

Bluechiip Limited ABN 79 104 795 922

2012 Share Purchase Plan Offer

Indicative Timetable	
Record Date	20 November 2012
Announcement of Share Purchase Plan	21 November 2012
Dispatch of Offer and Application Forms to Eligible Shareholders	28 November 2012
Share Purchase Plan Opens	28 November 2012
Share Purchase Plan Offer Closes	18 December 2012
Allotment and Issue of Shares	27 December 2012
Dispatch of Holding Statements	4 January 2013
Quotation of Shares on ASX	7 January 2013

The above dates are indicative only. The directors reserve the right to modify any of the above dates in their discretion, subject to the ASX Listing Rules.

An offer to shareholders of Bluechiip Limited to purchase additional fully paid ordinary shares in Bluechiip under the terms and conditions of this Share Purchase Plan.

This is an important document and should be read in its entirety.

The Share Purchase Plan is an initiative that provides Eligible Shareholders with the opportunity to purchase additional Bluechiip Shares at a discount and without brokerage or transaction costs.

The Share Purchase Plan does not take into account the individual investment objectives, financial situation or particular needs of each Eligible Shareholder. Before making a decision whether or not to subscribe for Shares in the Share Purchase Plan, you should consult your financial or other professional adviser.

This document is not a prospectus or other disclosure document under the Corporations Act.



28 November 2012

Dear Shareholder

The Directors of Bluechiip Limited (**Company**) would like to invite you to participate in Bluechiip's 2012 Share Purchase Plan (**SPP**).

The SPP offers each eligible shareholder, irrespective of the size of their shareholding, with an opportunity to apply for up to \$15,000 of new fully paid ordinary shares in Bluechiip without paying brokerage or other transaction costs, on the terms and conditions accompanying this letter (SPP Offer).

The Board has structured the SPP Offer to encourage and enable our loyal shareholders to apply for, and increase their holding in the Company at a discount and at the same price as the Shares issued to sophisticated and institutional investors under the Placement announced on 21 November 2012.

The Board of Bluechiip is pleased to advise that broker Baillieu Holst Ltd will underwrite the SPP to a maximum amount of \$500,000.

The proceeds from the underwritten SPP offer, together with the proceeds from the recent Placement will be at least \$2,000,000, pre-costs. These funds will provide further working capital including for the manufacture of initial products, building inventory, as well as to support sales and business development activities.

The maximum number of New Shares (as defined below) the Company intends to issue under the SPP is approximately 14,600,000 to raise up to a maximum of \$2,920,000, although the Board retains the right to accept oversubscriptions in its absolute discretion.

We invite you to read this document thoroughly in conjunction with the publicly available information relating to Bluechiip available on our website.

Share Purchase Plan Offer

Under the SPP, you can acquire up to AUD\$15,000 worth of fully paid ordinary shares in the Company (**New Shares**) at an issue price of \$0.20 (**SPP Offer Price**) being the offer price per Share under the recent Placement. The SPP Offer Price represents a 22.8% discount to the volume-weighted average price of the Company's shares traded on the ASX over the 5 trading days prior to the date the SPP was announced.

The Offer will open on 28 November 2012 and will close at 5.00pm (AEDT) on 18 December 2012.

You will find enclosed in this mail pack important information, including:

- terms and conditions of the SPP;
- instructions on how to apply for New Shares, setting out how to accept all or part of your entitlement; and
- an SPP Application Form which details your entitlement, to be completed in accordance with the instructions provided.

Shareholders eligible to participate in the SPP

Participation in the offer is optional and is open exclusively to shareholders who are:

- a) registered as holders of Shares in Bluechiip at 7.00pm (AEDT) on 20 November 2012 (**Record Date**); and
- b) whose registered address in the Company register is in Australia or New Zealand. The rights of shareholders to participate under this SPP are not transferable. Full details of the SPP Offer and how to participate are contained within this SPP document.

To participate, please ensure your completed SPP Application Form (with your Application Monies) is received by the Company or the Share Registry **or** that you have paid your Application Monies via BPAY prior to the SPP Closing Date and time in line with the instructions that are set out on the SPP Application Form.

As the SPP Offer closes on 18 December 2012, I would encourage you to give the offer your early consideration.

For further information, please contact Bluechiip on 03 9763 9763 or by email at info@bluechiip.com.au.

