

Queensland Government to spend \$5 million on Bowen Basin Gas Pipeline Study

Blue Energy Limited (ASX: "BLU") commends yesterday's announcement by the Queensland Premier, The Hon. Anastacia Palaszczuk, that the Queensland Government will invest \$5 million in a concept study to investigate the feasibility and options for a new transmission pipeline south, to connect the Bowen Basin's gas reserves to the east coast of Queensland.

The commitment was contained in yesterday's release of "Queensland's Economic Recovery Plan" by the Premier.

Blue has regularly commented on the enormous gas resource that has already been discovered in the North Bowen Basin. This Basin has been producing gas north to Townsville manufacturers and electricity generators via the 273mm diameter North Queensland Gas Pipeline, since 2005.

The Bowen Basin contains independently verified (ACCC Jan 2020) gas resources of up to 15,000 PJ which if fully developed via a new southern pipeline, could supply the east coast domestic gas market for up to 30 years. In doing so, it would act to lower east coast gas prices to end users, and importantly, enable manufacturers and gas users to enter long term gas contracts and give certainty of gas supply and price, for decades. This in turn would encourage expansion and growth of existing manufacturers and entry of new manufacturers to establish themselves in Queensland. This will mean more jobs in Queensland.

Gas is not only used for low emission electricity generation, but is essential as a feed stock for the manufacture of pharmaceuticals, plastics, explosives, bricks, glass, fertilizer, PPE, and many more products, all of which are integral parts of the modern economy.

Brisbane based Blue Energy has 3,000 PJ of gas resource in its 100% owned tenements around Moranbah (see Figure 1 and Table 1). It currently has Production Licence Applications with the Queensland Government with the view to supply gas into the domestic markets, both into Townsville and to the south, once the southern pipeline is built.

Along with extending a lifeline to struggling Australian east coast manufacturers and helping rebuild the economy, post the COVID induced economic contraction, long term gas supply from the Bowen Basin will be critical to firm up the large renewable energy project roll out mandated in Queensland. This will not only provide reliable dispatchable synchronous firming generation for the 50% renewable generation target set by the State, but could also provide a significant portion of the other 50% of electricity generation that is not renewable, and give the workers currently in the coal fired generation sector a "just transition" to gas industry jobs.

Blue looks forward to additional detail on the scope of the Bowen gas pipeline study being proposed by the Government, and stands ready to assist.

By Authority of the Board per:

