

# Blue Energy Limited

Investor Presentation

March 2014

## Disclaimer

This presentation may contain forward looking statements that are subject to risk factors associated with the gas and energy industry. It is believed that the expectations reflected in the statements contained within are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to price and currency fluctuations, geotechnical factors, drilling and production results, development progress, operating results, reserve estimates, legislative, fiscal and regulatory developments, economic and financial markets conditions in various countries, approvals and cost estimates.

## Competent Person Statement

The estimates of Reserves and Contingent Resources have been provided by Mr John Hattner of Netherland, Sewell and Associates Inc. 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 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 Society of Petroleum Engineers (SPE) ), utilising a deterministic methodology.

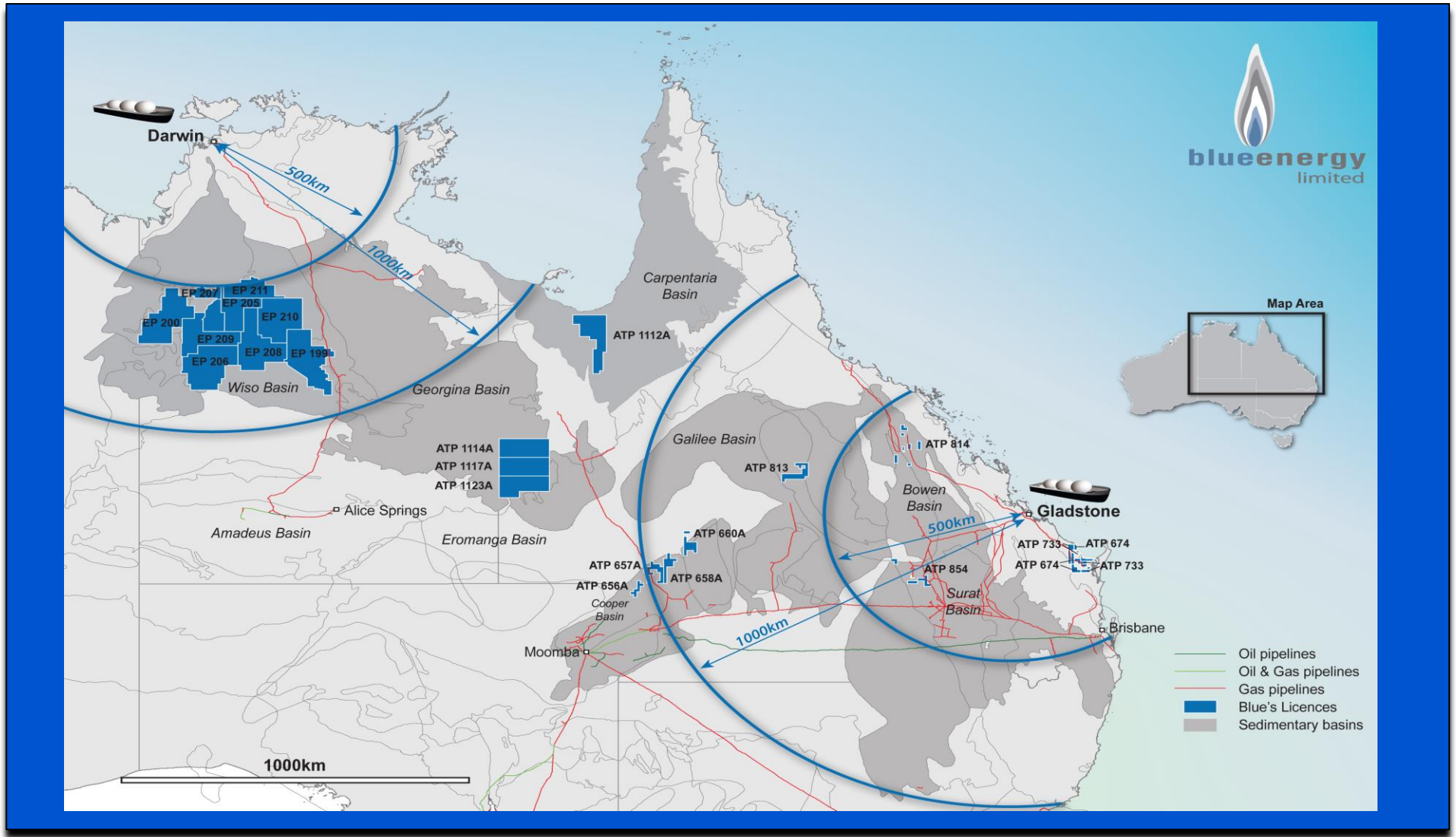
## Reserves and Resources Position (Net to Blue Energy)

Permit	Block	Assessment Date	Announcement Date	1P (PJ)	1C (PJ)	2P (PJ)	2C (PJ)	3P (PJ)	3C (PJ)
ATP854P		30-06-12	19-03-13	-	22	-	47	-	101
ATP813P		31-12-10	29-06-11	-	-	-	42	-	548
ATP814P	Sapphire	31-12-12	26-02-13	-	75	50	127	178	224
ATP814P	Central	31-12-12	19-03-13	-	27	-	81	-	438
ATP814P	Monslatt	31-12-12	19-03-13	-	-	-	476	-	1,693
ATP814P	Lancewood	30-09-13	30-10-13	-	7	5	11	15	421
ATP814P	South	30-06-13	29-07-13	-	15	-	27	6	30
<b>Total (PJ)</b>				-	<b>146</b>	<b>55</b>	<b>811</b>	<b>200</b>	<b>3,454</b>
<b>Total (bcf)</b>				-	<b>146</b>	<b>55</b>	<b>811</b>	<b>200</b>	<b>3,454</b>

# Strategic Investment Rationale

- Large acreage position in producing and emerging basins
- Uncontracted Gas Reserves
- East Coast gas shortage – rising gas prices
  - 6 LNG trains - supply shortage
  - Dom gas shortage Qld/NSW
- North Coast gas shortage
  - NT Short Dom Gas
  - Bayu-Undan reserves downgrade
- Wiso Basin acreage – now includes expanded McArthur Basin plays
- Georgina and Cooper Basin play exposure – ongoing and new drilling

