

The background is a dark blue gradient with abstract, glowing blue energy-like patterns and large, semi-transparent dark blue shapes. The text is overlaid on this background.

# ENERGY Blue.

**CORPORATE PRESENTATION**

26 July 2022

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## Disclaimer continued

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## Competent Person Statement & Listing Rule 5.42 Disclosure

The estimates of Reserves and Contingent Resources noted throughout this ASX 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 of 25 January 2012, 26 February 2013, 19 March 2013, 8 December 2015, 28 February 2019, 22 January 2022 and 14 July 2022. NSAI independently regularly reviews the Company's Reserves and Contingent Resources. Mr Hattner is a full-time employee of NSAI, has over 30 years of industry experience and 20 years of experience in reserve estimation, is a licensed geologist and a member of the Society of Petroleum Engineers (SPE), and has consented to the use of the information presented herein. The estimates in the reports by Mr Hattner have been prepared in accordance with the definitions and guidelines set forth in the 2018 Petroleum and Resource Management System (PRMS) approved by the SPE, utilising a deterministic methodology. Blue Energy confirms that it is not aware of any new information or data that materially affects the information included in any of the announcements relating to ATP 813, 814 or 854 referred to in this report and that all of the material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed.

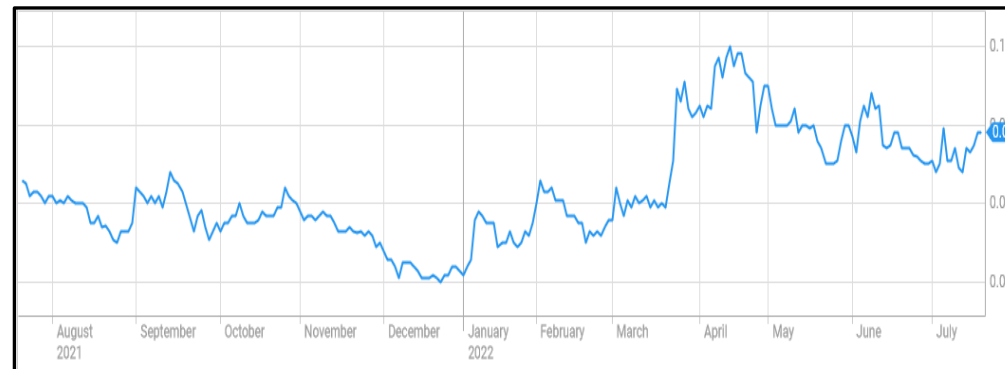
<sup>++</sup> Listing Rule 5.28.2: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

# CORPORATE OVERVIEW

## Metrics

<b>Cash (30/06/2022)</b>	\$6.85 million
<b>Debt</b>	Nil
<b>Shares on Issue before offer</b>	1,528,214,889
<b>Market Cap (21/07/22)</b>	~\$119 million

## Share Price



## Board

<b>Executive Chairman:</b>	John Ellice-Flint
<b>Managing Director:</b>	John Phillips
<b>Deputy Chair (non exec):</b>	Rod Cameron
<b>Audit Chair (non exec):</b>	Mark Hayward

## Reserves and Resources

	1P/1C	2P/2C	3P/3C
<b>Reserves (PJ)*</b>	0	78	335
<b>Resources (PJ)*</b>	314	1,418	4,504

# DIRECTORS WITH DEEP EXPERIENCE



**John Ellice-Flint** BSc (Hons) Harvard, AMP

## Executive Chairman

- Geologist by training
- 50 years global oil and gas industry experience operations, exploration, production and commercial
- Senior exec in Unocal
- CEO Santos



**John Phillips** Bsc (Hons), GAICD

## Managing Director

- Geologist by training
- 38 Years oil and gas experience in operations, exploration, development and management
- Technical and management roles at Delhi, Exxon, Conoco, Novus, Magellan and Sunshine Gas



**Rod Cameron** BAdmin (Hons), MBA, MFM, FAICD, FCPA

## Deputy Chairman

### Non-Executive Director

- 35 years energy and resources experience in financial and executive roles
- Management positions at NAB, Rio Telstra Atlantic Richfield



**Mark Hayward** BBus(ACC), MAICD, FCA

## Chair of Risk and Audit Committee

### Non-Executive Director

- Chartered Accountant by training
- 30 years with EY with domestic and international audit partner roles in energy and resources sector

# RESERVES AND RESOURCES

Permit	Block	Date	Method	Certifier	1P (PJ)	1C (PJ)	2P (PJ)	2C (PJ)	3P (PJ)	3C (PJ)
ATP854P	Whole Permit	22/01/2022	SPE/PRMS	NSAI	0	90	0	194	0	398
ATP813P	Whole Permit	29/10/2014	SPE/PRMS	NSAI	0	0	0	61	0	830
ATP814P	Sapphire	14/07/2022	SPE/PRMS	NSAI	0	154.3	66.5	213.9	253.2	214.1
ATP814P	Central	5/12/2015	SPE/PRMS	NSAI	0	50	12	99	75	306
ATP814P	Monslatt	5/12/2015	SPE/PRMS	NSAI	0	0	0	619	0	2,054
ATP814P	Lancewood	5/12/2015	SPE/PRMS	NSAI	0	5	0	23	1	435
ATP814P	Hillalong	27/02/2019	SPE/PRMS	NSAI	0	0	0	182	0	237
ATP814P	South	30/06/2013	SPE/PRMS	NSAI	0	15	0	27	6	30
<b>Total (PJ)</b>					<b>0</b>	<b>314.3</b>	<b>78</b>	<b>1,418</b>	<b>335</b>	<b>4,504</b>

