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The Manager
Company Announcements Office
Australian Stock Exchange Limited

Dear Sir / Madam

**Environment Minister Garrett Opens New Plant For BluGlass Ltd's
Energy Efficient Lighting Technology**

Australian energy efficient lighting technology pioneer BluGlass Limited today announced it was ready to market its innovative light emitting diode technology internationally. At the opening of its innovative LED pilot demonstration plant in Sydney, the company said the new facility would enable BluGlass to demonstrate the commercial capability of its cost-cutting green technology as it pursues sales to global lighting industry majors and semi-conductor makers.

BluGlass's new headquarters and demonstration plant at Silverwater, Sydney, were opened today by Federal Minister for the Environment, Heritage and the Arts, The Hon Peter Garrett AM.

BluGlass's Chairman Dr Mike Taverner said: "Today's support of BluGlass by the Federal Government and the Environment Minister, Mr Garrett, is a major boost for our business. Our new demonstration reactor is designed to show the world that BluGlass has a commercially viable and attractive technology. We expect that among many applications, this ground-breaking Australian development will have an important global role in improving the efficiency with which we use energy in lighting with flow-on benefits to the environment.

"BluGlass is a rare example of a small-cap technology start-up that is surviving and thriving because we have a strong team and excellent support - including from Government. We are succeeding because of the fundamental strength and scope of applications for our unique technology."

The new pilot LED demonstration plant features BluGlass's first commercial-scale semi-conductor reactor fitted with its home-grown Remote Plasma Chemical Vapour Deposition (RPCVD) technology. The company plans to use the plant to demonstrate large cost benefits to semi-conductor manufacturers who make LED devices, with the aim of winning substantial equipment supply contracts, licencing deals and royalty income.

BluGlass's Chief Executive Officer Mr Giles Bourne said: "This is an important day in the development of BluGlass. With the launch of our new plant, we will invite top level corporations from Asia, the US and Europe to come and actually see what we

can do. We have delivered on all of our promises to investors about commercialising our technology, and now we are now lifting our sales push in the global market.ö

The global general lighting industry accepts that LEDs are the future of lighting devices in homes, offices and commercial facilities because they are up to 5 times more energy efficient than incandescent bulbs and last up to 50 times longer.

BluGlass is already in advanced discussions with universities for orders for its pilot-scale reactors, a smaller version of its commercial technology that also incorporates its RPCVD technology. The company's plan is that customers, including commercial enterprises and universities, can buy pilot reactors to conduct their own testing and speed the uptake of BluGlass's patented technology.

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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