

BLUGLASS LIMITED

ABN 20 116 825 793

NOTICE OF ANNUAL GENERAL MEETING
including
EXPLANATORY STATEMENT
and
PROXY FORM

DATE, TIME AND VENUE OF ANNUAL GENERAL MEETING

Monday 28th November 2011 at 10.00am EST

Grant Thornton, Level 17, 383 Kent Street
SYDNEY NSW 2000

This Notice of Meeting should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 2) 9334 2300.

Notice of Annual General Meeting and Explanatory Memorandum

Notice is hereby given that the Annual General Meeting of BluGlass Limited ("the Company") will be held on Monday 28th November 2011 commencing at 10.00am (EST) at Grant Thornton, Level 17, 383 Kent Street, Sydney, NSW 2000

The Explanatory Memorandum which accompanies and forms part of this Notice of Meeting describes the matters to be considered at the Annual General Meeting.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the time and place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to BluGlass Limited, 74 Asquith Street , SILVERWATER , NSW, AUSTRALIA, 2128;
- (b) facsimile to the Company on facsimile number (+61 2) 9748 2122; or
- (c) email to the Company at acatlin@bluglass.com.au,

so that it is received not later than 10.00am (EST) on Saturday 26th November 2011.

The Proxy Form forms part of this Notice of Meeting.

Proxy Forms received later than this time will be invalid.

RECENT CHANGES TO VOTING BY PROXY

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and

- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

VOTING ENTITLEMENT AND SNAPSHOT DATE

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered shareholders of the Company at 5:00pm (EST) on Saturday 26th November 2011.

AGENDA

Ordinary Business

Accounts and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2011 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the year ended 30 June 2011.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) the vote is not cast on behalf of a person described in sub-paragraphs (a) or (b) above.

Resolution 2 – Re-Election of Director – Mr Chandra Kantamneni

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 13.2 of the Company’s Constitution and for all other purposes, Mr Chandra Kantamneni, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

Resolution 3 – Re-Election of Director – Mr George Venardos

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 13.2 of the Company’s Constitution and for all other purposes, Mr George Venardos, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

Resolution 4 – Issue of Incentive Options to George Venardos

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.14, Section 208 of the Corporations Act 2001 and for all other purposes, approval is given for the Directors to issue and allot 560,000 Incentive Options to Director Mr George Venardos or his nominee under the Company’s Incentive Option Scheme on the terms and conditions set out in the Explanatory Statement”.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by all the Directors and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 5 – Issue of Incentive Options to Greg Cornelsen

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.14, Section 208 of the Corporations Act 2001 and for all other purposes, approval is given for the Directors to issue and allot 280,000 Incentive Options to Director Mr Greg Cornelsen or his nominee under the Company’s Incentive Option Scheme on the terms and conditions set out in the Explanatory Statement”.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by all the Directors and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 6 – Issue of Incentive Options to Chandra Kantamneni

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.14, Section 208 of the Corporations Act 2001 and for all other purposes, approval is given for the Directors to issue and allot 280,000 Incentive Options to Director Mr Chandra Kantamneni or his nominee under the Company’s Incentive Option Scheme on the terms and conditions set out in the Explanatory Statement”.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by all the Directors and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and

- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 7 – Issue of Incentive Options to Alan Li

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.14, Section 208 of the Corporations Act 2001 and for all other purposes, approval is given for the Directors to issue and allot 280,000 Incentive Options to Director Mr Alan Li or his nominee under the Company’s Incentive Option Scheme on the terms and conditions set out in the Explanatory Statement”.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by all the Directors and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
- (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 8 – Issue of Incentive Options to Dr William Johnson

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.14, Section 208 of the Corporations Act 2001 and for all other purposes, approval is given for the Directors to issue and allot 280,000 Incentive Options to Director Dr William Johnson or his nominee under the Company’s Incentive Option Scheme on the terms and conditions set out in the Explanatory Statement”.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by all the Directors and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
- (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

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However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
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DATED: 20 OCTOBER 2011
BY ORDER OF THE BOARD

EMMANUEL CORREIA
COMPANY SECRETARY

EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of a Notice of Meeting convening the Annual General Meeting ("the Meeting") of shareholders of BluGlass Limited ("BluGlass" or the "Company") to be held on Monday 28th November 2011 at 10.00am (EST).