\*All numbers are net to Blue Energy

# STRATEGY

- **Blue Energy** (BLU) has a vision to become Australia's next east coast domestic gas supplier from its 100% owned acreage across three key basins
- **BLU** has a large asset base (4,500+PJ) with executed gas supply agreements for ~500+ PJ of long term gas supply with key retail providers and Industrial users, including:
  - ✓ Energy Australia
  - ✓ Origin Energy; and
  - ✓ Queensland Pacific Metals
- **Fundamentals** remain strong driven by the imminent domestic gas shortage expected on the East Coast from 2023 (or sooner)
- **Nation Building Infrastructure** needed to provide energy security and manufacturing future
- **Active 3rd party infrastructure** providers looking to underwrite gas pipelines

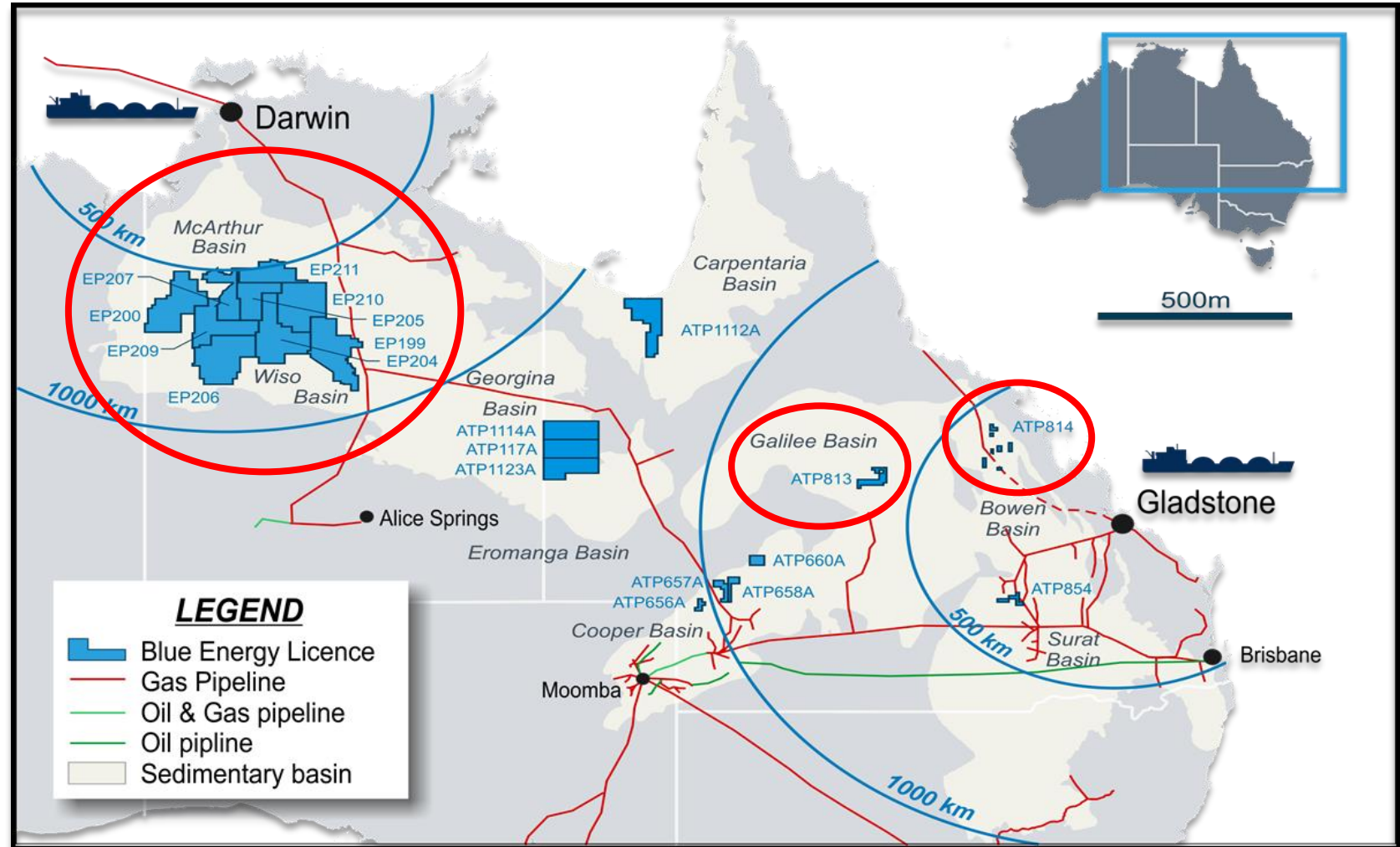


# ASSETS IN THE 3 KEY NEW GAS SUPPLY BASINS

**Bowen Basin**

**Beetaloo Basin**

**Galilee Basin**





# OVERVIEW

## The East Coast Gas Market needs more gas supply to firm renewable energy roll out and underpin manufacturing :

- The North Bowen Basin provides de-risked gas potential - 300+ existing producing gas wells with 16 years of production
- The North Bowen Basin has scale – 15,000 PJ of discovered as resource - equivalent to 30 years of domestic demand
- It is development ready
- Needs 450 km of nation building gas pipeline infrastructure