Yours sincerely

lain Kirkwood Chairman

Bluechiip Limited Share Purchase Plan - Terms and Conditions

1. OFFER

This is an offer to Eligible Shareholders of Bluechiip Limited (**Company**) to purchase up to \$15,000 of additional fully paid ordinary shares in the Company (**New Shares**) without incurring brokerage or additional charges. Please read these Terms and Conditions relating to the SPP, as you will be bound by them by participating in the SPP.

2. ELIGIBILITY

You will be eligible to participate in the SPP if you:

- a) are a holder of Shares at 7.00pm (AEDT) on 20 November 2012 (Record Date): and
- b) your address in the Company's share register as at the Record Date is in either Australia or New Zealand (Eligible Shareholder).

This SPP does not constitute an offer in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer. The Company reserves the right to reject any acceptance which it believes comes from a person who is not an Eligible Shareholder.

Participation in the SPP is entirely optional. Offers made under the SPP are not renounceable. This means that Eligible Shareholders cannot transfer their right to purchase New Shares under the SPP Offer to another person.

Existing optionholders who are not also shareholders are not entitled to participate in the SPP.

3. PARTICIPATION

Single holders

If you are the only registered holder of Shares, but you receive more than one offer under the SPP (for example, due to multiple registered holdings), you may only apply for up to \$15,000 worth of New Shares.

Joint holders

If you are recorded with one or more other persons as the joint holder of Shares, that joint holding is considered to be a single registered holding for the purpose of the SPP, and the joint holders are entitled to participate in the SPP in respect of that single holding only. If the same joint holders receive more than one offer under the SPP due to multiple identical holdings, whether those joint holdings be in the same registered name of the joint holding, or as an individual holder, the joint holders may only apply for a maximum parcel of \$15,000 worth of New Shares.

Custodians, trustees and nominees

If you are a Custodian and hold Shares on behalf of one or more persons that are not custodians (each a **Participating Beneficiary**), you may apply for a maximum of \$15,000 worth of New Shares for each Participating Beneficiary subject to providing the Company with a Custodian Certificate - see paragraph 13.

If you hold Shares as a trustee or nominee for another person, but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holders (as above) will apply.

If you hold Shares as a Custodian for joint holders:

- the \$15,000 limit applies jointly in relation to those persons as if the Custodian holds the Shares on behalf of a single person; and
- where the terms on which the Shares are held do not cover the giving
 of instructions of this kind the Custodian has received such an
 instruction from any of those persons.

Custodians should contact Bluechiip's Share Registry, Computershare Investor Services Pty Limited, on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) for the custodian certificate required under these SPP Terms and Conditions.

4. PRICING OF SHARES UNDER THE SPP

The SPP Offer Price for New Shares issued through the SPP will be \$0.20 per New Share. (SPP Offer Price). The SPP Offer Price represents:

- a discount of 20% to the Company's market closing price of Shares on 13 November 2012 (being the last trading day before the details of the SPP were announced);
- a discount of 22.8% to the 5 day average price of Shares up to and including 13 November 2012.

The SPP Offer Price is fixed, regardless of any changes in the market price of Shares during the SPP Offer period.

Shareholders should be aware that the market price of Shares may rise or fall between the date of this offer and the date when New Shares are allotted and issued to you. This means that the price you pay per New Share under this SPP Offer may be greater or less than the price of Shares at the time the New Shares are issued to you pursuant to this SPP Offer. You should obtain your own independent investment advice in relation to the SPP Offer and consider price movements of Shares before participating in this SPP Offer.

5. SHARES OFFERED

Eligible Shareholders may apply for a maximum of \$15,000 worth of New Shares under the SPP. The following options to acquire New Shares under the SPP are available:

Option	Dollar value of New Shares
1	\$1,000
2	\$2,000
3	\$5,000
4	\$7,500
5	\$10,000
6	\$15,000

6. PLACEMENT

On 21 November 2012, the Company announced a placement of Shares at an issue price of \$0.20 per Share to institutional and sophisticated investors to raise an amount of \$1,500,000.

The SPP Offer Price has been selected so that Eligible Shareholders are provided with the same opportunity to acquire New Shares as those persons participating in the Placement.

7. UNDERWRITING

The SPP is underwritten by Baillieu Holst Ltd ACN 006 519 393 (**Underwriter**) under which the Underwriter has agreed to underwrite 2,500,000 Shares under the SPP and up to a maximum amount of \$500,000.