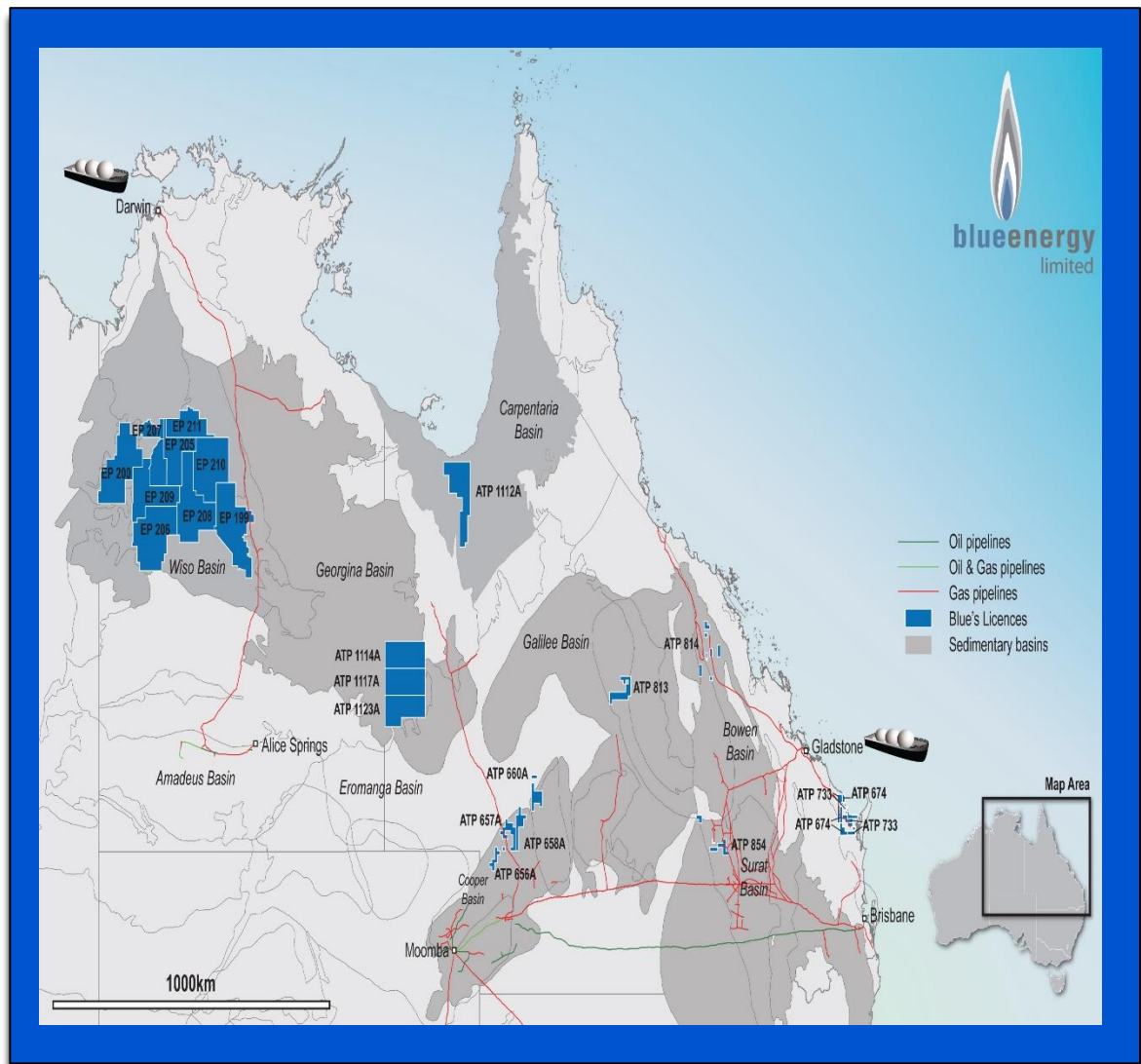
# Strategic Investment Rationale



# Corporate Snapshot

ASX	BUL
2P Reserves (NSAI)	55PJ (55 bcf)
3P Reserves (NSAI)	200PJ (200 bcf)
Contingent Resource	3,454PJ 3C (3.5 tcf)
Cash (31 <sup>st</sup> Dec 2013)	\$14 million
Acreage (net)	~89,880km <sup>2</sup> (22.2 million acres)
Employees	6

- Operator of all acreage held
- Uncontracted gas reserves
- Adjacent to LNG proponents
- Diversity of basins and plays
- Natural gas and oil portfolio



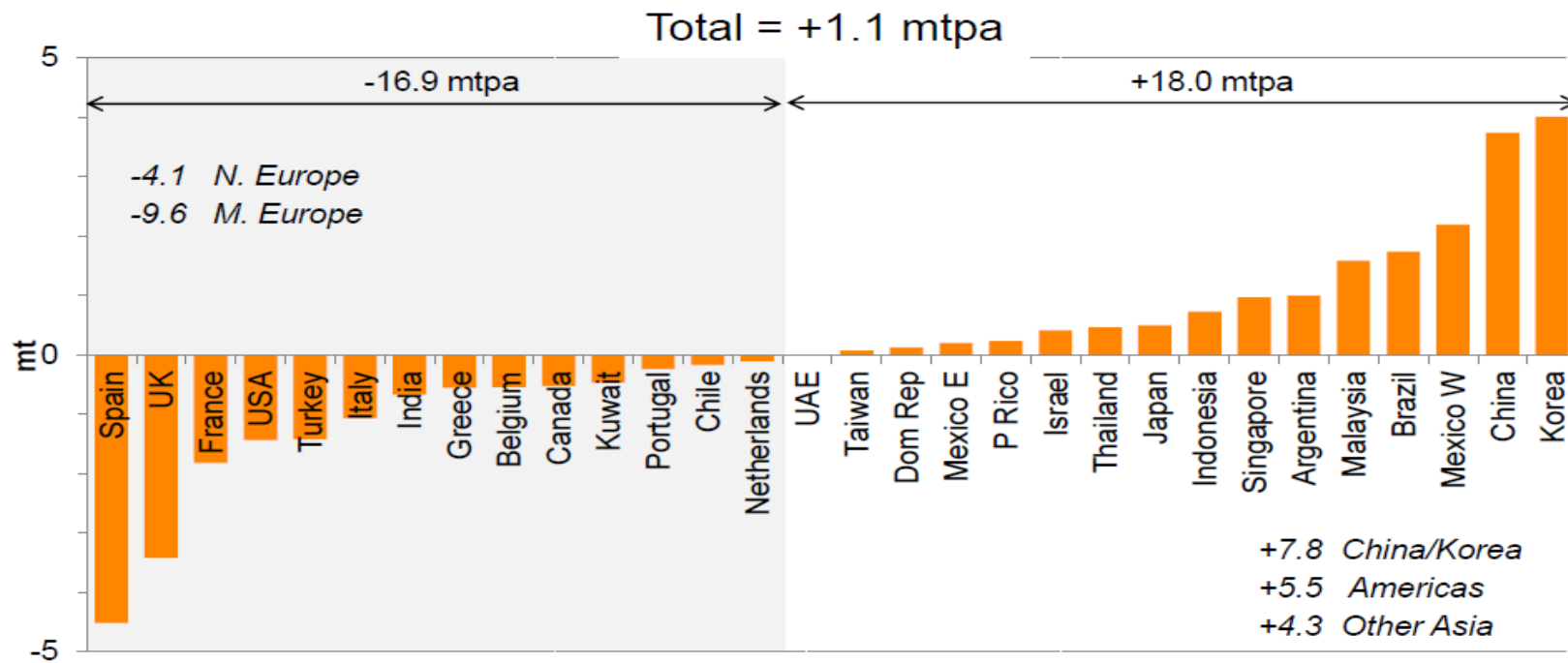
# Scorecard

	2013	2014	
BUL Market Cap	\$38 million	\$64 million	✓
Cash Position	\$17 million	\$14 million	✓
Enterprise Value	\$21 million	\$50 million	✓
Wells Drilled (Cumulative)	39	41	✓
Metres Drilled (Cumulative)	29,000	30,800	✓
LTI	Zero	One	✗
Net Acreage (acres)	13.3 million	22.2 million	✓
2P Reserves (PJ) NSAI	0	55	✓
3P Reserves (PJ) NSAI	75	200	—
3C Resource (PJ) NSAI	2,788	3,454	—

