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ASX/Media Release

Energy Efficient Lighting Innovator BluGlass Limited to Open Plant

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Next generation lighting pioneer BluGlass Limited (BLG) today announced that its pilot manufacturing plant built in Sydney to demonstrate its light emitting diode technology and facilitate licencing would be officially opened on July 17.

The important milestone comes as:

- BluGlass's first commercial-scale semiconductor reactor is being installed in the new Silverwater plant.

- An Australian Research Council (ARC) grant was awarded to BluGlass to improve the efficiency of its technology.

The plant opening will be an important milestone for BluGlass, coinciding with the arrival and installation of its first commercial-scale semiconductor reactor. The new reactor will be used to demonstrate the significant energy and cost savings that BluGlass's breakthrough process is expected to deliver for next-generation LED lighting products.

"We have worked hard with our business and development partners to get to this advanced stage, and now we are significantly closer to generating recurring revenues for BluGlass," interim chief executive officer Mr Giles Bourne said. "Our lighting technology will have tremendous benefits for the environment because it not only produces LEDs without the emission of toxic gases, but LED lights use a fraction of the electricity of traditional incandescent bulbs."

The demonstration plant and reactor is expected to attract significant interest from global lighting manufacturers that are seeking cheaper ways of making LED lighting fixtures for commercial, industrial and household use. BluGlass intends to sell its own reactors, license its technology and earn royalties from the LED chips that its clients produce.

The commercial-scale reactor arrived ahead of schedule in mid-May at BluGlass's plant after being built and jointly tested by BluGlass and EMF Semiconductor Systems in Ireland. The equipment has since been moved into the clean room in BluGlass's new plant, where it is currently being installed.

The reactor incorporates BluGlass's energy efficient and non-toxic Remote Plasma Chemical Vapour Deposition (RPCVD) technology that is expected to deposit gallium nitride (GaN) onto cost efficient glass wafers. An independent analysis of the Australian-bred technology has found that cost savings of more than 48 per cent could be achieved at the wafer level.

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ARC's $460,000 Industrial Linkage Grant was awarded to BluGlass, Macquarie University and the Australian National University to advance the development and diagnosis of more efficient plasma sources for the RPCVD film growth method used by BluGlass. It was the second largest grant awarded nationally in the area of physical sciences, and formalises a partnership between BluGlass technical staff, Dr Rob Carmen (first Chief Investigator) and Professor Deb Kane of Macquarie University, and recently appointed Fellow of the Australian Academy of Science, Professor Rod Boswell of the Australian National University.

About BluGlass

BluGlass is commercialising a unique Australian-bred manufacturing technology known as Remote Plasma Chemical Vapour Deposition (RPCVD) to reduce the cost of Gallium Nitride (GaN) semi-conductor wafers. GaN wafers are a core component of high brightness Light Emitting Diodes (LEDs) for which there is a US$4 billion market, expected to treble to US$12 billion by 2012. Applications for these LEDs include use in mobile appliances, signs/displays, automotive, signals and illumination. BluGlass's 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. LEDs are expected to slash carbon emissions and green house gas emissions from electricity generation because they are 4-5 times more energy efficient than incandescent bulbs and last up to 50 times longer.

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