

RELEASED MARCH 2009

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The latest BluGlass online news articles with links.



CEO LETTER

Dear Shareholders,

As we prepare our first Newsletter for 2009, it is interesting to look back at the developments of the last quarter of 2008 which has seen a significant period of growth and commercial development for BluGlass. Hopefully this Newsletter will give you an insight into recent progress.

Despite the current global financial crisis, it is astounding to see the Light Emitting Diode (LED) industry defying all odds and achieving significant ongoing growth. More encouraging still, the Industrial and Governmental support and investment being provided to this 'next engine of growth'. This shifting focus particularly by Asian markets makes our two key sales and distribution agreements in Japan and Korea more commercially valuable (more in the Industry Update section...).

In October we announced the appointment of two new directors to the BluGlass board who bring an enormous wealth of knowledge and experience in both the financial, commercial and technical sectors. John Riedl is an ex Venture Capitalist with a strong technical background. He has 25 years experience as a CEO and has sat on the Board of over 20 public and private companies. George Venardos also joins the board with more than 30 years experience in the Insurance and Financial Services sector, he is currently a non executive director of Australian Wealth Management Limited and was awarded Insto Magazines 2003 CFO of the Year.

We have been very busy in the last quarter both on the commercial and technical fronts. Accompanied by Chief Scientist, Marie Wintrebert-Fouquet, I have recently returned from a trip to the US and Asia. BluGlass continues its active engagement with potential strategic partners in Asia and North America and we are pleased to report that we have had several visits to our Silverwater facility by key Industry players. Continued developments in our technology have led to the growth of our IP portfolio and our patent count has now grown to a total of six patents lodged with three now in international filing.

The encouraging discussions and valuable insights from our international visits and visitors continue to stimulate and focus the BluGlass team. With this strong market feedback, I remain confident that our technology team is targeted to the expectations in material performance of our future customers. Our financial position remains on budget and we are looking forward to another busy end to Q1 09 which will see more discussions and visits from Industry members; and to updating you further on our technology and commercial advances.

If you haven't already checked out our new look website you can see it here at www.bluglass.com.au. We have introduced a new Products section featuring the BLG150; we have provided more information on LEDs and why the market is a rising star. You will also find a new media centre which will keep you up to date on the last information and articles from the media and industry.



GILES BOURNE

Chief Executive Officer

INDUSTRY UPDATE



DESPITE CURRENT CRUNCH, RISING STAR INDUSTRY KEEPS SHINING

There is growing focus and investment by Asian markets in LED manufacture as part of the global preparation for next generation lighting technology to move into the general lighting market (currently worth in excess of US\$100 billion Strategies Unlimited 2007).

The South Korean Government has recently set aggressive budgets and milestones for their 'next growth engine', claiming that it will be a strong supporter of the LED business, investing 540.1 billion won (AUD \$542.5million) in the next 5 years to accelerate eco-friendly segments such as LEDs. This will involve significant spending on manufacture capability including the purchase of new deposition tools and commissioning of new fabrication plants. BluGlass has a Sales and Distribution agreement in Korea and has recently hosted Korean companies at its Silverwater facility.

This is part of the preparation to meet future demand of LEDs as they find their way into more applications such as LCD displays and general lighting. The estimated market for LEDs is slated by Next Gen research forecast's to top US\$33billion by 2013, a significant boost to former estimates of \$12 billion.

The illumination segment of the LED market will light the way with a CAGR of nearly 22% in the 2009-2013 timeframe. A number of trends have intersected to make this one of the most dynamic periods in the history of LEDs. They include transition of applications from incandescent to LED usage; green initiatives; and the emergence of new niche illumination applications; and new markets for mature applications. (http://www.nextgenresearch.com/research/1001995-LEDS_and_Laser_Diodes)

PARTNER PROFILE : ITOCHU PLASTICS

Japanese based Itochu Plastics is a wholly owned subsidiary of one of Japan's oldest and largest trading companies, Itochu Corporation. Established in 1986 Itochu Plastics specialises in importing and exporting materials for electronic devices, packaging, industrial materials and synthetic resin materials. Its annual sales are 230 billion yen (\$A3.5 billion).