John Phillips

Managing Director

Blue Energy Limited

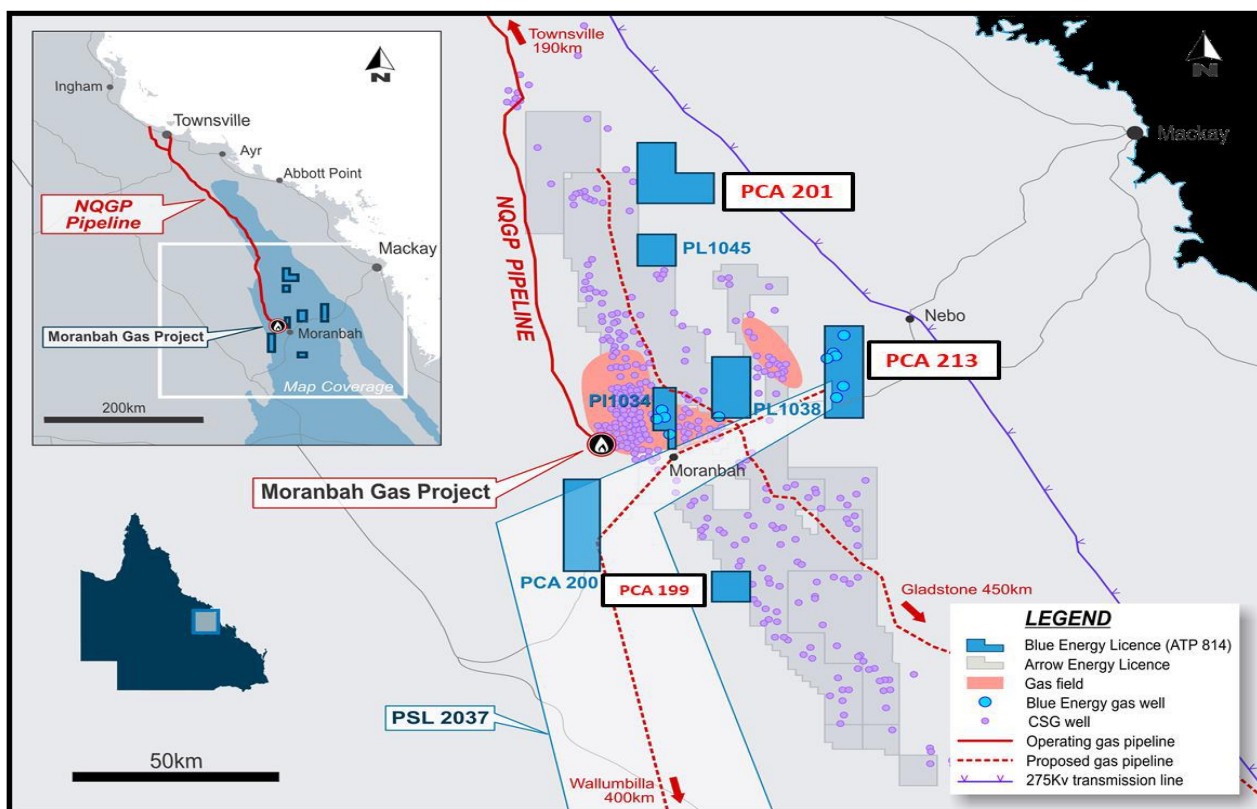


Figure 1 Blue Energy's acreage in the Bowen Basin

Permit	Block	Assessment Date	Announcement Date	Methodology	Certifier	1P (PJ)	1C (PJ)	2P (PJ)	2C (PJ)	3P (PJ)	3C (PJ)
ATP854P		30/06/2012	19/03/2013	SPE/PRMS	NSAI	0	22	0	47	0	101
ATP813P		29/10/2014	30/10/2014	SPE/PRMS	NSAI	0	0	0	61	0	830
ATP814P	Sapphire	5/12/2015	8/12/2015	SPE/PRMS	NSAI	0	66	59	108	216	186
ATP814P	Central	5/12/2015	8/12/2015	SPE/PRMS	NSAI	0	50	12	99	75	306
ATP814P	Monslatt	5/12/2015	8/12/2015	SPE/PRMS	NSAI	0	0	0	619	0	2,054
ATP814P	Lancewood	5/12/2015	8/12/2015	SPE/PRMS	NSAI	0	5	0	23	1	435
ATP814P	Hillalong	6/02/2019	7/02/2019	SPE/PRMS	NSAI	0	0	0	182	0	237
ATP814P	South	30/06/2013	29/07/2013	SPE/PRMS	NSAI	0	15	0	27	6	30
Total (PJ)						0	158	71	1,166	298	4,179
Total						0	27	12	199	51	714

Table 1: Blue Energy's Gas Reserve and Resource position

*Listing Rule 5.42 Disclosure for Reserves and Resources

The estimates of Reserves and Contingent Resources noted throughout this 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:

- 21 July 2011 (Maiden Reserves for ATP 814P)
- 13 December 2011 (Monslatt Resource Upgrade);
- 25 January 2012 (Reserves Upgrade for ATP 814P);
- 26 February 2013 (CSG Reserves Boost for Blue Energy's key Bowen Basin Project – ATP 814P),
- 19 March 2013 (Major Queensland Gas Resources for Blue Energy – ATP 814 & ATP 854);
- 8 December 2015 (Significant increase in Gas Reserve for key Bowen Basin permit); and
- 28 February 2019 (New gas resource upgrade – ATP 814 – Hillalong Block).

The Reserves and Contingent Resources information for the Company's interests in ATP 854, ATP 813 and ATP 814 referred to in this Presentation has been issued with the prior consent of Mr John Hattner of Netherland, Sewell and Associates Inc in the form and context in which they appear.

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