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The Manager

Company Announcements Office

Australian Stock Exchange Limited

EXCLUSIVE RIGHTS IN KOREA UPDATE

BluGlass Limited (ASX : BLG) has elected to revoke the term sheet which outlined the material, terms and conditions to be encompassed in a Joint Development Agreement and a Exclusive Sales and Marketing Licence Agreement with BLK Co., Ltd of Korea (BLK).

This term sheets conditionally offered BLK, upon financial commitment, the sole rights to market the RPCVD technology in the Korean marketplace. Whilst BluGlass and BLK have been working closely over the past months and the relationship between the two companies is well progressed, BLK has experienced ongoing delays in the finalisation of key elements of the agreement.

This decision will allow BluGlass to open up the exclusive marketing rights of its RPCVD technology in Korea to other potential partners in order to derive significantly enhanced outcomes for the company.

While it is regrettable that BLK have been unable to meet the extended deadline, if key elements are addressed, we would hope to re-open negotiation and discuss further collaboration. In the meantime, we continue to look for significant representation for BluGlass in the Korean marketplace+CEO Giles Bourne said today.

BluGlass continues to discuss strategic partnering agreements with key industry players across the LED and PV sector to drive maximum shareholder return.

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) and indium gallium nitride (InGaN), crucial to the production of high efficiency devices such as next generation lighting technology Light Emitting Diodes (LEDs) with significant low cost potential. BluGlass, through its subsidiary, BluSolar is now exploring the process viability in photovoltaic (solar) applications. The BluGlass process is a low temperature and low cost technology with the potential for inherent scalability.

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