

17 June 2019

ASX Announcement

Issue of Share Purchase Plan

Blue Energy Limited (**ASX:BLU**) announced on Thursday, 13 June 2019 the successful completion of an oversubscribed placement to institutional and sophisticated investors raising approximately \$4.2million (“**Placement**”) and that it would be undertaking a Share Purchase Plan (“**SPP**”) to raise up to a further \$2.5million.

Under the SPP, eligible shareholders recorded on the Company’s share register at 5.00pm (AEDT) on Wednesday, 12 June 2019 will be entitled to apply for up to \$15,000 worth of shares at \$0.045 per share for a maximum investment of \$15,000, free of brokerage and other related transaction costs.

Participation in the SPP is entirely optional and is open to all shareholders other than shareholders who have registered addresses in countries outside Australia or New Zealand, where regulatory requirements make participation by the shareholder unlawful or impracticable. The Directors have determined that shareholders whose registered addresses are outside Australia and New Zealand will be unable to participate in the SPP.

Attached to this announcement are the following documents in relation to the SPP:

1. Share Purchase Plan Offer Booklet including terms and conditions of offer; and
2. Pro-Forma Share Purchase Plan Application Form.

The attached documents are in the process of being dispatched to eligible shareholders. Full details of the SPP are set out in the terms and conditions and further details of the capital raising are contained in the announcement made to the market 13 June 2019.

If you have any questions in relation to the SPP, please contact the Company Secretary by telephone on +61 3270 8800 or by email at info@blueenergy.com.au.

Contact: + 61 7 3270 8800
John Phillips
Managing Director
Blue Energy Limited



SHARE PURCHASE PLAN BOOKLET

ABN14 054 800 378

You should read this SPP Offer Booklet in full.

This is an important document offering Eligible Shareholders the opportunity to apply to purchase up to \$15,000 worth of New Shares without paying brokerage or transaction costs.

Details of the offer and how to participate are set out in this Booklet. Applications for New Shares under the SPP must be received by 5.00pm, Monday 1 July 2019. If you are unsure what to do, please contact your professional adviser.

This Booklet is not for release or distribution in the United States or, except with the consent of Blue Energy, elsewhere outside of Australia and New Zealand.

KEY EVENTS AND DATES*

Event	Date
Record Date (for determining eligibility to participate in SPP Offer)	7.00pm AEDT Wednesday, 12 June 2019
Announcement of SPP Offer	Thursday, 13 June 2019
SPP Offer Booklet lodged with ASX	Monday, 17 June 2019
SPP Offer Opening Date	Monday, 17 June 2019
SPP Offer Closing Date	Monday, 1 July 2019
Announcement of the number of New Shares to be issued under the SPP Offer and, if applicable, the outcome of any Scale-back	Wednesday, 3 July 2019
Issue of New Shares under the SPP Offer	Thursday, 4 July 2019
Expected date for ASX to grant quotation of New Shares issued under SPP Offer	Thursday, 4 July 2019
Despatch of transaction confirmations and, if applicable, a direct credit deposit or refund cheque	Tuesday, 9 July 2019

*Blue Energy reserves the right, in its discretion, to vary these dates by making an announcement to the ASX. All references to a time are to the time in Sydney, Australia.

Disclaimers

This SPP Offer Booklet and the accompanying Application Form has been prepared for publication in Australia and New Zealand and may not be released or distributed in the United States. This SPP Offer Booklet and the accompanying Application Form is not an offer to sell or a solicitation of an offer to subscribe or purchase and may not be distributed in the United States or any jurisdiction outside Australia or New Zealand except in accordance with the legal requirements applicable in such jurisdiction. No action has been or will be taken that would permit a public offering of the New Shares in any jurisdiction. Recipients of this SPP Offer Booklet should inform themselves of the restrictions that apply in their own jurisdiction.

The SPP Offer Booklet and the accompanying Application Form do not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States or any other jurisdiction in which such an offer would be illegal. Any securities described in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**), or the securities laws of any state or jurisdiction of the United States. Accordingly, the securities may not be offered or sold directly or indirectly in the United States unless they have been registered under the U.S. Securities Act (which Blue Energy has no obligation or intention to do or procure) or are offered and sold in a transaction exempt from, or not subject to, the registration of the U.S. Securities Act and any other applicable United States state securities laws. The New Shares securities offered under the SPP may not be offered or sold in the United States or to or for the account of benefit of any person in the United States.

Advice warning

The information in this SPP Offer Booklet is given in good faith and derived from sources believed to be accurate at this date but no warranty of accuracy or reliability is given and no responsibility arising in any other way, including by reason of negligence for errors or omission herein is accepted by Blue Energy or its officers. This SPP Offer Booklet does not provide financial advice and is not a securities recommendation and has been prepared without taking account of any person's investment objectives, financial situation or particular needs. You should consider the appropriateness of participating in the SPP having regard to your investment objectives, financial situation or particular needs. Shareholders should seek independent financial and taxation advice before making any investment decision in relation to these matters.

