FINANCIAL REPORT FOR THE YEAR

ENDED 30 JUNE 2017

BLUE ENERGY LIMITED
ACN 054 800 378

CONTENTS

The Directors of Blue Energy Limited ("the Company", "Blue Energy" or "BUL") submit herewith their report on the Company and its controlled entities ("the Group" or "the Consolidated Entity") with respect to the financial year ended 30 June 2017.

DIRECTORS

The names and particulars of the Directors of the Company in office during or since the end of the financial year are as follows:

Name	Position	Date Appointed	Date Resigned
John Ellice-Flint	Executive Chairman	05/04/2012	-
John Phillips	Managing Director (Executive)	28/06/2010	-
Karen Johnson	Non-executive Director	30/09/2011	-
Rodney Cameron	Non-executive Director (Deputy Chairman)	15/11/2011	-
Seungsoo Han	Non-executive Director	04/05/2016	-
Insu Woo	Alternate Non-executive Director	18/11/2015	-

John Ellice-Flint BSc (Hons) Harvard, AMP
Mr John Ellice-Flint is an Australian-born business man whose foresight and wide-ranging oil and gas industry credentials are recognised internationally. John has over 40 years of exploration, production, operations and commercial experience in the oil and gas industry and has held many senior positions with multinational exploration and production companies. John's achievements in the oil and gas industry are well-known and highly respected. Following a 26 year international career at Unocal Corporation, serving in a variety of senior executive roles within strategic planning, exploration and technology functions, John became Managing Director and CEO of Santos Limited, Australia's largest domestic gas producer, from 2000 – 2008. John guided Santos Limited through a major growth period which culminated in the recognition of the potential of coal seam gas development through the Gladstone LNG export project in Queensland.

John Phillips BSc (Hons), GAICD
John is a Petroleum Geologist with over 30 years' experience in the oil and gas industry. John joined Blue Energy as Chief Operating Officer in May 2009, was promoted to CEO in April 2010 and joined the Board of Blue Energy in June 2010. John's career in industry has involved oil and gas experience in a variety of petroleum basins both domestically and internationally. John has gained extensive operational experience through his involvement with Delhi Petroleum, Esso, Conoco, Petroz and Novus, culminating in his role as Chief Operating Officer with Sunshine Gas before its takeover by QGC and subsequently by the BG Group.

Rodney Cameron BAdmin (Hons), MBA, MFM, FAICD, CPA
Rodney has over 30 years industry experience, particularly in the energy and resources industries. He is a seasoned financial executive having been CFO for an ASX listed multi-national renewable energy company, as well as an executive director and CFO for a US multi-national independent power generation company. Rodney has also worked in various management capacities for National Australia Bank, Rio Tinto, Telstra, and Atlantic Richfield Inc.

Karen Johnson BComm, FCA
Over the last 25 years Karen has held senior roles specialising in audit, assurance, technical and corporate governance consulting and financial accounting engagements within Chartered Accounting firms, public sector entities and private companies. Karen brings to the Board strong technical accounting skills through knowledge and application of Australian Accounting and Auditing Standards and an ability to quickly grasp complex business operations and identify the key risk areas for analysis, risk assessment and critical evaluation.

Seungsoo Han MP Adm
Mr Han is the nominee of Kogas Australia Pty Ltd. Mr Han is the Managing Director of KOGAS Australia Pty Ltd. Mr Han has nearly 30 years' experience in working with KOGAS. Prior to his current role, Mr Han has worked in procurement and accounting and in senior management roles in both KOGAS' Strategy Planning and Marketing Departments, culminating in being Team Leader of both Departments. Mr Han has a Bachelor's and Master's degree in Public Administration from, respectively, Kyung Hee University and the Korea Advanced Institute of Science and Technology, both in Seoul.

Insu Woo MGeology&Geophysics, BEng
Mr Woo is the alternate Director for Mr Seungsoo Han, the nominee of KOGAS Australia Pty Ltd. Mr Woo has over 25 years' experience in working with KOGAS and is currently the Director for KOGAS Australia Pty Ltd involved in the management of the Gladstone LNG Project. Mr Woo has a Master's degree in Geology and Geophysics from the University of Missouri and a Bachelors Degree in Civil Engineering from Busan National University.

Directorships of other listed companies
No Directorships in other listed companies were held by current directors in the three years up to 30/06/17.

COMPANY SECRETARY

The Company Secretary for the financial year up to 30 June 2017 is Damien Cronin MQLS, MAICD, appointed 1 July 2014. Mr Cronin is a solicitor who has 30 years' experience in the oil and gas and resources sectors. He has held senior legal and commercial roles with Rio Tinto, Shell, Duke Energy and Incitec Pivot. He is a non-Executive Director and Company Secretary of Global Petroleum Limited and was previously the Company Secretary of Sunshine Gas Limited and Secretary of the Operating Committee of the Sonoma Coal Mine Joint Venture.

EARNINGS PER SHARE

	2017 (Cents)	2016 (Cents)
Basic loss per share	(0.13)	(0.15)
Diluted loss per share	(0.13)	(0.15)

DIVIDENDS

No dividends were paid or declared by the Company during the financial year. The Directors do not recommend the payment of a dividend (2016: nil).

PRINCIPAL ACTIVITIES

Blue Energy Limited is an energy company that undertakes exploration, evaluation and development of conventional and unconventional oil and gas resources. This activity is carried out in a single significant geographical segment, being Australia, principally in Queensland and the Northern Territory. In Queensland, Blue Energy has 100% equity holding in all its exploration tenements and is the Operator. In the Northern Territory exploration tenements, Blue Energy is earning an interest through funding a farm in work program, but is the Operator. As a result of being the Operator in all of its tenement holdings, Blue Energy is in control of all Capital and Operating expenditures and is the point of contact for the respective State and Territory Regulators regarding work program. There has been no change in the principal activities of the Company from the prior year.

OPERATING AND FINANCIAL REVIEW

Reserve and Resource Position

There has been no change to the Company's reserve and resource position during the last financial year. In addition, as these reserves are not yet developed, there has been no production of gas to deplete the reserves. The table below sets out the Company's reserves and resources position. All reserves and resources stated in the table are in respect of unconventional gas and are undeveloped reserves.

These reserves remain undeveloped due to local market conditions. It is the Company's intention to develop these reserves by facilitating the provision of appropriate infrastructure. The reserves are proximate to existing production but require appropriate infrastructure and commercial arrangements to be brought to market.

The Company's entire reserve and resource position is independently reviewed and certified by Netherland, Sewell and Associates Inc (NSAI) quarterly and reported by the Company directly should there be a change. The Company continues to work with NSAI on providing any updates on the reserve and resources position.

Permit	Block	1C (PJ)		1P (PJ)		2C (PJ)		2P (PJ)		3C (PJ)		3P (PJ)	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
ATP854P Bowen Basin Qld		22	22	-	-	47	47	-	-	101	101	-	-
ATP813P Galilee Basin Qld		-	-	-	-	61	61	-	-	830	830	-	-
ATP814P Bowen Basin Qld	Sapphire	66	66	-	-	108	108	59	59	186	186	216	216
	Central	50	50	-	-	99	99	12	12	306	306	75	75
	Monslatt	-	-	-	-	619	619	-	-	2,054	2,054	-	-
	Lancewood	5	5	-	-	23	23	-	-	435	435	1	1
	South	15	15	-	-	27	27	-	-	30	30	6	6
Total (PJ)		**158**	**158**	**-**	**-**	**984**	**984**	**71**	**71**	**3,942**	**3,942**	**298**	**298**
Total (bcf)		**158**	**158**	**-**	**-**	**984**	**984**	**71**	**71**	**3,942**	**3,942**	**298**	**298**

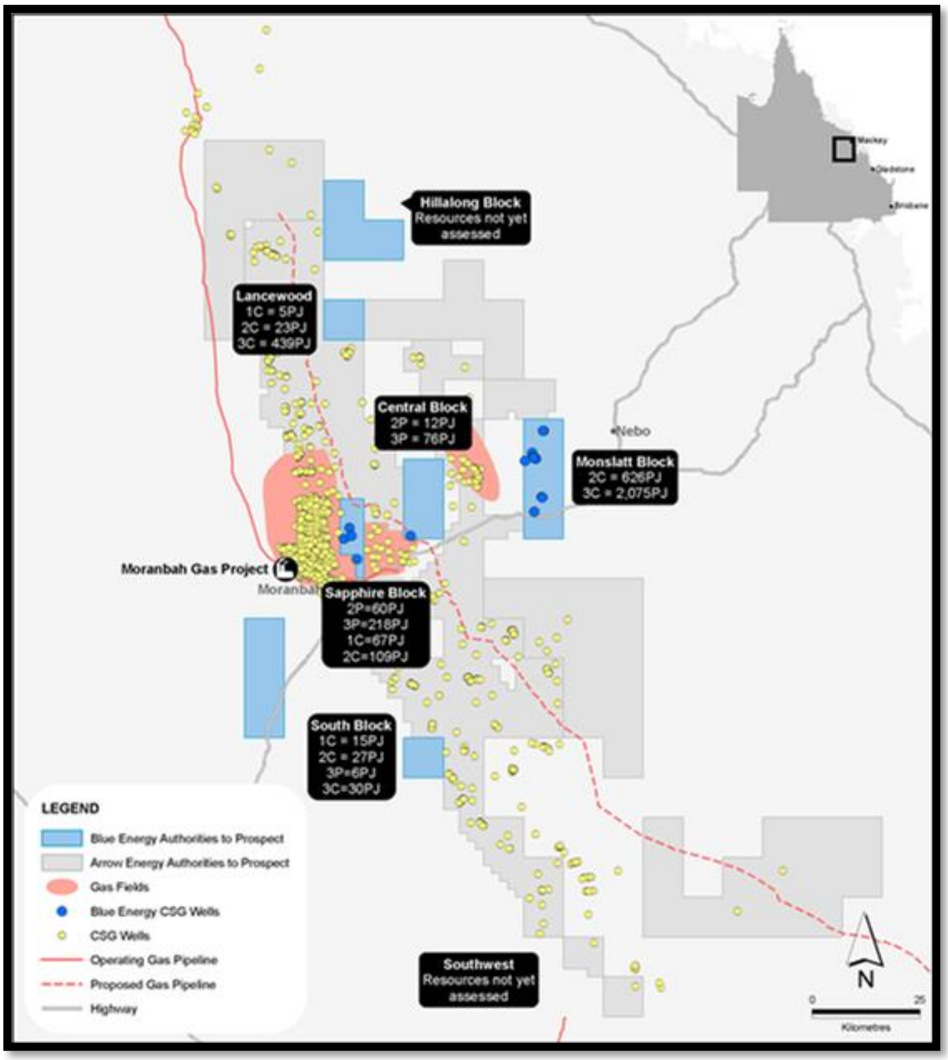
Legend: '-' above indicates a nil or zero value.

