

Government Infrastructure study supports Bowen Basin gas development

Blue Energy Limited (ASX:BLU or Blue) welcomes the release today of the joint Federal and Queensland Government's concept study into the feasibility of a gas pipeline from Moranbah Qld, to the east coast interconnect and the development of North Bowen Basin Gas. Blue notes that the study endorses the development of the Bowen Basin Gas province and the construction of nation building gas pipeline infrastructure.

The Queensland Department of Resources released the report today, which can be accessed via the department's website using the following link:

https://www.resources.qld.gov.au/_data/assets/pdf_file/0008/1592855/Future-Focused-Bowen-Basin-Concept-Study-Final-Report.pdf

The Report was jointly authored by three of the leading consultants in their respective fields being, KPMG, GHD and NSAI (Dallas Texas) (whose details are contained in the Report) and jointly funded by the Queensland and Federal Governments.

The results of the Report dovetails well with the Federal Government's National Gas Infrastructure Plan and the Gas Led Recovery, both of which have high-graded the North Bowen Basin as one of three key areas for new gas supply (including the Beetaloo and Galilee Basins).

Key points of the Report include:

- **Both State and Federal Governments clearly endorse the economic case and energy security need for the development of the Bowen Basin and construction of gas pipeline infrastructure;**
- **"There is a clear need for the additional gas production capacity by developing additional gas basins" (refer page 7 of the Report);**
- **"The Bowen Basin is in a prime position" (page 7 of the Report);**
- **Gas in the Bowen Basin is considered to be economically recoverable based on reasonable assumptions on cost, revenue, well design and coal geology;**
- **The Moranbah region indicates a plateau flow rate of 200 TJ/day;**
- **The inclusion of coal mine methane via pre drainage projects (like commercial CSG) will reduce current fugitive emissions which would far outweigh the GHG emissions of developing the Bowen Basin as a primary CSG play.**

Commenting on the study's release Managing Director John Phillips said, *"it is very encouraging that both the State and Federal Governments support Blue's long held position that the Bowen Basin Gas Province is a clear short term solution to the east coast gas supply crisis, as it provides a de-risked new gas supply basin which has large scale volumes, which have been on production for over a decade (and therefore de-risked) and which principally only requires the construction of a pipeline to initiate a significant gas development.*

Both the gas pipeline and upstream gas field developments will deliver hundreds of jobs during the construction phase and thereafter the necessary operational jobs. This in Blue's view is a nation building piece of infrastructure which will secure long term gas supply for domestic gas users plus

royalties for the State Government and its citizens for decades to come. Blue looks forward to the fast tracking the construction of this critical piece of national infrastructure”

The timing of the study’s release fits well with the National Gas Infrastructure Plan and Blue’s proposed 2022 appraisal drilling plans in its 100% owned ATP814 Project area in the North Bowen Basin.

Planning by Blue is well advanced for drilling in the soon to be issued Production Licence (PL) (A) 1034 (Sapphire Block) (currently part of ATP 814) which is currently scheduled to occur mid 2022 and is designed to build the 2P reserve base and confirm gas productivity modelling for delivery of gas into its previously announced gas supply agreements with Origin Energy, Energy Australia and QPM.

Details of the appraisal drilling program include

- Drilling of vertical and associated lateral production style wells in the Sapphire Block of ATP814P (PL Application 1034).
- Drilling of vertical wells in PL Application Areas 1038 and 1045 in the North Bowen Basin.

Blue has been working over the Christmas break, finalizing well designs ahead of ordering long lead time items (casing, pumps etc) and will be shortly inviting expressions of interest for drilling and directional serves. In addition, Blue is ready to lodge its application for the Environmental Authority approvals for the Production Licence applications currently with the Queensland Department of Resources.

As well as the planning for the appraisal drilling program, Blue is finalising a submission for the expression of interest request by the Federal Government for funding of “Early-Stage Development Stream” activities specifically relating to the midstream (gas pipeline) project, as part of the National Gas Infrastructure Plan, which was released by the Federal Government on 30 November last year.

It is noteworthy that the Bowen Basin Pipeline Concept study released by the Queensland Government today highlights several pipeline route options for the gas pipeline from Moranbah, including Blue Energy’s nominated pipeline route from Moranbah to Rolleston (via Emerald) – see figure 1.