In this SPP Offer Booklet, \$ refers to Australian dollars.

CHAIRMAN'S LETTER

17 June 2019

Dear Shareholder,

1. Share Purchase Plan

On Thursday, 13 June 2019 Blue Energy Limited (Blue Energy) announced that it had successfully raised \$4.2 million via a placement to institutional and sophisticated investors of approximately 93.33 Million fully paid ordinary shares (New Shares) to sophisticated and professional investors at an issue price of \$0.045 per Share, which represented the closing price on Friday, 7 June 2019 ("**Placement**").

On behalf of the Board of Directors of Blue Energy Limited ("**Blue Energy**" or "**Company**"), I am pleased to offer eligible Blue Energy shareholders an opportunity to participate in the Share Purchase Plan ("**SPP**") which was announced on 13 June 2019. The SPP allows eligible Blue Energy shareholders to purchase up to A\$15,000 worth of new ordinary shares in Blue Energy ("**SPP Shares**") (subject to any scale back at Blue Energy's absolute discretion) without brokerage or transaction costs.

The SPP gives you the chance to increase your Blue Energy holding at a price of A\$0.045 per share ("**Issue Price**"), which is the same price institutional and sophisticated investors were offered new shares under the Placement. The Issue Price represents a discount of approximately 15.3% to the 10-day VWAP to the closing price of Blue Energy ordinary shares on Friday, 7 June 2019, being A\$0.045, which was the last trading day prior to the Company entering into the Trading Halt to undertake the Placement.

All shareholders whose address in the share register of Blue Energy is in Australia and New Zealand (or such other jurisdictions as determined by Blue Energy) and who hold Blue Energy shares on the Record Date, being Wednesday, 12 June 2019 at 7.00pm (AEDT) are generally eligible to participate in the SPP.

Participation in the SPP is entirely voluntary. If you are an eligible Blue Energy shareholder and wish to participate in the SPP, you may apply for up to A\$15,000 worth of SPP Shares at the Issue Price. You may apply to buy a parcel of SPP Shares valued at A\$2000; A\$5,000; A\$7,500; \$10,000 or A\$15,000, at the issue price explained above and as explained in the accompanying Terms and Conditions. If you do not wish to participate, you may disregard this letter.

Full details of the SPP are set out in the attached Terms and Conditions and Application Form (which together with this letter constitute the ("**SPP Offer Document**"). I encourage you to read the SPP Offer Document carefully and in its entirety before making a decision on whether to participate in the SPP.

2. Purpose of the SPP

The purpose of the SPP and the Placement is to secure additional funding to continue to advance Blue Energy's efforts to secure gas sales agreements, secure production tenure from its existing exploration tenure and advance its 2P reserve position from its existing large Contingent Resource base. In particular the net proceeds of the SPP and Placement along with the existing cash will be used to fund the following items:

- a) Route selection geotechnical and environmental studies for the recently awarded PSL 2037 pipeline survey licence;
- b) Progression of PL applications for ATP 814;
- c) Power generation grid studies in Hillalong block;
- d) flexibility for potential drilling activity on ATP814 or ATP854 in the Surat;
- e) general asset permit portfolio exploration and appraisal; and
- f) General corporate and working capital purposes.

The net proceeds of the SPP are primarily intended to be used for purposes listed above. However, depending on the level of subscriptions received, the Company is also considering undertaking a buy-back of unmarketable parcels of Shares (**Unmarketable Parcel Buy-Back**). However, in addition to the level of participation in the SPP, any Unmarketable Parcel Buy-Back (if any) remains subject to ongoing market conditions and final Board approval.

The above items are a statement of current intentions as at the date of this Offer Booklet. As with any budget, intervening events (including additional requirements arising from exploration and other activities) and new circumstances have the potential to affect the manner in which the funds are ultimately applied, which the Board reserves the right to do so.

3. Scale back of SPP

The SPP aims to raise up to a maximum of \$2.5 million. The Board may decide to accept applications (in whole or in part) that result in the SPP raising more or less than \$2.5 million. Blue Energy has the absolute discretion to scale back applications under the SPP on the basis, and to the extent that, it sees fit. For example if the total value of applications for SPP Shares under the SPP is more than \$2.5 million, Blue Energy may undertake a scale back.

Should this occur, you may be allocated SPP shares to a value which is less than the parcel for which you applied and the difference will be refunded to you. In a material scale-back you may receive very few SPP shares and possibly less than a marketable parcel of Blue Energy shares. Blue Energy will not be obligated to pay interest on the refunded amount as it is usually not cost effective to do so.

Participation in the SPP offer is voluntary. All New Shares issued under the SPP will rank equally with the existing Shares and will carry the same voting rights and entitlements. The issue of the New Shares is expected to occur on Thursday, 4 July 2019.

