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BLUGLASS LIMITED SIGNS TERM SHEET FOR LICENCE AGREEMENT WITH BLK CO., LTD OF KOREA

BluGlass Limited today announced that it has signed a term sheet outlining the material, terms and conditions to be encompassed in an Exclusive Sales and Marketing License Agreement with BLK CO., LTD (BLK) of Korea.

This term sheet is a significant advancement in the commercialisation of BluGlass and marks the first steps towards a full customer agreement.

BluGlass, subject to formal documentation, will grant BLK an exclusive license of its Remote Plasma Chemical Vapour Deposition (RPCVD) technology in the Korean marketplace for an initial term of two years. The term sheet also outlines the acquisition of a BLG-150 deposition tool and BLK plans to establish an RPCVD pilot manufacturing plant in Gwangju Technology Park, the centre of the light emitting diode (LED) industry in Korea. The company intends to produce gallium nitride based LEDs on the BluGlass technology to gain access to the major LED manufacturers of Korea.

'This comes at a very exciting time in the development of our technology as the Korean LED marketplace has enormous potential' BluGlass CEO Giles Bourne said today. The Korean government is assisting in developing the countries semiconductor manufacturing capabilities in both LED and solar manufacture. The government has called the LED industry 'its next growth engine' with the commitment of 540.1 billion won¹ (AUD 542.5 million) to assist in the establishment of eco friendly segments such as LED manufacture over the next five years. The South Korean LED market was worth in excess of USD 1.5 billion in 2006 and is forecast to reach USD 15 billion by 2015². Gwangju is officially designated as South Korea's 'LED Valley' and 70 LED companies are slated to set up shop in the district³. This will involve significant spending on manufacture capability including the purchase of new deposition tools and equipment to refurbish new fabrication plants.

BLK is a newly established LED company formed in 2008 by CNT International to accelerate the commercialisation of BluGlass' unique technology in the rapidly expanding Korean marketplace. It is headed by a strong LED executive team and is employing leading experts from the Korean LED industry to establish its activities and facility. 'BLK installs great hope in the RPCVD technology,



which it believes has potential to change for the better the manufacturing front of nitride based semiconductors' said BLK President, Brian Park today.

BluGlass is furthering negotiations with BLK to establish a Joint Development Agreement where BLK will participate in the final optimisation of the RPCVD technology to advance its speed to the mainstream market.

'The collaboration agreement with BLK is a very exciting opportunity for BluGlass. BLK has an experienced management and technology team that will complement the existing capabilities of BluGlass. With the establishment of an RPCVD manufacturing plant in the centre of the new LED development of Korea, we are looking forward to great ongoing collaboration with BLK' said BluGlass CEO Giles Bourne today.

About BLK: BLK are a dynamic new LED company employing industry experts in the establishment of its state of the art manufacturing facility in Gwangju Techno Park. Gwangju is the heart of the LED technology renovation in Korea and is in close proximity to other major LED manufactures who it hopes will see the potential of the RPCVD technology.

About BluGlass: BluGlass Limited is an Australian Green Technology company developed to commercialise a breakthrough in the Semiconductor Industry. BluGlass has invented a new process using Remote Plasma Chemical Vapour Deposition (RPCVD) to grow semiconductor materials such as gallium nitride (GaN), crucial to the production of high efficiency devices such as next generation lighting technology, Light Emitting Diodes (LEDs), with significant low cost potential. BluGlass is now exploring the processes viability in photovoltaic (solar) applications. The BluGlass process is a low temperature, low cost technology with inherent scalability.

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