# Global LNG Demand

## Markets: 2013 YOY

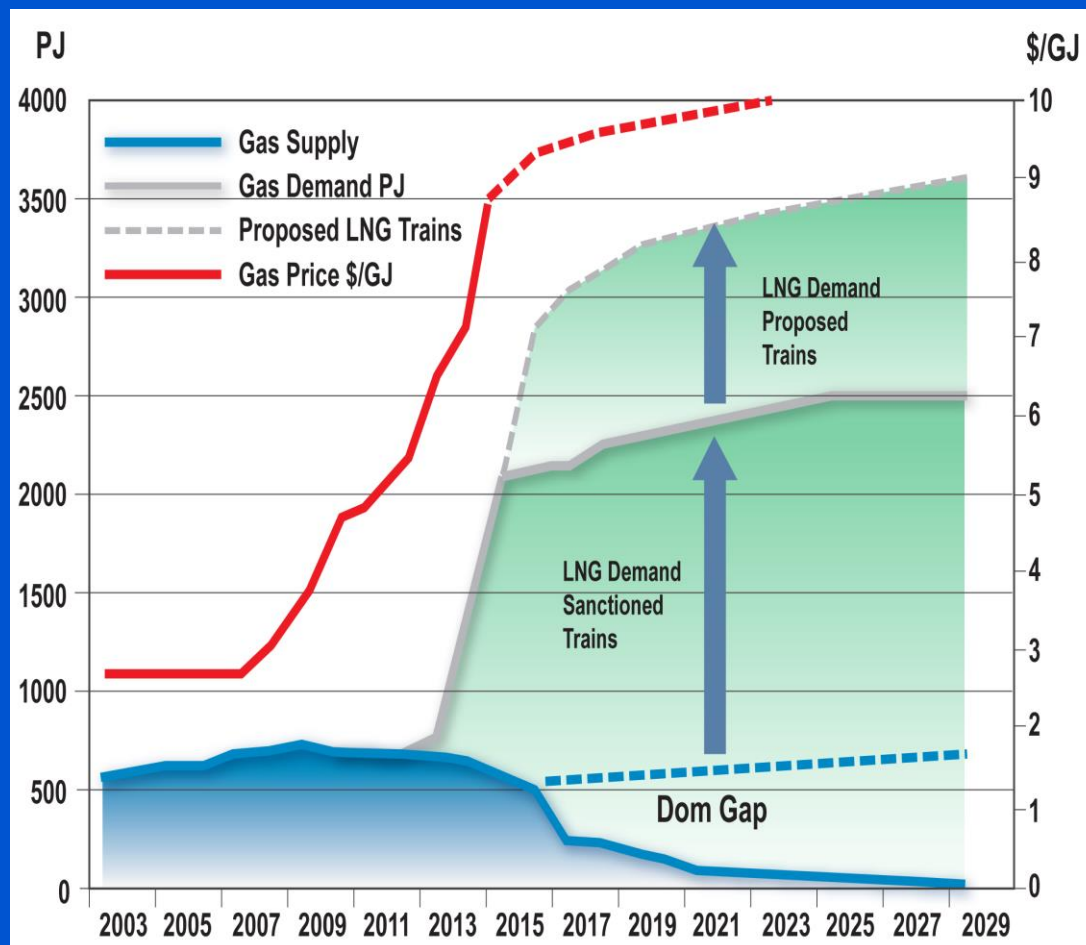
BG GROUP 



Source: BG Group interpretation of IHS Waterborne data (Feb 2014), delivered volumes

# East Coast Gas Supply

- Domestic gas contracts rolling off 2015-2017
- Steep demand rise by end 2014
- QCLNG now in commissioning phase
- Dom gas competes with LNG on price and supply
- Uncontracted reserves now of greater value
- Gas end users entering upstream activity and risk