"There is no doubt that these strategic relationships are a strong platform to ensure BluGlass' success..."

COLLABORATION

BluGlass last month announced the signing of an exclusive sales and distribution agreement with ITOCHU Plastics. This significant agreement has already resulted in Itochu agreeing to represent the BluGlass technology at

the inaugural LED and OLED Lighting Technology expo in April and BluGlass and Itochu have agreed to exhibit jointly at the annual Strategies in Light Expo later this year.



Having active distribution agents with many local contacts, an implicit understanding of their marketplace and local reputable expertise is essential for our commercialisation into these LED communities. 'There is no doubt that these strategic relationships are a strong platform to ensure BluGlass' success in these markets, and ITOCHU is committed to marketing the BluGlass technology which it has independently evaluated' said CEO Giles Bourne.

BLUGLASS EVENTS CALENDAR

08-MAY-09

INVESTOR OPEN DAY FRIDAY 3-5PM, SILVERWATER SYDNEY

The BluGlass facility will be open to our investors for a tour of the facility and technology in action.

Details to follow, or to register your interest drop Stef Winwood an email at swinwood@bluglass.com.au

02-APRIL-09

LEDS ASIA EXPO HONG KONG

BluGlass presents on the RPCVD technology, deposition tools and commercialisation plans and its suitability as an MOCVD alternative.

APRIL-09

LED/OLED LIGHTING TECHNOLOGY EXPO, JAPAN

Itochu Plastics will be exhibiting the BluGlass technology at this inaugural lighting technology expo.

DATES AND DETAILS TBC

AUSTRALIA AND ASIA INVESTOR ROADSHOW

Details to follow. To register interest email: swinwood@bluglass.com.au

SEPTEMBER-09

STRATEGIES IN LIGHT EXPO, JAPAN

Itochu Plastics and BluGlass will be exhibiting the BluGlass technology conjointly.

WORLD FACTOR : CFL DEBATE

It is often asked why there is such an expectation and push for LEDs to replace compact fluorescent light bulbs (CFLs) in the general lighting market due to the fact that CFLs in themselves are fairly energy efficient when compared to Thomas Edison's incandescent light bulb. Aside from the aesthetic, physical and further efficiency benefits that an LED offers over all other forms of lighting, CFL's have a particularly dark side to their harsh white light.

It is commonly known that CFLs contain mercury – a dangerous neurotoxin – which is not emitted while the bulb is intact. However if broken a single CFL contains enough mercury to contaminate 30,000 litres of drinking water.

The US was outraged recently when a resident broke a CFL in her 7 year old daughter's bedroom. Being concerned about the mercury contained in the bedroom she contacted her local poison centre who tested the room for mercury

levels. The levels were so high the resident was forced to seal the room and quoted a US\$2000.00 cleaning fee.

The Australian government provides cleaning advice on their website if you do happen to break a CFL in your own home. It is highly recommended that you exit the room and allow outside ventilation for at least 15 minutes before starting the cleaning process, and that you do not use a vacuum cleaner, which will recirculate the mercury vapours around the room.

Action has been taken in Europe, the US and New Zealand to ban or limit mercury content and ensure safe recycling. It is estimated that about 60 million fluorescent tubes are thrown into the Australian waste system each year, with no laws governing their disposal. More needs to be done with regards to the education of handling and recycling CFLs in our environment and even in minute quantities the vapour is highly poisonous to both humans and wildlife.