4. Important points

- The SPP offer period opens on Monday, 17 June 2019 and closes at 5.00pm (AEDT) on Monday, 1 July 2019.
- Depending on the level of applications received, your application may be materially scaled back at the discretion of Blue Energy.
- The SPP offer is non-renounceable, which means that you cannot transfer your right to purchase SPP Shares under the SPP to anyone else.
- You may only apply for SPP Shares with a maximum total value of A\$15,000. If you make applications for each of your registered holdings of Blue Energy shares, the total value of all the applications must not exceed A\$15,000. Blue Energy reserves the right to decline (or scale back) applications where it believes this requirement has not been complied with or may elect to scale back applications to the maximum A\$15,000 limit and refund the excess subscription monies (without interest).
- The Application Form includes a certification that the aggregate application money paid by you in any capacity (except as a Custodian) for the New Shares under your application and any other New Shares issued to you, or to a Custodian on your behalf and at your instruction, under the SPP or any similar arrangement operated by Blue Energy in the 12 months before the date your application is received by Blue Energy, is not more than A\$15,000.
- You should be aware that the market price of Blue Energy Shares may rise or fall between the date of the SPP offer and the date that SPP Shares are allotted to you under the SPP.

5. How to participate

If you would like to participate in the SPP, please read the attached Terms and Conditions carefully and follow the step-by-step instructions on the Application Form.

To apply and pay, you have two options:

Option 1: BPAY®

Provided you are not a Custodian (see clause 1(d) of the attached Terms and Conditions), you can make a payment by BPAY® if you have an Australian bank account enabled for this purpose. If paying by BPAY® you do not need to return your Application Form.

BPAY® customers must use the unique customer reference number shown on the Application Form which is required to identify your holding.

By making the application via BPAY® you represent to the Company that you have complied with the matters set out in clause 3 “Effect of making an application” in the attached Terms and Conditions.

Option 2: Application Form and cheque, bank draft or money order

You can complete the enclosed Application Form and post or return it to our share registry, together with a cheque, bank draft or money order for the full amount to which your acceptance relates.

Cheques, bank drafts and money orders must be made payable to “Blue Energy Limited” and crossed “Not Negotiable” in Australian dollars and drawn on an Australian bank for the correct amount.

By post:

Blue Energy Limited
C/- Computershare Investor Services Pty Limited
GPO Box 505
Melbourne Victoria 3001

6. Timing

Payment, together with the completed Application Form (unless you are eligible to pay by BPAY®) must be received by our share registry by 5.00pm (AEDT) on Monday, 1 July 2019 (“**Closing Date**”).

If you are sending the payment by post, then please allow several days for delivery. If you are paying by BPAY, then please check your daily transaction limit and the processing cut-off time for BPAY with your financial institution. For the sake of all applicants, Blue Energy will not hold up the allocation process because of late postal deliveries or payments.

You cannot withdraw or cancel your application or BPAY payment once you have sent it.

7. Directors’ participation

Eligible shareholding directors are entitled to participate in the SPP.

8. No financial product advice

Please note that this letter does not constitute financial product advice and does not take into account the investment objectives, financial situation, tax position or particular needs of individuals. If you are in doubt as to the course of action you should follow, you should consult your stockbroker, accountant, taxation adviser, solicitor or other professional adviser before participating in the SPP.

9. Market price risk

You are advised to carefully read the Terms and Conditions of the SPP enclosed with this letter before making your investment decision. In particular, you should note that the market price of Blue Energy Shares may rise or fall between the date of this offer and the date the SPP Shares are allotted to you under the SPP (“**Allotment Date**”) and that the Issue Price you pay for the SPP Shares may exceed the market price of Blue Energy Shares on the Allotment Date.

While such change will not affect the Issue Price of the SPP Shares, it may have an effect on the value of those shares. If the market price of Blue Energy Shares falls, then the value of the SPP Shares (based on market price) will be less, and if the market price of the Blue Energy shares increases, then the value of the SPP Shares (based on market price) will be greater.

10. Questions

If you have any questions in relation to the SPP or how to complete the Application Form, please call the Company Secretary at any time from 8.30am (AEDT) to 5.00pm (AEDT) Monday to Friday from 14 June 2019 on +61 73270 8800.

On behalf of the Board, I thank you for your continued support as a Blue Energy shareholder.

John Ellice-Flint



Executive Chairman
Blue Energy Limited

No offer to persons in the United States

The securities referred to in this document have not and will not be registered under the United States Securities Act of 1933 (“**Securities Act**”), as amended, and may not be offered or sold in the United States or to or for the account or benefit of US persons (as defined in the Regulation S under the Securities Act), in the absence of registration or an available exemption from registration. This document has been prepared for publication in Australia and New Zealand (or such other jurisdictions as determined by Blue Energy) only and may not be released elsewhere.

