

17 April 2012

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ASX Limited

TAX CREDIT TO BOOST CASH POSITION

Australian clean technology company, BluGlass Limited (ASX:BLG) announced today that it is in receipt of a private tax ruling confirming that it is eligible to seek a significant tax credit for Research and Development expenditure within its 51% Joint Venture Company, EpiBlu Technologies Pty Ltd.

The deductible Research and Development expenditure for EpiBlu for the year ending 30 June 2012 is forecast to be \$5.5M. The private ruling confirms EpiBlu's eligibility to potentially benefit from the Research and Development (45%) refundable tax offset provisions under section 355-100 of the Income Tax Assessment Act 1997 (ITAA 1997).

Estimates of the cash return for the 2012 Financial Year based on this ruling range from \$2M-2.4M and it is anticipated to be received in the period August to October 2012. Price Waterhouse Coopers will be lodging EpiBlu's tax return early in the new financial year.

BluGlass is developing a process using Remote Plasma Chemical Vapour Deposition (RPCVD) to grow semiconductor materials for the production of high efficiency devices such as LEDs and solar cells. EpiBlu has been established by BluGlass in joint venture with global semiconductor equipment company SPTS, to bring RPCVD to market offering competitive advantages for customers in the rapidly expanding high brightness LED industry.

"The recent changes to the Research and Development Tax Credit legislation brought into effect from the 1st of July 2011 will result in a significant cash injection in the new financial year for the EpiBlu operation" BluGlass CEO, Giles Bourne said today. "The funds will be directed to the remaining technical developments required to prove the commercial potential of our breakthrough technology as rapidly as possible" he said.

About BluGlass: BluGlass Limited is an Australian green technology company developed 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 low cost potential. BluGlass, through its subsidiary, BluSolar is now exploring the process' viability in photovoltaic (solar) applications. The BluGlass process is a low temperature and low cost technology with the potential for scalability. Contact: Stefanie Winwood 02 9334 2302, 0433 307 853 swinwood@bluglass.com.au