## Blue's has solid position in the North Bowen Basin and is actively drilling :

- 3,276 PJ\* of Gas Resources (and 2P reserves) – operator
- Pilot drilling underway to firm existing Blue supply Agreements with Origin and EnergyAustralia
- Blue received recent resource and reserve upgrade in the Sapphire block (PL 1034) from NSAI independent certifier

\*See Pages 2 and 3 for Listing Rule 5 Disclosure

# MONETISATION PATH IS CLEAR

Gas offtake agreements for Bowen Basin underpin southern pipeline construction

## BLU's achievements

- Origin Energy and Blue
  - ✓ Heads of Agreements for 300 PJ of gas over 10 years at Wallumbilla
- Energy Australia and Blue
  - ✓ Heads of Agreement for 100 PJ of gas over 10 years at Wallumbilla

Townsville gas offtake underpins additional field development utilising existing infrastructure

- Queensland Pacific Metals and Blue
  - ✓ MoU for 112 PJ of gas over 15 years

**Total Blue Bowen gas under supply agreement = 512 PJ**

Wallumbilla daily spot gas price 21<sup>st</sup> July 2022 = A\$46.29/GJ ( = A\$46 million/PJ)

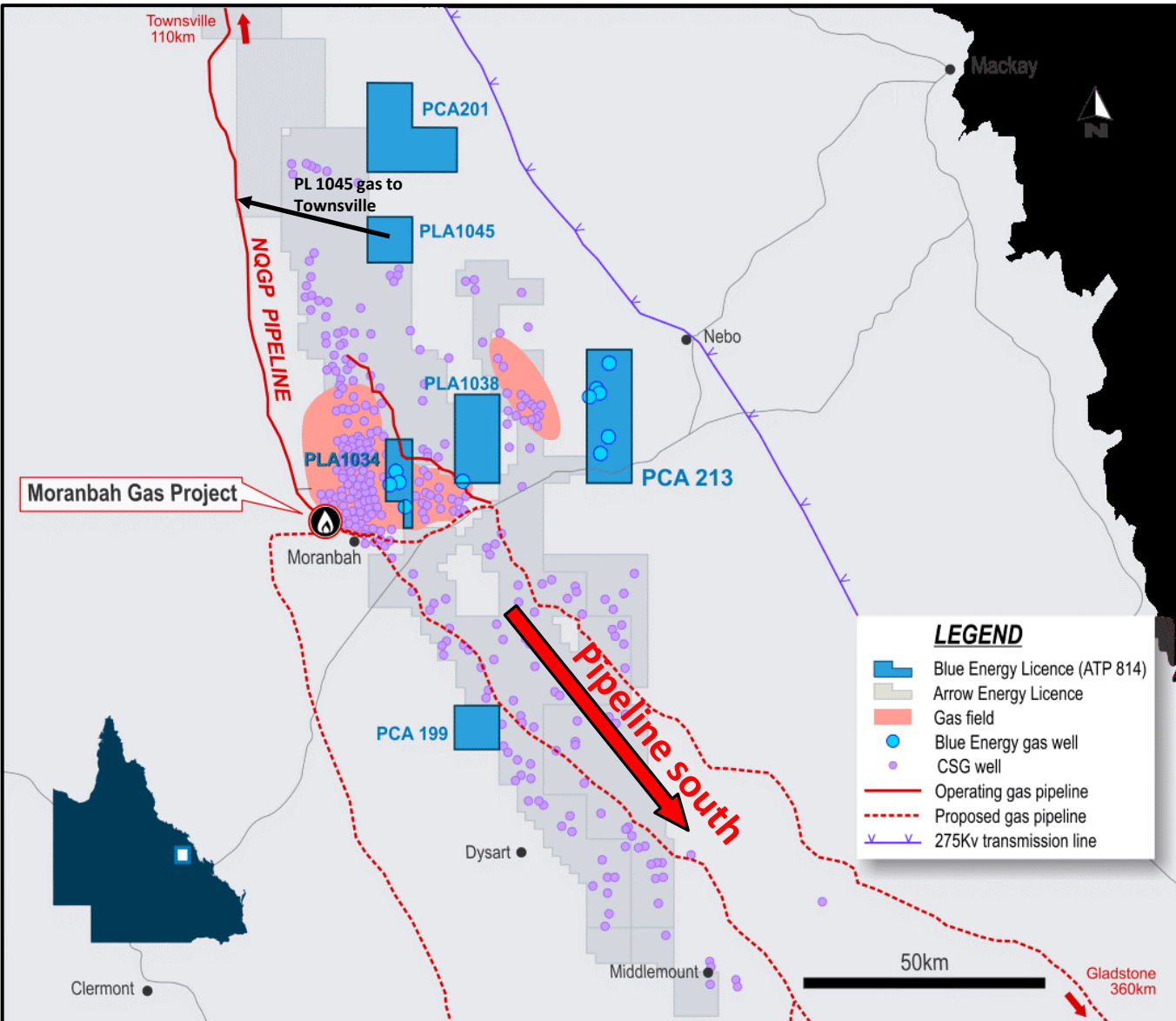
# EAST COAST GAS MARKET NEEDS NEW SUPPLY

## BLUE'S GAS WILL UNDERPIN NEW GAS INFRASTRUCTURE

- 400 PJ of new Blue gas supply into Wallumbilla – underpins a new nation building gas pipeline
- Blue's gas supports a 20" pipeline open access pipeline but capable of taking the full Bowen Basin volume over time – ie up to 15,000 PJ
- **Federal Government** looking for new build gas infrastructure – Integrated Gas Infrastructure Plan
- **Qld Government** looking to utilise coal mine gas - KPMG State/Fed study phase 1 finds gas pipeline is feasible – Phase 2 of study underway
- **Opportunity** to participate in new pipeline funding and ownership
- **Bowen Basin** has 30 years of domestic east coast gas supply – long term annuity for investors bookended by long term gas offtake and large upstream gas reserves.