After SKM/MMA 2011; AEMO 2012

# Natural Gas Portfolio

## Proven and potentially productive basins

### ■ Acreage in producing basins:

Cooper: 5,191km<sup>2</sup>

Bowen/Surat: 1,917km<sup>2</sup>

### ■ Acreage in frontier basins:

Georgina: 21,300km<sup>2</sup>

Carpentaria: 8,161km<sup>2</sup>

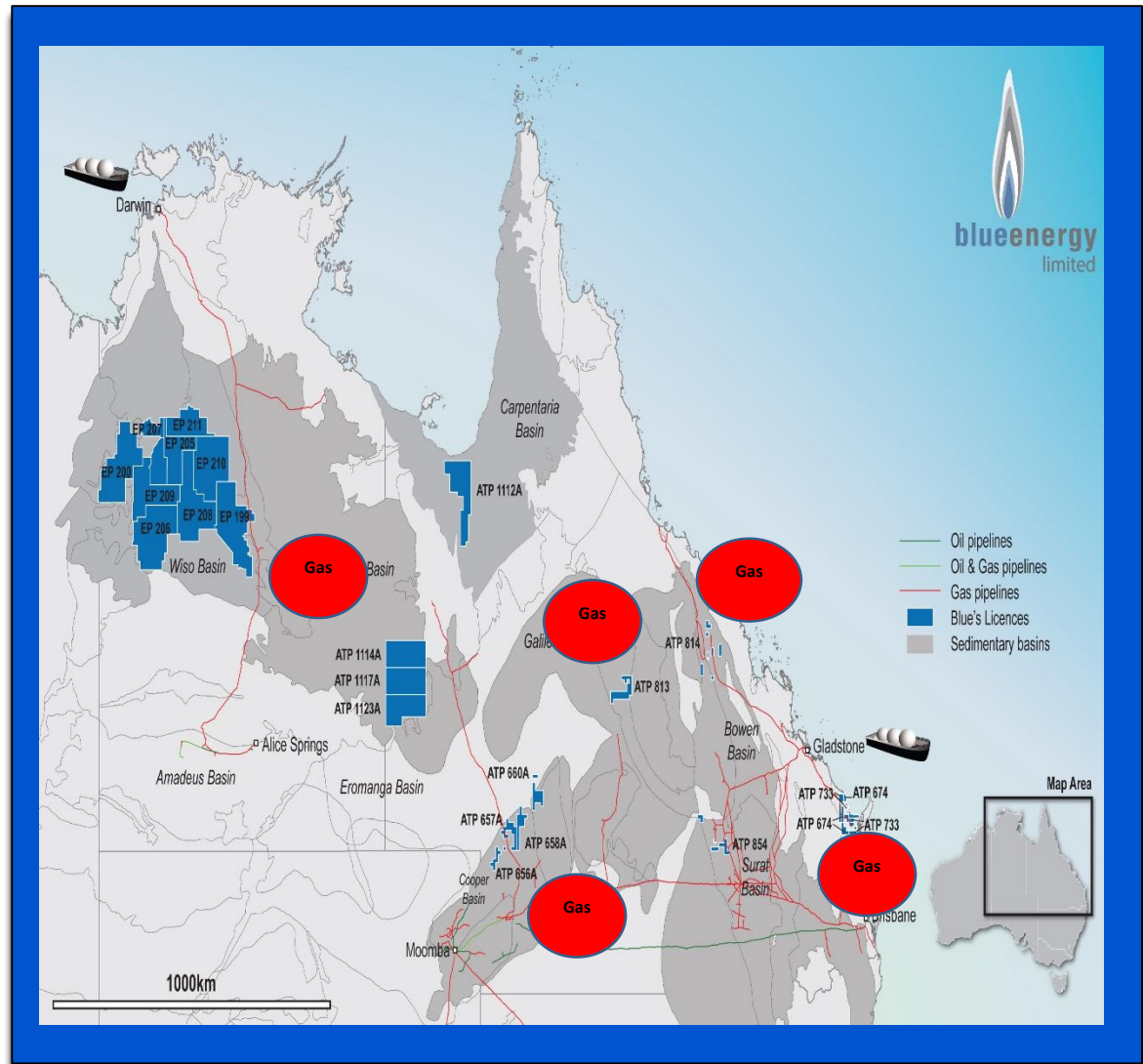
Maryborough: 2,900km<sup>2</sup>

Galilee: 2,079km<sup>2</sup>

Wiso: 48,332km<sup>2</sup>

**Total Acreage 89,880km<sup>2</sup>**

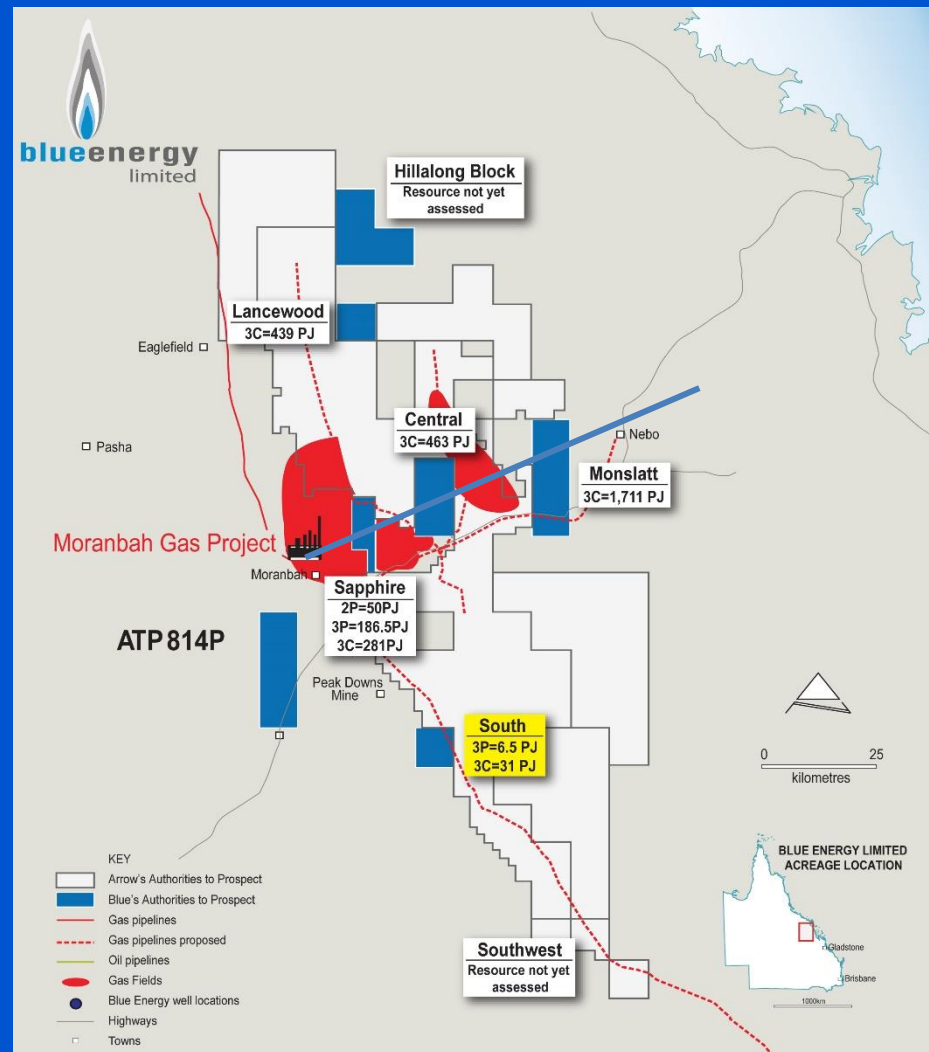
(22.209 million Ac)



# East Coast Gas

## ATP814P- Bowen Basin

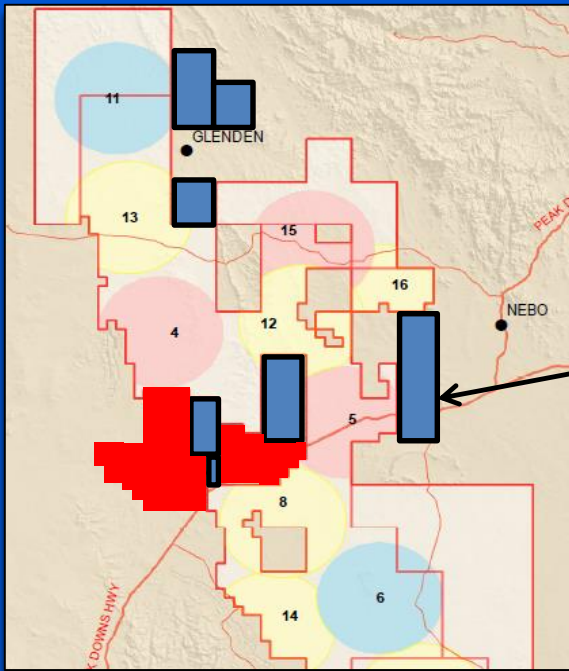
- Blocks surrounded by Arrow's Project area
- 814P Un-contracted Gas Resources and Reserves (NSAI)
  - 2P: 55PJ (55bcf)
  - 3P: 200PJ (200bcf)
  - 3C: 2,805PJ (2.8tcf)
- Adjacent activity drives Blue's gas resource growth with minimal BUL expenditure



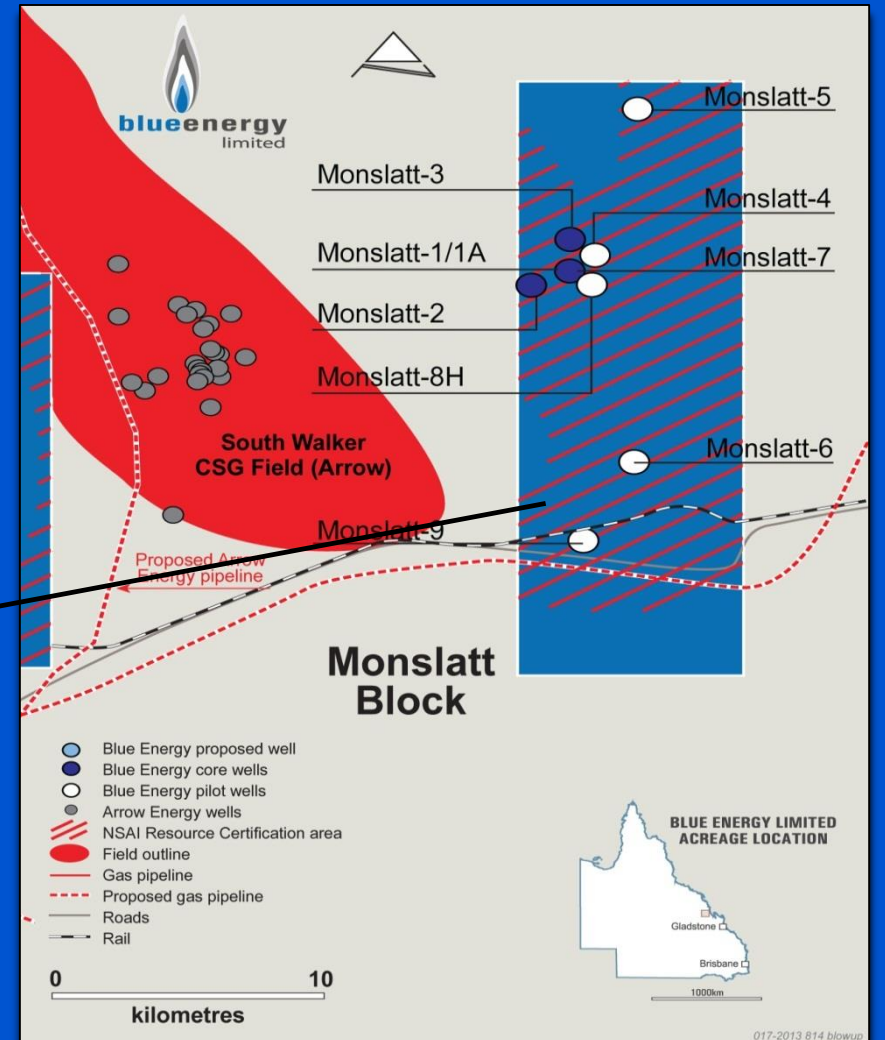
# East Coast Gas

## ATP814P - Bowen

- Large Contingent Resource base
- Adjacent to proposed gas gathering and export facilities of LNG feed gas project
- Shell/Petrochina need to get Gas to Gladstone to monetize asset

