Bluechiip Limited
1 Dalmore Drive
Caribbean Business Park
Scoresby VIC 3179AUSTRALIA

T: +613 9763 9763
F: +613 9763 9764
www.bluechiip.com

ASX Announcement

For immediate release

Tuesday 21 October 2014

Company Update

Key points

- **Distribution agreement in Japan**
- **Micronic (Netherlands) launch dual identity vial**
- **Resignation of Managing Director**

Distribution agreement in Japan

Bluechiip Limited (ASX: BCT) today announced that it has entered into an exclusive Distribution Agreement with NPO Bio Bank Support Organisation (BSO) to sell the bluechiip® product range in Japan for biobanking and other life science related markets.

BSO was established with a focus to improve operations of sample management in biobanks. BSO's main role is to provide consultation to biobanks regarding sample management technologies and equipment to ensure quality of storage and research based on market and industrial knowledge.

The Agreement contains minimum ordering obligations including annual purchases that approximate to $300K per annum. Consistent with Bluechiip's commercialisation strategy, the intention of the agreement is to transition to a licensing agreement after market validation and minimum volumes are reached.

This entrée into Japan follows our China deal earlier this year. BSO has extensive experience in introducing new technologies and are well placed to bring Bluechiip's technology to the Japanese market.

Ms. Akiko Saito, the Representative Administration Officer of Bio Bank Support Organization, said:" We are very familiar with the latest technologies and trends of equipment, consumables and best practices for biobanking, and we provide professional consultation and advice on both automatic and manual sample handling methods to researchers, scientists, doctors and biobank managers. We have a strong collaborative business network with local and International solution providers such as Bluechiip, which has technology for ID and temperature tracking of samples which is unique in the industry and we definitely see a great market opportunity for Bluechiip's technologies in Japan."

Micronic launch dual identity vial

After successful validation testing of the dual identity vial by Micronic (Netherlands) and together with Bluechiip completing the first prototype of the multivial reader, both companies have agreed to launch the system at the Society for Laboratory Automation and Screening conference in

Washington, USA in February 2015. This will involve Micronic producing a small volume of dual identity vials for market testing and sample product for selected customers.

Resignation of Managing Director

The Company has received notice from its CEO / Managing Director, Dr Jason Chaffey that he wishes to resign from the Company. Dr Chaffey has advised the Company that the role of Managing Director involving primarily licencing and commercialisation of the technology is more suitable to a person with these skill sets. Dr Chaffey has indicated that he will be available to assist Bluechiip until the end of the year and will assist in all the licensing and business development activities currently in progress. Whilst Jason's departure leaves a gap in its resourcing, Bluechiip has a number of senior staff who are currently managing sales, manufacturing and technology development. Bluechiip recently appointed Thomas Tay, Product Manager, Asia & ANZ who secured the Distribution Agreement in Japan. In addition, Dr Ian Johnston, who has been with Bluechiip for three years, will continue providing technological leadership. The Company has commenced a search for a new Managing Director with the necessary skills and experience to allow Bluechiip to successfully commercialise its unique and patented technology.

Commenting on Dr Chaffey's departure Iain Kirkwood, Chairman of Bluechiip said "*Jason has been with the company for over eight years and in his time has performed various roles including Principal Engineer – MEMS, Chief Technology Officer and more recently Managing Director. Jason has been instrumental in leading the Company during a major reorganisation, allowing us to make important changes and achieve the milestones we have in the current year. We all respect that the commercialisation of novel technology requires a person with unique skills and experience. We thank Jason for undertaking this task over this period and wish him all the best in his future endeavours*."

END

For more information:

Bluechiip Limited
Iain Kirkwood 0408 473 496

Email: iain.kirkwood@bluechiip.com

Web: www.bluechiip.com

About Bluechiip Limited:

Bluechiip has developed a wireless tracking solution for the healthcare and life science, security, defence and manufacturing industries which represents a generational change from current methods such as labels (hand-written and pre-printed), barcodes (linear and 2D) and microelectronic integrated circuit (IC)-based RFID (Radio Frequency Identification).

The unique tag is based on MEMS technology and contains no electronics. The tag can either be embedded or manufactured into a storage product, such as vials or bags. Easy identification, along with any associated information from the tag such as temperature can be detected by a reader, which can also sense the temperature of the tagged items. The traditional identification technologies have significant limitations. Whereas a barcode requires a visible tag or line-of-sight optical scan, bluechiip® technology does not. Unlike labels, barcodes and RFID, the bluechiip® technology can sense the temperature of each item a tag is attached to, or embedded in.

The bluechiip® technology has initial applications in the healthcare industry particularly those businesses which require cryogenic storage facilities (biobanks and biorepositories). bluechiip® offers the only technology that enables accurate and reliable tracking of products including stem cells, cord blood, and other biospecimens. In addition to functioning in extreme temperatures, the bluechiip® tracking solution can survive autoclaving, gamma irradiation sterilization, humidification, centrifuging, cryogenic storage and frosting.

The bluechiip® technology has other healthcare applications in pathology, clinical trials and forensics. Several other key markets outside of healthcare include cold-chain logistics/supply chain, security/defence, industrial/manufacturing and aerospace/aviation.

Further information is available at www.bluechiip.com