BLUE ENERGY LIMITED
SHARE PURCHASE PLAN
TERMS AND CONDITIONS

IMPORTANT NOTICES:

If you apply to participate in the SPP by making a BPAY[®] payment or completing and returning the Application Form with a cheque, bank draft or money order, you are accepting the risk that the market price of Blue Energy Shares may change between the date on which you send in an Application Form or make a BPAY[®] payment and the Allotment Date. This means it is possible that, up to or after the Allotment Date, you may be able to buy Shares at a lower price than the Issue Price.

If the total value of applications under the SPP is more than A\$2.5 million, Blue Energy has the discretion to reduce the allotment of SPP Shares compared to the parcels applied for ("Scale back"). If there is a Scale back you may receive less than the parcel of shares you applied for and may receive less than a marketable parcel of shares. If your application is scaled back you may receive a refund but you will not be entitled to any interest on that refund.

1. Eligible Shareholders

- (a) Subject to clauses 1(b) to 1(h) inclusive, all persons registered as holders of ordinary fully paid shares of Blue Energy Limited (collectively the "**Shares**"), at 7.00pm (AEDT) on Wednesday, 12 June 2019 (the "**Record Date**"), whose address in the share register of Blue Energy Limited (ABN14 054 800 378) ("**Blue Energy**") is in Australia and New Zealand (or such other jurisdictions as determined by Blue Energy), may participate in the Share Purchase Plan (the "**SPP**") (the "**Eligible Shareholders**").
- (b) Shareholders who hold Shares on behalf of persons who reside outside Australia and New Zealand (or such other jurisdictions as determined by Blue Energy) or who are "US persons" (as defined in Regulation S under the US Securities Act of 1933, as amended) ("**US Persons**") or who act for the account or benefit of a US Person are not entitled to participate in the SPP.
- (c) Shareholders who are joint holders of Shares are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder, and the certification under clause 3(d) by one joint holder will be effective in respect of the other joint holder(s).
- (d) Where a Custodian (as referred to in condition 9 of ASIC Class Order 09/425) is a registered holder of Shares, and holds those Shares on behalf of one or more persons ("**Beneficiaries**"), the SPP offer is made to the Custodian and the Custodian has the discretion whether to extend the SPP offer to the Beneficiaries. If a Custodian applies for Shares on behalf of a Beneficiary under the SPP ("**SPP Shares**"), Blue Energy will not issue SPP Shares unless the Custodian certifies the following in writing to Blue Energy:

- (i) either or both of the following:
 - A. that the Custodian holds the Shares on behalf of one or more persons that are not Custodians ("**Participating Beneficiaries**"); or
 - B. that another Custodian ("**Downstream Custodian**") holds beneficial interests in Shares on behalf of a Participating Beneficiary, and the custodian holds the Shares to which those beneficial interests relate on behalf of the Downstream Custodian or another Custodian,

on the Record Date and that each Participating Beneficiary has subsequently instructed the following persons:

 - C. where sub-paragraph 1(d)(i)(A) applies – the Custodian; and
 - D. where sub-paragraph 1(d)(i)(B) applies – the Downstream Custodian,

to apply for SPP Shares on their behalf;
- (ii) the number of Participating Beneficiaries;
- (iii) the name and address of each Participating Beneficiary, and that each Participating Beneficiary's address is located in Australia and New Zealand (or such other jurisdictions as determined by Blue Energy);
- (iv) in respect of each Participating Beneficiary:
 - A. where sub-paragraph 1(d)(i)(A) applies - the number of Shares that the custodian holds on their behalf; and
 - B. where sub-paragraph 1(d)(i)(B) applies – the number of Shares to which the beneficial interests relate;
- (v) in respect of each Participating Beneficiary:
 - A. where sub-paragraph 1(d)(i)(A) applies – the number or the dollar amount of Shares they instructed the Custodian to apply for on their behalf; and
 - B. where sub-paragraph 1(d)(i)(B) applies –the number or the dollar amount of Shares they instructed the Downstream Custodian to apply for on their behalf;
- (vi) there are no Participating Beneficiaries in respect of which the total of the application price for the following exceeds A\$15,000:
 - (A) the Shares applied for by the Custodian under the SPP in accordance with the instructions referred to in sub-paragraph (v); and
 - (B) any other Shares issued to the custodian in the 12 months before the application as a result of an instruction given by them to the Custodian or the Downstream Custodian to apply for Shares on their behalf under an arrangement similar to the SPP;

- (vii) that a copy of this SPP Offer Document was given to each Participating Beneficiary; and
 - (viii) where sub-paragraph 1(d)(i)(B) applies – the name and address of each Custodian who holds beneficial interests in the Shares held by the custodian in relation to each Participating Beneficiary.
- (e) Custodians must request a "**Custodian Certificate**" when making an application on behalf of Beneficiaries. To request a Custodian Certificate or further information about the custodian application process, a shareholder should call Computershare Investor Services Pty Limited ("**Share Registry**") at any time from 8.45am to 5.15pm (AEDT) Monday to Friday from Monday, 17 June 2019 on 1800 095 862.
 - (f) Applications received from custodians must be accompanied by a duly completed and signed Custodian Certificate.
 - (g) A registered holder of Shares will be ineligible to participate in the SPP if their participation would be in breach of ASIC Class Order 09/425 or any other law.
 - (h) If you are an Eligible Shareholder, your rights under this offer are personal to you and are non-renounceable, which means you cannot transfer your rights to another person.