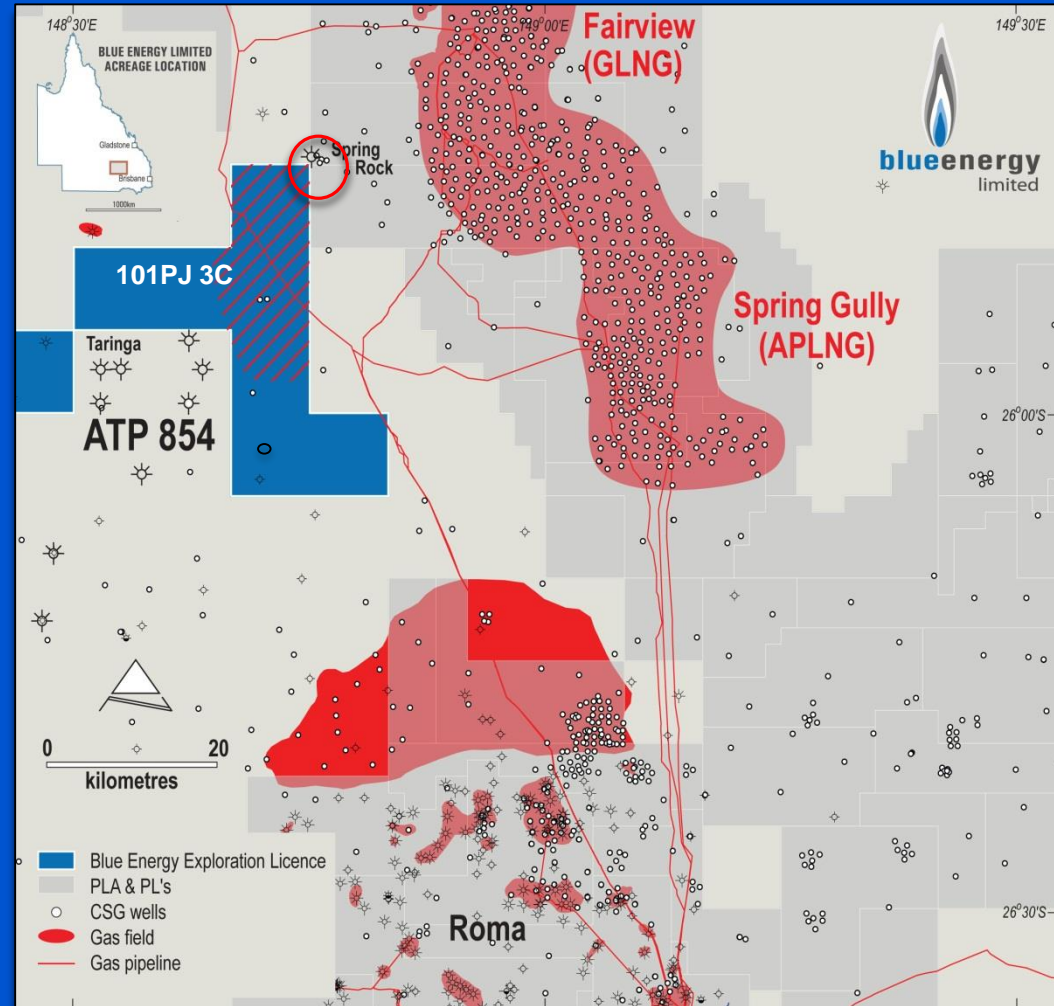


Gas processing facilities modified from Arrow's Draft EIS  
11 March 2013 – blue areas are Blue Energy's ATP814P



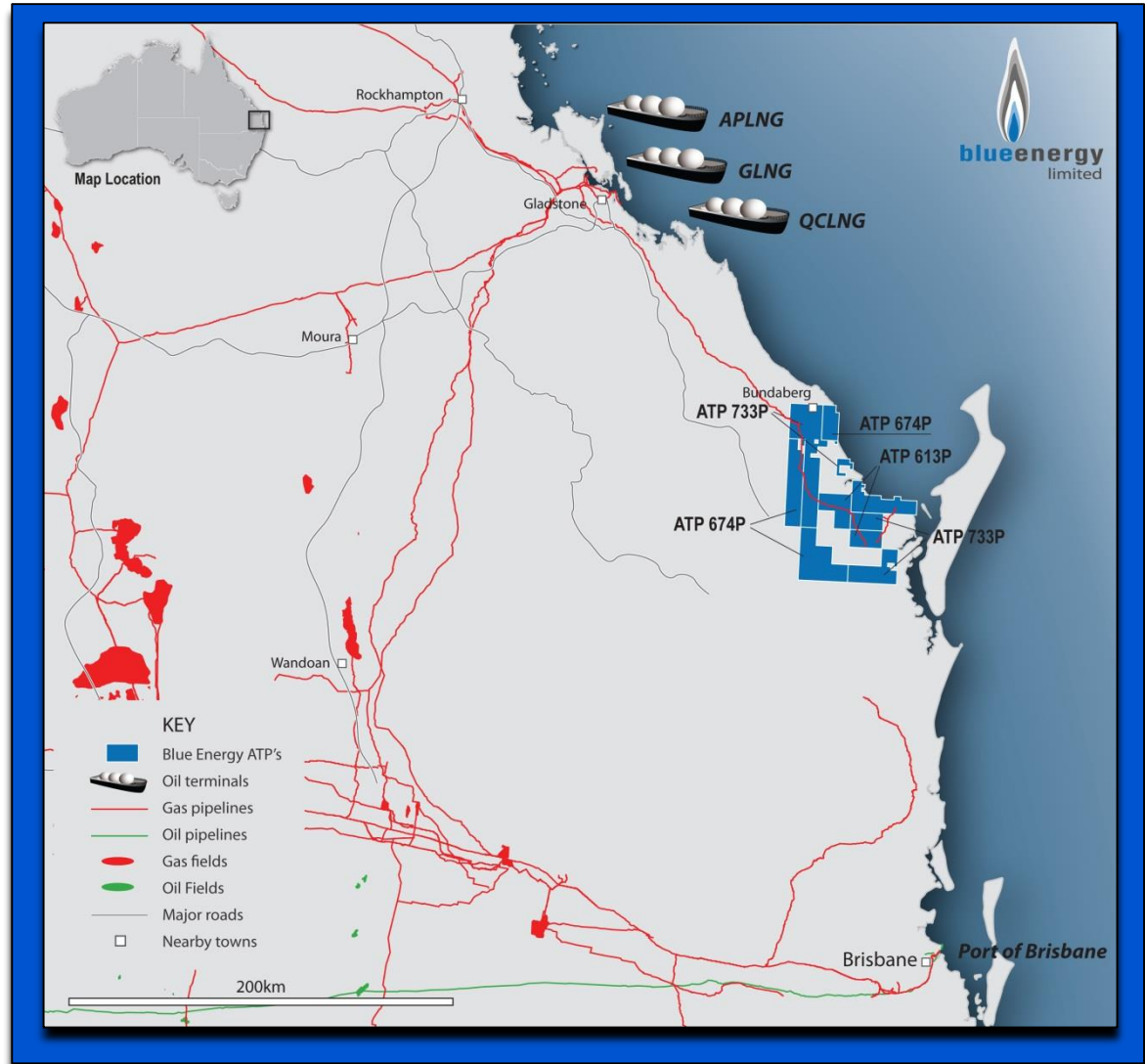
# East Coast Gas Surat-Bowen

- Adjacent to major LNG feed gas supply locations - Fairview and Spring Gully
- 101PJ 3C Contingent Resource (NSAI)
- Export infrastructure to Gladstone passes through block
- LNG operators have exploration acreage adjacent



# Emerging Gas Province Maryborough Basin

- 100% Blue Energy
- Petroleum system identified
  - Clastic reservoirs
  - Shale
  - Coal seam Gas
- Strategic location
  - Supply for SE Qld
  - 150km from LNG demand in Gladstone



# Oil Portfolio

- Producing basin

Cooper: 5,357km<sup>2</sup>

Surat: 854km<sup>2</sup>

**Total 6,211km<sup>2</sup>**

(1.53 million acres)