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

Accounts and Report

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2011 together with the declaration of the directors, the Directors' Report, the Remuneration Report and the Auditor's report.

In accordance with amendments to the Corporations Act the Company is no longer required to provide a hard copy of the Company's Annual Financial Report to shareholders unless a shareholder has specifically elected to receive a printed copy. These amendments may result in reducing the Company's printing costs.

Whilst the Company will not provide a hard copy of the Company's Annual Financial Report unless specifically requested to do so, shareholders may view the Company Annual Financial Report on its website at www.bluglass.com.au

1. Resolution 1 – Adoption of Remuneration Report

1.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

Under recent changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Annual General Meeting, and at least 25% of votes are cast against the 2012 remuneration report at the Company's 2012 annual general meeting, the Company will be required to put to Shareholders a resolution at the 2012 annual general meeting proposing the calling of a general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution at the 2012 annual general meeting, the Company must convene a general meeting (**Spill Meeting**) within 90 days of the Company's 2012 annual general meeting. All of the Directors who were in office when the Company's 2012 Directors' report was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2011.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

1.2 Proxy Restrictions

Pursuant to the Corporations Act, if you elect to appoint the Chair, or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report or any Closely Related Party of that member as your proxy to vote on this Resolution 1, *you must direct the proxy how they are to vote*. Where you do not direct the Chair, or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report or Closely Related Party of that member on how to vote on this Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to this Resolution 1.

2. Resolutions 2 and 3 – Re-Election of Mr Chandra Kantamneni and Mr George Venardos as Directors

Clause 13.2 of the Constitution requires that if the Company has three or more Directors, one third (or the number nearest one-third) of those Directors must retire at each annual general meeting, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

The Company currently has 5 Directors and accordingly two must retire.

Mr Chandra Kantamneni and Mr George Venardos, the Directors longest in office since their last election, retire by rotation and seek re-election.

4. Resolutions 4 to 8 – Issue of Incentive Options to Directors

4.1 General Comments

As announced to ASX on 13 October 2011, the Company established the BluGlass Incentive Option Scheme Trust (“Trust”) for the issue of Incentive Options to be held by the Trust on behalf of Company executives, staff, directors and officers of the Company.

The issue of Incentive Options is made pursuant to the Company Incentive Option Scheme which was approved by Shareholders at the Company’s 2010 annual general meeting on 1 November 2010 (**Incentive Option Scheme** or **Scheme**). These Incentive Options and any Shares issued as a result of the exercise of the Incentive Options will only vest on the attainment of predefined performance criteria. The terms of the Incentive Option Scheme summarised in Schedule C.

On 13 October 2011, the Company also announced that, subject to Shareholder approval, a total of 1,680,000 Options (**Incentive Options**) will be issued to the Bluglass Share Trust, to be held in trust on behalf of Messrs Mr George Venardos, Mr Greg Cornelsen, Mr Chandra Katamneni, Mr Alan Li and Dr William Johnson (or their respective nominees). These Incentive Options, and any Shares issued as a result of the exercise of the Incentive Options, will only vest to the specified Directors on the attainment of predefined performance criteria, as outlined below.

4.2 Related Party Transaction

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

The grant of the Incentive Options to the Bluglass Share Trust in trust for Messrs Mr George Venardos, Mr Greg Cornelsen, Mr Chandra Katamneni, Mr Alan Li and Dr William Johnson (or their respective nominees) (**Related Parties**), under the Scheme, requires the Company to obtain Shareholder approval because this constitutes giving a financial benefit and, as Directors, Messrs Mr George Venardos, Mr Greg Cornelsen, Mr Chandra Katamneni, Mr Alan Li and Dr William Johnson are related parties of the Company.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue the Incentive Options to Messrs Venardos, Cornelsen, Kantamneni, Li and Johnson.