Competent Person Statement

The estimates of Reserves and Contingent Resources have been provided by Mr John Hattner of NSAI. Mr Hattner is a full time employee of NSAI, has over 30 years of industry experience and 20 years' 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 report by Mr Hattner have been prepared in accordance with the definitions and guidelines set forth in the 2007 Petroleum and Resource Management System (PRMS) approved by the SPE.

ATP854P – Surat Basin Queensland (Blue Energy 100% - and Operator)

This permit lies immediately east of the main feed gas supply for both the GLNG and APLNG liquefaction plants in Gladstone (ie to the west of Fairview and Spring Gully Gas Fields). The exploration work done by Blue Energy to date has identified a Contingent Gas resource



of 101 PJ in the Late Permian Bandana Formation Coals. Exploration potential for both oil and gas within the permit is still high, with oil prospectivity identified, together with Early Permian gas potential.

Currently the company is looking to market the Contingent Gas Resource to prospective gas buyers in both the domestic and export LNG sectors. Applications have been made to the Department of Natural Resources and Mines for the award of Potential Commercial Areas (PCA's) covering this tenure

ATP814P – Bowen Basin Queensland (Blue Energy 100% - and Operator)

This permit is located in the Bowen Basin in central Queensland adjacent to the township of Moranbah and is surrounded by Arrow Energy's Moranbah Gas Project (MGP) production tenements and exploration licences. The MGP currently produces around 37 TJ/day of gas into the local Ammonium Nitrate industry in Moranbah and to Industry and power generation in Townsville.

Blue Energy's exploration activity in the permit has to date yielded certified 2P reserves of 71 PJ; 3P Reserves of 298 PJ and Contingent Resources of 3,011 PJ. Blue's Reserves and Resources have been estimated by the independent Dallas based Consultancy, Netherland, Sewell and Associates (NSAI).

Blue Energy is actively marketing the 2P reserves in the Sapphire Block of ATP814P which, is in closest proximity to the production facilities of the MGP. Until now, Blue Energy was targeting local potential gas buyers, in and around Moranbah as well as Townsville. Subsequently Blue Energy has entered into a non-Binding Memorandum of Understanding (MoU) with APA Group to investigate the feasibility of a gas export pipeline route from Moranbah to the Gladstone area which would utilise APA's existing gas pipeline infrastructure that would ultimately join the pipeline infrastructure connecting both Gladstone and Wallumbilla. This would therefore see the Bowen Gas Provence (and Blue Energy's reserves) connected to the southern domestic gas market as well as the export LNG facilities on Curtis Island.

Blue Energy is in discussions with southern market gas users as potential buyers for Blue's gas reserves.

ATP1114A, 1117A, 1123A – Southern Georgina Basin Queensland (Blue Energy 100% - and Operator)
The blocks secured by Blue Energy cover an area of approximately 5,630,000 acres (22,788km^2). At this stage, award of the blocks requires both Native Title Agreements to be negotiated and Environmental Authorities to be issued by the Queensland Government. Blue Energy continues discussions with the representatives of the Bularnu Waluwarra and Wangkayujuru People to secure a Native Title Agreement.

ATP613P, 674P & 733P – Maryborough Basin Queensland (Blue Energy 100% - and Operator)
The Company purchased the remaining 25% of ATP 674P and ATP733P during the FY14 from Beach Energy Ltd and now owns 100% of these permits.

Blue Energy continues to pursue tenure issues with the Queensland Regulator in this Basin, namely, to seek a project based consolidation of the existing 3 permits to allow flexibility of work program and relinquishment obligations across a combined project area. This consolidation will allow the ability to select the optimal geological location and minimise duplication of effort and surface impacts.

Blue Energy's permits in the Maryborough Basin are located only 150km south of the Gladstone LNG complex. The Maryborough Basin is significantly under explored (frontier) but is thought to contain significant gas potential.

ATP 656, 657, 658, & 660 Cooper Basin Queensland (Blue Energy 100% - and Operator)
These permits encompass an area of 5,200 square kilometres with the Ballera-to-Mt Isa gas pipeline traversing one of the permits, ATP657P.

These permits have had no exploration conducted over them since the mid-1990s, when they were part of the areas required to be relinquished by the Santos/Delhi-led Joint Venture.

Since that time, the Cooper Basin 'flank oil play' has developed beyond the original Jackson-Naccowlah trend in Queensland and is now well understood and seen to occur on all margins of the basin. As evidenced by the exploration/production fairway along the western flank in the South Australian part of the Basin.

The Bridgeport operated Inland oilfield (discovered in the mid 1990's) lies immediately north of Blue's ATP 657P and highlights the proven nature of the Northern Margin oil play. In addition to this Hutton and Namur Sandstone oil play, the Cuisinier Oil Field (Murta Member play) is located immediately adjacent to Blue's ATP656 and The Santos led Joint Venture has recently commenced a 5 well oil development and nearfield oil exploration program, targeting the Murta and Hutton Sandstone targets.

Greater McArthur Basin Northern Territory (Wiso sub-basin and Southern Georgina Basin) Blue Energy farming in – and Operator)
The potential of the McArthur Basin sequences are continuing to be established across a significant portion of the Northern Territory. Origin Energy has recently established a significant gas resource in the Beetaloo Basin with up to 6 TCF of gas resource identified from its Amugee west 1 well, which was fracture stimulated and tested in 2016/17 targeting the Proterozoic Mid Velkerri Formation.

The new Northern Territory Government has implemented its pre-election policy of initiating a Scientific Enquiry into Hydraulic Fracture Stimulation in the Northern Territory, targeting the "unconventional gas" sector. The new administration has placed a moratorium on fracture stimulation whilst the enquiry panel (headed by Justice Rachel Pepper) deliberates on the scientific basis of the process, together with the social and economic impacts of the unconventional gas industry. It is expected that the Enquiry will report to the NT Chief Minister by Calendar year end 2017, with the administration developing a policy response to the panel's findings sometime after that. In the interim, Blue has sought and been granted a suspension of the permits until such time as the Administration gives direction to industry as to whether fracture stimulation operations will be permitted. Until the NT Administration gives some guidance as to its stance on Fracture Stimulation, Blue Energy's progress on Native Title negotiations in the application areas of the unawarded acreage has stalled.

ATP 813P Galilee Basin Queensland (Blue Energy 100% - and Operator)
ATP813P is located to the north of the Aramac township in central west Queensland. Blue's exploration work on the permit to date has included the drilling of 5 exploration core holes targeting the Late Permian Betts Creek Beds and Aramac Formation. The principal targets in the Galilee Basin are the coal measure sequences in the Late Permian which are known to be prospective for coal seam gas. Blue Energy's exploratory work to date has resulted in 838 PJ of Contingent Resource as estimated by Netherland, Sewell and Associates (Independent reserve certifier out of Dallas).

Blue Energy continues to test the market for this gas as other operators are conducting testing pilot wells to the west of Blue Energy's acreage. Infrastructure in the basin is yet to be developed, and should Adani's Carmichael Coal project go ahead, a potential market will exist for gas in the local region.

Funding Arrangements
The Company continues to hold sufficient cash reserves to enable continued operations. Future capital raising activities will take place if and when the Board deem that such a raising of funds is appropriate. The Directors are mindful of the Company's full exploration expenditure commitments for its various tenements, and as such potential funding options will be considered by the Company to fund these programs. Work programs are subject to change and are at times under negotiation with the regulator.

Financial Position
The net assets of the Consolidated Entity have decreased by $1.14 million from 30 June 2016 to $67,107 million at 30 June 2017. The decrease has largely resulted from operational costs incurred during the financial year.

The Consolidated Entity incurred a loss after income tax for the year of $1.5 million (2016: $1.7 million).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Company and Consolidated Entity during the financial year.

EVENTS AFTER BALANCE DATE

No material events have occurred from balance date up to the release date of this report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company expects to continue to operate as an oil and gas exploration company with specific operational focus on conventional and unconventional exploration within Queensland and the Northern Territory.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group holds various licences to regulate its exploration activities in Australia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its exploration activities.

All exploration activities have been undertaken in compliance with all relevant environmental regulations, and authorities granted to it to undertake exploration activities.

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

The Company has an insurance policy in place to provide Directors' and Officers' liability insurance pursuant to a Deed of Indemnity entered into by the Company with each Director and certain Officers of the Group. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' liability as such disclosures are prohibited under the terms of the contract.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

The Company has not otherwise during or since the end of the financial year indemnified or agreed to indemnify an officer or auditor of the Company or any related body corporate against a liability incurred as such an officer or auditor.

REMUNERATION REPORT (Audited)

The Company's broad remuneration policy is to ensure each remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

The objective of the Company's executive reward framework, which currently applies to Mr John Phillips (MD), and Mr John Ellice-Flint (Executive Chairman), is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward.

The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness,
- acceptability to shareholders,
- transparency, and
- capital management.

The Company has structured an executive remuneration framework that is market competitive and compliments to the reward strategy of the organisation. The Company may grant Incentive rights under the Employee Incentive Rights Plan (EIRP) which comprise retention rights and performance rights. For retention rights to vest the employee must remain with the Company for a period of 3 years from the effective issue date. The portion of performance rights that vest is determined by Blue Energy's total shareholder return (TSR) as determined by an independent advisor over the 3 year period from the effective issue date. The minimum compound annual TSR for the three years is 15% which results in a 25% vesting rate for the employee. At present, the Board has determined that the issue of performance rights will be limited to those individuals (Key Management Personnel) who have a direct ability to influence the performance of the Company.

2017

	Salary & fees	Super-annuation	Options/ Rights	Total	Proportion of Remuneration Performance Related	Value of Options/Rights as a Proportion of Remuneration
	$	$	$	$	%	%
Directors						
K Johnson(3)	60,000	-	5,000	65,000	0%	8%
R Cameron(3)	60,000	-	5,000	65,000	0%	8%
TOTAL	120,000	-	10,000	130,000	0%	8%
Executive Directors						
J Phillips(1)	384,561	36,533	226,164	647,258	35%	35%
J Ellice-Flint(2)	200,000	18,180	76,238	294,418	26%	26%
TOTAL	584,561	54,713	302,402	941,676	32%	32%
TOTAL	704,561	54,713	312,402	1,071,676	29%	29%

(1) Mr Phillips has been issued 18,462,000 performance rights under the EIRP (EIRP approved at AGM - 22 November 2016)
(2) Mr Ellice-Flint has been issued 6,154,000 performance rights under the EIRP (EIRP approved at AGM - 22 November 2016)
Ms K Johnson and Mr R Cameron have each been issued 385,000 performance rights under the EIRP in lieu of Director's fees of $5,000 (EIRP approved at AGM - 22 November 2016)

2016

	Salary & fees	Super-annuation	Options/ Rights	Total	Proportion of Remuneration Performance Related	Value of Options/Rights as a Proportion of Remuneration
	$	$	$	$	%	%
Directors						
K Johnson	60,000	-	5,000	65,000	0%	8%
R Cameron	60,000	-	5,000	65,000	0%	8%
TOTAL	120,000	-	10,000	130,000	0%	8%
Executive Directors						
J Phillips(1)	292,238	27,762	174,611	494,611	35%	35%
J Ellice-Flint(2)	189,500	28,502	15,588	233,590	7%	7%
TOTAL	481,738	56,264	190,199	728,201	26%	26%
TOTAL	601,738	56,264	200,199	858,201	22%	22%

(1) Mr Phillips has been issued 19,200,000 performance rights under the EIRP (approved at AGM on 22nd November 2016), of which 6,400,000 performance rights are in recognition of voluntarily deferring 20% of fixed remuneration from 1 April 2015 to 30 June 2016.
(2) Mr Ellice-Flint was issued 6,400,000 performance rights under the EIRP and been granted a new tranche of 41,236,500 options with a vesting date of 30 June 2017 which require a $300m market capitalisation by that date to vest. The options have an expiry date of 30 June 2019. (Approved at AGM 22 November 2016)
(3) Ms K Johnson and Mr R Cameron have each been issued 880,000 performance rights under the EIRP in lieu of Director's fees of $5,000, (Approved at AGM 22 November 2016).