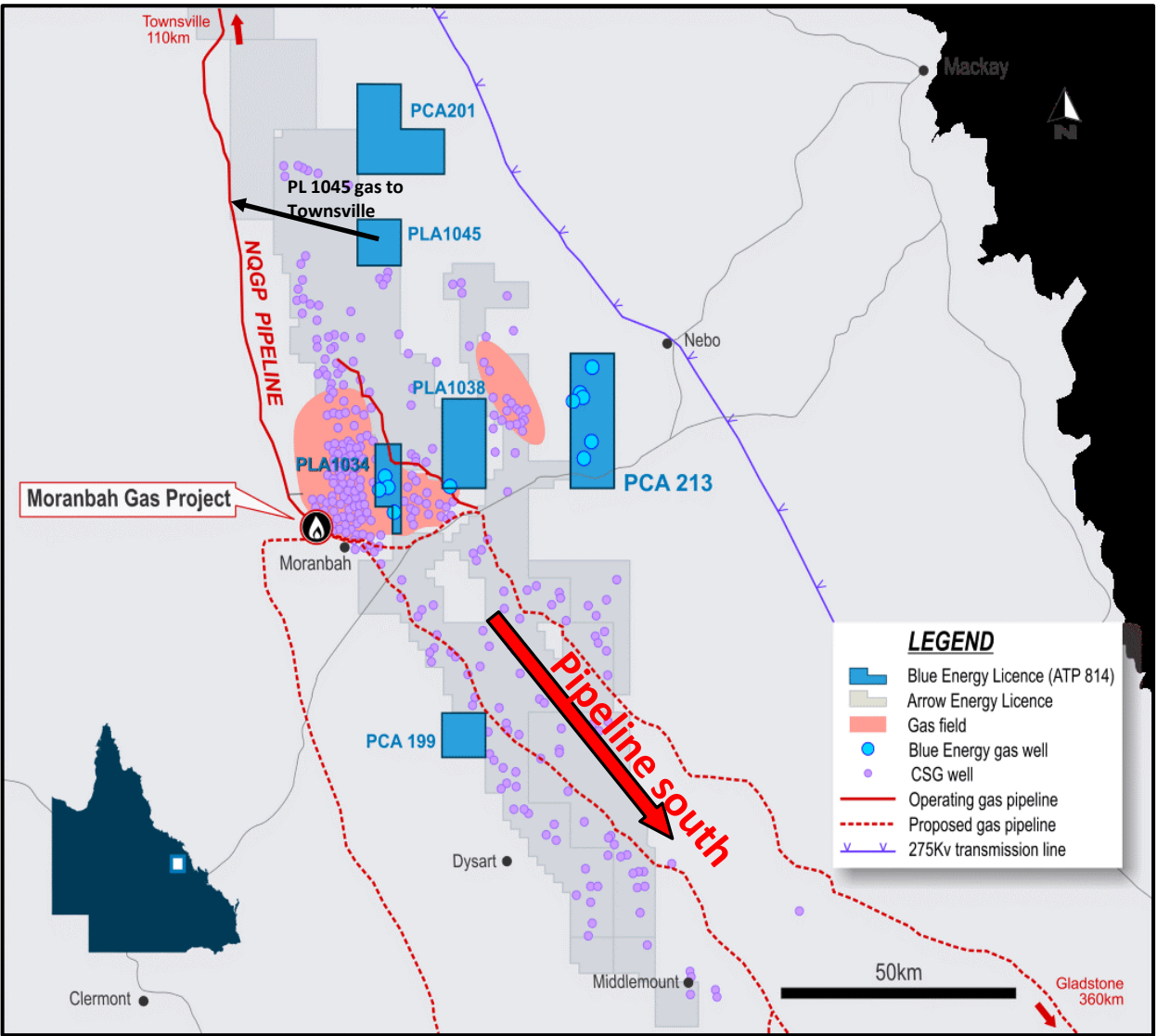


# BLUE'S BOWEN GAS – LONG TERM & RELIABLE SUPPLY



- North Bowen has ~15,000 PJ gas resource – NSAI
- 30 years east coast domestic gas demand
- Blue has ~3,000 PJ of the total gas resource – NSAI
- 8 years of east coast domestic gas demand

# BLUE'S BOWEN GAS – RECENT RESERVE & RESOURCE UPDATES



- **Sapphire Block (PL A 1034)**  
2P and 3P reserve add and 1C & 2C upgrade

Permit	1P (PJ)		2P (PJ)		3P (PJ)		1C (PJ)		2C (PJ)		3C (PJ)	
	new	'old	new	'old	new	'old	new	'old	new	'old	new	'old
ATP 814P, Sapphire Block, Qld	-	-	66.5	59	253.2	216	154.3	66	213.9	108	214.4	186
% change	-	-	+12.7%	-	+17.2%	-	+133.7%	-	+98.1%	-	+15.2%	-

Source: NSAI, Blue Energy.

