

ASX/MEDIA Release
19 March 2007

LED PIONEER BLUGLASS MAKES THREE SIGNIFICANT BREAKTHROUGHS TO ADVANCE ITS COMMERCIALISATION PLANS

Australian green technology company BluGlass Ltd today announced three significant achievements that will be presented to the global semiconductor industry during an extensive world wide road show being undertaken by chief executive officer David Jordan during the next three weeks. Jordan says: "In this road show we will present our technology achievements to several of the key global players to benchmark and validate our Australian-developed processes against the best in the world"

These achievements announced today by BluGlass include:

- 1) The demonstration by financial cost of ownership¹ modeling of the ability of BluGlass' novel gallium nitride (GaN) technology to significantly reduce the production cost of wafer deposition compared to one of the major manufacturing technologies². This cost saving, coupled with possible benefits in downstream device fabrication, points to the potential of the BluGlass technology for significant reduction in the cost of blue, green and white LED devices for use in the general lighting market.
- 2) The demonstration of continuous blue light emission from a hetero-junction LED structure deposited at a very low temperature on sapphire and short lived emission on commercial glass.
- 3) The demonstration of highly uniform nitride deposition on four-inch glass wafers, and good uniformity over a six-inch wafer area, nine times larger than the current two-inch industry standard. This could allow significant increase in manufacturing yield and improved efficiencies in downstream processing, further reducing the manufacturing cost of LED devices.

These three major achievements ensure that BluGlass is succeeding in meeting its commercial and technological targets. They also confirm the commercial potential of BluGlass' unique process.

Achieved using BluGlass' novel low temperature plasma deposition process, the advances boost plans by the company to accelerate the development of cheaper and more environmentally friendly LED lighting for homes and businesses around the world.

The specially engineered substrates used in the demonstrations were developed in a technical and engineering program with the French multinational materials group Saint Gobain, which recently signed an eighteen month Joint Development Agreement with BluGlass.

The financial modeling was performed by the US-based Wright Williams & Kelly, the world's leading cost-of-ownership modeling group for the semiconductor industry. WWK's report compared the BluGlass manufacturing process to one of the current industry standards, and demonstrated the cost benefits of significantly reduced reactive materials usage, the complete elimination of expensive and toxic ammonia and the use of low cost glass substrates.

"The high cost of LEDs has to date been one of the key factors in preventing their uptake in the general lighting market," David Jordan said. "The announcements made today indicate

that LED lighting using BluGlass technology could soon become significantly more cost competitive against current incandescent bulbs and compact fluoros in the general lighting market. Compact fluoros are the most efficient lighting available on the market today, and were promoted recently by the Federal Government's energy savings strategy to phase out traditional incandescent light bulbs. We welcome both the Australian Government and subsequent European Union's action to make lighting more energy efficient by banning the incandescent light bulb, and believe LED's are rapidly becoming the most energy efficient form of lighting, and represent the future".

LEDs are the longest-lasting, most energy efficient form of lighting, offering tailored "warm" light. They are four to five times more efficient than traditional incandescent light bulbs, and generate significantly less heat. They also have an operational life of up to 10 years, 100 times greater than an incandescent bulb and 12 times more than a compact fluorescent.

BluGlass' three breakthroughs help position the company globally in commercialising cost efficient LEDs, based on GaN technology. They come after a decade of research at Sydney's Macquarie University and the commencement of commercialisation by BluGlass after it acquired the intellectual property rights and successfully floated the company on the Australian Stock Exchange in September of last year.

- Ends -

Further information:

David Jordan
Chief Executive Officer
BluGlass Ltd
0400 701 268

Alan Deans
Partner
Last Word Corporate Communications
0427 490 992

Note 1

Cost of Ownership – an estimate of product cost from a process or tool. Defined by the US Standard SEMI E35-0305 as "the full cost of embedding, operating and decommissioning in a factory environment equipment needed to accommodate the required volume of production units". It includes both Cost of Equipment Ownership (all fixed and recurrent costs such as equipment procurement, and materials and consumables usage) and the Cost of Yield Loss (the cost associated with producing reject product).

Note 2

The production technology compared by COO modelling to the BluGlass Remote Plasma Chemical Vapour Deposition (RPCVD) was rotating disc reactor metal-organic chemical vapour deposition (MOCVD), one of the major GaN manufacturing techniques.