4.3 ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that a company must not permit any of the following persons to acquire securities under an employee incentive scheme without the approval of holders of ordinary securities of the acquisition:

- (a) a director of the company;
- (b) an associate of a director; or
- (c) a person whose relationship with the company or a person referred to in (a) or (b) above is, in ASX's opinion, such that approval should be obtained.

If Resolutions 4 to 8 are passed, Incentive Options will be issued to Messrs Mr George Venardos, Mr Greg Cornelsen, Mr Chandra Katamneni, Mr Alan Li and Dr William Johnson, Directors of the Company. Therefore, the Company requires Shareholder approval to issue the Incentive Options to the Related Parties (or their respective nominees).

4.4 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.14)

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rules 10.15, the following information is provided in relation to the proposed grant of Incentive Options:

- (a) the related parties are Messrs Mr George Venardos, Mr Greg Cornelsen, Mr Chandra Katamneni, Mr Alan Li and Dr William Johnson and they are related parties by virtue of being Directors of the Company;
- (b) the maximum number of Incentive Options (being the nature of the financial benefit being provided) to be acquired by each related party (or their respective nominees) is:

Related Party	Number of Incentive Options
Mr George Venardos	560,000
Mr Greg Cornelsen	280,000
Mr Chandra Kantamneni	280,000
Mr Alan Li	280,000
Dr William Johnson	280,000

- (c) the Incentive Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (d) the Incentive Options to be issued will be options to acquire fully paid ordinary shares in the capital of the Company, which if exercised, will be issued on the same terms and conditions as the Company's existing Shares;
- (e) the Incentive Options will have a \$nil exercise price per Incentive Option and will expire on 30 November 2014. The Incentive Options will only vest and be transferred to each of the Related Parties once vesting criteria, as outlined below, are met. There is a three year time limit for the satisfaction of these vesting criteria. The Incentive Options will otherwise be issued on the terms and conditions set out in the Plan as summarised in Schedule A;

Vesting Criteria	Percentage of Incentive Options that vest
Tranche 1 On achievement of un-doped GaN single crystal as defined by the EpiBlu JV milestones.	33%
Tranche 2 On achievement of a wafer with un-doped GaN with MOCVD like quality as defined by the EpiBlu JV milestones.	33%
Tranche 3 24 months of continuous employment with the Company from the date of issue	34%
TOTAL	100%

- (f) in determining the number of Incentive Options to be given to each of Messrs Mr George Venardos, Mr Greg Cornelsen, Mr Chandra Katamneni, Mr Alan Li and Dr William Johnson, consideration was given to the relevant experience and role of each Director, his overall remuneration terms, and the terms of option packages granted to directors of similar companies;
- (g) the Incentive Options will be issued, pursuant to the Incentive Option Scheme, to the trustee of the Buglass Share Trust to hold on trust for the Related Parties, no later than 12 months after the date of the Annual General Meeting (or such later date as

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permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Incentive Options will be issued on one date. The transfer of the Incentive Options will occur in tranches if and when the above vesting criteria are satisfied;

- (h) no loan has or will be provided to the Related Parties in relation to the subsequent exercise of the Incentive options;
- (i) in 2010 a total of 1,800,000 Incentive Options were issued to the Related Parties as follows:
 - (i) 600,000 Incentive Options to Mr George Venardos;
 - (ii) 300,000 Incentive Options to Mr Greg Cornelsen;
 - (iii) 300,000 Incentive Options to Mr Chandra Kantamneni;
 - (iv) 300,000 Incentive Options to Mr Alan Li; and
 - (v) 300,000 Incentive Options to Dr William Johnson;
- (j) the value of the Incentive Options, being the financial benefit being given to the Related Parties, and the pricing methodology is set out in Schedule B;
- (k) any person who is in the full-time or part-time employment of, or is a director of, or is a consultant to, the Company or any subsidiary (if any) is entitled to participate in the Incentive Option Scheme. As at the date of this Notice of General Meeting, all of the Directors, being Mr George Venardos, Mr Greg Cornelsen, Mr Chandra Kantamneni, Mr Alan Li and Dr William Johnson are eligible to participate in the Incentive Option Scheme;
- (l) as at the date of this Notice, each of the Related Parties has a relevant interest in the following Company securities:

