



ASX / Media announcement

BLUGLASS LTD BUSINESS UPDATE – FEBRUARY 2008

BLUGLASS ACHIEVES TECHNICAL AND COMMERCIALISATION TARGETS FOR ITS UNIQUE LOW COST LED LIGHTING TECHNOLOGY

- **Commercial Reactor** – *the prototype BluGlass RPCVD commercial reactor is assembled and performing well. First stage commissioning is on schedule for completion by March 2008 in Ireland.*
- **Technology Development** – *in a significant step forward, BluGlass has achieved the type of complex wafer structure that is required for high brightness LEDs using its RPCVD technique.*
- **Research Reactor** – *First unit on track for delivery in 2008. Considerable additional interest in joint development programmes from Asia, North America and Europe.*
- **Manufacturing Demonstration Facility** – *plant commissioning in Sydney due early Q2 2008.*

Sydney, 6 February, 2008: BluGlass Limited (ASX:BLG) today announced it is on-track in all key areas of the commercialisation plan for its revolutionary, low-cost, manufacturing technology for next generation Gallium Nitride (GaN) semiconductor material for use in LED lighting devices.

The first stage commissioning of the prototype commercial scale reactor has now begun and is on-schedule for completion by March at the plant of specialist manufacturer EMF Semiconductor Systems Ltd in Ireland. Conor Martin, BluGlass Equipment Design and Development Manager, oversaw the completion of building of the prototype RPCVD reactor in mid-January 2008.

“The state-of-the-art, commercial-scale, RPCVD reactor has undergone its initial trials and the results have exceeded expectations” reported EMF Director Jim Dixon. “Initial plasma tests look very promising. The automated wafer handler has been integrated into the tool making it a truly competitive production system. These advances will lead to improved product yield and reduced reagent costs. This production RPCVD tool will make big waves in the worldwide GaN market for LED manufacture” he predicted.

BluGlass’s Manufacturing Demonstration Facility at Silverwater in Sydney is on track to accept delivery of the commercial reactor early in the second quarter. The full commissioning of the facility will occur in the second quarter of 2008.

Chief Technology Officer Dr Scott Butcher and his team have made their first ultra thin layered device structures or “quantum wells”, which are the basis of high brightness LED devices. These complex functional structures, consisting of 4 nanometre thick indium gallium nitride layers embedded in gallium nitride (and aluminium gallium nitride), are a significant advance on the “GaN on glass” breakthrough the Company reported last year.

This achievement keeps BluGlass on track for the company’s primary 2008 technical goal to demonstrate a working HB LED based on the BluGlass technology.



Mr Conor Martin and Dr Butcher of BluGlass presented at the Photonics West 2008 conference in Silicon Valley, USA, in January where the session chair described BluGlass as possessing "impressive technology". This conference generated considerable interest in BluGlass.

BluGlass believes the ability of its patented RPCVD process to grow nitrides at low temperatures has created new opportunities for hybrid technologies with significant commercial prospects in areas such as oxide-nitride mixed structures, photovoltaics (solar technology) and silicon.

The R&D research reactor program is also progressing well. BluGlass is in advanced negotiations with Lakehead University in Canada to develop a research programme around the BluGlass R&D reactor which will be installed at the university in 2008.

BluGlass has received considerable interest from other universities, research institutes and companies for this product that may provide early revenue opportunities as well as further exploration into other materials and device development using RPCVD.

BluGlass Interim Chief Executive Officer and Commercial Manager Mr Giles Bourne confirmed there is increasing strong interest in the unique BluGlass RPCVD technology from the global market and that BluGlass is proactively seeking out additional commercial opportunities and partnerships.

About BluGlass:

BluGlass is commercialising a unique manufacturing technology to reduce the cost of Gallium Nitride (GaN) semi-conductor wafers. GaN wafers are a key component of high brightness Light Emitting Diodes (LEDs) for which there is a US\$4 billion global market, expected to grow to US\$12 billion by 2012. Applications include; use in mobile appliances, signs/displays, automotive, signals and illumination. BluGlass' breakthrough in low cost manufacture of GaN could allow LEDs into mass markets such as the US\$100 billion general lighting market currently dominated by incandescent and fluorescent lights.

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