- Frontier basin

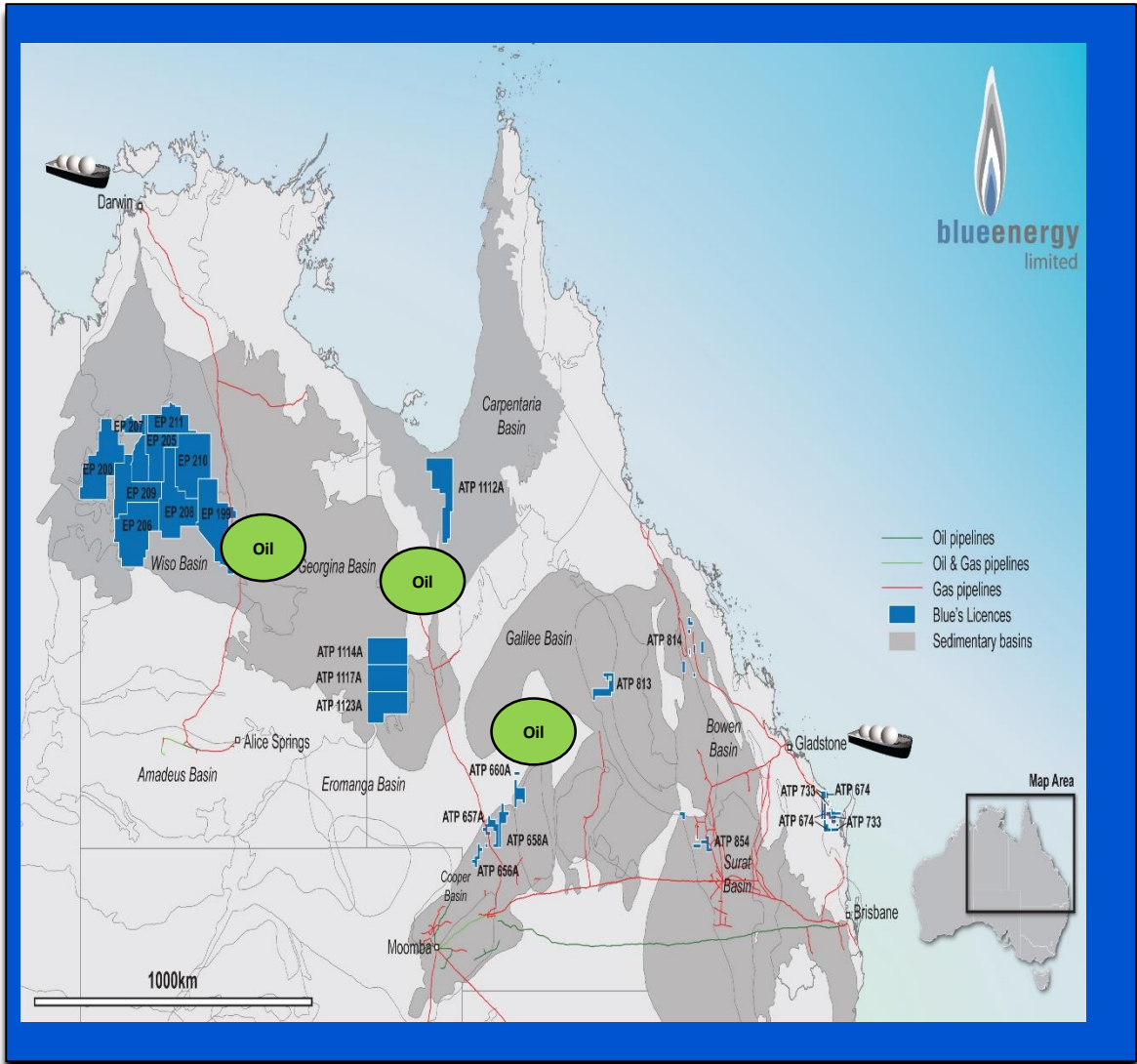
Georgina: 21,300km<sup>2</sup>

Carpentaria: 8,161km<sup>2</sup>

Wiso: 48,332km<sup>2</sup>

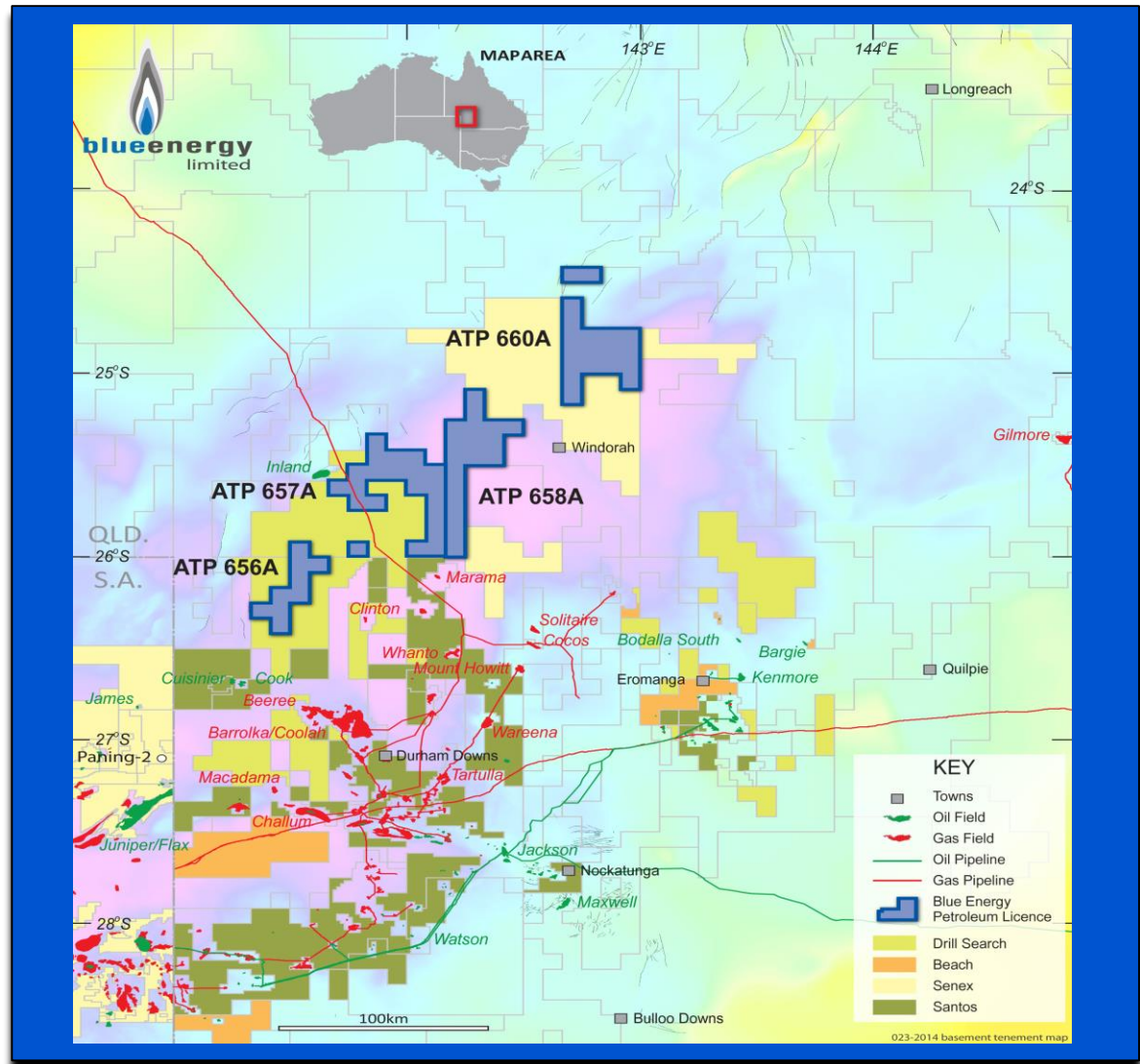
**Total 84,004km<sup>2</sup>**

(20.7 million acres)



