

## Blue raises \$20 million with strongly supported Placement

Blue Energy Limited (ASX:BLU) is pleased to announce the following in relation to the capital management of the company

- ❖ **Successful Institutional Placement raises \$20 million at \$0.062 per share.**
- ❖ **Funds raised will be directed towards additional appraisal drilling and associated production testing in North Bowen Basin, Surat Basin assets as well as additional seismic studies & working capital.**

Blue Energy has executed a strongly supported capital raise process which has secured approximately \$20 million in funds (before costs of the offer) from institutional and sophisticated investors. This raising will result in the issue of 322,580,645 new shares at \$0.062 per share (“**Placement**”).

The Placement received strong support from new and existing institutional and sophisticated investors.

The purpose of the Placement is to secure the additional funding required to undertake additional pilot appraisal drilling and associated production testing in Blue Energy’s North Bowen Basin asset (ATP 814 – Sapphire Block) and designed to accelerate pilot well gas production in the Sapphire Block of ATP 814.

Additionally, the capital raise now allows appraisal drilling in Blue’s 100% owned ATP854 asset in the Surat Basin to be fast tracked, on the back of the recent Contingent Resource upgrade to 398 PJ+ of recoverable gas and its close proximity to gas pipeline infrastructure with direct access to the Wallumbilla gas hub and the Gladstone LNG precinct.

The net proceeds of the Offer will be applied to the following activities :

- \$8.0m towards Bowen Basin Drilling – namely a second Sapphire Pilot well set including up to 4 lateral wells
- \$5.3m towards Surat Basin Drilling – including a vertical and up to two lateral wells in the Permian coals
- \$3.6m for 2D Seismic acquisition in the Greater McArthur Basin assets in the Northern Territory
- \$3.1m Working capital and offer costs

As the funds secured in the successful Placement is sufficient to cover the Company’s announced work program and expenditure, there will be no further need to raise capital in the near to medium term.

Commenting on the outcome of the Placement, Managing Director John Phillips, said *“The Board is delighted with the strong level of support for the Company from current and new shareholders. It is clear that there is an understanding from investors of the importance of natural gas supply into the east coast market and the reliance of manufacturing on natural gas, as well as the need for natural gas as a supply for gas fired electricity generation to firm the increasing levels of wind and solar energy in the National Energy Market energy mix. This has been in stark view recently as AEMO has needed to intervene in both the electricity and gas markets to maintain system stability. More new gas supply is crucial to the energy security on the east coast.”*

The Placement price of \$0.062 per share represents a discount of 17.3% to the last close price of BLU shares traded to 24 July 2022, and a discount of 18.4% to the 10-day volume weighted trading price (VWAP).

The Placement shares will be issued within the Company's existing ASX Listing Rule 7.1 and 7.1A placement capacities as follows:

- 169,759,158 Placement shares under Listing Rule 7.1 capacity; and
- 152,821,487 Placement shares under Listing Rule 7.1A capacity.

Settlement of the Placement is expected to occur on 2 August 2022 with the Placement shares expected to be allotted on 3 August 2022. The new shares will rank equally with the Company's existing fully paid ordinary shares.

Petra Capital and MST Financial acted as Joint Lead Managers and Bookrunners for the Placement.

### **Released by Authority of the Board per:**

**John Phillips**  
**Managing Director**  
Blue Energy Limited

### **About Blue Energy Limited**

Blue Energy is a Brisbane Based Australian exploration company focused on the discovery and development of gas resources in the North Bowen, Galilee, Beetaloo/ Greater McArthur Basins in the Northern Territory. Blue has independently certified gas reserves<sup>+</sup> and resources<sup>+</sup> of 71 PJ of 2P reserves; 298 PJ of 3P reserves and 4,129 PJ of Contingent Resources<sup>++</sup> as assessed by Netherland Sewell and Associates of Dallas Texas.

### **+Listing Rule 5.42 Disclosure**

The estimates of Reserves and Contingent Resources noted throughout this ASX Announcement have been provided by Mr John Hattner of Netherland, Sewell and Associates Inc (NSAI) and were originally reported in the Company's market announcements of 25 January 2012, 26 February 2013, 19 March 2013, 8 December 2015, 28 February 2019, 22 January 2022 and 14 July 2022. NSAI independently regularly reviews the Company's Reserves and Contingent Resources. Mr Hattner is a full-time employee of NSAI, has over 30 years of industry experience and 20 years of experience in reserve estimation, is a licensed geologist and a member of the Society of Petroleum Engineers (SPE), and has consented to the use of the information presented herein. The estimates in the reports by Mr Hattner have been prepared in accordance with the definitions and guidelines set forth in the 2018 Petroleum and Resource Management System (PRMS) approved by the SPE, utilising a deterministic methodology.

Blue Energy confirms that it is not aware of any new information or data that materially affects the information included in any of the announcements relating to ATP 813, 814 or 854 referred to in this announcement and that all of the material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed.

<sup>++</sup> Listing Rule 5.28.2: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.