- **Other PL A's and PCA reviews are underway by NSAI and will follow (eg PL A 1038; 1045 and PCA's 213 and 201)**

# SECOND SAPPHIRE PILOT DRILLING AND TESTING

- **Current Activities**

- Drilling up to 4 lateral CSG wells and a vertical in PL 1034 (Sapphire);
- Testing of the multi lateral wells to demonstrate deliverability

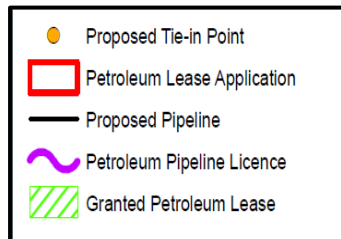
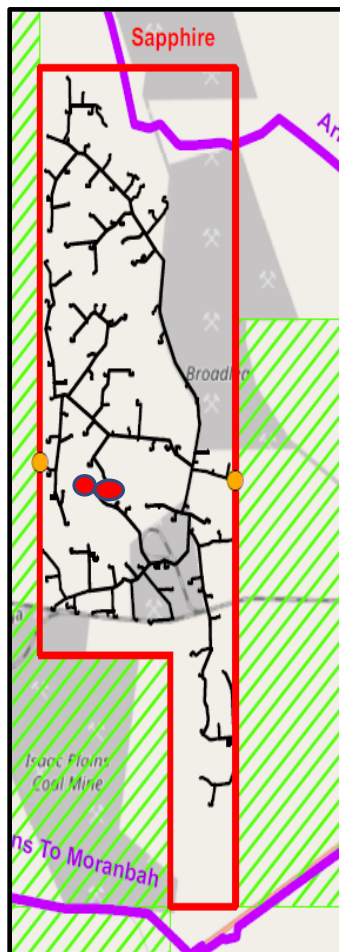
- **New activities**

- Drilling an additional 4 lateral CSG wells and a vertical in PL 1034 (Sapphire) to accelerate pilot gas production
  - Rational: - to provide more rapid draw down of the Pilot 1 seam intersections on closer well spacing;
- Testing of the multi lateral wells to demonstrate deliverability

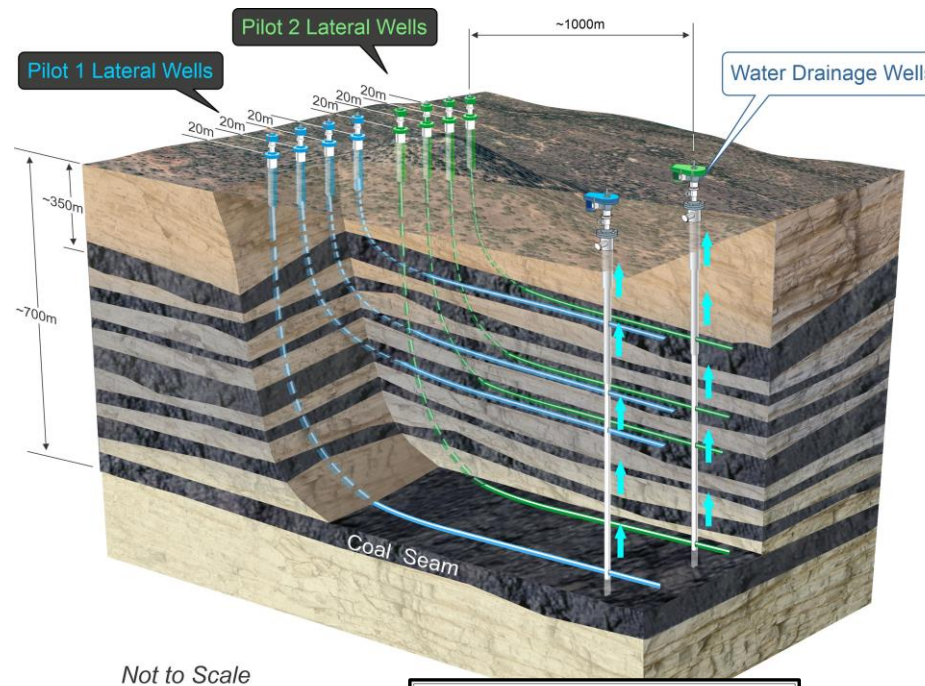
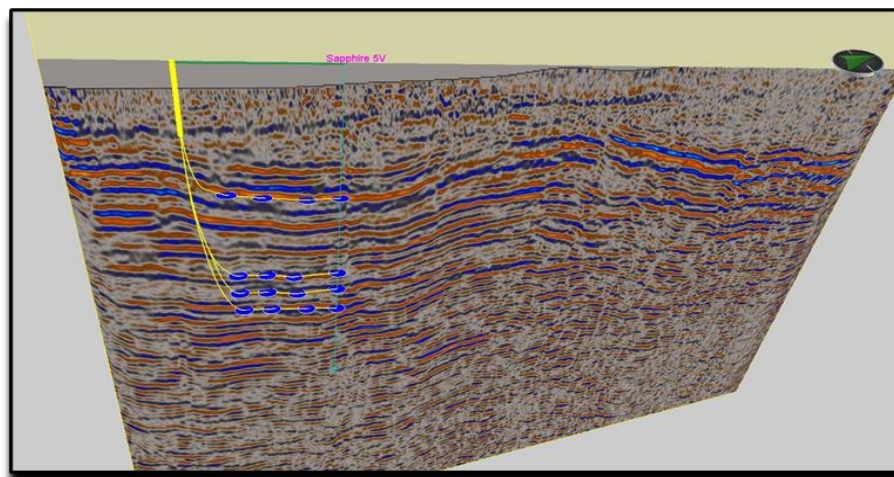
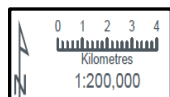
- **Target Outcomes**