Details of Remuneration of Directors and Other Key Management Personnel

Directors
On appointment to the Board, all Directors agree to terms of appointment as set out in a letter of appointment. The letter sets out the remuneration applicable and other matters such as general Directors' duties, compliance with the Company's Corporate Governance Policies, access to independent professional advice and confidentiality obligations.

The Chairman, provided they are Non-executive, receives fees of $85,000 (2016: $85,000) per annum, Blue Energy currently has an executive Chairman, Mr John Ellice-Flint whose remuneration is detailed below. Directors receive fees of $60,000 (2016: $60,000) per annum, inclusive of compulsory superannuation where applicable. Directors who are appointed to committees of the Board receive an additional $5,000 (2016: $5,000) per annum per committee position inclusive of compulsory superannuation where applicable. The Risk and Audit Committee ('RAC') fees have been voluntarily deferred by the non-executive directors since 1 July 2015. In the August 2017 Board meeting the Company resolved to award 385,000 (2016: 880,000) performance rights in accordance with the EIRP to Mr Rod Cameron and Mrs Karen Johnson in lieu of RAC fees foregone. The performance rights are in accordance with the EIRP which was approved at AGM on 22 November 2016. There are no termination payments applicable. The terms of appointment also include the reimbursement of reasonable business-related expenses including accommodation and other expenses that a Director or other Executive properly incurs in attending meetings of Directors or any meetings of committees of Directors, in attending any meetings of Members and in connection with the business of the Company. A Director may be paid fees or other amounts as the Directors determine where a Director performs duties or provides services outside the scope of their normal Director's duties. Mr S Han, and Mr I Woo in accordance with an agreement with KOGAS, have not been paid Directors Fees by Blue Energy.

Mr John Phillips (MD/CEO) – Mr Phillips contract was renewed in August 2016 on the same fixed remuneration as the 31 March 2014 contract, with the contract term for the current contract running until 1 July 2020, and effective from 1 April 2016 and incorporates various termination clauses in the event of breaches by either party up to a maximum of six months' total fixed remuneration in lieu of notice or otherwise on three months' notice. In June 2017, Mr Phillips has been awarded 18,462,000 (2016: 19,200,000) performance rights under the EIRP which was AGM approved on 22 November 2016.

Mr John Ellice-Flint (Executive Chairman) - On 15 February 2012, the Company entered into a employment agreement with Mr John Ellice-Flint which was approved by Shareholders (5 April 2012) confirming his appointment as a Director. The employment agreement provides that a termination payment equal to one year's base salary if the Company terminates Mr Ellice-Flint's employment other than in certain circumstances. Mr Ellice-Flint can terminate the agreement by giving one month's notice to the Company. The agreement terminates automatically if he is removed as a Director under Part 2D.6 of the Corporations Act and Mr Ellice-Flint must resign as a director if his employment agreement is terminated for any reason. Mr Ellice-Flint does not receive any additional fees as Chairman. In June 2017 Mr Ellice-Flint has been awarded 6,154,000 (2016: 6,400,000) performance rights under the EIRP which was AGM approved on 22 November 2016.

Other Key Management Personnel
Key Management Personnel may be employed by the Company under a contract.
At the date of this report, no other employees were considered to be key management personnel.

Elements of Remuneration Related to Performance

Mr John Phillips and Mr John Ellice-Flint's remuneration is linked to market based performance conditions such as market capitalisation and total shareholder return (TSR). These performance conditions are in line with industry standards and practice and are also believed to align the interests of directors and executives with those of the Company's shareholders.

No element of the other Director's or Executive's remuneration is currently dependent on the satisfaction of a related individual performance condition.

Interests in Options and Employee Incentive Rights of the Company

The movement in the number of options and employee incentive rights over ordinary shares in Blue Energy Limited held directly, indirectly or beneficially, by each Key Management Person, including their related parties, is as follows:

2017	Balance at 30 June 2016 Number	Granted as compensation Number	Exercised Number	Expired Number	Ceased being KMP Number	Balance at 30 June 2017 Number	Vested and Exercisable at 30 June 2017 Number (1)	Expensed during year ended 30 June 2017 $	Percentage remuneration represented as options/rights %
Directors									
J Phillips	30,059,467	18,462,000	(514,467)(1)	(10,345,000)	-	37,662,000	-(1)	226,165	35%
J Ellice-Flint	47,636,500	6,154,000	-	(41,236,500)	-	12,554,000	-	76,238	26%
R Cameron	880,000	385,000	-	-	-	1,265,000	-	5,000	8%
K Johnson	880,000	385,000	-	-	-	1,265,000	-	5,000	8%
TOTAL	79,455,967	25,386,000	(514,467)	(51,581,500)	-	52,746,000	-	312,402	29%

(1) The fair value (on issue) of vested incentive rights for Mr John Phillips was $31,841 as at 30 June 2016 and they were issued in the form of $1,000 cash during July 2016 and 472,726 shares during August 2016 in accordance with the EIRP rules.

Value of Employee Incentive Rights issued to Directors and Other Key Management Personnel

During the financial year employee incentive rights were granted as equity compensation benefits under the terms of agreements with key management personnel as disclosed below. The employee incentive rights were granted for $nil consideration. Each employee incentive right entitles the holder to subscribe for one fully paid ordinary share in Blue Energy at the stated exercise price.

2017		Vested	Granted	Terms and Conditions of Each Grant		
	Rights	Number	Number	Grant Date	Fair Value per right at grant date(2) $	Exercise price per share $
Directors						
J Phillips	Performance	-	19,200,000	22/11/16	0.014	nil
	Performance		18,462,000	30/6/17	0.05934	nil
J Ellice-Flint	Performance	-	6,400,000	22/11/16	0.014	nil
	Performance		6,154,000	30/6/17	0.05934	nil
R Cameron	Performance	-	880,000	22/11/16	0.014	nil
	Performance		385,000	30/6/17	0.05934	nil
K Johnson	Performance	-	880,000	22/11/16	0.014	nil
	Performance		385,000	30/6/17	0.05934	nil
		-	52,746,000			

(1) The cost of the award is recognised over the period of service to which it relates. For valuation purposes in order to recognise the expense up to 30/06/2017, a grant date of 30/06/2017 was used.
(2) Estimate for the purpose of recognising the cost of service in the current financial year.

None of the options or employee incentive rights issued during the financial year by the Company to current Directors or Key Management Personnel are quoted on the Australian Stock Exchange or had been exercised during the financial year or up to the date of this report.

Interests in Shares of the Company

The movement during the year in the number of ordinary shares in the Company held directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

2017	Balance at 30 June 2016 Number	Granted as compensation Number	On exercise of Rights Number	Off Market Purchase Number	Net Change Other* Number	Balance at 30 June 2017 Number	Balance held nominally at 30 June 2017
Directors							
J Phillips	714,062	-	472,726	-	-	1,186,788	-
R Cameron	4,000,000	-	-	-	-	4,000,000	4,000,000
John Ellice-Flint	54,795,241	-	-	56,300,000	-	111,095,241	111,095,241
TOTAL	59,509,303	-	472,726	56,300,000	-	116,282,029	115,095,241

Unissued Shares for Key Management Personnel at Balance Date

At balance date there were no unissued ordinary shares under option and 52,746,000 unissued ordinary shares under KMP employee incentive rights (Nil and 52,746,000 respectively at the date of this report). Refer to the table below and Note 5.1 – Issued Capital for details. Note 5.1 also includes non KMP unissued shares.

Option Details

Grant Date	Exercise Date	Expiry Date	Exercise Price $	Fair value at Grant Date[1] $	Number of options at beginning of period	Options Granted	Options Lapsed	Options Exercised	Number of options at 30 June 2017	Number of options vested and exercisable at 30 June 2017
22/11/2016	30/06/2017	30/06/2019	0.0625	0.00006	41,236,500[2]	-	41,236,500	-	-	-
					41,236,500	-	41,236,500	-	-	-

(1) Estimate for purposes of recognising the cost of service in the relevant financial year. The share price for the purpose of estimating the cost of service was that as at 30 June 2016, $0.0022.

(2) All of these options had previously been awarded to Mr J Ellice-Flint

None of the options issued by the Company are quoted on the Australian Stock Exchange.

No options over shares lapsed between 30 June 2017 and the date of this report.

The options do not entitle the holder to participate in any dividends or pro-rata share issues of the Company. The options, upon AGM approval, will entitle the holder to one Blue Energy Limited Ordinary Share per option that is exercised. Exercise date and testing date was 30/06/2017 and required a $300m market capitalisation of the Company by 30/06/2017 for vesting to occur. The expiry date for the options was 30/06/2019 if they vested at 30/06/2017. The options had a $0.0625 exercise price. The options lapsed at 30 June 2017 as they failed to meet the exercise requirement.

For comparative information, refer to Note 5.1.

Rights Details

Effective Grant Date	Exercise Date	Type of Right	Exercise Price $	Fair value at Grant Date $	Number of Rights at beginning of period	Rights Granted	Rights Lapsed[1]	Rights Vested[2]	Ceased being KMP	Number of Rights at 30 June 2017
01-Jul-13	30-Jun-17*	Performance	nil	$0.019	10,345,000	-	10,345,000	-	-	-
30-Jun-16	30-Jun-18	Performance	nil	$0.014	27,360,000	-	-	-	-	27,360,000
30-Jun-17	30-Jun-19	Performance	nil	$0.05934	-	25,386,000	-	-	-	25,386,000
					37,705,000	25,386,000	10,345,000	-	-	52,746,000

(1) Percentage of KMP rights lapsed during the year was 19%

(2) Percentage of KMP rights vested during the year was 0%. The rights vested in prior years were issued in the form of $1,000 cash during July 2016 and 472,726 shares during August 2016 in accordance with the EIRP rules.

