

The Manager
Market Announcements Platform
ASX Limited

23 February 2016

BLUGLASS REVIEW OF OPERATIONS

The half year ended 31 December 2015 has seen BluGlass make some material commercial progress along with important technical advancement that is attracting growing interest from different areas of the semiconductor value chain. The Company is currently involved in a number of discussions with respect to a potential strategic transaction. Should any of these discussions lead to terms being agreed, the Board will advise shareholders accordingly.

In Summary the key achievements during the half year were:

In July 2015 we welcomed SPP Technologies (SPT), a wholly owned subsidiary of Sumitomo Precision Products, to our share register. SPT are active in the Japanese compound semiconductor industry, delivering advanced equipment and process technologies such as plasma etch, plasma enhanced CVD (PECVD) and sacrificial layer etch in Japan. BluGlass is pleased to have this useful ally on our register as we progress towards commercialisation.

In September 2015, BluGlass received a significant foundry order from one of our existing key foundry customers of approximately \$300,000; to be delivered over six months. This customer is developing a specialty LED application and BluGlass is supplying the green and blue LED wafers for their innovative product.

In addition to this foundry order, BluGlass has recently secured two new customers, both of which are interested in using RPCVD p-GaN in their product development. The first, an LED customer has already committed to trial RPCVD in their product development. In February 2016 BluGlass also announced that it had received a purchase order from a laser diode customer, developing a unique design that requires low temperature RPCVD p-GaN in order to work most effectively and improve the device performance. This will be the first RPCVD laser diode prototype that we have produced. If successful this will lead to repeat business and will be a further demonstration of the versatility and performance advantages of low temperature RPCVD.

One of the significant achievements during the half year (November 2015) was commencing a collaborative evaluation with a tier-1 LED manufacturer. BluGlass was approached by this LED Company and has subsequently commenced a collaborative project to test a custom application of RPCVD which is targeting the improvement of LED performance and

**BRIGHTER
FUTURE LOWER
TEMPERATURE**

74 ASQUITH STREET
SILVERWATER NSW 2128
P + 61 (0)2 9334 2300
F + 61 (0)2 9748 2122

WWW.BLUGLASS.COM.AU

cost for a specialty application. BluGlass has invested considerable effort into this project which is advancing with good initial results utilising both of its RPCVD systems.

Also in November last year, we announced that the Veeco Instruments evaluation of RPCVD for green LEDs has moved to the next iteration following positive initial results on 2 inch wafers. The next part of the evaluation is involving greater collaboration between BluGlass and Veeco and focuses on demonstrating good green LED performance on larger size wafers.

The initial evaluation of RPCVD for power electronics for Veeco has shown that the low temperature overgrowth of p-GaN has the potential for a significant performance advantage. This is a very good indicator for BluGlass in its power electronics application development.

One of the particular challenges with power electronics that is important to all of our technology demonstrations is to show thickness uniformity across larger wafers. To this end, BluGlass has modeled and designed an upgrade to the existing BLG-300 RPCVD chamber that is now being machined and assembled by specialist external providers. The new chamber incorporates a new metal-organic injection arrangement to improve the thickness uniformity to a commercial standard sought by parties evaluating the RPCVD technology. The new chamber builds on the existing performance results we are achieving. The new chamber is scheduled to be installed and operational next quarter.

BluGlass is advancing its existing evaluation agreements with two of the industry leaders. From a successful evaluation of the RPCVD technology we envision BluGlass entering into a strategic partnership (licensing / joint venture / joint development) with one or more industry players to take the RPCVD technology to market.

The progress during the half year continues to build a solid position for the Company as we pursue the commercialisation of our breakthrough RPCVD platform technology, and demonstrate to the industry its performance capability and versatility. We are very encouraged that the level of interest from the industry continues to grow, including beyond our current evaluations, and we look forward to keeping our shareholders informed as all of these discussions progress.

-Ends-

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, substrate flexibility including GaN on silicon and greater scalability.

Media Contact: Stefanie Winwood +61 2 9334 2300 swinwood@bluglass.com.au