

2 May 2017

Blue Energy welcomes green light for Arrow’s Bowen pipeline

Blue Energy Limited (ASX: “BUL”) is pleased to note that the Queensland State Government has approved Arrow Energy’s Bowen Basin Gas Export Pipeline Licence. The construction of this pipeline will give potential gas buyers access to Blue Energy’s Bowen Basin gas reserves and resources.

As reported in yesterday’s *The Australian* newspaper and the Gladstone Observer, Queensland’s Minister of Natural Resources and Mines, Dr Anthony Lynham identified this pipeline as a crucial “missing link” in the gas supply network on the east coast of Australia.

Commenting on his approval of the pipeline licence, Minister Lynham said “We are encouraging that pipeline. We want that pipeline to be hooked up because it’s an important piece of infrastructure that’s been missing.”

The construction of this pipeline will mean that Blue Energy’s Bowen Basin gas, consisting of Netherland, Sewell and Associates independently certified reserves and resources, will become available to potential customers in the southern gas market, and these volumes will play an important role in alleviating the gas shortage in the manufacturing and domestic markets in Brisbane, Sydney and Melbourne.

Permit	Blue Equity	2P (PJ)	3P (PJ)	2C (PJ)	3C (PJ)
ATP814P	100%	71	298	876	3,011

Table 1: Blue Energy’s Northern Bowen Basin Reserves and Resources (Netherland, Sewell and Associates)

As the market is aware, Blue Energy has been promoting this infrastructure link for the Bowen Basin for some time now, and whilst Blue’s preferred pipeline route differs to the proposed Arrow route, the significance of the linkage is that new gas molecules from the Bowen Basin Gas Province will be available to the southern market, independent of pipeline route selection (See Figure 1).

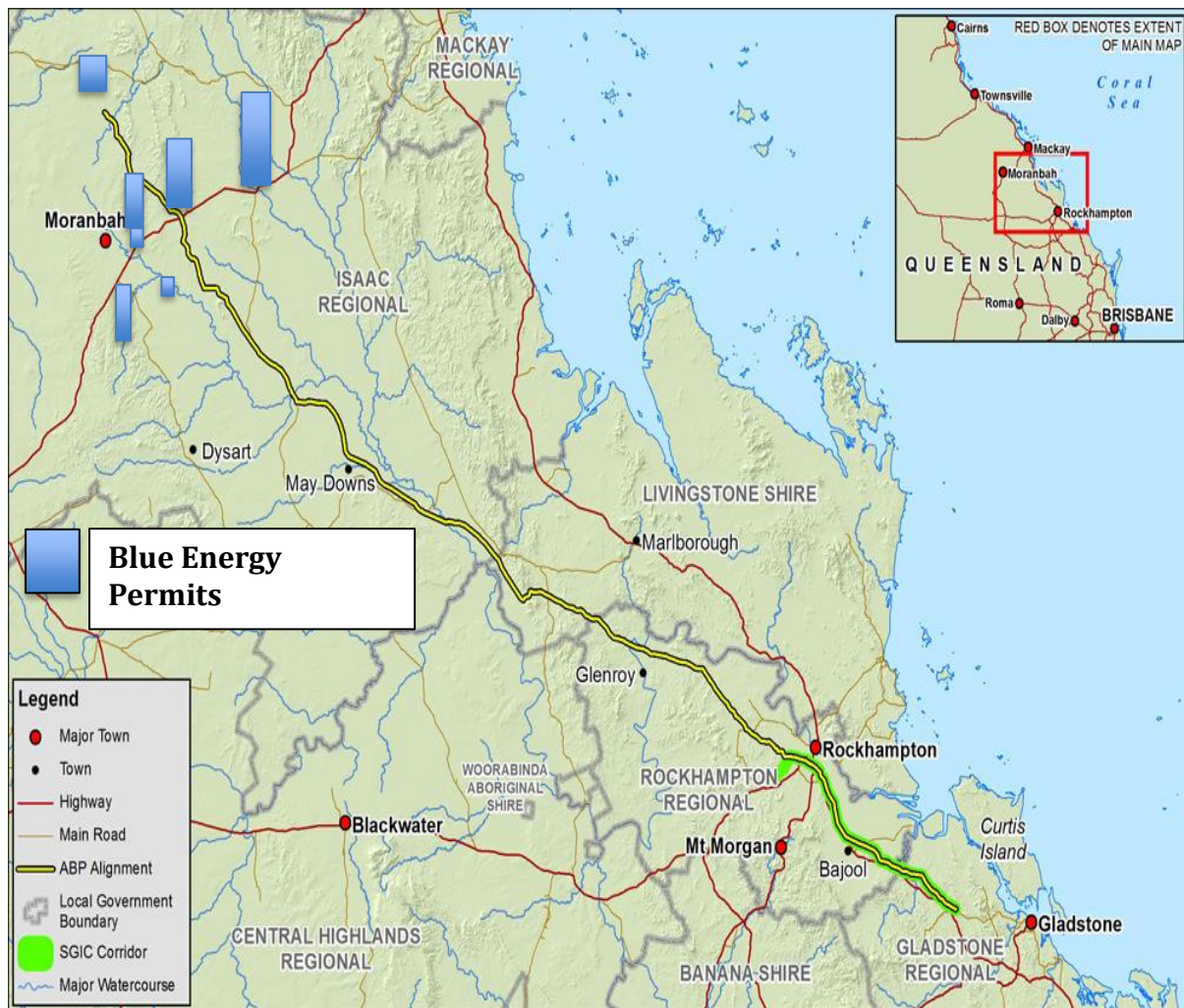


Figure 1: Proposed Arrow Energy pipeline link between and Blue Energy's ATP814P Permit.

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