* As part of the terms of this tranche of rights as the conditions are not met on the testing date of 30/06/16, they were re-tested 12 months later being 30/06/17. At this point the conditions were still not met so the performance rights lapse.

The fair value of performance rights granted when last granted was calculated using the Monte-Carlo pricing model utilising the following inputs:

	Note
- Vesting Period	3 Years
- Expiration Period	4 Years

None of the employee incentive rights issued by the Company are quoted on the Australian Stock Exchange.

No KMP incentive rights over shares lapsed between 30 June 2017 and the date of this report. During July 2016, the payment of $1,000 cash in accordance with the Employee Incentive Rights Plan rules occurred relating to the vesting of KMP incentive rights. This payment reduces the number of rights employees are entitled to by the value of the payment accordingly. Additionally, during August 2016 472,726 shares were issued to Mr J Phillips in relation to vested incentive rights.

Employee Options and Incentive Rights
The Company has an Employee Incentive Rights Plan ("EIRP") first implemented in 2010/11. The EIRP was again approved, with amendments, by shareholders at the 2016 AGM for a further three year period.
Incentive rights under the EIRP comprise retention rights and performance rights. For retention rights to vest the employee must remain with the Company for a period of 3 years from the effective issue date. The portion of performance rights that vest is determined by Blue Energy's total shareholder return (TSR) as determined by an independent advisor over the 3 year period from the effective issue date. The minimum compound annual TSR for the three years is 15% which results in a 25% vesting rate for the employee. At present, the Board has determined that the issue of performance rights will be limited to those individuals (Key Management Personnel) who have a direct ability to influence the performance of the Company.

On vesting, the first $1,000 of shares is paid in cash, and the balance of incentive rights will either be issued as Restricted Shares to the employee or the Company will arrange for them to be acquired for the employee's benefit by the trustee of the Blue Energy Employee Share Trust (Blue Energy EST). When Shares are to be acquired by the Blue Energy EST, the employer or Blue Energy will contribute the market value of the Shares at the time to be acquired to the trustee of the Blue Energy EST and the trustee shall apply those funds to acquire Shares by on-market purchase or subscription to a new issue as directed by the Board of Blue Energy. Restricted Shares means that they may not be sold or otherwise disposed of until first advised by the Company, which the Company shall do at the first opportunity to do so, when Shares may be sold without breaching the insider trading provisions of the Corporations Act 2001 or the Company's securities trading policy. At 30 June 2017, 898,645 shares have been issued or are held by the Blue Energy EST.

Overview of Company Performance
The Company is currently non revenue generating and has had (losses) of ($1.5m) (2016: $1.7m), and a closing share price of $0.079 (2016: $0.022) for the financial year ended 30/06/2017.

DIRECTORS' MEETINGS

The number of meetings of Directors (and Committees of Directors) held and number of meetings attended by each of the Directors of the Company during the financial year was as follows:

	Numbers of meetings of full Board		Risk and Audit Committee	
	Held	**Attended**	**Held**	**Attended**
J Ellice-Flint	11	11	*	*
J Phillips	11	11	*	*
R Cameron	11	11	3	3
K Johnson	11	11	3	3
S Han	11	8	*	*
I Woo (Alternate for Mr Han)	11	1	*	*

* Not a member of the relevant Committee.

The Nomination and Environmental Committee functions are currently handled by the full Board of Directors. This is considered appropriate at the current stage of the Company's development but will be reviewed from time to time.

PROCEEDINGS ON BEHALF OF THE COMPANY

At 30 June 2017 no person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

CORPORATE GOVERANCE STATEMENT

To ensure the Company operates effectively and in the best interests of shareholders, having regard to the nature of the Company's activities and its size, the Board has adopted the revised Corporate Governance Principles and Recommendations 3rd Edition (as amended at 30 June 2014) issued by the ASX Corporate Governance Council. The Company's Corporate Governance Statement and Appendix 4G are available on the Company's website www.blueenergy.com.au.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 13 and forms part of the Directors' Report for the year ended 30 June 2017.

NON-AUDIT SERVICES

The Group's auditor, Ernst & Young, did not provide any non-audit services during the financial year. Generally, where non-audit services are provided by the Group's auditor, the Directors must be satisfied that the provision of the non-audit service is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided must not compromise the general principles relating to Auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191, dated 24 March 2016, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report and financial report. Amounts in the Directors' Report and financial report have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in some cases, to the nearest dollar.

This report has been signed in accordance with a resolution of the Board of Directors made pursuant to s298 (2) of the *Corporations Act 2001*.

For and on behalf of the Directors:

Rodney Cameron
Deputy Chairman

Brisbane
19 September 2017

Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia
GPO Box 7878 Brisbane QLD 4001

Tel: +61 7 3011 3333
Fax: +61 7 3011 3100
ey.com/au

Auditor's independence declaration to the Directors of Blue Energy Limited

As lead auditor for the audit of Blue Energy Limited for the financial year ended 30 June 2017, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit*;* and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Blue Energy Limited and the entities it controlled during the financial year.

Ernst & Young

Tom du Preez
Partner
Brisbane
19 September 2017

Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia
GPO Box 7878 Brisbane QLD 4001

Tel: +61 7 3011 3333
Fax: +61 7 3011 3100
ey.com/au

Independent Auditor's Report to the Members of Blue Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Blue Energy Limited and it's controlled entities (the Group), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2017 and of its financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 2.1.2 in the financial report which describes the principal conditions associated the entity's ability to meet its exploration and evaluation commitments with its existing cash reserves and as a result uncertainty regarding the entity's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated Group's ability to continue as a going concern and therefore, the consolidated group may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial report.

Carrying Value of Capitalised Exploration and Evaluation Expenditure

Why significant	How our audit addressed the key audit matter
The Group is primarily focused on securing and exploring potential Hydrocarbon reserves. As the majority of the assets on the statement of financial position represent capitalised exploration and evaluation expenditure and due to the nature of the entity, being in the junior phase of its life cycle producing very little revenue, this matter has been deemed significant. As disclosed in note 3.1, the Group held capitalised exploration and evaluation expenditure of $65.3 million as at 30 June 2017. The carrying value of exploration and evaluation assets is subjective as it is based on the Group's ability and intention to continue to explore the asset. The carrying value may also be impacted by the results of exploration and evaluation work indicating that the reserves may not be commercially viable for extraction. This creates a risk that the amounts stated in the financial report may not be recoverable. During the period, the Group remained at low levels of activity and capitalised $0.9m of exploration and evaluation costs. The Group evaluated during the period, the relevant indicators of impairment, and concluded that there were no indicators present to indicate any impairment.	Our audit procedures included the following: ► considered the Group's right to explore in the relevant exploration area which included obtaining and assessing supporting documentation such as license agreements. ► considered the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration area which included an assessment of the Group's future cash flow forecasts and enquired of management and the Board of Directors as to the intentions and strategy of the Group. ► assessed recent exploration activity in each material exploration license area to determine if there are any negative indicators that would suggest a potential impairment of the capitalised exploration and evaluation expenditure. ► considered the Group's assessment of the commercial viability of results relating to exploration and evaluation activities carried out in the relevant license area. We identified similar exploration entities in the early stages of exploration and evaluation and compared their relative market capitalisation to known reserves, using available external market data.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2017 Annual Report other than the financial report and our auditor's report thereon. We obtained the Directors' Report that is to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 11 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Blue Energy Limited for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001.*

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Tom Du Preez
Partner
Brisbane
19 September 2017

Consolidated Statement of Comprehensive Income
FOR YEAR ENDED 30 JUNE 2017

	Note	2017 $'000	2016 $'000
Other income	6.1	101	240
Total Revenue		**101**	**240**
Operating and administration expenses	6.3	(1,241)	(1,621)
Asset impairment expense	6.3	-	(47)
Expenses for equity settled share based payments		(312)	(200)
Loss from continuing operations before income tax		**(1,452)**	**(1,628)**
Income tax benefit/(expense)	6.4	-	(80)
Loss after income tax expense		**(1,452)**	**(1,708)**
Total comprehensive loss for the year		**(1,452)**	**(1,708)**
Total comprehensive loss for the year attributable to:			
Owners of the parent		**(1,452)**	(1,708)
Total comprehensive loss for the year		**(1,452)**	**(1,708)**
Loss per share (cents per share):			
- basic	6.5	(0.13)	(0.15)
- diluted	6.5	(0.13)	(0.15)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

AS AT 30 JUNE 2017

	Note	2017 $'000	2016 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	4.1	2,536	4,595
Trade and other receivables		44	62
Inventories		82	82
Total Current Assets		**2,662**	**4,739**
Non-Current Assets			
Property, plant and equipment		33	51
Trade and other receivables		169	169
Exploration & evaluation expenditure	3.1	65,308	64,412
Total Non-Current Assets		**65,510**	**64,632**
TOTAL ASSETS		**68,172**	**69,371**
LIABILITIES			
Current Liabilities			
Trade and other payables	4.3	314	369
Total Current Liabilities		**314**	**369**
Non-Current Liabilities			
Long term provisions	3.2.3	751	755
Total Non-Current Liabilities		**751**	**755**
TOTAL LIABILITIES		**1,065**	**1,124**
NET ASSETS		**67,107**	**68,247**
EQUITY			
Issued capital	5.1	130,767	130,711
Reserves	5.2	9,911	9,655
Accumulated losses		(73,571)	(72,119)
TOTAL EQUITY		**67,107**	**68,247**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2017

	Issued Capital $'000	Accumulated Losses $'000	Reserves $'000	Total Equity $'000
Balance at 1 July 2015	**130,631**	**(70,411)**	**9,455**	**69,675**
Total comprehensive loss				
Loss for the year	-	(1,708)	-	(1,708)
Total comprehensive loss for the year	-	(1,708)	-	(1,708)
Transaction with owners in their capacity as owners				
Income tax expense reported in equity	80	-	-	80
Option expense – share based payments	-	-	200	200
Total transactions with owners	80	-	200	280
Balance at 30 June 2016	**130,711**	**(72,119)**	**9,655**	**68,247**
Total comprehensive loss				
Loss for the year	-	(1,452)	-	(1,453)
Total comprehensive loss for the year	-	(1,452)	-	(1,453)
Transaction with owners in their capacity as owners				
Option expense – share based payments	-	-	312	313
Transfer from options reserve to share capital	56	-	(56)	-
Total transactions with owners	56	-	256	313
Balance at 30 June 2017	**130,767**	**(73,571)**	**9,911**	**67,107**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 $'000	2016 $'000
Cash flows from operating activities			
Receipts of refunds of GST and other tax credits		104	120
Receipt of R&D tax refund		-	1,837
Payments to employees		(442)	(449)
Payments to suppliers		(1,008)	(1,235)
Interest received		91	154
Net cash flows used in operating activities	**4.1**	**(1,255)**	**427**
Cash flows from investing activities			
Purchase of property, plant and equipment		-	(13)
Funds provided for exploration and evaluation		(820)	(710)
Proceeds from sale of property, plant and equipment		16	146
Net cash flows used in investing activities		**(804)**	**(577)**
Cash flows from financing activities			
Proceeds from share issue		-	-
Capital raising costs		-	-
Net cash flows provided by financing activities		**-**	**-**
Net (decrease)/increase in cash and cash equivalents held		(2,059)	(150)
Cash and cash equivalents at beginning of financial year	4.1	4,595	4,745
Cash and cash equivalents at end of financial year	**4.1**	**2,536**	**4,595**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. CORPORATE AND GROUP INFORMATION

The financial statements of Blue Energy Limited and controlled entities for the financial year ended 30 June 2017 were authorised for issue in accordance with a resolution of the directors on 19 September 2017. Blue Energy Limited is a for-profit company limited by shares, incorporated and domiciled in Australia and whose shares are publicly traded on the Australian Stock Exchange. The registered office and principal place of business is located at Level 3, 410 Queen Street, Brisbane, Queensland 4000.