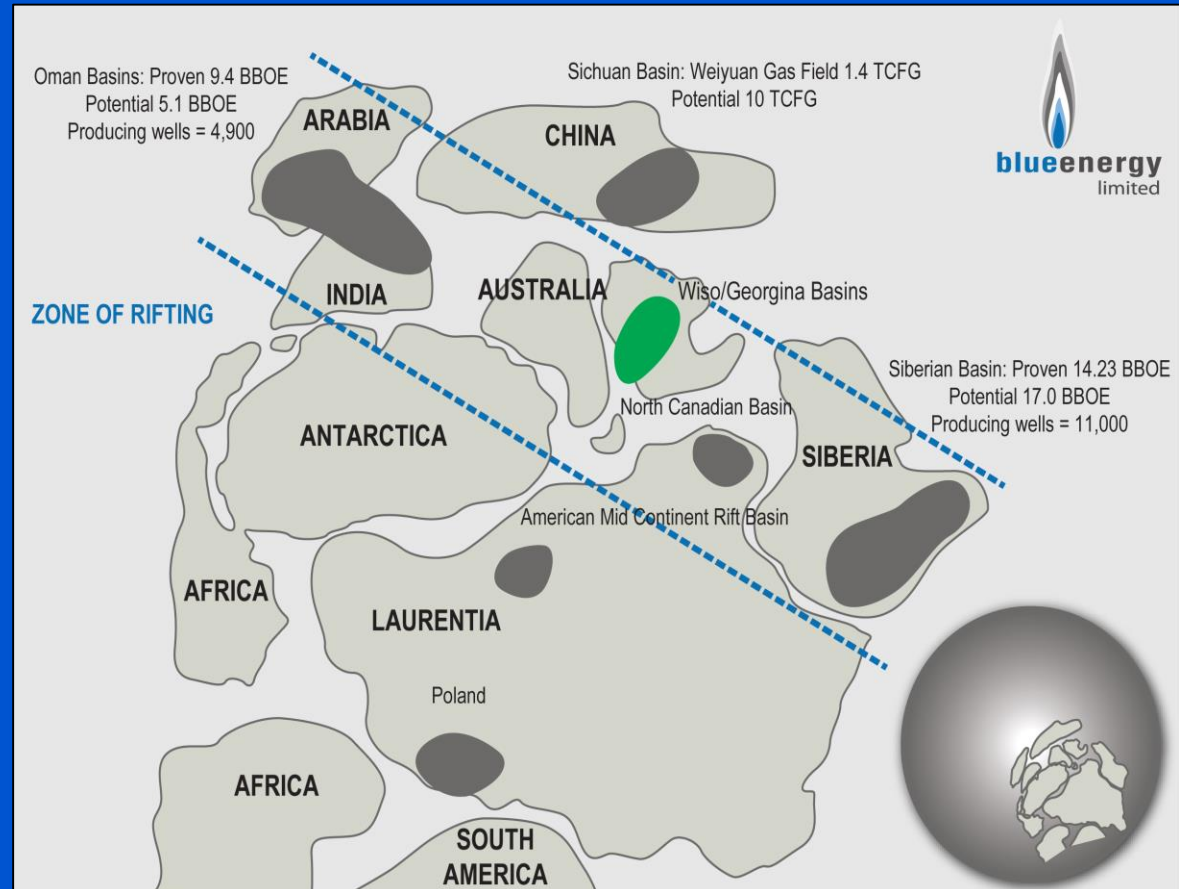
# Oil Portfolio - Cooper Basin

- Giant proven natural gas basin; Proven liquids basin
- Northern flank plays mirror western flank in SA
- Active Operators
  - STO; SXY; DLS; BPT
- Multiple Plays/targets
  - Permian Gas and Shale play
  - Jurassic Oil and shale



# New Frontiers

- **Old Australian Basins**
  - Georgina
  - Wiso
  - McArthur
  - Officer
  - Amadeus
- **Rodinia supercontinent affinities**
- **Production analogies with Oman and eastern Siberia**



Source: Modified after USGS Bulletins 2201 C&F; 2146J & 2167.



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**BLUE ENERGY LIMITED**  
ACREAGE LOCATION

**blueenergy**  
limited

EP(A) 177  
BMR Cattle Creek -11  
EP(A) 203  
Lake Nash -1  
Mt Isa  
EP 128  
EP(A) 132  
Mulga -1  
ATP 1114A  
ATP 1117A  
ATP 1123A  
Ammaroo -1  
BMR Sandover River -13  
Randell -1  
Macintyre -1  
Philip -1.2  
Hunt -1  
Baldwin -1  
EP 104  
Bradley -1  
Owen -1.2  
Lucy Creek -1  
BMR Cockroach -12  
Hacking -1  
EP(A) 222  
EP(A) 221  
Mirrica -1  
ATP 909A  
Bedourie Scout -1  
Netting  
ATP 912A  
Todd -1  
Fence -1  
ATP 659A  
ATP 911A  
ATP 910A  
Black Mountain -1  
Beantree -1  
Canary -1  
Elizabeth Springs -1  
Marduroo -1  
Chabuka -1

**5 well Statoi drilling program starting mid 2014**

**4 well Central drilling program starting May 2014**

**KEY**

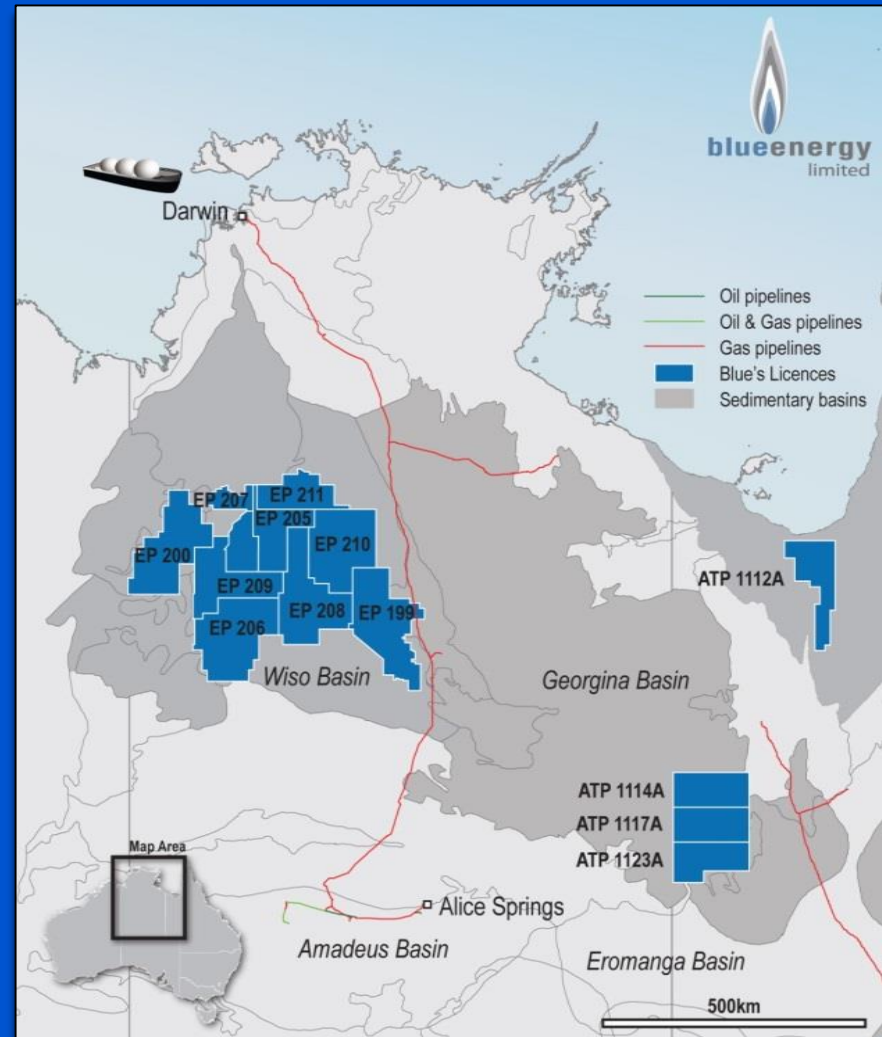
- Existing seismic data
- Core holes
- Blue Energy petroleum licences
- Petroleum licences
- Petrofrontier petroleum licences
- Central/Merlin petroleum licences

