

Blue Energy welcomes Federal Budget support for Bowen Basin Gas projects

Blue Energy Limited (Blue Energy) welcomes last night's Federal Budget measures committing 2021 Budget funds of \$15.6 million specifically to gas appraisal projects in the North Bowen and Galilee Basins.

The grant monies will be directed specifically at field trials that improve the geological understanding on the region, address any technical drilling challenges and better determine gas deliverability rates. Blue Energy welcomes these initiatives, together with the release of the interim *National Gas Infrastructure Plan* which identifies the key geologic basins for development of new gas supply for east coast gas customers.

These 2021 Budget measures further highlight the importance of the North Bowen Basin Gas Province as a solution to the east coast supply shortfall, and also demonstrates the continued commitment by both State and Federal Governments to development of the North Bowen Basin gas province. The North Bowen Basin's importance is best characterized by its following characteristics:

1. It has a **large-scale** gas resource – 15,000 PJ of gas resource already identified;
2. It has been **in production** (servicing the local Townsville market with small diameter pipeline) for over a decade.
3. It has been geologically **de-risked** by hundreds of coal seam gas wells, extensive coal mine drilling data and degassing operations and the decade long history of continuous gas production.
4. It is **development ready** and only requires a pipeline link to the southern markets.
5. With an aggressive build schedule, gas could be flowing to east coast customers well before 2026.

The completion of the final *National Gas Infrastructure Plan* will see incorporation of the North Bowen Basin gas resources into the national gas infrastructure priority spend for east coast supply.

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.

Strategic Basin Plans

Payments (\$m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Department of the Treasury	-	15.6	-	-	-
Department of Industry, Science, Energy and Resources	-	-1.0	0.6	0.6	-
Total — Payments	-	14.6	0.6	0.6	-

The Government will provide an additional \$15.7 million over three years from 2021-22 to drive economic opportunities and support strategic basin plans. Funding includes:

- \$15.7 million in 2021-22 to support gas industry field appraisal trials in the North Bowen and Galilee basins
- \$2.2 million over three years from 2021-22 to build the capacity of the Northern Land Council to facilitate land use agreements and drive economic opportunities in the Beetaloo sub basin.

The cost of this measure will be partially funded by re-prioritising existing funding from the 2020-21 Budget measure titled *Accelerating New Gas Supply to Market – Strategic Basin Plans*.

A new measure associated with this item is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2021-22*.

Gas Well Trials

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	15.6	-	-	-	-	-	15.6
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
2024-25	-	-	-	-	-	-	-	-	-
Total	-	-	15.6	-	-	-	-	-	15.6

The Australian Government will provide competitive grants to support gas field trials in the North Bowen and Galilee basins, in partnership with industry, experts from the University of Queensland and the Queensland State Government.

These trials aim to improve geological understanding in the region, overcome technical drilling challenges, and determine gas flow rates – the next step to attract new investment and enable companies to enter into supply contracts with gas consumers.

A new measure associated with this item is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2021-22*.