2. Applying for Shares

- (a) Participation in the SPP is optional. Eligible Shareholders may apply to purchase a parcel of SPP Shares with a value of either:
 - (i) A\$2,000;
 - (ii) A\$5,000;
 - (iii) A\$7,500;
 - (iv) A\$10,000; or
 - (v) A\$15,000.

- (b) If you are an Eligible Shareholder and wish to participate in the SPP, you have two options.

Option 1: BPAY

Provided you are not a custodian (see clause 1(d) above under the heading "Eligible Shareholders"), you can make a payment by BPAY if you have an Australian bank account enabled for this purpose. BPAY customers must use the unique customer reference number shown on the Application Form which is required to identify your holding. If paying by BPAY, you do not need to return your Application Form.

By using the BPAY facility to apply for New Shares, you represent that the total of the application price for the following does not exceed A\$15,000:

- (i) the SPP Shares you are applying for;
- (ii) any other Shares you are applying for under this SPP, or Shares or interests in the class issued under a similar arrangement in the 12 months before this application;
- (iii) any other Shares or interests in the class which you have instructed a custodian to acquire on your behalf under this SPP; and
- (iv) any other Shares or interests in the class issued to a custodian under an arrangement similar to this SPP in the 12 months before this application as a result of you instructing

the custodian or another custodian, which resulted in you holding a beneficial interest in the Shares or interests.

Payment by BPAY may not be processed and may not be valid if it has not been received by 5.00pm (AEDT) on Monday, 1 July 2019 (“**Closing Date**”). If making payment by BPAY, please check your daily transaction limit and the processing cut-off time for BPAY with your financial institution.

If you make a payment by BPAY and Blue Energy receives an amount which is not equal to A\$2,000, A\$5,000, A\$7,500, \$10,000 or A\$15,000, Blue Energy will round down the value of SPP Shares which you are applying for to the next lowest parcel, or if Blue Energy receives less than A\$2,000, reject your application, and refund any application monies which are not used to purchase SPP Shares, without interest, following allotment.

Option 2: Application Form and cheque, bank draft or money order

You must complete an Application Form and return it with a cheque, bank draft or money order in accordance with the instructions on the Application Form. Cheques, bank drafts or money orders must be payable to “Blue Energy Limited”, in Australian dollars and drawn on an Australian bank for the correct amount. Blue Energy will not accept payment by cash.

- (c) If you apply for SPP Shares under the SPP, you will apply for a certain value, rather than a certain number, of SPP Shares. Subject to clauses 2(d), 2(e) and 6, Blue Energy will divide the parcel value you select by the Issue Price (as determined under clause 4(a)) in order to determine the number of SPP Shares which you have applied for (rounded down to the nearest whole number of SPP Shares).
- (d) Eligible Shareholders who receive more than one offer under the SPP (for example, because they hold SPP Shares in more than one capacity or in different registered holdings) may apply on different Application Forms for Shares but may not apply for Shares with an aggregate value of more than A\$15,000.
- (e) Blue Energy may accept or reject your application for SPP Shares at its absolute discretion. Blue Energy may reject your application in the following circumstances (among others):
 - (i) your Application Form is incorrectly completed, incomplete or otherwise determined by Blue Energy to be invalid;
 - (ii) you have applied for less than A\$2,000 worth of Shares;
 - (iii) your cheque is dishonoured;
 - (iv) the cheque, bank draft or money order that you enclose with your Application Form is not made out for the amount corresponding to the amount of SPP Shares you have selected to purchase;
 - (v) Blue Energy believes that you are applying either directly or indirectly (such as through a trust) to buy more than an aggregate of A\$15,000 of SPP Shares;
 - (vi) Blue Energy believes that you and one or more registered holders of the same or similar name or address are applying to buy more than an aggregate of A\$15,000 of SPP Shares;
 - (vii) your Application Form or BPAY payment is received after the Closing Date or is otherwise incomplete or invalid. Late payments will be refunded (without interest);
 - (viii) Blue Energy believes that your participation in the SPP would be in breach of ASIC Class Order 09/425 or any other law;

- (ix) Blue Energy believes that your application is completed by a person within, or a person acting for the account or benefit of a person within, another jurisdiction where, in the reasonable opinion of the Board, it would be unlawful or impractical for Blue Energy to issue the SPP Shares;
- (x) if you are a custodian, Blue Energy is not satisfied with your Custodian Certificate for any reason;
- (xi) Blue Energy believes you are not an Eligible Shareholder (subject to compliance with any applicable Australian Securities and Investments Commission or ASX requirements);
or
- (xii) your name is not recorded on the register of members of Blue Energy on the Record Date. For example, applications by people claiming an interest through a registered holder of Shares will not be accepted if the registered holder of Shares is not noted on the register of members as holding the Shares on account of another person.