The consolidated financial statements include the financial statements of Blue Energy Limited and the subsidiaries listed in the following table.

Name	State/Country of Incorporation	Percentage Owned (%) 2017	2016
Blue Energy (Qld) Pty Ltd	New South Wales	100%	100%
Eureka Petroleum Pty Ltd	Queensland	100%	100%
Kompliment Pty Ltd	Western Australia	100%	100%
Everdue Pty Ltd	Western Australia	100%	100%
Energy Investments PNG Pty Ltd	Western Australia	100%	100%
Galilee Pipelines Pty Ltd	Queensland	100%	100%
Blue Energy (Wiso) Pty Ltd	Queensland	100%	100%
Blue Energy (Maryborough) Pty Ltd	Queensland	100%	100%

The Group has one business activity, being the exploration for gas and petroleum resources. This activity is carried out in a single significant geographical segment, being Australia, principally in Queensland.

The financial statements of Blue Energy Limited and controlled entities and Blue Energy Limited as an individual parent entity, complies with International Financial Reporting Standards (IFRS),adopted by the International Accounting Standards Board (IASB), in their entirety.

2. BASIS OF PREPARATION AND OTHER SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

2.1.1. Overview

The financial statements of Blue Energy Limited and its controlled entities are general purpose financial statements which have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards, Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial statements have been prepared on an accrual and historical costs basis, modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. Comparatives between the 2016 and the 2017 year-end balance dates are provided for the Consolidated Entity. When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

The financial statements are presented in Australian dollars.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191, dated 24 March 2016 and in accordance with that Instrument, amounts in the financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

2.1.2 Going concern

As the Company's assets are in the exploration and evaluation phase, Blue Energy Limited is currently non-revenue generating. As such, a major focus of the Board and management is on ongoing cash flow forecasting and management of cash flows to ensure that the Company has sufficient funds to cover its planned activities and any ongoing obligations.

At 30 June 2017, the Company had $2.5 million in cash and cash equivalents. The Board is satisfied that the Company's current cash resources and return from cash investments are sufficient to fund the Company's minimum expenditure commitments for a period of at least 12 months from the date of signing this report.

2.1.2 Going concern (continued)

However, the Company's cash and cash equivalents at 30 June 2017 are not sufficient for it to meet its full exploration expenditure commitments for its various tenements prior to the tenure lapsing or facilitate an expanded exploration program should the Company elect to do so. This being the case, the Company is:

- Negotiating with government on revised work programs and extensions of tenure;
- Considering Joint Venture partners to enable it to meet required exploration commitments, in exchange for an interest in the tenements, and
- Considering other alternative funding options including equity funding options.

In addition to the close management of cash inflows, the Company has significant ability to slow or defer spending on its major activities to ensure it is able to meet its obligations when they fall due, including deferring expenditure on the planned exploration program for the 2017 financial year.

On the basis of the above, the Directors are of the opinion the Company has sufficient funds to meet its debts as and when they fall due and realise its assets and settle its liabilities in the ordinary course of business. Accordingly, the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities may be necessary should the Company be unsuccessful in renegotiating or deferring its exploration expenditure commitments, attracting joint venture partners the Company's exploration expenditure commitments and/or raising additional capital.

2.1.3. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2017. All Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.
The group has retained 100% ownership of all of its subsidiaries throughout the year ended 30 June 2017 (2016: 100%). All accounting policies of the subsidiaries are consistent with the policies adopted by the Parent.

2.2. Significant accounting policies

The Group has included the various accounting policies within each of related qualitative and quantitative associated notes below.
The following accounting policies are also significant to the group.

2.2.1. Impairment of assets

At each reporting date, the Consolidated Entity reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash generating unit to which the asset belongs.

2.3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in the associated notes, the Directors make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience, the best available current information and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2.3.1. Recovery of deferred income tax assets

Judgement is required in determining whether deferred income tax assets are recognised in the statement of financial position. Deferred income tax assets, including those arising from un-utilised tax losses, require management to assess the likelihood that the Group will generate sufficient taxable earnings in future periods, in order to utilise recognised deferred income tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred income tax assets recorded at the reporting date could be impacted. In addition, future changes in tax laws could limit the ability of the Group to obtain tax deductions in future periods.

2.3.2. Reserve and resource estimates

Hydrocarbon reserves are estimates of the amount of hydrocarbons that can be economically and legally extracted from the Group's oil and gas tenements. The Group estimates its commercial reserves and resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the hydrocarbon body and suitable production techniques and recovery rates. Commercial reserves are determined using estimates of oil and gas in place, recovery factors and future commodity prices, the latter having an impact on the total amount of recoverable reserves. Future development costs are estimated using assumptions as to the number of wells required to produce the commercial reserves, the cost of such wells and associated production facilities, and other capital costs. The carrying amount of oil and gas development and production assets at 30 June 2017 is shown in Note 3.1.

2.3.2 Reserve and resource estimates (continued)

The Group estimates and reports hydrocarbon reserves in line with the principles contained in the SPE Petroleum Resources Management Reporting System (PRMS) framework. As the economic assumptions used may change and as additional geological information is obtained during the operation of a field, estimates of recoverable reserves may change. Such changes may impact the Group's reported financial position and results, which include:

The carrying value of exploration and evaluation assets may be affected due to changes in estimated future cash flows;

- Depreciation and amortisation charges in the statement comprehensive income may change where such charges are determined using the UOP method, or where the useful life of the related assets change;
- Provisions for decommissioning may change — where changes to the reserve estimates affect expectations about when such activities will occur and the associated cost of these activities;
- The recognition and carrying value of deferred tax assets may change due to changes in the judgements regarding the existence of such assets and in estimates of the likely recovery of such assets.

2.3.3. Exploration and evaluation assets

The Group's policy for exploration and evaluation is outlined in Note 3.1. The application of this policy requires management to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future sale or exploitation, then the relevant capitalised amount will be written off through the Statement of Comprehensive Income.

2.3.4. Share based payments

In the determination of share based payment expenses, judgement is involved in the determination of the non-market vesting conditions of share based payments. The non-market vesting condition requiring judgement is the likelihood of service conditions being met. Market based vesting conditions calculations were determined upon the issue of rights or options in question and were performed by external advisors.

2.3.5. Provision for rehabilitation

Land rehabilitation costs will be incurred by the Group either while operating, or at the end of the operating life of, the Group's facilities and oil and gas properties. The Group assesses its oil and gas rehabilitation provision at each reporting date. The Group recognises a rehabilitation provision where it has a legal and constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. The nature of these restoration activities includes: dismantling and removing structures; rehabilitating well sites and dams or ponds; closing plant and waste sites; and restoring, reclaiming and revegetating affected areas.

2.4 New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods. As at balance date, the following standards and interpretations had been issued/revised but were not yet effective:

Title	Effective date for the Group	Effective Date
AASB 9: *Financial Instruments*	1 July 2018	1 January 2018
AASB15: Revenue from Contracts with Customers	1 July 2018	1 January 2018
AASB16: Leases	1 July 2019	1 January 2019

Management is currently assessing the effects of applying the new standards. At this stage, the Group is not able to estimate the effect of the new standards on the Group's financial statements. The Group will make more detailed assessments of the effect over the next twelve months.

3. INVESTED CAPITAL

3.1. Exploration and evaluation expenditure

The ultimate recoupment of the expenditure on oil and gas interests is dependent upon successful development and commercial exploitation or alternatively the sale of the respective areas of interest at amounts at least equal to the book value.

	2017 $'000	2016 $'000
Exploration and evaluation expenditure acquired and recognised on consolidation	13,648	13,648
Other exploration and evaluation expenditure capitalised	77,715	76,814
Restoration asset (Note 3.2.3)	739	742
Less: Impairment of exploration & evaluation expenditure previously capitalised	(26,794)	(26,792)
Total exploration & evaluation expenditure	**65,308**	**64,412**

3.1 Exploration and evaluation expenditure (continued)

Exploration and evaluation expenditure Accounting Policy

Exploration, evaluation and development expenditure is accounted for using the successful efforts method of accounting.

(i) Pre-licence costs:

Pre-licence costs are expensed in the period in which they are incurred.

(ii) Licence and property acquisition costs:

Exploration licence and leasehold property acquisition costs are capitalised in intangible assets.

Licence and property acquisition costs are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. This review includes confirming that exploration drilling is still under way or firmly planned, or that it has been determined, or work is under way to determine that the discovery is economically viable based on a range of technical and commercial considerations and that sufficient progress is being made on establishing development plans and timing. If no future activity is planned or the licence has been relinquished or has expired, the carrying value of the licence and property acquisition costs are written off through the statement of other comprehensive income. Upon recognition of proved reserves and internal approval for development, the relevant expenditure is transferred to oil and gas properties.

(iii) Exploration and evaluation costs

Exploration and evaluation activity involves the search for hydrocarbon resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Once the legal right to explore has been acquired, costs directly associated with an exploration well are capitalised as exploration and evaluation intangible assets until the drilling of the well is complete and the results have been evaluated. These costs include directly attributable employee remuneration, materials and fuel used, rig costs and payments made to contractors.

If no potentially commercial hydrocarbons are discovered, the exploration asset is written off through the statement of other comprehensive income as a dry hole. If extractable hydrocarbons are found and, subject to further appraisal activity (e.g., the drilling of additional wells), it is probable that they can be commercially developed, the costs continue to be carried as an intangible asset while sufficient/continued progress is made in assessing the commerciality of the hydrocarbons.

When proved reserves of oil and natural gas are identified and development is sanctioned by management, the relevant capitalised expenditure is first assessed for impairment and (if required) any impairment loss is recognised, then the remaining balance is transferred to oil and gas properties. No amortisation is charged during the exploration and evaluation phase.

All capitalised costs are subject to technical, commercial and management review, as well as review for indicators of impairment at least once a year. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off through the statement of other comprehensive income.