LED LIGHTS VS. INCANDESCENT LIGHT BULBS VS. CFLS

	 LIGHT EMITTING DIODES (LEDs)	 INCANDESCENT LIGHT BULBS	 COMPACT FLUORESCENTS (CFLs)
Life Span <i>(average)</i>	50,000 hours	1,200 hours	8,000 hours
Kilo-watts of electricity used	6 - 8 watts	60 watts	13-15 watts
Annual Operating Costs <i>(30 incandescent equivalent)</i>	US\$32.85/year	US\$328.59/year	US\$76.65/year
RoHS Compliant	Yes	Yes	No <i>(Contains 1mg-5mg of Mercury and is a major risk to the environment)</i>
Carbon Dioxide Emissions <i>(30 bulbs per year)</i>	205 kg/year	2046 kg/year	478 kg/year

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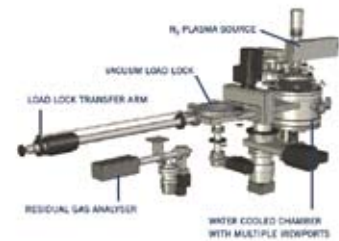
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PRODUCT SPOTLIGHT : THE BLG-150™

BluGlass' BLG150™ deposition tool has been developed as a versatile deposition tool for group III nitride based low volume and R & D applications. It is suited to a range of applications such as

- Optoelectronic device (including LEDs)
- Transistor devices
- Photodiodes
- Thin film solar cells



BLG 150 DEPOSITION TOOL

For more information about our products see the new products section on our website www.bluglass.com.au

BLUGLASS IN THE NEWS

FEBRUARY 09

BLUGLASS' LED TECHNOLOGY TO BE DISTRIBUTED IN JAPAN BY ITOCHU PLASTICS

Semiconductor Today Magazine
www.semiconductor-today.com/news_items/2009/JAN/BLUGLASS_120109.htm

JANUARY 09

AUSTRALIAN START-UP SELLS JAPANESE MARKETING RIGHTS FOR ITS NOVEL GAN LED TECHNOLOGY

CompoundSemiconductor.net
www.compoundsemiconductor.net/blog/2009/01/bluglass_signs_japan_distribut.html

JANUARY 09

ITOCHU PLASTICS WIN SOLE RIGHTS TO MARKET BLUGLASS' GAN IN JAPAN

LED Inside
http://www.ledinside.com/Itochu_Plastics_wins_sole_rights_to_market_BluGlass_GaN_in_Japan_20090113

INTERVIEW:

AzoNano's Cameron Chai speaks to BluGlass CEO, Giles Bourne about where BluGlass started, the current status of the technology and why LEDs are the lighting technology of the future.
<http://www.azonano.com/sale.asp?SaleId=269>

10 DECEMBER 08 BLUGLASS APPOINTS JOHN RIEDL AND GEORGE VENARDOS Business Spectator

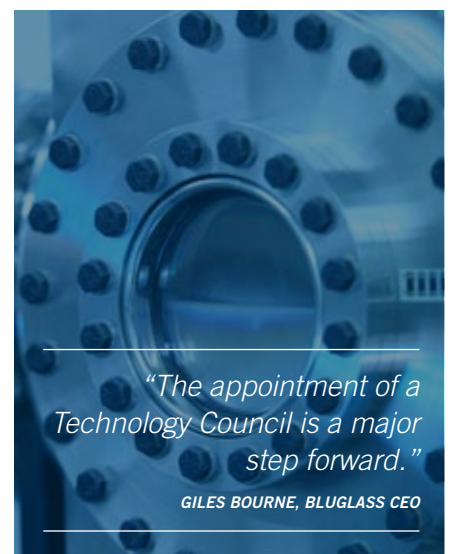
<http://www.businessspectator.com.au/bs.nsf/Article/BluGlass-appoints-John-Riedl-and-George-Venardos-M6W5T?OpenDocument>

20 OCTOBER 08 BLUGLASS FORMS TECHNOLOGY COUNCIL TO DRIVE COMMERCIALISATION

Semiconductor Today
www.semiconductor-today.com/news_items/2008/OCT/BLUGLASS_201008.htm

02 OCTOBER 08 EXTERNAL INDUSTRY SPECIALISTS TO BOOST BLUGLASS' POOL OF EXPERTISE

Compound Semi Online
<http://www.compoundsemi.com/documents/articles/cldoc/10887.html>



"The appointment of a Technology Council is a major step forward."

GILES BOURNE, BLUGLASS CEO