

ASX / Media announcement

BLUGLASS ACHIEVES SECOND YEAR MILESTONES

Sydney, 29 September 2008: BluGlass Ltd (ASX:BLG) today announced it is on target with its commercial strategy implementation in line with the second year milestones indicated in its 2006 prospectus.

Key objectives achieved:

- **Transition from a research-based, proof of technology enterprise to a market-focussed product development company on track, with commissioning of BluGlass's first commercial reactor achieved in July 2008**
- **Strong balance sheet: cash reserve of \$5.5m exceeds second year target by \$2.2m; net assets \$23.6m.**
- **Technology and performance data are currently being evaluated by a global tier one electronics manufacturer.**
- **Strengthened Intellectual Property position: four patents now lodged.**

BluGlass CEO Giles Bourne said the company has consistently met its technology development objectives, culminating in the commissioning of its first commercial reactor and official opening of its pilot manufacturing plant and headquarters in July 2008. The commercial reactor is currently being performance tested and the data is being evaluated by a tier one, vertically integrated electronics manufacturer as well as a number of other industry players.

"In the last two quarters, we have focussed on developing a pipeline of commercial opportunities in Asia, North America and Europe for our patented Remote Plasma Chemical Vapour Deposition process" Mr Bourne said. "We are confident that there will be commercial verification of our unique, low cost technology for producing Gallium Nitride for LEDs soon".

BluGlass continues to expand its intellectual property protection in line with technology development. After 2 years, its IP portfolio now comprises four patents lodged: three in international filing and one accepted in the USA, South Africa and Singapore. The most recently filed patent is highly significant to the company. It encompasses recent improvements in the Gallium Nitride (GaN) material that have allowed photoluminescence intensities (a measure of material quality) of up to 20 times higher than that of some other commercially available samples. The filing of this patent will allow BluGlass to now discuss in greater detail aspects of this breakthrough in technology with its potential customer base. Until now even the results of this breakthrough had to be maintained as a closely guarded secret.

In addition to the commercial reactor, a small scale 'research' reactor, described in previous communications (see Newsletter 3, April 2008), has been designed to exploit a lucrative niche market and is considered an important market stimulator and enabler for the commercial scale reactor. BluGlass has also designed and developed peripheral equipment that includes innovative measurement



tools that have commercial potential. The "Mini Uv Viz Growth Rate" monitoring instrument and "Probe Station" will be described in an upcoming newsletter.

In addition to remaining on track with its commercialisation plan, the Company's financial position remains robust. BluGlass had \$5.5m cash on hand at end August 2008, having forecast a cash reserve of \$3.3m after two years of rapid technology development and the establishment of the pilot manufacturing plant. Net assets amount to \$23.6m.

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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