3. Effect of Making an Application

If you submit a BPAY payment or complete and return an Application Form:

- (a) you acknowledge that you are an Eligible Shareholder;
- (b) you irrevocably and unconditionally agree to these Terms and Conditions and the terms of the Application Form and agree not to do any act or thing which would be contrary to the spirit, intention or purpose of the SPP;
- (c) you acknowledge your application is irrevocable and unconditional;
- (d) you certify that the total of the application price for the following does not exceed A\$15,000:
 - (i) the SPP Shares the subject of your application;
 - (ii) any other SPP Shares or any similar arrangement in the 12 months before the date of your application;
 - (iii) any other Shares which you have instructed a custodian to acquire on your behalf under the SPP; and
 - (iv) any other Shares issued to a custodian under an arrangement similar to the SPP in the 12 months before the date of your application for SPP Shares as a result of an instruction given by you to the custodian or another custodian and which resulted in you holding beneficial interests in such Shares,

even though you may have received more than one offer under the SPP or received offers in more than one capacity under the SPP;
- (e) you confirm that you are lawfully permitted to accept the offer under the SPP and participate in the SPP in accordance with these Terms and Conditions;
- (f) if you are a custodian and are applying for SPP Shares with a total application price exceeding A\$15,000, you agree to certify to us in writing the matters required by ASIC Class Order 09/425 condition 9, in accordance with the Custodian Certificate, a copy of which can be obtained from the Share Registry;
- (g) you agree that your application is only effective when received by us and not when posted;

- (h) you agree that if there is a rounding down of the number of SPP Shares and no Scale back, any remaining balance of your payment after your allotment will form part of the assets of Blue Energy and will not be refunded;
- (i) you authorise Blue Energy to correct minor errors in your Application Form and to complete the Application Form by inserting any missing minor detail;
- (j) you acknowledge that Blue Energy may determine (in its absolute discretion) that your Application Form is valid, in accordance with these Terms and Conditions, even if the Application Form is incomplete, contains errors or is otherwise defective;
- (k) you accept the risk associated with any refund that may be dispatched to you to your address or nominated bank account as shown on Blue Energy 's register;
- (l) you are responsible for any dishonour fees or other costs Blue Energy may incur in presenting a cheque for payment which is dishonoured;
- (m) you acknowledge that no interest will be paid on any application monies held pending the allotment of the SPP Shares or subsequently returned to you for any reason;
- (n) you acknowledge that you have not been provided with investment advice or financial product advice by Blue Energy or the Share Registry and that neither of them has any obligation to provide this advice in relation to your consideration as to whether or not to purchase SPP Shares;
- (o) you acknowledge that the SPP Shares have not, and will not be, registered under the US Securities Act or the securities law of any state or other jurisdiction outside Australia and New Zealand and accordingly, the Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws; and
- (p) you agree not to send any materials relating to the SPP to any person in the United States or that is or is acting for the account or benefit of a US Person;
- (q) you acknowledge that the market price of Blue Energy Shares may rise or fall between the date of this offer and the date the SPP Shares are allotted to you under the SPP (the "**Allotment Date**") and that the Issue Price you pay for the SPP Shares may exceed the market price of Blue Energy Shares on the Allotment Date; and
- (r) you agree that Blue Energy is not liable for any exercise of its discretions referred to in these Terms and Conditions.

4. Issue Price of Shares under the SPP

- (a) The issue price per SPP Share ("**Issue Price**") on offer under the SPP will be A\$0.045 per SPP Share, which was the same price institutional and professional investors were offered new Shares under the Placement which amount is equal to the closing price of Blue Energy ordinary shares on Friday, 7 June 2019 of A\$0.045, being the last trading day before the Company went into a trading halt ahead of the Placement.
- (b) The current Share price can be obtained from the ASX website (www.asx.com.au) by entering the share code "BLU".
- (c) You agree to pay the Issue Price per Share for the number of SPP Shares calculated under clause 2(b) or, if there is a Scale back (see clause 6), the number of Shares calculated under clause 6.

