

The Manager

ASX Announcements Platform

24 November 2014

2014 ANNUAL GENERAL MEETING CHAIRMAN'S ADDRESS

**TO BE HELD AT THE OFFICES OF GRANT THORNTON, LEVEL 17, 383 KENT STREET, SYDNEY, 2000, ON
MONDAY, 24TH NOVEMBER, 2014 AT 11.00 AM.**

WELCOME – THE YEAR IN REVIEW

Ladies and gentlemen, it is now 11.00 am, a quorum is present and taking the notice of meeting as read, I declare the meeting open.

My name is George Venardos. I am the Non-executive Chairman of BluGlass Limited and I am pleased to welcome you to the group's 2014 Annual General Meeting.

I would like to take this opportunity to introduce you to my fellow directors, Dr. Bill Johnson, Mr. Chandra Kantamneni, Mr. Greg Cornelsen and our Managing Director, Mr. Giles Bourne. Our auditors, Grant Thornton, are also present.

This morning I will outline the group's achievements over the last year and will then call upon our Managing Director, Giles Bourne to review our performance scorecard and provide an update on our commercialisation strategy. Giles will be followed by Dr. Ian Mann, our Chief Operations and Technology Officer, who will review our technical progress.

Following this I will table the formal accounts of the group before the meeting and provide investors with the opportunity to ask questions before proceeding with the formal business of the meeting.

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SLIDE 2 – FACILITIES UPGRADE WORK

I am pleased to report a year of strong technical progress and our first revenue earnings from the newly established custom epitaxy (foundry) business. Our Silverwater facility has been upgraded to enable our technology team to simultaneously operate three deposition systems which resulted in a significant increase of our research capacity and capability.

This initiative required the installation of larger gas storage facilities and upgraded electrical infrastructure, including numerous safety and security systems. This slide shows various pictures which demonstrate the extent of the upgrade and the work involved in expanding our world class facility in Silverwater.

SLIDE 3 – FACILITY UPGRADE COMPLETE

This major facilities upgrade included the installation of one Thomas Swan 19 x 2 inch MOCVD system and a retrofitted Thomas Swan 19 x 2 inch system which operates in RPCVD mode, the BLG-300.

We now operate a retrofitted RPCVD system from each of the two large global equipment manufacturers.

We also purchased a third second hand Thomas Swan system to provide cost effective spares.

The single MOCVD system allows us to benchmark our progress on the retrofitted RPCVD equivalent of the same system.

These new deposition systems and upgraded facility have also provided us with the spare capacity to launch our custom epitaxy business which is starting to generate revenue to offset some of our research expenditure.

SLIDE 4 – SIGNIFICANT PROGRESS

The custom epitaxial business has enabled our team to interact with customers and test their skills against competitors in this highly skilled and specialised market place. The feedback from customers to date has been very positive. Our interactions have enabled us to discuss the potential of RPCVD with a variety of industry participants and build our reputation in the market place which is an essential precursor to the commercialisation of RPCVD.

The balance of this slide sets out the other key achievements during the year.

- 14 additional patents were granted during the course of the year. Giles will cover this important issue in more detail in his presentation

- During the year BluGlass was able to attract some very skilled new recruits including a GaN expert and two semiconductor hardware experts
- We achieved our best RPCVD light output to date. Ian will update the technical achievements in his presentation
- The ex-production scale, retrofitted BLG-300 is operational and producing results equivalent to the BLG-180 research system
- We are ranked as a global Top 30 semi-finalist for the Global Clean Tech Cluster Association, Later Stage awards
- After interacting with us on a number of orders, one of our customers placed an order to trial RPCVD custom epitaxy
- Given the demonstrated interest in our technology and our capability, we decided to appoint an expert agent to assist us to grow our order book for the custom epitaxy business
- We believe we can generate up to \$1M in revenue per annum from spare capacity on the MOCVD dedicated system

SLIDE 5 – 2014 FINANCIAL RESULTS

- Our cash position at the end of September was \$3.6m
- We are currently receiving cash from our Clean Tech Innovation grant which reimburses us for research expenditure quarterly. This grant ends in December 2015 when the total of the \$3M will have been claimed
- We are also eligible for R&D tax rebates, which provided cash of \$2.14M in respect of expenditure during the 2014 tax year
- As I mentioned earlier the custom epitaxial business could ramp up to provide us with \$80k per month or around \$1M revenue per annum
- Financial year to date revenue received is \$150k

We are also assessing new grants and collaborations to stretch our cash even further as we assess opportunities for commercialisation of RPCVD.

I will now hand you over to Giles Bourne, our Managing Director, who will take you through our commercialisation options and our progress to date. Thank-you.

About BluGlass:

BluGlass Limited (winner of the 2013 Australian Technologies Competition) 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 performance and 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 substrate flexibility including GaN on silicon.

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