Related Party	Shares	Options
Mr George Venardos	600,118	600,000
Mr Greg Cornelsen	927,941	300,000
Mr Chandra Kantamneni	117,647	300,000
Mr Alan Li	Nil	300,000
Dr William Johnson	Nil	300,000

- (m) the remuneration and emoluments paid (or to be paid) by the Company to each of the Related Parties for the last financial year and current financial year (inclusive of superannuation) is as follows:

Related Party	Financial year Ended 30 June 2011	Financial year Ended 30 June 2012
Mr George Venardos	70,000	70,000
Mr Greg Cornelsen	50,000	50,000

Mr Chandra Kantamneni	40,000	40,000
Mr Alan Li	40,000	40,000
Dr William Johnson	40,000	40,000

- (n) if all of the Incentive Options issued to the Related Parties are exercised, a total of 1,680,000 Shares would be allotted and issued. The effect will be to increase the number of Shares on issue from 239,845,017 to 241,525,017 (assuming that no other Options are exercised and no other Shares issued) with the effect that the shareholding of existing Shareholders would be diluted by 0.7%;
- (o) the market price for Shares during the term of the Incentive Options would normally determine whether or not the Incentive Options are exercised. If, at any time any of the Incentive Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Incentive Options, there may be a perceived cost to the Company;
- (p) the trading history of the Shares on ASX in the 12 months before the date of this Notice of Annual General Meeting is set out below:

	Price	Date
Highest	\$0.20	29 September 2010
Lowest	\$0.085	9 August 2011]
Last	\$0.105	14 October 2011

- (q) the primary purpose of the grant of Incentive Options to the Related Parties is to provide cost effective consideration to the Related Parties for their ongoing commitment and contribution to the Company as a Directors of the Company;
- (r) the Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options upon the terms proposed. The vesting performance criteria attached to the Incentive Options and the Shares issued as a result of the exercise of any of the Incentive Options aims to ensure that significant value is created prior to the Incentive Options or Shares (as a result of the exercise of the Incentive Options) vest to the Related Party; and
- (s) the Board acknowledges the grant of Incentive options to the Related Parties, who are non-executive Directors, is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of Director Options to the Related Parties reasonable in the circumstances, given the necessity to attract the highest calibre of professionals to the Company, whilst maintaining the Company's cash reserves.

4.5 Directors' recommendations

- (a) Mr Venardos declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 5, 6, 7 and 8, Mr Venardos recommends that Shareholders vote in favour of those Resolutions for the following reasons:

- (i) the issue of Incentive Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
 - (ii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options upon the terms proposed;
- (b) Mr Cornelsen declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 4, 6, 7 and 8, Mr Cornelsen recommends that Shareholders vote in favour of those Resolutions for the reasons set out in subparagraphs (a)(i) and (a)(ii);
- (c) Mr Kantamneni declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 4, 5, 7 and 8, Mr Kantamneni recommends that Shareholders vote in favour of those Resolutions for the reasons set out in subparagraphs (a)(i) and (a)(ii);
- (d) Mr Li declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 4, 5, 6 and 8, Mr Li recommends that Shareholders vote in favour of those Resolutions for the reasons set out in subparagraphs (a)(i) and (a)(ii); and
- (e) Dr Johnson declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 4, 5, 6 and 7, Dr Johnson recommends that Shareholders vote in favour of those Resolutions for the reasons set out in subparagraphs (a)(i) and (a)(ii).

