place a mark in this box.

By marking this box, you acknowledge that the Chair of the Annual General Meeting may exercise your proxy even if he has an interest in the outcome of the Resolutions and that votes cast by the Chair of the Annual General Meeting for the Resolutions other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the Resolutions and your votes will not be counted in calculating the required majority if a poll is called on the Resolutions.

### Voting directions to your proxy – please mark “X” to indicate your directions

Resolution	For	Against	Abstain
1. Adoption of Remuneration Report	[ ]	[ ]	[ ]
2. Re-Election of Mr C Kantamneni	[ ]	[ ]	[ ]
3. Re-Election of Mr G Venardos	[ ]	[ ]	[ ]
4. Ratification of Prior Issue of Securities	[ ]	[ ]	[ ]
5. Issue of Shares – Michael Taverner	[ ]	[ ]	[ ]
6. Issue of Shares – Greg Cornelsen	[ ]	[ ]	[ ]
7. Issue of Shares – George Venardos	[ ]	[ ]	[ ]
8. Issue of Shares – Chandra Kantamneni	[ ]	[ ]	[ ]
9. Appointment of Auditor	[ ]	[ ]	[ ]
10. Increase in Aggregate Director Fees	[ ]	[ ]	[ ]

If you mark the abstain box for a particular resolution, you are directing your proxy **not** to vote on that resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

This section **must** be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Signed this ..... day of ..... 2009.

Individual Security holder 1

Securityholder 2

Securityholder 3

Individual/Sole Director

Director

Director/Company Secretary

This form must be signed by the security holder. If a joint holding, both security holders must sign. If signed by the security holder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the security holder's constitution and the Corporations Act 2001 (Cth).

## Notes:

1. Voting Entitlements: For the purposes of the Corporations Act 2001, the Directors have set a snapshot date to determine the identity of those entitled to attend and vote at the Annual General Meeting. The snapshot date is 5:00pm (EST) on Saturday 14 November 2009.
2. To be effective, the proxy form must be received by the Company at its registered office, 74 Asquith Street, Silverwater NSW 2128 or received by facsimile on (+61 2) 9748 2122 not less than forty-eight (48) hours before the time for holding the Annual General Meeting. **Proxy Forms received later than this time will be invalid.**
3. A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
4. Where a shareholder's holding is in one name, the shareholder must sign. In the case of joint holders, all must sign.
5. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
  - 2 directors of the company;
  - a director and a company secretary of the company; or
  - for a proprietary company that has a sole director who is also the sole company secretary . that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

6. A proxy need not be a shareholder of the Company.
7. Completion of a Proxy Form will not prevent individual shareholders from attending the Annual General Meeting in person if they wish. Where a shareholder completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Annual General Meeting.
8. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this Proxy Form.

**“Auditor Nomination”**

1 October 2009

The Directors  
BluGlass Limited  
74 Asquith Street  
SILVERWATER NSW 2128

Dear Sirs

**Nomination of Grant Thornton Audit Pty Ltd as auditor of BluGlass Limited**

Following the resignation of Grant Thornton (NSW) Pty Limited as auditor of the Company (subject to ASIC consent), I Michael Taverner, being a shareholder of BluGlass Limited, nominate Grant Thornton Audit Pty Ltd of Level 17, 383 Kent Street, Sydney, NSW 2000 for appointment as auditor of BluGlass Limited at its 2009 General Meeting.

I consent to the distribution of a copy of this notice of nomination as an annexure to the Notice of General Meeting and Explanatory Statement for the 2009 Annual General Meeting of BluGlass Limited as required by section 328B (3) of the Corporations Act 2001.

Signed:

Michael Taverner