0 100 200  
kilometres

Northern Territory Queensland

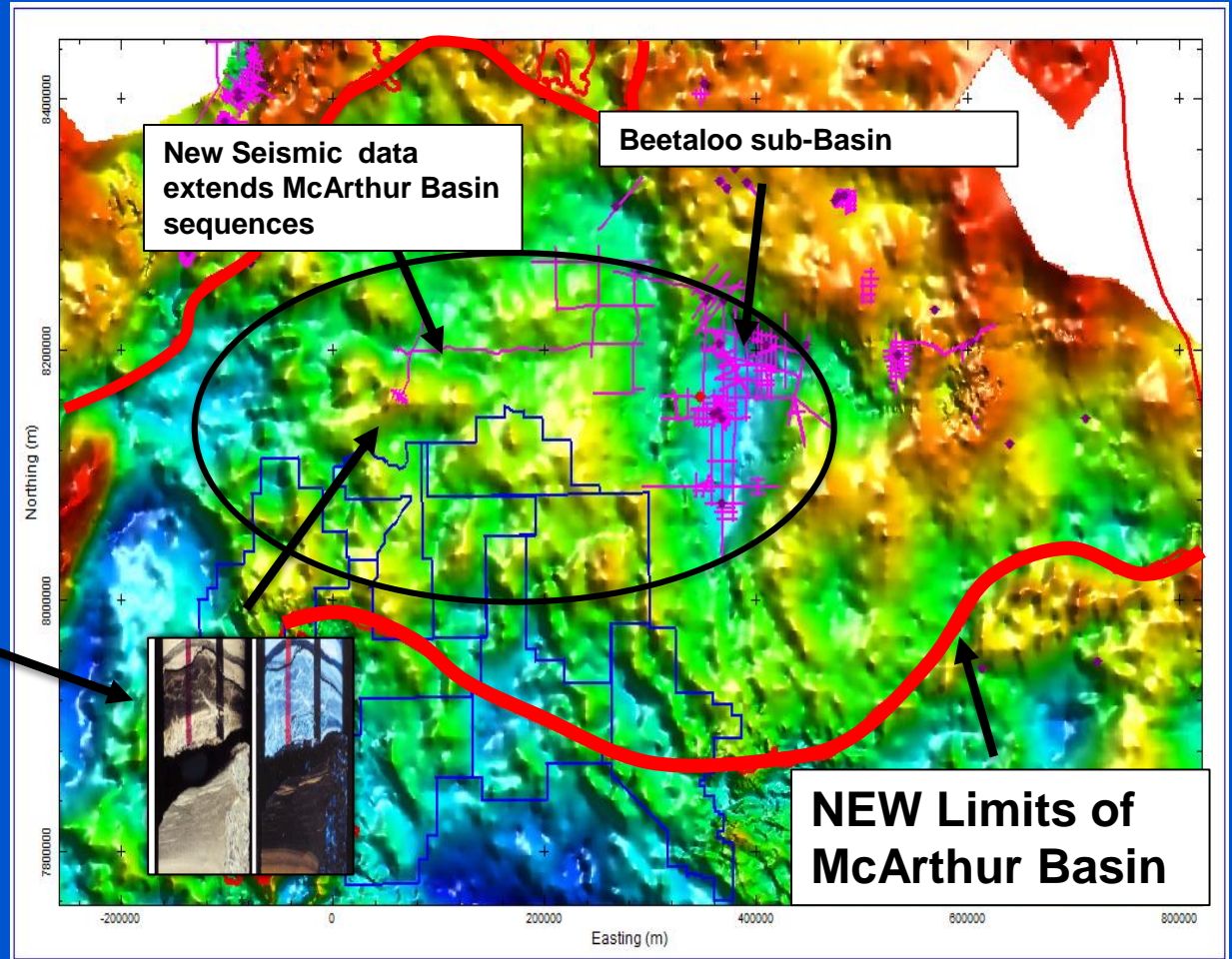
# Oil Portfolio - Wiso Basin

- Un-explored Basin
- Cambrian and Proterozoic sequence – marine source
- McArthur Basin section confirmed to extend into northern parts of Wiso
- Oil and gas potential
- Blue is Operator
- Shale and structural plays
- 4 year Farm in work program
  - G&G studies
  - Aero mag and gravity
  - 2D seismic

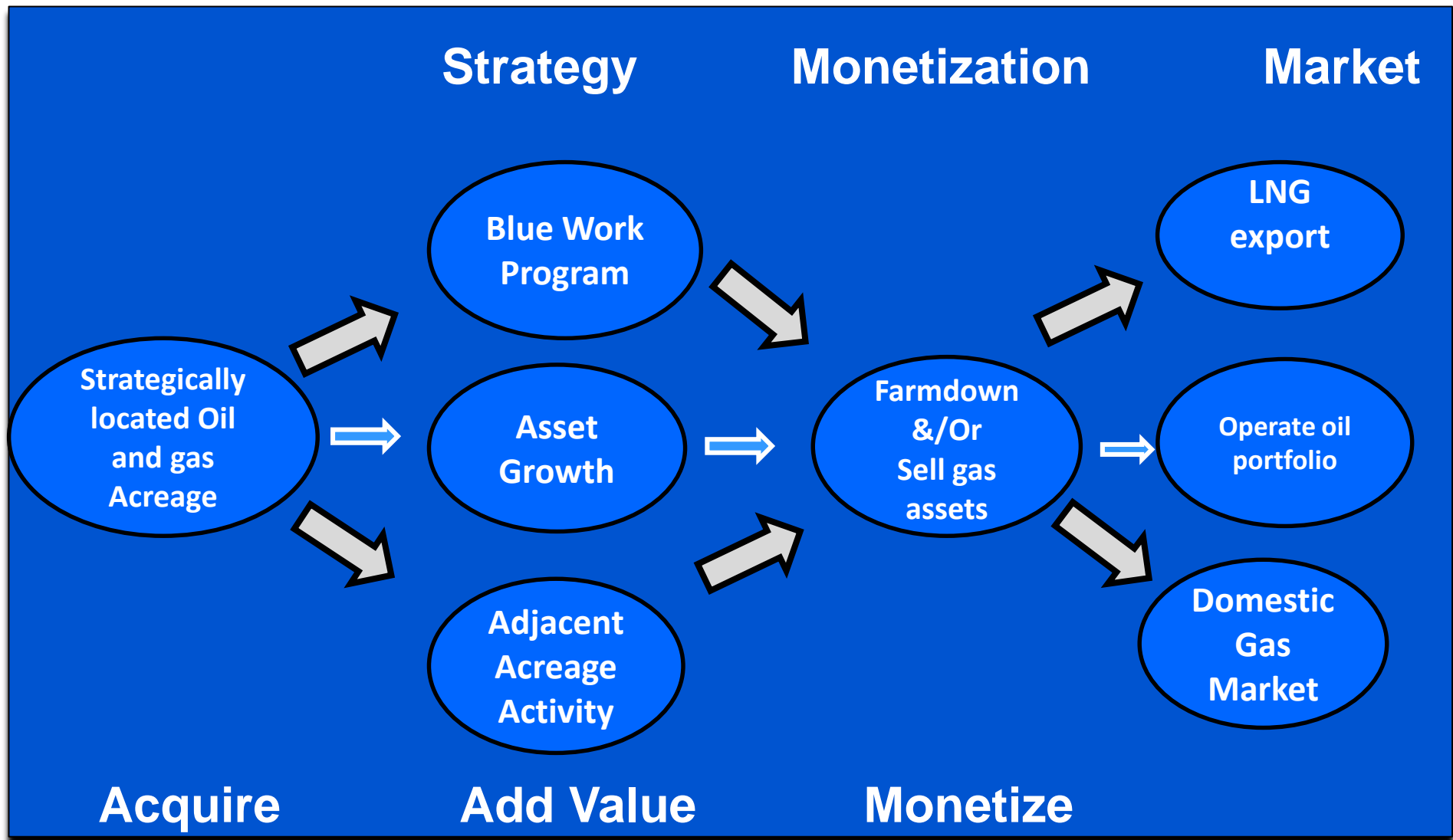


# McArthur Basin Extended

- New seismic data in adjacent permits extends McArthur Basin limits into Blue Acreage
- McArthur Super-basin now covers 25% of NT and has huge potential petroleum
- Oil shows in old strat core
- Blue Energy Magnetic and Gravity modelling identifies depocentres



# Vision & Strategy



# Why Blue?

- **Near Term Value Drivers**
  - **Activity in frontier basins**
  - **Gas shortage on East coast and North coast – domestic and LNG**
  - **Uncontracted Gas Reserves on East Coast**
- **Focussed Strategy - Gas and Oil**
- **Strategic acreage position in hydrocarbon producing basins**
- **Exposure to frontier liquids basins**
- **Operatorship allows control**
- **Continuous cost efficiency drive**



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limited

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