5. Enquiries

Shareholders are invited to contact the Company Secretary on (+61 2) 9334 2300 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian Dollars

Annual General Meeting means the meeting convened by the Notice of Meeting.

ASIC means the Australian Securities and Investments Commission.

Associated Body Corporate means:

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Company means BluGlass Limited ABN 20 116 825 793.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001 (Cth)*.

Director means a current director of the Company.

EST means Eastern Standard Time as observed in Sydney, New South Wales.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Group means the Company or an Associated Body Corporate.

Incentive Option means an Option issued pursuant to the Incentive Option Scheme.

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Incentive Option Scheme or **Scheme** means the Company's incentive option scheme, the terms of which are summarised in Schedule C.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

MOCVD means Metal Organic Chemical Vapour Deposition.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement.

Option means an option to acquire a Share.

Related Parties means Messrs Greg Cornelsen, Chandra Kantamneni, Alan Li, William Johnson and George Venardos.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2011.

Resolutions means the resolutions set out in the Notice of Meeting or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

VWAP means the Volume Weighted Average Share Price of the Company's quoted Shares.

SCHEDULE A – TERMS OF INCENTIVE OPTIONS

The terms and conditions of the Incentive Options are as follows and as otherwise provided in the Incentive Option Scheme:

- (a) each Incentive Option entitles the holder, when exercised, to one (1) Share;
- (b) subject to paragraphs (d) and (e) below, the Incentive Options are exercisable at any time on or prior to 5.00pm (EST) on 30 November 2014 (**Expiry Date**) by completing an option exercise form and delivering it together with the payment for the number of Shares in respect of which the Incentive Options are exercised to the registered office of the Company;
- (c) the amount payable upon exercise of each Incentive Option will be \$Nil (**Exercise Price**).
- (d) subject to (e) below, the Incentive Options and any Shares issued on the exercise of the Incentive Options will vest in tranches as follows:
 - Tranche 1: On achievement of un-doped GaN single crystal as defined by the EpiBlu JV milestones.
 - Tranche 2: On achievement of a wafer with un-doped GaN with MOCVD like quality as defined by EpiBlu JV milestone.
 - Tranche 3: Time based – 24 months continuous employment with BLG from the date of issue.
- (e) in the event:
 - (i) any third party acquires greater than a 50% interest in the Company's issued shares (by way of takeover, Incentive Option Scheme of arrangement or any other means); or
 - (ii) the Company sells a majority of its assets to a third party,any unvested Incentive Options or Shares issued on the exercise of the Incentive Options will immediately vest and must be exercised within 90 days thereafter (otherwise they will immediately lapse);
- (f) an Incentive Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Incentive Option can be exercised;
- (g) all Shares allotted upon the exercise of Incentive Options will upon allotment rank pari passu in all respects with other Shares;
- (h) the Incentive Options are not transferable;
- (i) Incentive Options will not be quoted on the ASX. However an application will be made to ASX for official quotation of the Shares allotted pursuant to the exercise of the Incentive Options if the Company's Shares are listed on ASX at that time;
- (j) there are no participating rights or entitlements inherent in the Incentive Options and Incentive Option holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Incentive Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Incentive Option holders the opportunity to exercise their Incentive Options prior to the date for determining entitlements to participate in any such issue; and

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- (k) if at any time the issued capital of the Company is reconstructed, all rights of an Incentive Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

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SCHEDULE B – VALUATION OF INCENTIVE OPTIONS

The Company obtained a valuation of the Incentive Options to be issued to the Directors of Bluglass by Lawler Partners, Chartered Accountants. A summary of the valuation methodology is outlined below:

These options, or rights, will be over ordinary Shares in the company that will vest subject to certain pre-determined criteria. Our valuation is based on the rules set out in Division 83A of the Income Tax Assessment Act of 1997 and the Australian Tax Office Guide to market valuation.

