Commercial Ready Plus

AusIndustry

David Jordan, CEO

19 September 2007

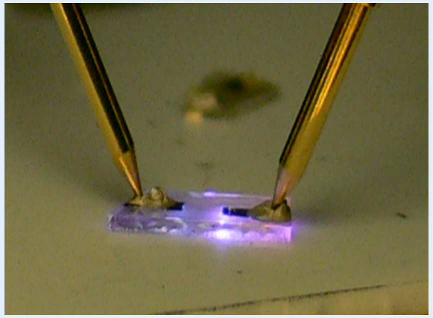
BluGlass - Company Introduction

- BluGlass is a high technology semiconductor based commercial spin off from research in fundamental physics over the past decade at Macquarie University
- BluGlass is developing a novel manufacturing technology for low cost gallium nitride (GaN) epi wafers on glass substrates at low temperature for LED and RF / power electronics applications
- Initial early stage investment in privately held BluGlass Pty Ltd (now Gallium Enterprises) with *ca* A$4M seed funding
- BluGlass floated on the ASX by IPO in September 2006, A$10M raised (oversubscribed)
- Head office, research laboratories and state-of-the-art manufacturing demonstration clean room facilities based in Silverwater, Sydney
- Currently 15 FTE employees

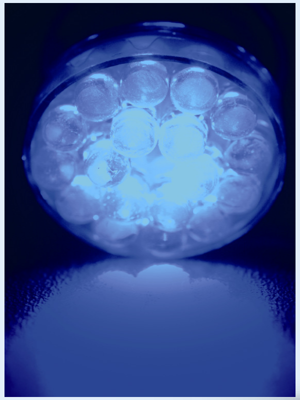
Synopsis – Gallium Nitride and Solid State Lighting

The BluGlass business is based on the commercialisation of a novel technology for manufacturing low cost gallium nitride wafers

Gallium nitride (GaN) is a semiconductor material that electroluminesces (emits light) under applied voltage



GaN dominates the blue / green Light Emitting Diode (LED) & UV Laser Diode (LD) market



Environmental benefit underpins the potential for significant LED penetration of the general lighting market

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Key People

- **David Jordan – CEO**
  David has 25 years experience in business and academic environments, primarily in the silicon and photovoltaic industries

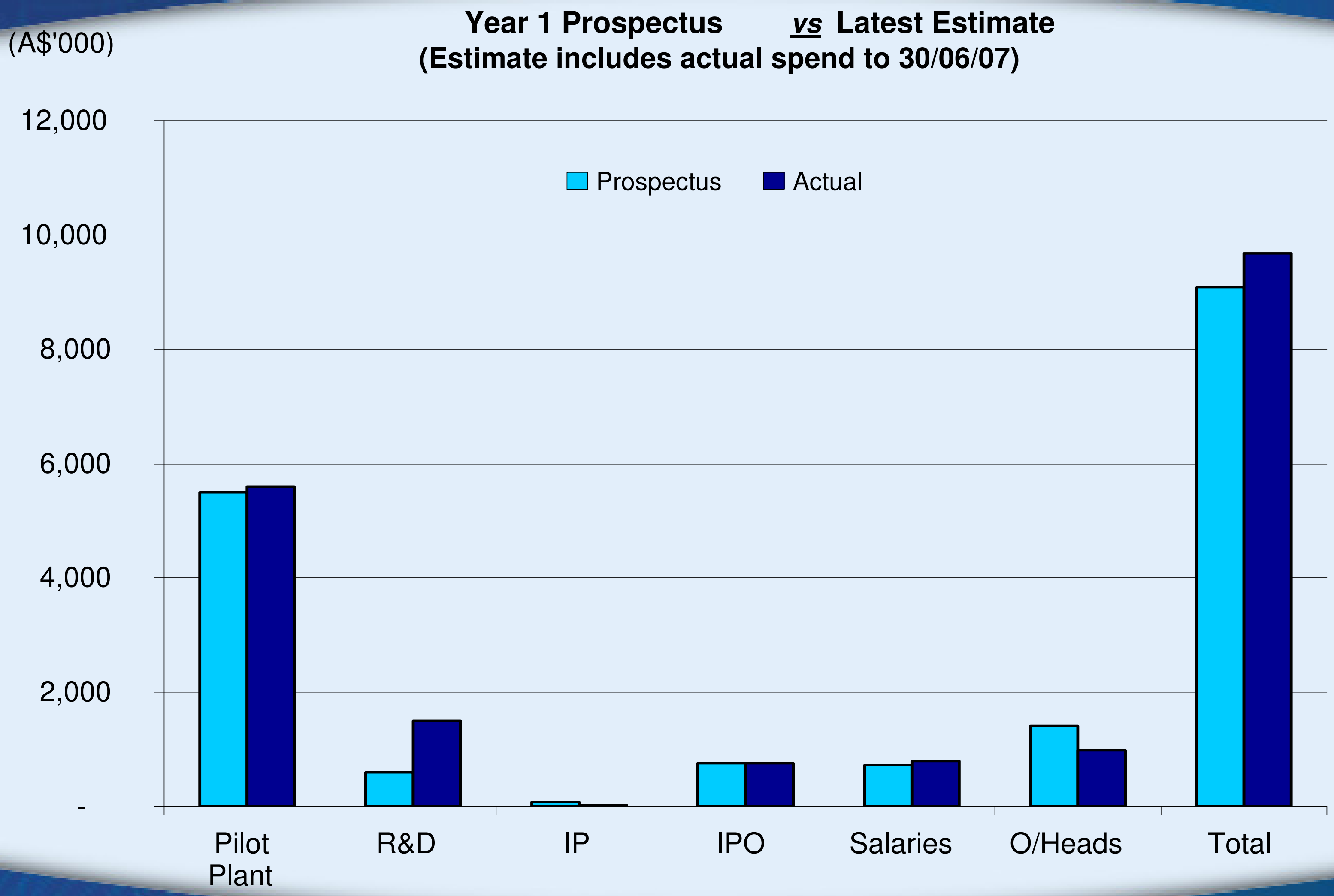
- **Dr Michael Taverner – Chairman**
  Michael is a company director and scientific consultant. His expertise is in corporate governance, biotechnology, research and development, innovation and training. Michael is a non-executive director of two other high-technology companies listed on the ASX