3.2. Commitments

3.2.1. Exploration commitments

All oil and gas exploration tenements, as a general rule, are granted with attached statutory work obligations. These work obligations can in certain circumstances and from time to time, be varied through negotiation with the respective State Regulator. Funding of these work obligations can be undertaken in several different ways. A company may choose to farm down (reduce) its equity in a respective tenement in return for a free carry of the work program by a farminee; A company could alternatively choose to monetise another existing asset to raise funds to undertake the work program; or a company may decide to issue equity (shares) and raise capital from investors for a specific work program on exploration tenements. In the overarching permit and capital management environment of a company may also, interrogate the seriatim of opportunities the company has, and decide that some assets (tenements) are of higher technical risk, or lower potential economic return in the current macro environment and therefore should be relinquished by the company without committing further capital. This would then eliminate the work program and the tenement from the asset inventory. All these options remain available to Blue Energy in its management of its exploration tenements going forward.

3.2.2. Operating lease commitments

The Consolidated Entity leases office premises and car parking under a non-cancellable operating lease. The lease commenced April 2014 and runs for 6 years terminating on 31 March 2020 and has an escalation clause of the higher of 2.5% or CPI capped at 4.5% per annum. There are no renewal rights on the leases.

	2017 $'000	2016 $'000
Within 1 year	178	174
After 1 year but no more than 5 years	323	501
Total	**501**	**675**

Lease accounting policy
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys a right to use the asset.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

3.2.3. Provisions

	2017 $'000	2016 $'000
Non current		
Provision for restoration and rehabilitation[1]	739	742
Provision for long service leave	12	13
Balance at 30 June	**751**	**755**

[1] Future estimated costs for the restoration and rehabilitation of areas affected by exploration activities.

4. WORKING CAPITAL AND FINANCIAL RISK MANAGEMENT

4.1. Cash and cash equivalents

For the purposes of the Consolidated Statement of Financial Position and the Consolidated Statement of Cash Flows, cash and cash equivalents comprise the following:

	2017 $'000	2016 $'000
Cash at bank and in hand	200	819
Short-term deposits	1,934	3,371
Other restricted deposits	402	505
Total	**2,536**	**4,595**

The restricted deposits of $402,444 are bank guarantees secured by term deposits relating to financial assurances for ATPs held by Blue Energy Limited and its subsidiaries. (2016: $505,404)

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of about three months at a time and earn interest at the short-term deposit rate. Effective interest rate on the short-term deposits was 2.41% (2016: 2.88%).

The fair value of cash and cash equivalents of the Group is $2,536 (2016: $4.595m).

Reconciliation of the loss after tax to the net cash flows from operations

	2017 $'000	2016 $'000
Loss after income tax	(1,452)	(1,708)
Adjustments for non-cash items		
Cash flows excluded from profit/(loss) attributable to operating activities:		
Depreciation	19	2
Share options expensed	312	200
Asset impairment expense	-	47
(Gain) on sale of assets	(16)	(91)
R&D accounting non-cash	-	-
Income tax expense credited to equity	-	80
Changes in assets and liabilities		
Decrease in trade debtors and receivables	18	1,837
Decrease/(increase) in trade creditors, accruals, sundry provisions	(126)	64
Increase/(decrease) in provisions and employee entitlements	(10)	(4)
Net cash used in operating activities	**(1,255)**	**427**

Cash and cash equivalents in the statement of financial position comprise cash at bank and short term deposits which will mature within 94 days of 30 June 2017.

4.2. Financial risk management

4.2.1 Financial risk management policies

The Consolidated Entity's activities expose it to liquidity risk and interest rate risk. The Consolidated Entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial position of the Consolidated Entity. The Consolidated Entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate.

Financial risk exposures and management

The main risks the Consolidated Entity is exposed to through its financial instruments are liquidity risk and interest rate risk.

Liquidity risk

The group and parent entity manages liquidity risk by monitoring and managing forecast cash flows. On a monthly basis management review cashflows and consider short and long term cash forecasts and any implications to the group's liquidity. Cash is held in term deposits to maximise interest income, however deposit terms vary between 3 and 6 months to ensure the group has sufficient available funds to meet its cash obligations. In addition, Management regularly review all amounts held as guarantees/restricted deposits to ensure any restrictions are lifted as soon as possible. Refer to 4.2.2 'Financial instrument composition and maturity analysis'.

Interest rate risk

The following table sets out the carrying amount of the Consolidated Entity's financial instruments that are exposed to interest rate risk:

2017	Note	Weighted Average Interest Rate	Fixed Interest Rate $'000	Floating Interest Rate $'000	Non-Interest Bearing $'000	Total $'000
Financial Assets						
Cash at bank and in hand	4.1	0.69%	-	200	-	200
Short-term deposits	4.1	2.71%	2,336	-	-	2,336
Trade and other receivables		-	-	-	44	44
Total			**2,336**	**200**	**44**	**2,580**
Financial Liabilities						
Trade and other payables	4.3	-	-	-	314	314
Total			**-**	**-**	**314**	**314**

2016	Note	Weighted Average Interest Rate	Fixed Interest Rate $'000	Floating Interest Rate $'000	Non-Interest Bearing $'000	Total $'000
Financial Assets						
Cash at bank and in hand	4.1	0.95%	-	819	-	819
Short-term deposits	4.1	2.88%	3,776	-	-	3,776
Trade and other receivables		-	-	-	62	62
Total			**3,776**	**819**	**62**	**4,657**
Financial Liabilities						
Trade and other payables	4.3	-	-	-	369	369
Total			**-**	**-**	**369**	**369**

Interest on financial instruments classified as floating rate is re-priced at intervals of less than one year. The consolidated entity has bank guarantees in place totalling $665,458 (2016: $1,665,458). Refer to 4.2.2 'Interest rate sensitivity analysis'.

Capital management

The Consolidated Entity maintains a system of controls which provide for continual monitoring of future cash flow requirements, allowing it to put in place appropriate facilities to ensure that sufficient funds are available to fund the Company's activities in the short to medium term.

The Consolidated Entity's underlying objectives with respect to managing capital are to safeguard their ability to continue as a going concern to enable the Consolidated Entity to operate to increase shareholder value. While the Consolidated Entity's activities comprise mainly exploration and appraisal operations, funding through equity, rather than debt, is considered to be the most appropriate capital structure.

There were no changes to the Consolidated Entity's approach to capital management or the financial risk management policies during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

4.2.2 Financial instruments

Financial instrument composition and maturity analysis

The following tables reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the statement of financial position.

The ageing analysis of trade and other receivables is as follows:

	Notes	2017 $'000	2016 $'000
Less than 90 days		44	62
91 days +		169	169
Trade and other receivables		**213**	**231**

Trade and other payables are expected to be settled as follows:

	Note	2017 $'000	2016 $'000
Less than 9 months	4.3	275	369
Greater than 9 months		39	-
Current trade and other payables		**314**	**369**

Net fair values

Net fair values of financial assets and liabilities disclosed are materially in line with carrying values at 30 June 2017 and 30 June 2016.

Interest rate sensitivity analysis

The Consolidated Entity has performed a sensitivity analysis relating to exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks. At 30 June 2017, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant are estimated as follows:

	2017 $'000	2016 $'000
Change in profit/(loss)		
- Increase in interest rate by 2%	51	92
- Decrease in interest rate by 2%	(51)	(92)
Change in equity		
- Increase in interest rate by 2%	51	92
- Decrease in interest rate by 2%	(51)	(92)

The Group's financial assets and liabilities consist of trade receivables and payables – these are all conducted at arms length, are non-interest bearing and are normally settles within 30-90 days. All trade transactions have standard industry terms and conditions and none of the amounts are secured on any of the Groups assets.

Impairment

At each reporting date the Consolidated Entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available for sale instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

4.3. Trade and other payables

Current:	2017 $'000	2016 $'000
Trade payables[1]	60	137
Sundry payables and accrued expenses[2]	103	61
Employee cost & expenses payable	151	171
Total	314	**369**

[1]Trade payables include amounts payable to key management and Directors of $Nil at the end of the financial year (2016: nil).

[2]Sundry payables and accrued expenses include $15,000 payable to key management and Directors at the end of the financial year (2016: Nil).

Trade payables are non-interest bearing and are normally settled on 30 day terms.

4.3 Trade and other payables (continued)

Trade and other payables Accounting Policy
Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year that are unpaid and arise when the Consolidated Entity becomes obliged to make future payments in respect of the purchase of these goods and services.

5. CAPITAL AND RELATED PARTY DISCLOSURES

5.1. Issued share capital

	2017		2016	
Ordinary shares:	**Number of Shares**	**$'000**	**Number of Shares**	**$'000**
Issued & Fully Paid	1,141,891,882	130,767	1,140,993,237	130,711
Movements in ordinary shares on issue:				
Opening balance	1,140,993,237	130,711	1,140,993,237	130,631
Issue on Exercise of Employee Incentive Rights	898,645	56	-	-
Income tax expense reported in equity (Capital raising costs)	-	-	-	80
Closing balance	1,141,891,882	**130,767**	**1,140,993,237**	**130,711**

Ordinary shares have no par value. There is no limit to the authorised share capital of the Company.

At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

The Company did not pay a dividend during the year ended 30 June 2017, nor has any dividend been proposed up to the reporting date (2016: nil). Ordinary shares would participate in dividends and the proceeds on any winding up of the parent entity in proportion to the number of shares held.

From 30 June 2017 to the date of this report no shares have been issued.

Options over shares
During the year no options were granted (2016: $41,236,500). On 30 June 2017, 41,236,500 options lapsed as they failed to meet the exercise requirement of $300m market capitalisation for the Company by 30 June 2017 date to vest. None of the options are listed.

From 30 June 2017 to the date of this report no shares have been issued as a result of the exercise of options.

The following table lists the unexpired options at balance date:

2017 Option details

Grant Date	Exercise Date	Expiry Date	Exercise Price $	Fair value at Grant Date $	Number of options at beginning of period	Options Granted	Options Lapsed	Options Exercised	Number of options at 30 June 2017	Number of options vested and exercisable at 30 June 2017
22/11/16(1)	30/6/2017	30/06/2019	0.0625	0.00006	41,236,500	-	41,236,500	-	-	-
					41,236,500	-	41,236,500	-	-	-

(1) For the purpose of determining the fair value of the equity instruments, an effective grant date of 30 June 2016 was utilised.

Total expense recognised $850.4 (2016: $1,063)
Fair value of options granted during the year was Nil (2016 $2,392)
Fair value of options lapsed during the year was Nil.

2016 *Option details*

Grant Date	Exercise Date	Expiry Date	Exercise Price $	Fair value at Grant Date $	Number of options at beginning of period	Options Granted	Options Lapsed	Options Exercised	Number of options at 30 June 2016	Number of options vested and exercisable at 30 June 2016
30/06/2016(1)	30/6/17	30/06/2019	0.0625	0.00006	-	41,236,500	-	-	41,236,500	-
					-	41,236,500	-	-	41,236,500	-

(1) Actual grant date is the date when approval was obtained (at the AGM – 22/11/2016). For the purpose of determining the fair value of the equity instruments, an effective grant date of 30 June 2016 has been utilised.

