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ASX Market Announcements

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BLUGLASS TO BUY SPTS' SHARE IN EPIBLU JOINT VENTURE

KEY POINTS

- SPTS has agreed to sell to BluGlass its 49% interest in the joint venture company EpiBlu. SPTS will receive as consideration shares in BluGlass
- Restructuring further aligns SPTS' interests with those of other BluGlass shareholders
- BluGlass files patent applications to protect breakthrough high quality crystalline GaN films grown at low temperature

EpiBlu Joint Venture

BluGlass Limited (ASX: BLG) has today reached agreement with SPTS Technologies (SPTS) to acquire SPTS' 49% interest in the EpiBlu joint venture. SPTS will receive, as consideration, 15,973,678 shares in BluGlass, increasing SPTS' shareholding in BluGlass from 19.9% to 24.9% ("Capital Restructure").

This restructure comes as BluGlass is making material progress to achieving its technical goals. If implemented, the Capital Restructure will provide BluGlass the freedom to pursue the full range of commercialisation avenues and bring several other benefits to shareholders of BluGlass including:

- ownership of 100% of the RPCVD technology that was developed by the EpiBlu Joint Venture ("**Technology**") and the future benefits from commercialisation of the Technology;
- further alignment of the interests of SPTS and other BluGlass shareholders; and
- continued support from SPTS – which will continue to provide marketing assistance to promote the commercialisation of the Technology. BluGlass will also retain a licence to the SPTS background intellectual property required in order to exploit the Technology.



SPTS President and Chief Executive Officer, William Johnson, will remain on the Board of BluGlass to ensure continuity of the fruitful collaboration BluGlass has established with SPTS over the past two years.

BluGlass CEO, Giles Bourne said today “SPTS’ Plasma expertise and engineering has been invaluable in progressing our technology towards commercialisation. I am delighted that SPTS will remain involved with BluGlass, not only as a collaborator, but also as a major shareholder. We see this as a tremendous endorsement of BluGlass and its technology.”

SPTS President and Chief Executive Officer, William Johnson said today “We are excited about what we and BluGlass have achieved together through the EpiBlu Joint Venture. BluGlass’ technology has the potential to offer significant competitive advantages for customers in the rapidly expanding high brightness LED industry. We look forward to continuing our collaboration with BluGlass and to the commercialisation of its potentially disruptive technology”.

Completion of the Capital Restructure is subject to conditions including the approval of BluGlass shareholders and receipt of an Independent Expert’s report. Shareholder approval will be sought at an extraordinary general meeting of shareholders, notice of which will be dispatched shortly, together with the Explanatory Memorandum and the Independent Expert’s report.

Given SPTS’ increased shareholding following completion of the Capital Restructure, SPTS has also undertaken that if BluGlass conducts any capital raisings in the next 12 months, in the first of any such capital raising SPTS will not participate in the raise (except with BluGlass’ consent) to the extent that to do so would result in it (together with its Associates) holding a relevant Interest in issued voting shares in BluGlass of more than 19.9%.

New Patent Applications

BluGlass announced in April 2012 that it had succeeded in producing high quality crystalline gallium nitride (GaN) grown at low temperature. Since that announcement, BluGlass has continued to make good progress towards further reducing impurities through both hardware and process improvements.

These achievements have resulted in significant new intellectual property. Provisional patent applications to protect this breakthrough approach and process and the resulting high quality crystalline GaN have been filed.

“These patents protect a breakthrough that demonstrates to the industry and future customers the potential of our technology. This new intellectual property brings BluGlass much closer to achieving its milestones.” finished Mr. Bourne.

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 advanced low cost potential. BluGlass, through its subsidiary, BluSolar is now exploring the process' viability in photovoltaic (solar) applications.

The RPCVD technology, because of its low temperature and highly flexible nature, offers many potential benefits over existing technologies including higher efficiency, lower cost and greater scalability.

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