- 2P Reserves build to aggregate 500 PJ in PL's to back gas offtake agreements with Origin, Energy Australia and Queensland Pacific Metals;
- Deliverability and reserve build then underpins economics of standalone gas pipeline to the Wallumbilla interconnect

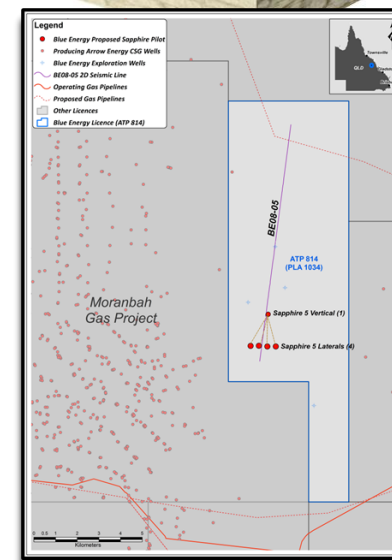
# RESERVE BUILD APPRAISAL WELL LOCATIONS (OVERLAIN ON PROPOSED DEVELOPMENT PLAN WELL FIELDS)



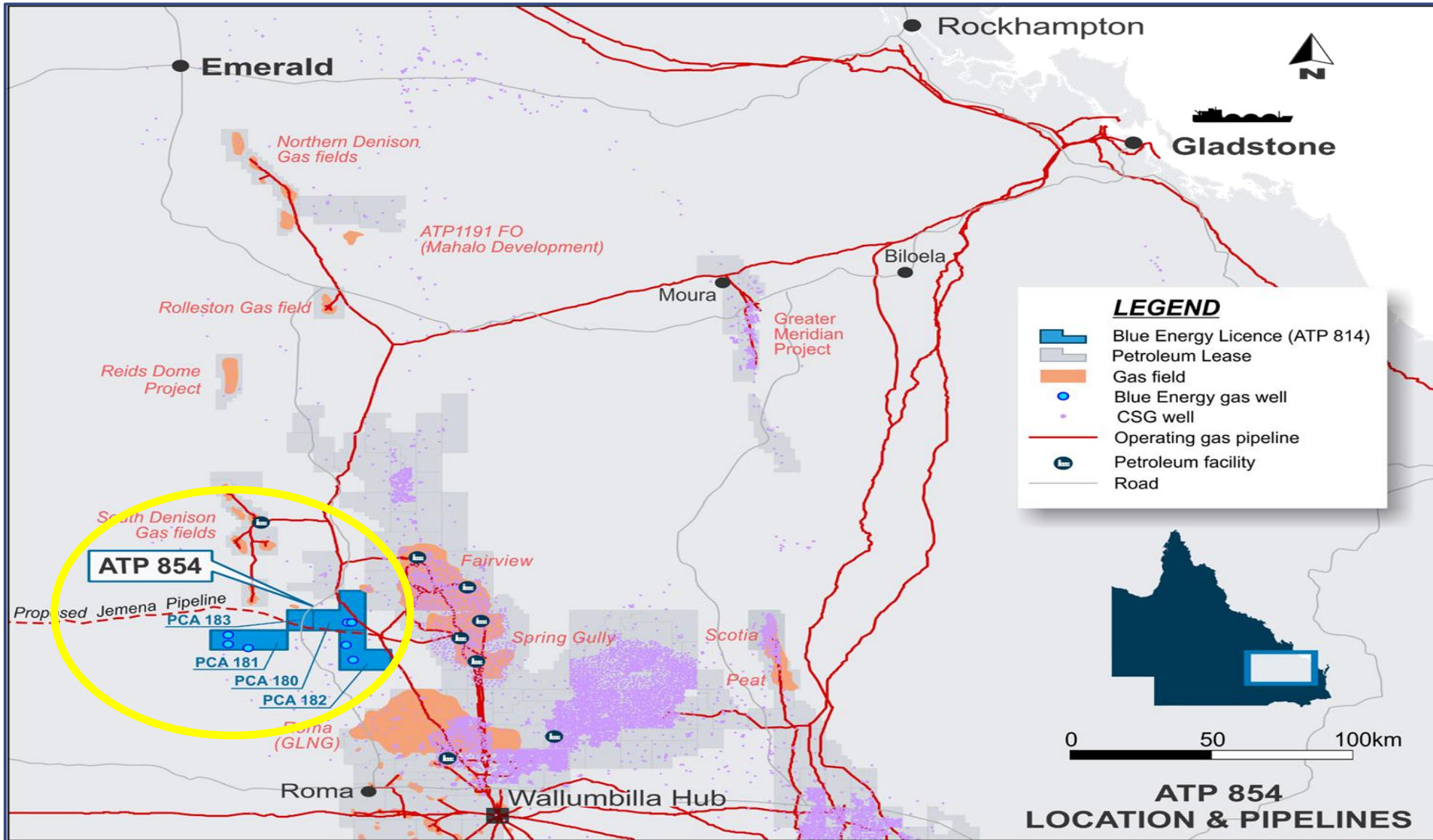
Reserve Build Program  
combination wells