5. The SPP Shares

- (a) SPP Shares issued under the SPP will rank equally in all respects with existing Shares quoted on the ASX, with the same voting rights, dividend rights and other entitlements.
- (b) Blue Energy will apply for new Shares issued under the SPP to be quoted on the ASX.
- (c) The number of SPP Shares you will receive will be determined by:
 - (i) if there is no Scale back (see clause 6) applied to your allotment, dividing the amount you agree to contribute for SPP Shares by the Issue Price; or
 - (ii) if there is a Scale back (see clause 6) applied to your allotment, dividing the amount you are taken to have contributed by the Issue Price.
- (d) If the calculation in clause 5(c) above produces a fractional number, the number of SPP Shares you will be allotted will be rounded down to the nearest whole number of SPP Shares and:
 - (i) if there is no Scale back (see clause 6) applied to your allotment, any residual balance will form part of the assets of Blue Energy. You will not receive a refund of this amount, which will always be less than the price of one SPP Share; or
 - (ii) if there is a Scale back (see clause 6) applied to your allotment, the residual balance from rounding down will be added to the refund you receive from the Scale back.

6. Scale back

- (a) If the total value of applications for SPP Shares under the SPP is more than A\$2.5 million, Blue Energy may, in its discretion, undertake a Scale back to the extent and in the manner that it sees fit. A **"Scale back"** is a reduction in the allotments of SPP Shares (compared to parcels applied for) that Blue Energy will issue if it receives applications under the SPP for more SPP Shares than it wishes to issue.
- (b) If there is a Scale back you may receive less than or none at all of the parcel of SPP Shares for which you have applied. In applying its discretion Blue Energy may take into account amongst other matters, the size of your application and the number of shares you held at the Record Date. If a Scale back produces a fractional number of SPP Shares when applied to your parcel, the number of SPP Shares you will be allocated will be rounded down to the nearest whole number of SPP Shares.
- (c) In the event of a Scale back the difference between the application monies received, and the number of SPP Shares allocated to you multiplied by the Issue Price, will be refunded to you by cheque as soon as practicable, without interest.

7. Costs of Participation

Blue Energy will not charge any brokerage, commissions or other transaction costs in respect of the application for, and allotment of, Shares under the SPP.

8. Timetable

- (a) Subject to clause 8(b):
- (i) **(Record Date)** the offer is made to all persons registered as holders of Shares, on Wednesday, 12 June 2019 at 7.00pm (AEDT) whose address in the share register of Blue Energy is in Australia and New Zealand (or such other jurisdictions as determined by Blue Energy);
 - (ii) **(Opening Date)** the offer opens on Monday, 17 June 2019;
 - (iii) **(Closing Date)** the offer closes at 5.00pm (AEDT) on Monday, 1 July 2019 (or such other date that Blue Energy may determine in its absolute discretion);
 - (iv) **(Scale back announcement)** any Scale back will be announced to the ASX on Wednesday, 3 July 2019;
 - (v) **(Allotment Date)** Blue Energy proposes to allot the Shares on Thursday, 4 July 2019;
 - (vi) **(Trading Date)** Blue Energy expects trading on ASX of new Shares issued under the SPP to commence on Thursday, 4 July 2019; and
 - (vii) **(Despatch Date)** the date on which transaction confirmations are sent to shareholders and if applicable, a refund cheque is dispatched as a result of any Scale back being applied to your allotment is expected to be Tuesday, 9 July 2019.
- (b) Blue Energy may vary any of the above dates in clause 9(a) at its absolute discretion (even if the offer has been opened, or BPAY or Application Forms have been received) by lodging a revised timetable with ASX.

9. Dispute Resolution

Blue Energy may settle in any manner it thinks fit, any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP and the decision of Blue Energy will be conclusive and binding on all participants and other persons to whom the determination relates. Blue Energy reserves the right to waive strict compliance with any provision of these terms and conditions or withdraw the offer at any time up to the Allotment Date. The powers of Blue Energy under these terms and conditions may be exercised by the Directors or any delegate of the Directors.

10. No Underwriting

The SPP will not be underwritten.

11. Governing Law

These Terms and Conditions are governed by the laws in force in Queensland. Any dispute arising out of or in connection with these Terms and Conditions, or the offer of New Shares, will be determined by the courts of Queensland. By accepting this offer, you agree to submit to the exclusive jurisdiction of the courts in Queensland. Other terms and conditions, rights and obligations of New Shares are contained in the constitution of Blue Energy. The Terms and Conditions prevail to the extent of any inconsistency with the Application Form.

12. Other terms and conditions

Shareholders will be bound by the constitution of Blue Energy and these Terms and Conditions by accepting the offer to acquire SPP Shares under the SPP.

13. ASIC Class Order 09/425

This SPP is offered in compliance with ASIC Class Order 09/425. ASIC Class Order 09/425 provides relief from the requirement for Blue Energy to provide full prospectus disclosure in relation to the SPP.