Total expense recognised $1,063 (2015: $950,935)
Fair value of options granted during the year was $2,392 (2015: nil)
Fair value of options lapsed during the year was nil.

These options do not entitle the holder to participate in any share issue of the Company.

Options issued under the Employee Share Option Plan (ESOP no longer in use by the Company) from 12 March 2008 onwards have two vesting conditions. The first of these being an exercise date no earlier than either 1, 2 or 3 years from grant date and secondly the shares of the Company must trade for thirty consecutive days on the Australian Stock Exchange with a weighted average share price greater than certain share price hurdles determined by the Company. All other options vest and are exercisable on grant date up to expiry date.

Rights over shares
During the year the Company granted 25,386,000 employee incentive rights (2016: 27,360,000). A total of 10,345,000 employee incentive rights (2016: 3,200,000) lapsed. Nil employee incentive rights were exercised during the year (2016: nil). Nil employee incentive rights vested on 30 June 2017. None of the employee incentive rights are listed.

The following table lists the unexpired employee incentive rights at reporting date:

2017 Rights details

Effective Grant Date	Exercise Date	Type of Right	Exercise Price $	Fair value at Grant Date $	Number of Rights at beginning of period	Rights Granted	Rights Lapsed	Number of Rights at reporting date	Rights Exercisable
01-Jul-13	30-Jun-17*	Performance	nil	$0.019	10,345,000	-	10,345,000	-	-
01-Jul-15	30-Jun-18	Performance	nil	$0.014	27,360,000	-	-	27,360,000	-
01-Jul-16	30-Jun-19**	Performance	nil	$0.05934	-	25,386,000	-	25,386,000	-
					37,705,000	25,386,000	10,345,000	52,746,000	-

Weighted average exercise price – nil
Weighted average remaining contract life is 909 days
Expense recognised during the year to 30 June 2017 $313,393 (2016: $200,199)
Fair value of rights lapsed during the year was $196,555
Nil rights vested during the 30/06/17 financial year.
* As part of the terms of this tranche of rights if the conditions are not met on the testing date being the 30/06/16, they are re-tested 12 months later being 30/06/17. At which point if the conditions are not met the performance rights lapse.
** Rights issued under EIRP which was AGM approved on 22 November 2017.

2016 Rights details

Effective Grant Date	Exercise Date	Type of Right	Exercise Price $	Fair value at Grant Date $	Number of Rights at beginning of period	Rights Granted	Rights Lapsed	Number of Rights at reporting date	Rights Exercisable
01-Jul-11	30-Jun-14	Retention	nil	$0.064	566,866	-	-	566,866	566,866
01-Jul-12	30-Jun-15	Retention	nil	$0.059	457,000	-	-	457,000	457,000
01-Jul-12	30-Jun-16	Performance	nil	$0.012	3,200,000	-	(3,200,000)	-	-
01-Jul-13	30-Jun-17*	Performance	nil	$0.019	10,345,000	-	-	10,345,000	-
30-Jun-16	30-Jun-18**	Performance	nil	$0.014	-	27,360,000	-	27,360,000	-
					14,568,866	27,360,000	(3,200,000)	38,728,866	1,023,866

2016 Rights details (continued)

Weighted average exercise price – nil
Weighted average remaining contract life is 895 days
Total expense recognised $200,199 (2015: $58,226)
Fair value of rights lapsed during the year was $38,400
Nil rights vested during the 30/06/16 financial year. 1,023,866 rights remain vested but not issued as shares from prior financial years.
* As part of the terms of this tranche of rights if the conditions are not met on the testing date being the 30/06/16, they are re-tested 12 months later being 30/06/17. At which point if the conditions are not met the performance rights lapse.
** Rights were issued following approval at AGM on 22 November 2016.

Incentive rights under the EIRP comprise retention rights and performance rights. For retention rights to vest the employee must remain with the Company for a period of 3 years from the effective issue date. The portion of performance rights that vest is determined by Blue Energy's total shareholder return (TSR) as determined by an independent advisor over the 3 year period from the effective issue date. The minimum compound annual TSR for the three years is 15% which results in a 25% vesting rate for the employee. At present, the Board has determined that the issue of performance rights will be limited to those individuals (Key Management Personnel) who have a direct ability to influence the performance of the Company.

The weighted average fair value of employee incentive rights issued during the year was $0.05934 (2016: 0.014). The value of retention rights granted was calculated based upon the maximum number of retention rights issued multiplied by the prevailing share price as at the date of issue – Nil were issued.

The fair value of performance rights granted was calculated using the Monte-Carlo pricing model utilising the following inputs:

	Note	2017	2016
- Exercise price	1	$0.0	$0.0
- Share Price at 30 June	2	$0.079	$0.022
- Exercise Date		30 June 2019	30 June 2018
- Expiry date		30 June 2020	30 June 2019
- Expiry Period		4 years	4 years
- Expected share price volatility	3	60%	80%
- Risk free interest rate	4	1.78%	1.55%
- Dividend yield	5	0%	0%
- Fair value at grant date		$0.05934	$0.014

1. In substance, the performance rights is an option with a zero exercise price.
2. The underlying share price for FY17 (FY16) is based on the price of the security on the ASX on 30 June 2017 (30 June 2016).
3. The recent volatility of the share price of Blue Energy was calculated using Hoadley's volatility calculator, using data extracted from Bloomberg.
4. The risk free rate is the Commonwealth Government securities rate with a maturity date approximating that of the expiration period of the options. (Source: Reserve Bank of Australia)
5. The Company's best estimate of dividend yield, representing a discount to long-term dividend policy to reflect build up of dividend payout over the life of the performance rights.
6. All assumptions above, and the corresponding data in the table, have been consistently applied to the rights granted in both periods.

Issued capital accounting policy
Issued capital is recognised at the fair value of the consideration received by the Company.
Any transaction costs arising on the issue of shares are recognised directly in equity as a reduction of the share proceeds received.
For equity-settled share-based payment transactions for goods or services received, excluding employee services, the Company recognises and measures the increase in equity at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the Company measures the value of the goods or services received, by reference to the fair value of the equity instrument granted.

The Company has granted options over shares to employees under an employee share option plan. The fair value of options granted is recognised as an expense with a corresponding increase in equity reserves. The fair value is measured at grant date and spread over the life of the option taking into account the probability of the options vesting. The fair value of options granted is measured using the Monte Carlo pricing model, taking into account the terms and conditions upon which the options were granted.
The Company has ceased to grant options over shares to employees under an employee share option plan and has implemented an Employee Incentive Rights Plan in its place. The fair value of rights granted is recognised as an expense with a corresponding increase in equity reserves. The fair value is measured at grant date and spread over the life of the right taking into account the probability of the rights vesting. The fair value of rights granted is measured using the Monte Carlo pricing model, taking into account the terms and conditions upon which the rights were granted. When grant date is subject to an approval process, grant date is the date when that approval is obtained. In this situation, the grant date fair value of the equity instruments is estimated for the purposes of recognising the services received during the period between service commencement date and grant date.

5.2. Reserves

Option reserve

The option reserve is used to recognise the fair value of share options and employee incentive rights granted.

	2017 $'000	2016 $'000
Reserves:		
Options Reserve opening balance	9,655	9,455
Options/rights granted in year	312	200
Transfer of rights to shares	(56)	-
Total Reserves	9,911	**9,655**

5.3. Related party disclosures

During the financial year the following related party transactions occurred:

5.3.1. Key management personnel

Director or Consulting fees were paid to or accrued by the following and are related party transactions:	2017 $'000	2016 $'000
Decambruns Pty Ltd – an entity associated with Rodney Cameron (Director of Blue Energy Limited – November 2011 to present)	60	60
Mojo Enterprises Pty Ltd – an entity associated with Karen Johnson (Director of Blue Energy Limited – September 2011 to present)	60	60

Other than disclosed above there have been no other transactions with related parties during the year. The non-executive Directors have voluntarily deferred their RAC fees ($5,000) from 1 July 2015, and the Board has approved the issue of 385,000 (2016: 880,000) performance rights under the EIRP to each non-executive Director in lieu of foregone RAC fees – AGM approved 22 November 2016.

5.3.2. Subsidiaries

The ultimate parent entity is Blue Energy Limited. Blue Energy Limited provides funding for the subsidiaries to continue to develop their respective oil and gas exploration and evaluation activities.

5.3.3. Terms and conditions of transactions with related parties

Transactions with related parties are made in arm's length transactions both at normal market prices and on commercial terms.

5.4. Key management personnel

5.4.1. Key management personnel compensation

Key Management Personnel compensation included in employee benefits is as follows:

	2017 $	2016 $
Short term employee benefits	704,561	601,738
Post-employment benefits	54,713	56,264
Share based payments	312,402	200,199
Total	**1,071,676**	**858,201**

Details of key management persons and remuneration policies are included in the Directors' Report.

5.4.2. Loans to key management personnel

No loans have been made by the parent or any subsidiary company to any Key Management Personnel during the period or to the date of this report.

6. RESULTS FOR THE YEAR

6.1. Income

	2017 $'000	2016 $'000
Other Income		
Interest received	85	152
Net Foreign exchange gain/(loss)	-	(3)
Gain on sale of asset	16	91
Total Income	**101**	**240**

Revenue accounting policy

Revenue is recognised at the fair value of the consideration received or receivable and to the extent that it is probable that the economic benefits will flow to the Consolidated Entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest revenue is recognised as the interest accrues to the net carrying amount of the financial asset.

All revenue is stated net of the amount of goods and services tax (GST).

Government grants

Research and Development Grants are accounted for as Government Grants and as such recognised in the statement of comprehensive income on a systematic basis over the periods in which the Group recognises as an expense the related costs for which the grants are intended to compensate. To the extent that the grant relates to capitalised exploration and evaluation expenditure, it reduces these related costs.

6.2. Segment reporting

The Company operates in a single business segment, being the exploration for gas and petroleum resources. This activity is carried out in a single significant geographical segment, being Australia, principally in Queensland and the Northern Territory, which is consistent with reporting to key decision makers.