- **Dr Scott Butcher – Chief Technical Officer**
  Scott Butcher is the originator of the IP and a founder of the business. He has held senior research and commercial roles for over 20 years

- **Geoff King – Chief Financial Officer**
  Geoff is a CPA with 25 years' experience in multinational and Australian SMEs, the past 15 years as Finance Director in manufacturing and service industries

- **Giles Bourne – Commercial Manager**
  Giles is a business development expert with over 10 years experience in developing high technology businesses both locally and internationally

Funds Status & Cash Cover



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Commercialisation Program – 1Q08 Deliverables & Progress to Date

Technology - commercially competitive performance LED device

- Uniform electroluminescent GaN deposition on large area 6” buffered glass
- Luminescent LED devices fabricated & operational

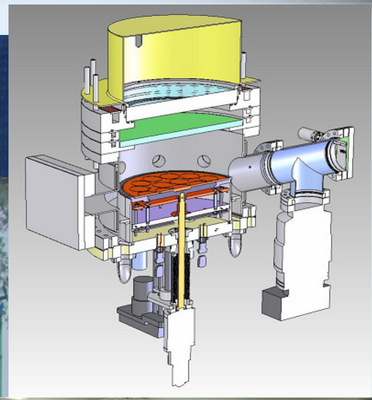
Commercial Reactor – commercial scale RPCVD reactor designed, installed & operational

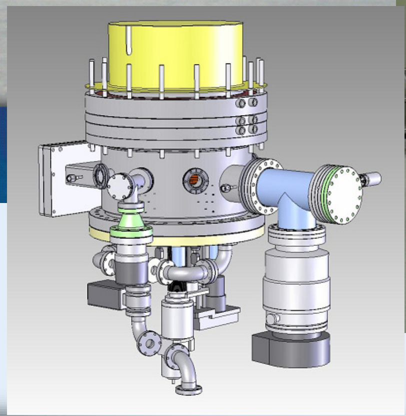
- Research & commercial reactor CFD design complete
- Commercial reactor build partners selected (EMF / Brooks)
- Commercial reactor build nearing completion in USA / Ireland / Australia

Manufacturing Demonstration Facility – construction complete

- Offices, research lab, machine shop complete
- Clean room semiconductor fabrication facility design complete, construction start due

Research Laboratory – RPCVD Research Reactor & System Lab





*Aus*Industry Commercial Ready Applications

Comm Ready 1 ($643K)

- Submitted November 2005
- Support funding value A$643K, 50:50 cash matched from early stage investor funding
- Private company BluGlass Pty Ltd, including level of university ownership
- Significant effort required for modest funding support
- Use of external expert "application writing" consultancy group, skilled in working within detailed Comm Ready application process, identifying "good" projects and with high success rate
- Successfully completed with all milestones delivered, final close out August 2007

*Aus*Industry Commercial Ready Applications

Comm Ready 2 ($5M)

- Submitted May 2007, successful award notification early September 2007 (*ca* 4 months, but including additional IR&D Board consideration due to grant size)
- Support funding value A$5M, 50:50 cash matched from IPO funding
- Public listed company BluGlass Ltd
- No issues working within $100M turnover cap
- Significant effort required (but all required information relevant to well set up business) and for significant funding support
- Use of same expert “application writing” consultancy group as for Comm Ready 1
- Extremely supportive local AusIndustry Customer Service

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*Aus*Industry CR (Large) *vs* CR Plus (Small)

CR Plus (Small)

- **Funding Level** – to $250K, applicable to university, small, cash flow based business applicants or small commercialisation projects within larger companies such as BluGlass.
- **Applicant Turnover** only - in the case of BluGlass Pty Ltd CR1 application, would have simplified working within university environment
- Simplified application process -
  - **Merit Criteria** - response (Management / Commercial / Technical) < 5 pages total (*cf* BluGlass CR2 > 20 pages), detailed management structure not required
  - **Business Plan** - 2 page Executive Summary (*cf* BLG CR2 60 page Business Plan, including full 5 year DCF based earnings projections)
  - **Budget Calculator** - simplified
- Quick **decision turnaround**, with **application lodgement** at any time (*cf* 4 month decision for BluGlass CR2)
- **Reduced reporting** (although this not seen by BLG as onerous)
- **IP dealing** or company change of control less restricted
- Not essential to utilise external “application writing” consultant

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Thank You

www.bluglass.com.au