14. Notice to New Zealand shareholders

- (a) The SPP Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of Blue Energy with registered addresses in New Zealand to whom the offer of SPP Shares is being made in reliance on the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offer) Exemption Notice 2016 (New Zealand).
- (b) This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

15. No offer outside approved jurisdictions

- (a) If you apply to participate in the SPP, you acknowledge and agree that:
 - (i) the SPP Shares have not, and will not be, registered under the US Securities Act of 1933, as amended, or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia, and New Zealand (or such other jurisdictions as determined by Blue Energy);
 - (ii) the SPP Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
 - (iii) you must not send copies of these Terms and Conditions or any other material relating to the SPP to any person in the United States or to any person who is, or is acting for the account or benefit of, a US Person (as defined in Regulation S under the US Securities Act) (“US Person”);
 - (iv) you must not submit an Application Form or make payment by BPAY for any person resident in the United States or elsewhere outside Australia and New Zealand (or such other jurisdictions as determined by Blue Energy) or who is, or is acting for the account or benefit of, a US Person; and
 - (v) if you do not comply with these restrictions, it may result in violations of applicable securities laws.
- (b) The SPP does not constitute an offer of SPP Shares for sale in any other jurisdiction in which such an offer would be illegal.

Before you apply for shares under the SPP, you should consider obtaining professional financial and/or taxation advice to assist you in determining whether or not, and the extent to which, you wish to participate in the SPP (taking into account your own financial situation, needs and objectives). Blue Energy and its officers make no recommendation about whether or not you should apply for SPP Shares under the SPP, and nothing in these Terms and Conditions, the Application Form or any other accompanying documentation constitutes investment or financial product advice or is intended to influence your decision whether or not to participate in the SPP.



Blue Energy Limited
ABN 14 054 800 378

For all enquiries:

Phone:



(within Australia) 07 3270 8800
(outside Australia) +61 7 3270 8800

Web:



www.investorcentre.com/contact

BLU

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Make your payment:



See overleaf for details of the Offer and how to make your payment

Share Purchase Plan Application Form

Your payment must be received by 5:00pm (AEDT) Monday, 1 July 2019

This is an important document that requires your immediate attention.

It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

By making payment you agree to be bound by the Constitution of Blue Energy Limited and that the submission of this payment constitutes an irrevocable offer by you to subscribe for Blue Energy Limited shares on the terms of the Share Purchase Plan (SPP).

In addition, by making payment you certify that the aggregate of the application price paid by you for:

- the New Shares the subject of the payment slip overleaf; and
- any other shares and interests in the class applied for by you under the SPP or any similar arrangement in the 12 months prior to the date of submission of the payment,

does not exceed \$15,000.

Blue Energy Limited may make determinations in any manner it thinks fit, in relation to any difficulties which may arise in connection with the SPP whether generally or in relation to any participant or application.

Any determinations by Blue Energy Limited will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination relates. Blue Energy Limited reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions or to suspend or terminate the SPP at any time. Any such amendment, suspension or termination will be binding on all Eligible Shareholders even where Blue Energy Limited does not notify you of that event.

Step 1: Registration Name & Offer Details

Details of the shareholding and the Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESSE sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

Your payment must correspond to one of the options detailed overleaf. You may choose one option only. Note that the amount chosen may be subject to scale back in accordance with the terms of the SPP.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the payment slip with BPAY payment.

By Mail: Complete the reverse side of this payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "**Blue Energy Limited**" and cross "**Not Negotiable**". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

Blue Energy Limited Share Purchase Plan Application Form
Payment must be received by 5:00pm (AEDT) Monday, 1 July 2019

© Registered to BPAY Pty Limited ABN 69 079 137 518

Turn over for details of the Offer →

Share Purchase Plan Application Form

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STEP 1 Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Entitlement No: 12345678

Offer Details: Record date: **Wednesday, 12 June 2019**

Minimum value available to purchase: **\$2,000**

Maximum value available to purchase: **\$15,000**

STEP 2 Make Your Payment

	Billers Code: 298521
	Ref No: 1234 5678 9123 4567 89

Pay by Mail:

 Make your cheque, bank draft or money order payable to "**Blue Energy Limited**" and cross "**Not Negotiable**".

Return your cheque with the below payment slip to:
Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

Contact your financial institution to make your payment from your cheque or savings account.

Lodgement of Acceptance

If you are applying for New Shares and your payment is being made by BPAY, you do not need to return the payment slip below. Your payment must be received by no later than 5:00pm (AEDT) Monday, 1 July 2019. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor Blue Energy Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 5:00pm (AEDT) Monday, 1 July 2019. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor Blue Energy Limited accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

Detach here

Purchase Details for Blue Energy Limited (choose one option)

<input type="checkbox"/> \$2,000 worth of securities	OR	<input type="checkbox"/> \$5,000 worth of securities	OR	<input type="checkbox"/> \$7,500 worth of securities
<input type="checkbox"/> \$10,000 worth of securities	OR	<input type="checkbox"/> \$15,000 worth of securities		



Entitlement No: 12345678

Payment must be received by 5:00pm (AEDT) Monday, 1 July 2019

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Contact Details

Contact Name _____ Daytime Telephone _____

Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A\$

123456789123456789+000000001-3051+14