The Underwriter will be paid a 3% underwriting fee and a 2% management fee of the underwritten amount.

The underwriting agreement contains customary conditions, warranties and undertakings including various termination events exercisable by the Underwriter. If for any reason the underwriting does not proceed, the Company's current intention is to continue the SPP Offer in accordance with these Terms and Conditions

Underwritten New Shares will be issued to the Underwriter (or its sub-underwriters or nominees) to the extent that the subscription for New Shares under the SPP by shareholders of the Company is less than \$500,000. In that event, the Underwriter will take up New Shares to the extent of that shortfall only.

8. WHY SHOULD YOU SUBSCRIBE FOR NEW SHARES PURSUANT TO THIS SPP?

New Shares offered under this SPP are offered at a discount to their market value prior to the date when the SPP was announced. There is no brokerage, commissions or other participation costs payable by you in respect of any acquisition of New Shares under this SPP.

9. RIGHTS ATTACHED TO SHARES

Shares issued under the SPP will rank equally with existing Shares and will carry the same voting rights, dividend rights and other entitlements. Bluechiip will apply for the New Shares to be quoted on the ASX.

10. OVERSUBSCRIPTIONS AND SCALE BACK

The Board does not currently intend to issue more than 14,600,000 New

Shares under the SPP.

The Company in its absolute discretion reserves the right to allot fewer New Shares than an Eligible Shareholder applies for under the SPP Offer, or no New Shares and any determination by the Board in respect of any scaling back will be final.

All fractional entitlements will be rounded down to the next whole New Share. If applications are scaled back, the Company will refund the balance of Application Monies, without interest, following allotment by way of cheque to the applicant's registered address.

The Company also reserves the right to scale back applications if it believes that to do so otherwise would be contrary to law.

11. APPLYING FOR SHARES UNDER THE SPP

If you would like to apply for New Shares under the SPP, please complete the enclosed Application Form and return it, together with your cheque made payable to "Bluechiip Limited", to the following address:

Computershare Investor Services Pty Limited

GPO Box 505, Melbourne VIC 3001

Applications should only be made in one of the designated amounts set out in the Application Form. If the amount of the cheque tendered with the Application Form is not one of the designated amounts, Bluechiip reserves the right to return the Application Form and cheque and not allot any New Shares to you or to accept the cheque in respect of a lesser number of New Shares and refund the balance of your Application Monies without interest.

You can also remit funds electronically using BPAY as indicated on the Application Form. Please type the Customer Reference Number and Biller Code exactly as it appears on your Application Form. If you receive more than one Application Form you are required to use the Customer Reference Number and Biller Code found on each form to make your applications.

Completed Application Forms together with payment must be received by 5:00pm (AEDT) on Tuesday, 18 December 2012 (**Closing Date**). Applications received after that time will not be accepted.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment.

The return of the Application Form with the Application Monies, or the remittance of funds via BPAY will constitute the Eligible Shareholder's offer to subscribe for New Shares on the Terms and Conditions of this SPP. Once an application has been made, it cannot be revoked. No notice of acceptance of the application will be provided.

12. CERTIFICATION BY ELIGIBLE SHAREHOLDERS

By making payment by cheque, money order or BPAY, you certify that:

- a) you are an Eligible Shareholder, as defined in paragraph 2;
- b) you have read, understood and agree to be bound by the Terms and Conditions of the SPP and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
- c) your application is irrevocable and unconditional;
- d) you agree to be bound by the terms of the Company's constitution;
- e) you agree that the aggregate of the application price for the following does not exceed \$15,000:
 - i. the New Shares the subject of the application;
 - any other Shares issued to you under the SPP or any similar arrangement in the 12 months before the application;
 - any other New Shares that you have instructed a Custodian to acquire on your behalf under the SPP; and
 - iv. any other Shares that have been issued to a Custodian under an arrangement similar to the SPP in the 12 months before the application as a result of an instruction given by you to the Custodian to apply for Shares on your behalf under an arrangement similar to the SPP.
- (f) you accept the risk associated with any refund that may be sent to your address or to your nominated bank account as shown on the Company's share register;
- (g) you acknowledge that no interest will be paid on any Application Monies