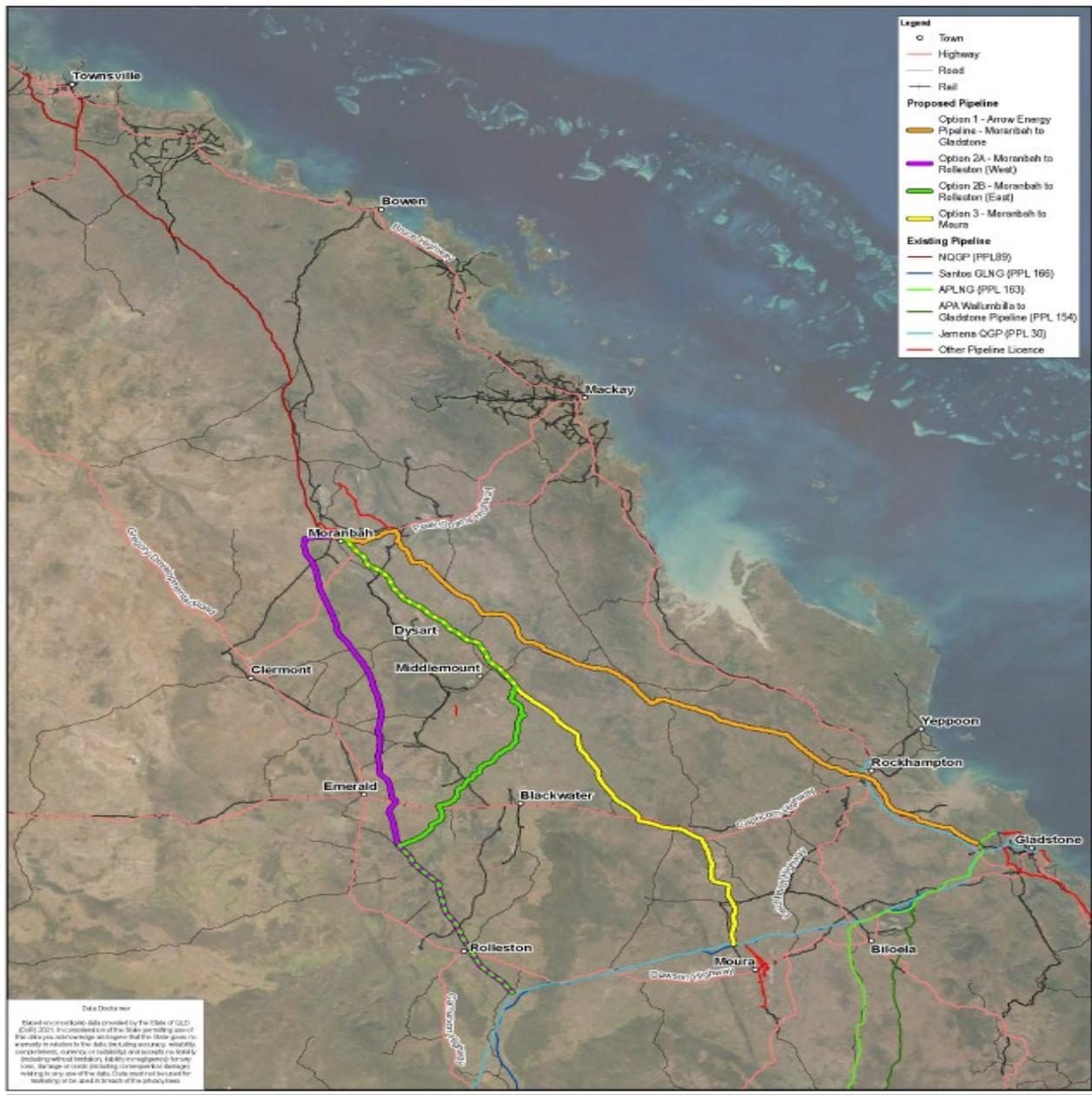


Figure 1: Pipeline Route options page 14 of the Bowen Basin Concept Study (KPMG, GHD, NSAI) 2022

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 and resources of 71 PJ of 2P reserves; 298 PJ of 3P reserves and 4,129 PJ of Contingent Resources as assessed by Netherland Sewell and Associates of Dallas Texas.