Not to Scale

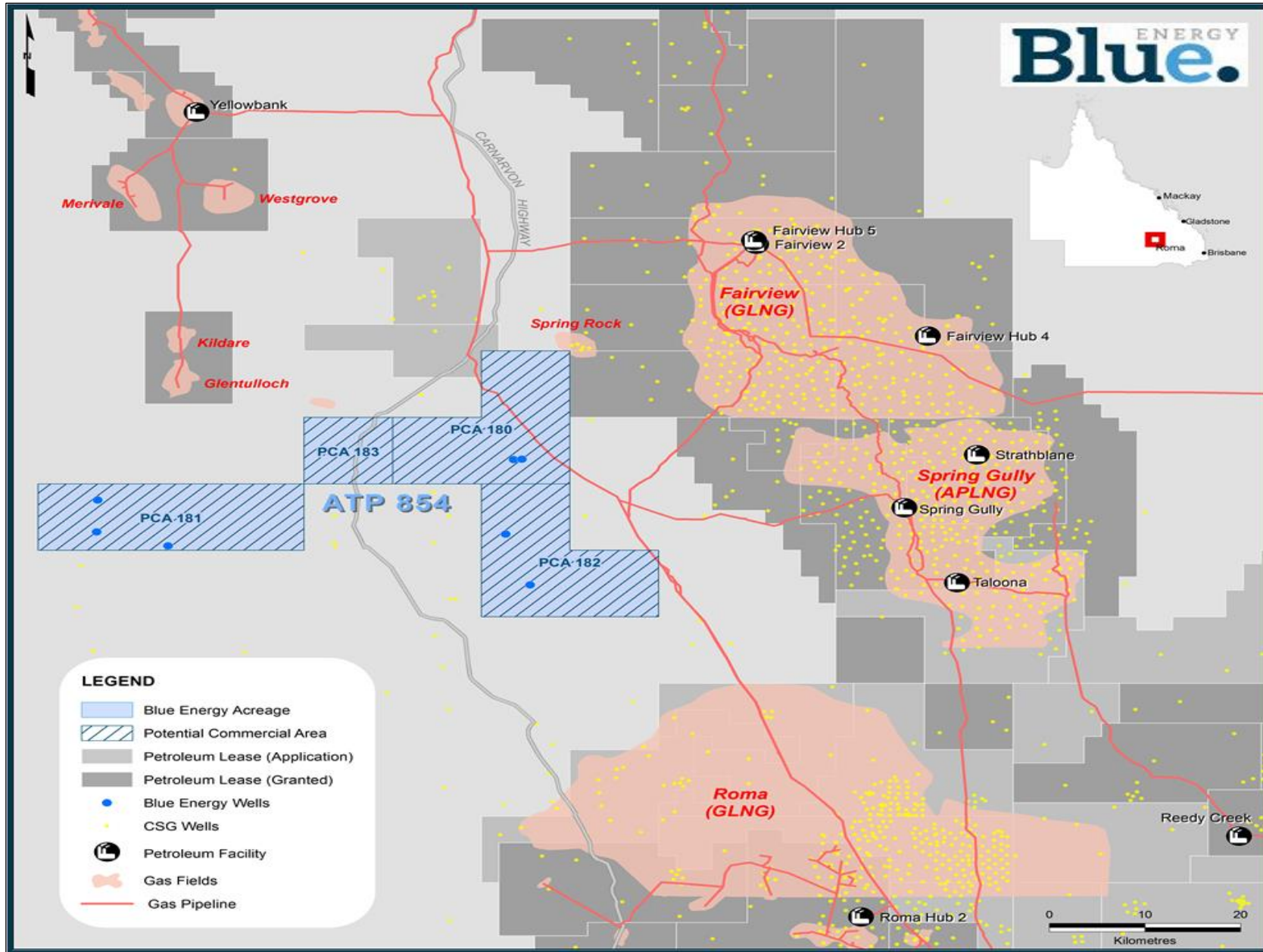


# BLUE'S OTHER GAS OPTION – ATP 854 - SURAT BASIN





# ATP 854 – CLOSE TO EXISTING INFRASTRUCTURE AND GAS FIELDS



# ATP 854 - 100% BLUE – INFRASTRUCTURE IN PLACE

Option to supply gas into Wallumbilla and Gladstone

## NSAI Gas Resource upgrade

- January 2022 - 300% upgrade in Contingent Resource by NSAI
  - ✓ Resource upgrade will allow acceleration of resource appraisal
- ATP854 now becomes a material gas resource – 398 PJ Contingent Resource
  - ✓ Un-contracted gas resource

Permit	1C (PJ)		1P (PJ)		2C (PJ)		2P (PJ)		3C (PJ)		3P (PJ)	
	new	old	new	old	new	old	new	old	new	old	new	old
ATP854P Surat Basin Qld	90	22	-	-	194	47	-	-	398	101	-	-
% Change	+309%				+313%				+294%			