6.3. Profit and loss for the year

Operating & administration expenses	2017 $'000	2016 $'000
Employee benefit expenses	326	405
Superannuation expense	66	80
Legal fees	172	171
Consultants' fees	33	11
Business development costs	-	232
Depreciation expense	19	2
Travel costs	42	53
Directors' fees	120	120
Accounting and compliance fees	149	147
Occupancy costs	181	207
Insurance costs	40	45
Information systems costs	29	73
Communications costs	24	27
Investor relations costs	21	22
Other	20	26
Total	**1,242**	**1,621**

Asset impairment expense	2017 $'000	2016 $'000
Inventory impairment charge	-	47
Total	**-**	**47**

Employee benefits

Provision is made for the Consolidated Entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

6.4. Income tax

The components of tax expense comprise:	2017 $'000	2016 $'000
Current income tax		
Current income tax charge	(593)	(774)
Adjustments in respect of current income tax of previous years	-	(37)
Deferred income tax		
Relating to origination and reversal of temporary differences	(279)	(333)
Current year tax losses not recognised in the current year	593	835
Impact of tax balances not recognised in current balance	279	389
Income tax (benefit)/expense reported in statement of comprehensive income	**0**	**80**

The prima facie tax on profit / (loss) before income tax is reconciled to the income tax expense as follows:	2017 $'000	2016 $'000
Accounting loss before income tax	(1,452)	(1,707)
Prima facie income tax payable on loss before income tax at 27.5% (2016: 28.5%)	(399)	(469)
Sundry non-deductible expenses	85	57
Benefit of tax losses and temporary differences not recognised	314	492
Income Tax (benefit)/expense	**0**	**80**

Assets

Deferred tax assets include:	2017 $'000	2016 $'000
Temporary differences, excluding benefits of tax losses, attributable to:		
Provisions	358	344
Accruals	4	6
Business related costs	41	67
Other	-	76
Total deferred tax assets	**403**	**493**

Liabilities

Deferred tax liabilities include:	2017 $'000	2016 $'000
Temporary differences attributable to:		
Exploration and evaluation expenditure	15,562	15,872
Property plant and equipment	-	10
Interest receivable	1	3
Total deferred tax liabilities	**15,563**	**15,885**

Deferred tax assets

Unrecognised Deferred Tax Balances the benefits of which will be realised when conditions noted below are realised:	2017 $'000	2016 $'000
Deferred tax assets - Losses	31,939	38,739
Deferred tax assets - Capital Losses	14	15
Deferred tax assets - Other	403	518
Deferred tax liabilities	(15,563)	(15,885)
Net unrecognised deferred tax assets	**16,793**	**17,106**

There are no franking credits available to shareholders of the Company.

Income tax accounting policy

The charge for current income tax expense is based on the profit/(loss) for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity. The consolidated group meets the requirements of the ATO for small business concessions for the years ending 2017 and 2016. Deferred tax is calculated using 27.5% and 28.5% respectively. Once the consolidated group start to generate turnover in excess of the thresholds, the tax rate applied will revert back to the standard rate.
Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Consolidated Entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Blue Energy Limited and its wholly-owned Australian subsidiaries have formed a tax consolidated group under the tax consolidation regime. Blue Energy Limited is the head entity of the tax consolidated group. Each entity in the group recognises its own current and deferred tax assets and liabilities, except for any deferred tax assets resulting from unused tax losses and tax credits, which are immediately assumed by the head entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The group has notified the Australian Tax Office that it formed an income tax consolidated group to apply from 1 April 2006. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

6.5. Earnings per share

Basic earnings per share amount is calculated by dividing net profit / (loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the basic earnings per share computations:

	2017 $'000	2016 $'000
Net loss attributable to ordinary equity holders of the parent	(1,452,224)	(1,707,107)
Weighted average number of ordinary shares for basic earnings per share	1,141,739,235	1,140,993,237
Weighted average number of ordinary shares for dilutive earnings per share	1,141,739,235	1,140,993,237
Basic EPS	(0.13)	(0.15)
Diluted EPS	(0.13)	(0.15)

A total of Nil (2016: 41,236,500) options outstanding at balance date have not been included in the computation of diluted earnings per share as this result is anti-dilutive in nature.

During FY 2017 the Company issued 898,645 ordinary shares of the Company in addition to paying $3,000 cash in relation to vested employee incentive rights. Since the reporting date the Company has not issued any ordinary shares.

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the issue of these financial statements.

6.6. Auditors remuneration

	2017 $	2016 $
Remuneration as auditor of the parent and Consolidated Entity for:		
- auditing the annual financial report	36,000	35,000
- review of interim financial report	11,000	11,000
Total	**47,000**	**46,000**

7. OTHER

7.1. Parent entity financial information

7.1.1. Summary financial information

The individual financial report for the parent entity shows the following aggregate amounts:

Statement of financial position	2017 $'000	2016 $'000
Current assets	2,265	4,343
Total assets	66,800	67,999
Current liabilities	314	369
Total liabilities	326	382
Shareholders' equity		
Issued capital	130,767	130,711
Reserves	9,911	9,655
Accumulated losses	(74,204)	(72,749)
	66,474	67,617
Statement of comprehensive income		
Loss for the year attributable to owners of the parent	(1,452)	(1,706)
Total comprehensive loss attributable to owners of the parent	(1,452)	(1,706)

This report has been prepared on the same basis as the consolidated financial statements.

7.1.2. Guarantees entered into by the parent entity

The following bank guarantees (secured by term deposits) for the parent entity are in place at 30 June 2017:
Bank guarantees parent entity - $148,764

7.1.3. Contractual commitments for the acquisition of property, plant and equipment

As at 30 June 2017, the parent entity had no contractual commitments for the acquisition of property, plant and equipment (2016: nil).

7.2. Contingent assets and liabilities

The Directors are not aware of any other material contingent liabilities or contingent assets at 30 June 2017, not otherwise disclosed in this report.

7.3. Events subsequent to the reporting date

Since 30 June 2017 to the date of this report, there have been no material events that would affected the Company.

Directors’ Declaration

The Directors of Blue Energy Limited declare that:

1. the financial statements and notes, as set out on pages 18 to 36, are in accordance with the *Corporations Act 2001*, and:

    a. comply with Accounting Standards, International Financial Reporting Standards (as stated in Note 1) and *Corporations Regulations 2001*; and

    b. give a true and fair view of the financial position as at 30 June 2017 and of their performance for the year ended on that date of the Consolidated Entity;

2. the Chief Executive Officer has declared in accordance with the S295A of the *Corporations Act 2001*, that;

    a. the financial records of the company for the financial year ended 30 June 2017 have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

    b. the financial statements and the accompanying notes referred to in Section 295(3)(b) of the *Corporations Act 2001*, for the financial year comply with the accounting standards;

    c. the financial statements and notes for the financial year give a true and fair view; and

    d. any other matters that are prescribed by the regulations for the purposes of this paragraph in relation to the financial statements and the notes for the financial year are satisfied.

3. in the Directors’ opinion there are reasonable grounds to believe that the Company and Consolidated Entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Rodney Cameron
Deputy Chairman

Dated this 19th day of September 2017

Additional Shareholder Information

Additional information required by the ASX Ltd and not shown elsewhere in this report is as follows. The information is current as at 15th September 2017.

(a) Distribution of Equity Securities

Ordinary Share Capital
There are 1,141,891,882 fully paid ordinary shares, held by 5,103 individual shareholders. There is no current on-market buy-back. All issued ordinary shares carry one vote per share and carry the rights to dividends.

The number of holders of ordinary shares by range is:

Range	Total holders	Units	% of Issued Capital
1 - 1,000	255	39,061	0.00
1,001 - 5,000	616	2,090,058	0.18
5,001 - 10,000	813	6,815,973	0.60
10,001 - 100,000	2,500	103,639,828	9.08
100,001 Over	1,238	1,029,306,962	90.14
Rounding			**0.00**
Total	**5,422**	**1,141,891,882**	**100.00**

Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum $ 500.00 parcel at $ 0.1200 per unit	4,167	666	1,144,311

(b) Substantial Shareholders

Rank	Name	Units	% of Units
1	JEACH PTY LTD <THE PIPPI SUPER FUND A/C>	111,095,241	9.73
2	STANWELL CORPORATION LIMITED	87,359,198	7.65
3	KOGAS AUSTRALIA PTY LTD	62,855,000	5.50

(c) Twenty Largest Holders of Quoted Equity Securities

Rank	Name	Units	% of Units
1	JEACH PTY LTD <THE PIPPI SUPER FUND A/C>	111,095,241	9.73
2	STANWELL CORPORATION LIMITED	87,359,198	7.65
3	KOGAS AUSTRALIA PTY LTD	62,855,000	5.50
4	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	28,297,924	2.48
5	NATIONAL NOMINEES LIMITED	19,124,130	1.67
6	GIRDIS SUPERANNUATION PTY LTD <GIRDIS SUPER FUND A/C>	16,845,787	1.48
7	J P MORGAN NOMINEES AUSTRALIA LIMITED	15,474,154	1.36
8	ROSSDALE SUPERANNUATION PTY LTD <ROSSDALE SUPER FUND A/C>	14,280,000	1.25
9	CITICORP NOMINEES PTY LIMITED	13,958,192	1.22
10	HORRIE PTY LTD	13,700,000	1.20
11	BT PORTFOLIO SERVICES LIMITED <WARRELL HOLDINGS S/F A/C>	13,000,000	1.14
12	SEYMOUR GROUP PTY LTD	12,220,837	1.07
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,236,232	0.90
14	BETA GAMMA PTY LTD <WALSH STREET SUPER FUND A/C>	10,000,000	0.88
15	LYRIC-PASAN PTY LTD <HOLT SUPERANNUATION FUND A/C>	10,000,000	0.88
16	GIRDIS SUPERANNUATION PTY LTD <GIRDIS SUPER FUND A/C>	9,700,000	0.85
17	PAKASOLUTO PTY LIMITED <BARKL FAMILY SUPER FUND A/C>	8,000,000	0.70
18	ROSSDALE SUPERANNUATION PTY LTD <ROSSDALE SUPER FUND A/C>	7,500,000	0.66
19	NEW GREENWICH PTY LTD <NEW GREENWICH S/F A/C>	6,753,503	0.59
20	MR CLEMENT MICHAEL HODDA	6,516,150	0.57
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)		**476,916,348**	**41.77**

(d) Voting Rights
Ordinary shares carry one vote per share and carry the rights to dividends.
Options and rights have no voting rights or rights to dividends.

CORPORATE DIRECTORY

BLUE ENERGY LIMITED
ACN 054 800 378

DIRECTORS	John Ellice-Flint (Executive Chairman) John Phillips (Managing Director) Karen Johnson (Non-Executive Director) Rodney Cameron (Non-Executive Director) Seungsoo Han (Non-Executive Director)
COMPANY SECRETARY	Damien Cronin
REGISTERED OFFICE	Level 3, 410 Queen Street Brisbane Qld 4000 +61 7 3270 8800 +61 7 3270 8899
BRISBANE OPERATIONS	Level 3, 410 Queen Street Brisbane Qld 4000 +61 7 3270 8800 +61 7 3270 8899
SHARE REGISTRY	Computer Share Registry Services Limited 117 Victoria Street West End QLD 4101 +61 3 9415 4000
AUDITORS	Ernst & Young 111 Eagle Street Brisbane QLD 4000
STOCK EXCHANGE	ASX Limited Riverside Centre Level 5, 123 Eagle Street Brisbane QLD 4000 Trading code Ordinary shares: **BUL**