The value of each Incentive Option has been calculated as follows;

Value of an Incentive Option = VWAP x 70.0%

Where;

VWAP is the weighted value of the average closing price of Bluglass Limited fully paid, ordinary shares over the ten trading days to the date of this notice of meeting. For the ten days ended 28 September 2011 the BLG VWAP was \$0.12, resulting in each Incentive Option being attributed a value of **\$0.084**.

Valuation methodology

To determine the value of a right to acquire a share, we consider;

- the value of the underlying share,
- the cost (if any) to acquire the share on vesting of the right, and
- the terms and conditions specific to the right.

In valuing a listed share a “point-in-time” valuation, such as the closing price on a particular day, is sometimes appropriate but a number of factors need to be taken into account before employing this method. These include;

- Liquidity,
- Volatility,
- Valuation changes resulting from company capital structural events or changes in retained earnings, and
- The period to which the valuation is applied.

Having consideration for these factors in the case of BluGlass Limited, we prefer a volume weighted average price (**VWAP**) in setting a base line for the valuation of the options granted. To achieve an appropriate VWAP on the date the options are issued, we will use the closing price over the ten previous trading days.

The cost to acquire the share, upon the vesting of the option, is nil so this does not need to be included in the valuation.

The options issued to the Directors will vest, and the Directors will be able to receive the shares held in the ESS trust, upon the achievement of certain milestones. These milestones vary in difficulty and therefore likelihood to be achieved. Having full consideration for the factors associated with the milestones, we believe a discount of 20 to 40% on the value of the shares is appropriate due to the possibility the rights will not vest. In this type of valuation a band is most appropriate, but to determine a specific number for an estimate we see no reason the midpoint of the range cannot be used.

Summary of Incentive Option Values per Director:

Director	Number of Incentive Options proposed to be Issued	Value of Incentive Options proposed to be Issued
George Venardos	560,000	\$47,040
Chandra Kantamneni	280,000	\$23,520

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Greg Cornelsen	280,000	\$23,520
Alan Li	280,000	\$23,520
William Johnson	280,000	\$23,520

SCHEDULE C – SUMMARY OF INCENTIVE OPTION SCHEME

(a) Eligibility

The Board may invite full or part time employees and directors of, and consultants to, the Company or an Associated Body Corporate of the Company to participate in the Scheme (**Eligible Participant**).

Eligible Participants do not possess any right to participate in the Scheme, as participation is solely determined by the Board.

(b) Offer of Incentive Options

The Scheme will be administered by the Board which may, in its absolute discretion, offer Incentive Options to any Eligible Participant from time to time as determined by the Board and, in exercising that discretion, may have regard to some or all of the following considerations:

- (i) the Eligible Participant's length of service with the Group;
- (ii) the contribution made by the Eligible Participant to the Group;
- (iii) the potential contribution of the Eligible Participant to the Group; or
- (iv) any other matter the Board considers relevant.

(c) Number of Incentive Options

The number of Incentive Options to be offered to an Eligible Participant will be determined by the Board in its discretion and in accordance with the rules of the Scheme and applicable law.

(d) Conversion

Each Incentive Option is exercisable into one Share in the Company ranking equally in all respect with the existing issued Shares in the Company.

(e) Consideration

Incentive Options issued under the Scheme will be issued for no consideration.

(f) Exercise price

The exercise price for Incentive Options offered under the Scheme will be determined by the Board.

(g) Exercise conditions

The Board may impose conditions, including performance-related conditions, on the right of a participant to exercise Incentive Option granted under the Scheme.

(h) Exercise of Incentive Options

A participant in the Scheme will be entitled to exercise their Incentive Options in respect of which the exercise conditions have been met provided the Incentive Options have not lapsed and the exercise of the Incentive Options will not result in the Company contravening ASIC Class Order 03/184. A holder may exercise Incentive Options by delivering an exercise notice to the Company secretary along with the Incentive Options

certificate, and paying the applicable exercise price of the Incentive Options multiplied by the number of Incentive Options proposed to be exercised.

