

26 November 2012
The Manager
Company Announcements Office
ASX Limited

BLUGLASS 2012 AGM

CEO Address

Good afternoon, my name is Giles Bourne and I'm BluGlass' CEO. Today I'd like to provide you with a review of BluGlass' financial performance and the future roadmap and strategy for commercialising the technology. As you have heard from our Chairman, the last 12 months have been transformative for the company. BluGlass has made significant and increasingly rapid inroads in proving the commercial potential of our patent protected RPCVD technology as we progress towards commercialisation.

Financial Results

Last year's consolidated expenditure was \$8.66M with the majority of this focused on the R&D activities. This is expected to be lower for the current financial year due to the capital restructure and the focus on our R&D site in Australia.

The Company fully acquitted the Commonwealth Climate Ready Grant at the end of June 2012 and all payments due under this contract have now been received.

In April of this year, BluGlass' subsidiary EpiBlu Technologies Pty Ltd. obtained a private tax ruling confirming that it is eligible to seek a significant tax rebate for R&D expenditure within the joint venture company EpiBlu. The company expects to receive approximately \$1.9M in the next few months from this scheme in respect of the 2011/12 tax year. We expect to receive a similar rebate for the 2012/13 tax year but this will be wholly within BluGlass Ltd. as activities are no longer being undertaken in EpiBlu.

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Future Funding

In September 2012 the company hosted a visit by members of the AusIndustry Board and staff who spent a day with recipients of major grants to see the impact of the grant funding and discuss potential future support. BluGlass will continue to investigate new grants and government funding opportunities, especially following the recently implemented Carbon Tax legislation.

The Year Ahead

The commercial short term objective of the company is to produce p-GaN films that demonstrate the benefits of our low temperature RPCVD process. We need to demonstrate that RPCVD can provide a marked performance (light out) improvement in an LED device.

BluGlass' strategy in the coming year is to:

- Meet our remaining technology milestones
- Continue the dialogue with the key industry players in both equipment and LED manufacturing
- Validate with the industry the RPCVD value proposition
- Evaluate the best options for commercialisation of the technology, including; licencing, partnering, scaling the technology as well as potentially offering a foundry service
- Accelerate the pace of our R&D in photovoltaics (solar), and
- Evaluate alternative market applications for our unique low temperature technology.

During the course of the year members of the executive team visited a number of key LED chip and equipment manufacturers in Japan, Korea, Taiwan, Germany, Switzerland and the USA to discuss the advances in the RPCVD technology ahead of the planned commercialisation. RPCVD's low temperature value proposition, particularly in relation to the p-GaN layer, was confirmed as being of commercial interest to the industry. Having now achieved proof of concept, the Company intends to re-engage with these manufacturers as part of the overall commercialisation strategy.

Commercialisation

The past 18 months have been critical in laying the foundations to prove to the industry the potential of our breakthrough technology. The progress that we are making in Silverwater is very promising as the company continues to make headway with the development of our technology and technical milestones to prove the commercial advantages of our low temperature RPCVD technology.

Our accomplishments are now firmly under the spotlight of international industry players and we believe that the company is now well positioned to take its recent results and data to leading participants in the LED industry to begin the process of commercialising the technology.

The initial focus area for the commercialisation is to demonstrate an RPCVD low temperature grown p-GaN layer on an industry standard LED structure's multi quantum well (MQW) to show the potential performance advantage of an LED in terms of light output (lumens per watt). P-GaN is envisaged as being the initial market entry point for BluGlass' technology.

The Company works closely with a number of leading experts in the LED industry to help guide its technology development and to provide advice on the commercialisation strategy in relation to the value proposition.

Progress in this extraordinarily difficult field is testament to the determination and expertise of our world-class technical team led by Dr. Ian Mann, who I would now like to introduce you to Dr. Mann is the BluGlass Chief Technology and Operations Officer and he will now provide you with a technology review. Once Ian has finished, we will then open the floor to questions.

Thank you.

About BluGlass: BluGlass Limited is an Australian green technology company formed 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.

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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