BluGlass Limited
2007 Annual General Meeting
Chairman's Address

Good Morning.

On behalf of the Board, I extend a warm welcome to shareholders, proxy holders, and guests to the first Annual General Meeting of BluGlass Limited. Let me begin by saying that it is a personal privilege to serve the shareholders of this company in the role of Chairman.

The period of just over 6 months since our listing in September of last year has been one of considerable activity for BluGlass. I will mention briefly a few of the highlights, and then invite David Jordan, our CEO, to provide more a more detailed report. After David's presentation there will be opportunity for questions and discussion and then we will move into the formal business of the meeting.

Our Annual Report for the 2006 fiscal year shows that we ended the year with a cash balance of about $2 million having spent nearly $300,000 on research and development and in positioning the company for its subsequent listing and capital raising.

There have been considerable changes to the company since the closing of the 2005/06 accounts.

The cornerstone of our company is the technology developed by the team at Macquarie University led by our Chief Scientist, Dr Scott Butcher. In September last year the company acquired full ownership of this intellectual property as a result of our acquisition of Gallium Enterprises Pty Ltd from Macquarie University.

Our listing on the ASX in September 2006 followed an initial public offering to raise $6 million through the offer of 30 million ordinary shares at an issue price of $0.20 cents each. Investors liked the company's prospects and as a result of very strong demand for shares, the Offer was oversubscribed and we agreed to accept oversubscriptions to raise approximately $10 million in total.

We thus began our life as a public-listed company with sufficient funds to implement our plan to rapidly progress the development and commercialisation of the Company's technology, as well as the scale up of our manufacturing capability.

The market capitalization of our company has grown substantially since we listed. The increased share price has been supported by an impressive frequency and quality of announcements to the market. There is also the strong sense of the BluGlass technology emerging at an opportune time. I refer of course to the Federal government's planned phase out of incandescent light bulbs and the consequent opportunity for our technology to enable the more energy efficient LED lighting to achieve commercial application. While the public focus has been on the opportunities in the general lighting market, there is enormous growth in the market for LEDs in devices such as notebook computers and LCD TV screens – in addition of course to existing markets in handheld devices such as mobile phones.

Our announcement to the market on March 19 affirmed our progress towards our commercial and technology targets. We announced then that we are now able to demonstrate our technology on new substrates that potentially offer significant savings in the manufacturing cost of LED devices.

As announced then, our forecast cost benefits of BluGlass technology were confirmed by an external report undertaken by the US-based Wright Williams & Kelly, the world's leading cost-of-ownership modeling group for the semiconductor industry.

We have further tested and refined these figures and will today with confidence reveal the potential size of the cost benefit our technology can bring to this enormous and rapidly growing business of LED manufacture.

In the brief time since we acquired the funds from our IPO, we have moved quickly to establish our own facilities here in Sydney. We recently moved our office to a factory site in Silverwater and have begun the very significant move of our tools and team from Macquarie University to our BluGlass facility.

There have been very important additions to our team in the past 6 months. But even with some of the best people possible working with the company, we cannot do it by ourselves. We have some significant business arrangements already in place to support our plans.

M+W Zander, the world's leading service provider in this field are working with us in designing and building our pilot manufacturing plant.

We have a joint development agreement with Saint-Gobain Recherché to jointly develop specifically engineered substrates for GaN layers and devices based on BluGlass technology. The agreement is significant in that St. Gobain is a major global supplier of high quality LED substrates in sapphire and a leader in the glass industry. As part of our on-going communication and development, David Jordan and our team met with St Gobain last week in France.

Our future in business is reliant on further developing and demonstrating our technology and in constructing the partnerships and business models that will translate the potential of this company into commercial reality.

Your Directors and I are very excited by this prospect.

Ladies and Gentlemen, these are just a few highlights. I will now ask David to make a more detailed presentation of the company's activities and about our plans, prospects and challenges going forward.

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Further information:

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