Within ten Business Days of receipt of the required items, the Company will, subject to the ASX Listing Rules, issue to the participant the relevant number of Shares.

(i) Cessation of employment

If the participant in the Scheme ceases to be an employee or director of, or render services to, the Company or an Associated Body Corporate for any reason (other than by death, permanent disability, permanent retirement from the workforce or redundancy) prior to the lapse of the Incentive Options, and the exercise conditions attaching to the Incentive Options have been met, the participant's Incentive Options will lapse immediately and all rights in respect of those Incentive Options will thereupon be lost.

(j) Death, permanent disability, retirement or redundancy

If the participant in the Scheme dies, becomes permanently disabled, permanently retires from the workforce as an employee or director of, or consultant to, the Company or is made redundant by the relevant member of the Group prior to the lapse of the Incentive Options, the participant, or the participant's legal personal representative, will be entitled to exercise their Incentive Options in accordance with the Scheme rules for the period commencing on the date of the cessation event and ending on the first to occur of the date of lapsing of the Incentive Options and the date which is six months after the date of the cessation event.

(k) Lapse of Incentive Options

Incentive Options held by a participant in the Scheme will lapse immediately if:

- (i) the holder ceases to be an employee or director of, or consultant to, the Company or an Associated Body Corporate and the exercise conditions have not been met;
- (ii) the exercise conditions attaching to the Incentive Options are unable to be met;
- (iii) the Incentive Options have not been exercised by the date which is two years after the date of issue, or such other date as the Board determines in its discretion at the time of issue of the Incentive Options; or
- (iv) the holder ceases to be an employee or director of, or consultant to, the Company or an Associated Body Corporate and the exercise conditions have been met, after a period of 60 days after the ceasing date.

(l) Participation in Rights Issues and Bonus Issues

The Incentive Options granted under the Scheme do not give the holder any right to participate in rights issues or bonus issues unless Shares are allotted pursuant to the exercise of the relevant Incentive Options prior to the record date for determining entitlements to such issue. The number of Shares issued on the exercise of Incentive Options will be adjusted for bonus issues made prior to the exercise of the Incentive Options in accordance with the Listing Rules.

(m) Reorganisation

The terms upon which the Incentive Options will be granted will not prevent the Incentive Options being reorganised as required by the ASX Listing Rules on the reorganisation of the capital of the Company.

(n) Limitation on offers

If the Company makes an offer under the Scheme where:

- (i) the total number of Shares to be received on exercise of Incentive Options the subject of that offer exceeds the limit set out in ASIC Class Order 03/184; or
- (ii) the Offer does not otherwise comply with the terms and conditions set out in ASIC Class Order 03/184,

the Company must comply with Chapter 6D of the Corporations Act at the time of that offer.

(o) Trigger event

If any of the following events occur:

- (i) the Company is subject to a takeover bid;
- (ii) the Company proposes a scheme of arrangement with its members pursuant to section 411 of the Corporations Act; or
- (iii) a person, or group of associated persons, becomes entitled to sufficient Shares to give him or them the ability, in general meeting, to replace all or a majority of the Board, where such ability was not already held by a person associated with such a person or group of persons,

then the Board may:

- (iv) determine that Incentive Options may be exercised at any time from the date of such event so as to permit the holder to participate in the change of control arising from the event; or
- (v) use its reasonable endeavours to procure that an offer is made to holder of Incentive Options on like terms to the terms proposed in such event.

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APPOINTMENT OF PROXY

I/We:

.....
.....

of (insert address):

.....
.....

being a member/members of BluGlass Limited entitled to attend and vote at the Annual General Meeting, hereby appoint:

Write the name of the person you are appointing if this person is someone other than the Chairman of the Annual General Meeting.

OR

the Chair of the Annual General Meeting as your proxy (mark with an 'X')

or failing the person so named attending the meeting, or if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of the Company to be held on Monday 28 November 2011 at 10.00am (EST) and at any adjournment of that Annual General Meeting.

