

Blue Energy inks second gas supply deal to underpin North Bowen pipeline

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March 19, 2021

By

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Queensland and Northern Territory gas player [Blue Energy \(ASX: BLU\)](#) has signed a non-binding heads of agreement with [Origin Energy \(ASX: ORG\)](#) to supply 300 petajoules (PJ) of gas over 10 years, the second such deal that represents foundation gas volume for a proposed new pipeline from the North Bowen Basin.



Blue Energy will supply Origin Energy up to 300 PJ of gas at Wallumbilla over 10 years from Blue Energy's Northern Bowen Basin ATP814 coal seam gas tenure.

In December the company signed a similar deal with Energy Australia covering 100 PJ over a 10-year supply period.

Blue Energy has been in the forefront of the push to build the new pipeline to supply the east coast market.

This plan would see the North Bowen Basin connected to the major Queensland gas hub at Wallumbilla.

The Queensland state government is backing a preliminary study and the federal government calling for development of the basin.

Now 400 PJ under preliminary agreements

This second heads of agreement brings to 400 PJ the proposed commitment of offtake from Blue Energy's 100%-owned ATP814 around Moranbah in the North Bowen Basin which has been assessed as containing 3,248 PJ of contingent recoverable resource.

In addition, there is at present 71 PJ of 2P (proven plus probable) reserves and 298 PJ of 3P (proven, probable and possible) reserves.

These are located in close proximity to the existing gas field infrastructure of the North Bowen Basin.

If the agreement is finalised, Blue Energy would supply between 20 PJ and 30 PJ per annum over a period of 10 years, beginning in 2024.

The company says the agreement with Origin will contribute to the underpinning of the proposed pipeline into the Wallumbilla hub, thus leading to the development of Blue Energy's North Bowen Basin gas resources.

Momentum for pipeline 'continues to build'

Managing director John Phillips says the high grading of gas resources by both the federal and state governments has been effective.

"The momentum for development of the North Bowen Basin east coast gas resource continues to build," he said.

"This prioritisation continues to give east coast gas buyers the confidence to secure long term supply agreements from this producing gas basin."

The company's certifier, Netherland Sewell and Associates of Dallas, Texas, has identified the areas on the basin where the company can develop its resources.

"These areas coincide with Blue's production licence applications lodged with, and currently being processed by, the Queensland government," the announcement noted.

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