



ASX Announcement

For immediate release

17 November 2016

Bluechiip receives funding for 'over-temperature' R&D

Bluechiip Limited [ASX:BCT], a leader in the development of sample tracking technology for harsh environments, today announced the company has received \$50,000 in funding from Innovation Connections to proceed with the second phase of development of its 'over-temperature' chip technology with the University of Melbourne.

Innovation Connections is part of the Australian Government's Entrepreneurs' Programme. The program helps promote and drive innovation and industry-led collaboration between Small-to-Medium Enterprises (SMEs) and the research sector, aiming to foster the development of new ideas with commercial potential.

The \$50,000 is the second grant Bluechiip has received from the Commonwealth, which is matched by funding from the company.

Bluechiip will use the money to continue work on its 'over-temperature chip', which provides a permanent record if a sample's temperature, once frozen, deviates above an ideal prescribed limit causing damage and potential failure.

Work on the 'over-temperature chip' began last year after the company received the first grant, announced in September 2016. This early research resulted in a provisional patent application, which was announced to the ASX in September this year.

"The goal for the second stage of the project is to develop and produce a working prototype incorporating findings and recommendations from the first stage of development," said Bluechiip CEO Andrew McLellan. "Importantly, we have received feedback from our Original Equipment Manufacturing (OEM) partners that they would pay multiples of current chip prices for over-temperature chips."

Professor Stan Skafidis, Director of Centre for Neural Engineering at the University of Melbourne, said, "We welcome this opportunity from the Commonwealth to continue our department's great collaboration with Bluechiip. Such programs are important to promote engagement between researchers and businesses, which lead to the fostering of new innovations with commercial outlook. The research team looks forward to continuing to work with Bluechiip."

Andrew McLellan said, "Working with Melbourne University allows companies like ours to develop enhanced technologies to meet what is undoubtedly significant customer demand. This is a major step for us and has the potential to open up large markets."

Bluechiip Limited ABN 79 104 795 922

Page 2

END

For more information contact:

Andrew McLellan

Managing Director / CEO

Ph: +61 457 823 470

andrew.mclellan@bluechiip.com

Media:

Richard Allen

Ph: +61 3 9915 6341

Oxygen Financial PR

About University of Melbourne:

The University of Melbourne enjoys an outstanding reputation with world rankings consistently placing it as Australia's leading comprehensive research-intensive university, and one of the world's top 50.

Melbourne attracts the best and brightest students and researchers and, with a history of over 160 years, occupies a special place at the heart of our city's cultural scene. The University has seven campus locations across Melbourne and rural Victoria, including the Parkville campus.

As the leading university in the nation, with world-renowned research, a distinctive and graduate-focused teaching profile and a much-strengthened sense of connection to its many communities, the University seeks to fully realise this vision through a response to the grand challenges posed by our society.

The Centre for Neural Engineering (CfNE) is an interdisciplinary centre, established to undertake research in neuroscience and neural diseases. The CfNE draws together leading neuroscientists, neurologists, psychiatrists, cell biologists, geneticists, electrophysicists, chemists, physicists and engineers from the University of Melbourne and partner institutions.

About Bluechiip Limited:

Founded in 2003 and ASX listed in 2011 [ASX:BCT], Bluechiip has its head office in Melbourne, Australia and distribution channels around the globe.

Bluechiip's unique and patented technology combines secure wireless sample tracking with integrated temperature reading for use in extreme environments, working reliably in temperatures from -196°C to +200°C, and impervious to autoclaving, gamma irradiation sterilization, humidification, centrifuging, cryogenic storage and frosting.

Based on MEMS technology, the Bluechiip® tag contains no electronics. Unlike traditional tracking technology like labels, barcodes or RFID, Bluechiip does not require line-of-sight visibility for temperature readings and tracking, and so can be read through frost without damaging the sample.

The tag can either be embedded or manufactured into storage products such as vials or bags. Easy identification, along with any associated information from the tag can be detected by a reader, which can also sense the temperature of the tagged items. Unlike other tracking methods, the Bluechiip® technology can sense the temperature of each item a tag is attached to or embedded in.

This technology is particularly important for industries such as the \$2b biopreservation & cryopreservation market, which processes more than 300 million samples per year of tissue, blood, serum, plasma, etc., for industries such as pharmaceuticals, IVF, research and clinical trials. It also has applications in cold chain logistics, food, manufacturing, security and defence.

Further information is available at www.bluechiip.com