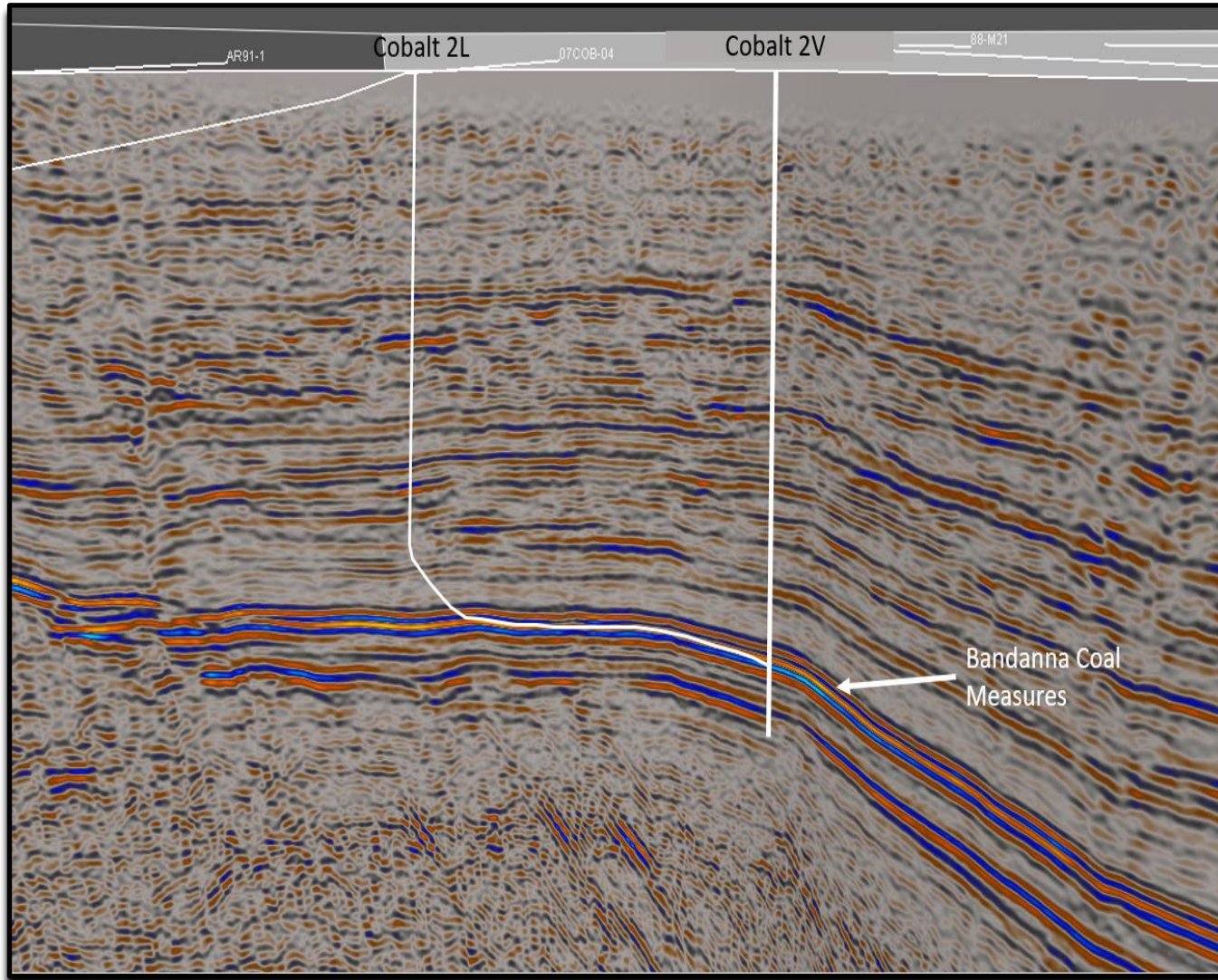
## ATP 854 location

- Two gas pipelines passing through the permit
  - ✓ Connectivity to both Gladstone and Wallumbilla
- Same Permian coal seam gas target as GLNG’s Fairview gas field
  - ✓ Additional Jurassic Walloon CSG play

## Proposed work program

- Pilot drilling program to establish reserves and commercial flow rates
- Vertical well and up to two in seam lateral wells

# ATP 854 – PROPOSED DRILLING PROGRAM



# DETAILED USE OF FUNDS

Activity	Description	Base Case
<b>Bowen Basin ATP814</b>		
PL 1034 (Sapphire) Duplicate Pilot		
Vertical wells	1	\$1,000,000
Lateral wells	4	\$4,000,000
Testing	1	\$500,000
Opex		\$500,000
PL 1038 (Central)		
Vertical well	1	\$1,000,000
PL 1045 (Lancewood)		
Vertical well	1	\$1,000,000
<b>Northern Territory</b>		
2D Seismic	500km	\$3,600,000
<b>Surat Basin ATP 854</b>		
Pilot drilling program		
vertical well	1	\$1,500,000
Lateral well	2	\$3,000,000
Testing and completion		\$800,000
<b>Working capital</b>		\$2,000,000
<b>Total</b>		<b>\$18,900,000</b>

# CATALYSTS

Blue's current drilling activity and production testing in the North Bowen Basin

Additional North Bowen reserve and resource upgrades for other Blue Blocks

East Coast gas shortage – Victoria has no gas in storage in 3 weeks

Additional Gas Sales Agreements for north Bowen Gas

- So far committed only 17% of Blue's 3,256 PJ Bowen Gas resource

Electricity market in turmoil – need for gas firming and new generating capacity





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