- held pending the allotment of the New Shares refunded to you for any reason:
- (h) you acknowledge that the Company and the Share Registry have not provided any investment advice or financial product advice, and that none of them have any obligation to provide this advice in relation to your consideration as to whether or not to participate in the SPP;
- you acknowledge that the Company (and each of its officers and agents) is not liable for any consequences of the exercise or non- exercise of its discretions referred to in the SPP;
- (j) you acknowledge that the New Shares have not, and will not be, registered under the US Securities Act of 1933 or the securities law of any other jurisdiction outside Australia or New Zealand and, accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act 1933 and any other applicable securities laws. You may sell your New Shares in standard brokered transactions on the ASX where neither you nor any person acting on your behalf has reason to know that the sale has been pre-arranged with a person in the United States;
- (k) you agree not to send the SPP or any other material relating to the SPP to any person in the United States or any other country outside Australia and New Zealand;
- (I) you authorise the Company (and each of its officers and agents) to correct any error in, or omission from, the Application Form and complete the Application Form by inserting any missing details;
- (m) you acknowledge that the Company may at any time irrevocably determine that your application is valid, in accordance with the Terms and Conditions of the SPP, even if the Application Form is incomplete, contains errors or is otherwise defective:
- (n) you are responsible for any dishonour fees or other costs the Company may incur in presenting a cheque or money order for payment that is dishonoured; and
- (o) if two or more persons are recorded in the Company's register of members as jointly holding Shares or interest in the Company, they are taken to be a single registered holder and a certification given by any of them is taken to be a certification given by all of them.

13. CERTIFICATION BY CUSTODIANS

Custodians wishing to apply on behalf of one or more Participating Beneficiaries need to provide a custodian certificate which complies with the requirements of ASIC Class Order [CO/09/425] to the Company (**Custodian Certificate**). Please contact Bluechiip's Share Registry, Computershare Investor Services Pty Limited, on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) to obtain a copy of the Custodian Certificate.

If you are a Custodian, you represent to the Company that you have provided a Custodian Certificate and that you:

- a) hold an Australian financial services licence that:
 - i. covers the provision of a custodial or depository service as defined by section 766E of the Corporations Act; or
 - ii. includes a condition requiring you to comply with the requirements of ASIC Class Order 02/294; or
- b) are exempt from the requirement to hold an Australian financial services licence for the provision of a custodial or depository service under:
 - i. paragraph 7.6.01(1)(k) or (na) of the Corporations Regulations 2001 (Cth);
 - ii. ASIC Class Order 05/1270 to the extent that it relates to ASIC Class Order 03/184
 - iii. ASIC Class Orders 03/1099, 03/1100, 03/1101, 03/1102, 04/829 or 04/1313;
 - iv. an individual instrument of relief granted by ASIC in terms similar to one of the Class Orders referred to in (iii) above;
 - v. paragraph 911A(2)(h) of the Corporations Act; or
- (c) are a trustee of a:
 - i. self-managed superannuation fund;
 - ii. superannuation master trust;
- (d) are the responsible entity of an IDPS like scheme (as defined in ASIC Class Order CO 02/296 or any class order that replaces that class order); or
- (e) are the registered holder of Shares and are noted on the register of members as holding the Shares on account of another person.

14. ADDITIONAL TERMS OF THIS SPP

The requirements of the Australian Securities and Investments Commission's Class Order CO 09/425 are incorporated into this SPP.

Under that Class Order, the yearly limit that can be raised from a participant in a share purchase plan is \$15,000. Accordingly, no Eligible Shareholder (including through joint holdings, multiple share accounts or any holding in which the Eligible Shareholder may have a beneficial interest) will be issued with New Shares under this or any other share purchase plan with an application value totaling more than \$15,000 in any consecutive 12 month period.

All New Shares issued under the SPP will rank equally with existing Shares.

The SPP is administered by the Company's Board which may determine in any manner it thinks fit, any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP whether generally or in relation to any participant, or application, or Shares and the determination of the Board will be conclusive and binding on all participants and other persons to whom the determination relates.

The Board reserves the right to withdraw this SPP and any offer under it at any time prior to the allotment of New Shares and to waive strict compliance with any provision of these terms and conditions, to amend or vary these terms and conditions and to suspend or terminate the SPP at any time. If the SPP is withdrawn, all Application Monies will be refunded without interest.

15. RISKS

This section does not seek to describe all the risks to which the Company or an investment in the Company is exposed.