Important Proxy Notice for Resolution 1: Where your proxy is the Chair of the Meeting, or any member of the Key Management Personnel of the Company whose remuneration details are included in the Remuneration Report, or a Closely Related Party of that member:

- (a) if you have not directed your proxy to vote on Resolution 1, your proxy will be prevented from casting your votes on Resolution 1; and
- (b) in order for your votes to be counted on Resolution 1, you must direct your proxy how to vote on Resolution 1.

Important Proxy Notice for Resolutions 4 to 8: Where your proxy is any member of the Key Management Personnel of the Company, or a Closely Related Party of that member, **your proxy will be prevented from casting your votes on Resolutions 4 to 8 unless:**

- (a) you direct your proxy how to vote; or
- (b) where you do not wish to direct your proxy how to vote, you appoint the Chair as your proxy and tick the box below.

If the Chair of the Annual General Meeting is appointed as your proxy, or may be appointed by default, and you do not wish to direct your proxy how to vote as your proxy in respect of Resolutions 4 to 8 please place a mark in this box.

By marking this box, you acknowledge that the Chair of the Annual General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 4 to 8 and that votes cast by the Chair of the Annual General Meeting for Resolutions 4 to 8 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolutions 4 to 8 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 4 to 8.

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The Chair of the Annual General Meeting intends to vote undirected proxies in favour of Resolutions 4 to 8, and will not cast undirected proxies in favour of Resolution 1 – Remuneration Report.

OR

Voting directions to your proxy – please mark “X” to indicate your directions

Resolution	For	Against	Abstain
1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-Election of Mr Chandra Kantamneni	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-Election of Mr George Venardos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Issue of Incentive Options – George Venardos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Issue of Incentive Options – Greg Cornelsen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Issue of Incentive Options – Chandra Kantamneni	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Issue of Incentive Options – Alan Li	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Issue of Incentive Options – William Johnson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the ‘abstain’ box for a particular Resolution, you are directing your proxy **not** to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____ %

This section **must** be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Signed this day of 2011.

Individual Security holder 1

Securityholder 2

Securityholder 3

Individual/Sole Director

Director

Director/Company Secretary

Contact Name: _____

Contact Ph (daytime): _____

Notes:

1. **Voting Entitlements:** For the purposes of the Corporations Act 2001, the Directors have set a snapshot date to determine the identity of those entitled to attend and vote at the Annual General Meeting. The snapshot date is 5:00pm (EST) on Saturday 26th November 2011.
2. **Appointing a Proxy:** A member entitled to attend and vote at an Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
3. **Direction to Vote:** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.

Unless authorised by ASIC, if a member of Key Management Personnel or their Closely Related Parties is appointed as a proxy, they are not permitted to vote undirected proxies on remuneration matters (arising directly or indirectly in connection with remuneration of Key Management Personnel), related party benefit matters under Chapter 2E of the Corporations Act and any spill resolutions. However, the chair may vote a proxy that does not specify how it is to be voted, provided the member who has lodged the proxy has provided their consent in the proxy form for the chair to exercise the proxy in its discretion (save in relation to the remuneration report where a direction is required).

4. **New sections 250BB and 250BC of the Corporations Act:** These sections came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:
 - if proxy holders vote, they must cast all directed proxies as directed; and
 - any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and

- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

5. **Signing Instructions:**

- **(Individual):** Where the holding is in one name, the member must sign.
- **(Joint Holding):** Where the holding is in more than one name, all of the members must sign.
- **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.

6. **Attending the Meeting:** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid proxy form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.

7. **Return of Proxy Form:** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Bluglass Limited, 74 Asquith Street, Silverwater NSW 2128; or
- (b) facsimile to the Company on facsimile number (+61 2) 9748 2122;

so that it is received not later than 10.00am (EST) on Saturday, 26 November 2011.

Proxy forms received later than this time will be invalid.