Eligible Shareholders wishing to participate in the SPP should be aware that there is a risk that the market price of the Shares may change between the date of the SPP Offer and the date when the New Shares are issued to Eligible Shareholders. In this event, the value of the New Shares that Eligible Shareholders receive may be adversely affected and may mean that up to or after the date on which the New Shares are issued to you, you may be able to purchase ordinary shares in the Company on the market at a lower price than the price which was offered to you under the SPP.

There are also regulatory risks including risk of legislative and regulatory changes, risks related to general market conditions including exchange rate risk, interest rates, market sentiment and circumstances and conditions which are not within the Company's control such as new entrants and competition.

Potential investors should carefully consider the risks in light of their personal circumstances (including financial and taxation issues) and seek professional advice from their stockbroker, accountant, lawyer or other professional adviser.

16. CONSIDER OBTAINING FINANCIAL ADVICE

- (a) The offer to purchase New Shares under the SPP is not a recommendation to purchase Shares. You should consider obtaining professional financial and/or taxation advice to assist you in determining whether or not, and the extent to which, you wish to participate in the SPP.
- (b) Nothing in this SPP, the Application Form or any other accompanying documentation constitutes investment or financial product advice or is intended to influence your decision whether or not to participate in the SPP.

17. NEW ZEALAND

- (a) The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).
- (b) This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

18. UNITED STATES

This document may not be released or distributed in the United States. The New

Shares have not been and will not be registered under the US Securities Act 1933 or the securities laws of any state or other jurisdiction of the United States. The New Shares may not be taken up by persons in the United States or by persons who are acting for the account or benefit of a person in the United States. The New Shares may not be offered, sold or resold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act 1933 and the applicable securities laws of any state or other jurisdiction in the United States.

19. QUERIES

If you have any queries concerning the SPP, please call Bluechiip Limited on +61 3 9763 9763.

20. GLOSSARY

Application Form means the application form that accompanies this Share Purchase Plan.

Application Monies means the payment referred to in clause 11.

ASIC means the Australian Securities and Investments Commission.

 $\bf ASX$ means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange as the context requires.

Board means the Board of Directors of Bluechiip Limited.

Custodian means a custodian, trustee or, nominee within the definition of 'custodian' in ASIC Class Order [CO 09/425], that:

- a) holds an Australian financial services licence that:
 - i. covers the provision of a custodial or depository service; or
 - ii. includes a condition requiring the holder to comply with ASIC Class Order [CO 02/294]; or
- b) is exempt under:
 - paragraph 7.6.01(1)(k) of the Corporations Regulations 2001;
 - ASIC Class Order [CO 05/1270] to the extent that it relates to ASIC Class Order [CO 03/184]; or
 - iii. ASIC Class Orders [CO 03/1099], [CO 03/1100], [CO 03/1101], [CO 03/1102], [CO 04/829] or [CO 04/1313]; or
 - iv. an individual instrument of relief granted by ASIC to the person in terms similar to one of the class orders referred to in the above paragraph; or
 - v. paragraph 911A(2)(h) of the Act;

from the requirement to hold an Australian financial services licence for the provision of a custodial or depository service; or

- a) that is a trustee of a:
 - i. self-managed superannuation fund or
 - ii. superannuation master trust; or
 - that is the responsible entity of an IDPS-like scheme; or
- c) that is the registered holder of Shares or interests in the class and is noted on the register of members of the body or scheme (as the case may be) as holding the Shares or interests on account of another person.

Custodian Certificate means the certificate referred to in clause 13.

Closing Date means 18 December 2012.

Company or Bluechiip means Bluechiip Limited ACN 104 795 922.

Corporations Act means the Corporations Act 2001 (Cth).

Eligible Shareholder means a person who is eligible to participate in the SPP in accordance with clause 2 of these Terms and Conditions.

New Shares means the Shares offered under the SPP.

Participating Beneficiary has the meaning given to it in clause 3.

Placement means the placement to sophisticated and institutional investors announced on 21 November 2012.

SPP or **Share Purchase Plan** means the Share Purchase Plan offered by the Company to Eligible Shareholders.

 $\mbox{\bf SPP}$ Offer means the offer set out in clause 1, made on the terms and conditions contained in this document and the Application Form.

SPP Offer Price means the \$0.20 per Share.

Record Date means 7.00pm (AEDT) 20 November 2012.

Shares means fully paid ordinary shares in the Company.

 $\textbf{Underwriter} \ \text{means Baillieu Holst Ltd ACN 006 519 393}.$