

**Presentation to Macquarie Small and Midcap Oil and Gas Day**

**12 October 2020**

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# Legals

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## 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. The Presentation and information contained in it is being provided to shareholders and investors for information purposes only. Shareholders and investors should undertake their own evaluation of this information and otherwise contact their professional advisers in the event they wish to buy or sell shares. To the extent the information contains any projections, Blue Energy has provided these projections based upon the information that has been provided to it. None of Blue Energy's directors, officers or employees make any representations (express or implied) as to the accuracy or otherwise of any information or opinions in the Presentation and (to the maximum extent permitted by law) no liability or responsibility is accepted by such persons.

## 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) together with the 2011 and 2018 Guidelines for Application of the PRMS as approved by the Society of Petroleum Engineers (SPE), and utilising a deterministic methodology.

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# **“Gas has chosen itself”**

*Prime Minister Scott Morrison*

*(ABC Insiders 20<sup>th</sup> September 2020)*

# Federal Government Fires up Gas Development

## “Gas-fired recovery

15 September 2020

Joint media release with Prime Minister Scott Morrison and Minister for Energy and Emissions Reduction Angus Taylor.

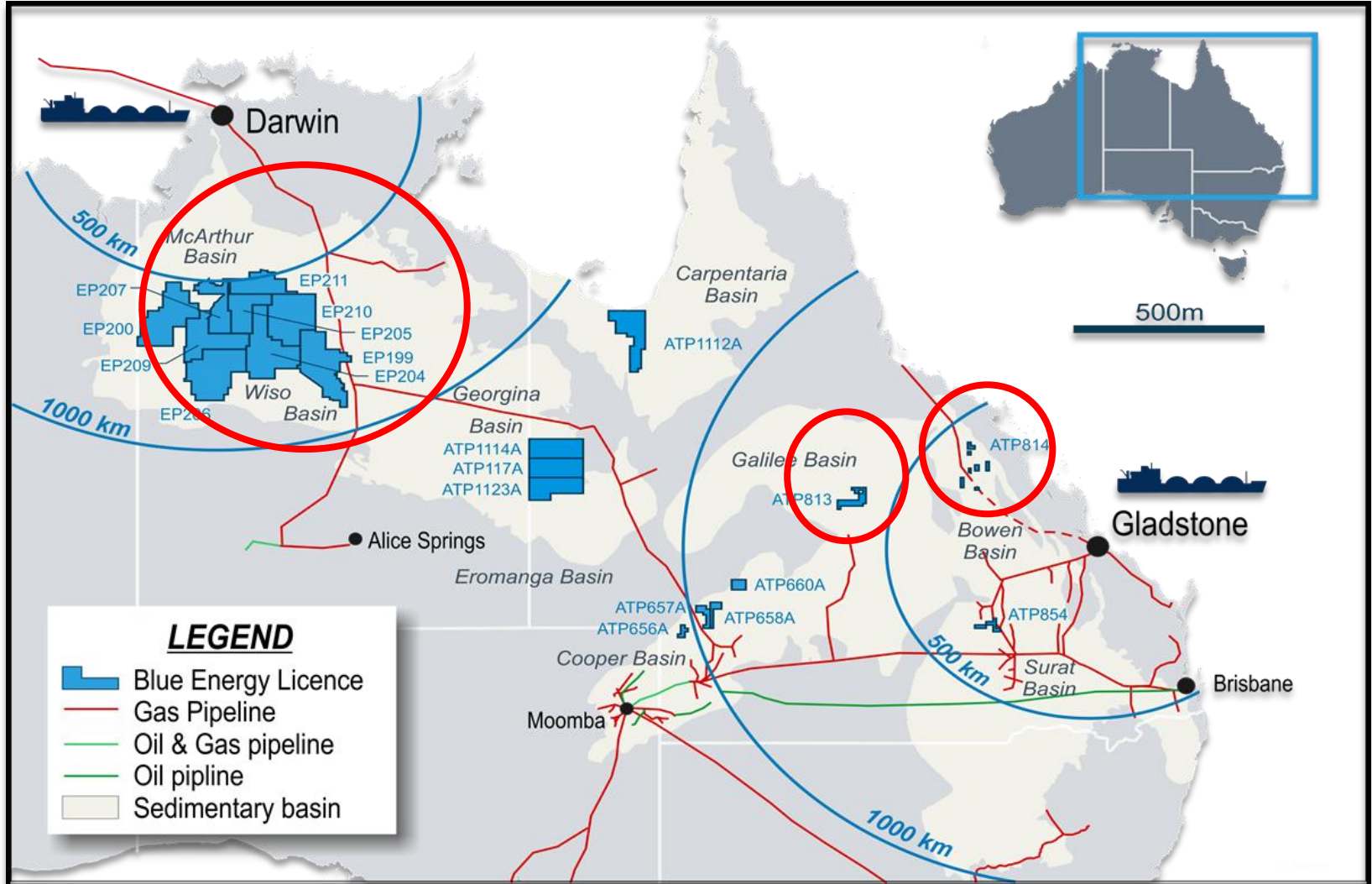
*Gas will help re-establish a strong economy as part of the Government's JobMaker plan, making energy affordable for families and businesses and supporting jobs as part of Australia's recovery from the COVID-19 recession.*

*Prime Minister Scott Morrison said the Government would reset the east coast gas market and create a more competitive and transparent Australian Gas Hub by **unlocking gas supply**, delivering an efficient pipeline and transportation market, and empowering gas customers. The Government will get more gas into the market by:.....*

**•Unlocking five key gas basins starting with the Beetaloo Basin in the NT and the North Bowen and Galilee Basin in Queensland, at a cost of \$28.3 million for the plans.....”**



# Blue has assets in the 3 key Basins **Blue.**<sup>ENERGY</sup>



# Queensland Government in as well! **Blue.**<sup>ENERGY</sup> \$5million for Bowen pipeline feasibility study

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- The Queensland Palaszczuk Government has committed \$5 million to fund a feasibility study for a gas pipeline from the North Bowen Basin to the east coast
- The scope of the study will include routes which can ensure capture of coal mine gas which is currently either flared or vented. This will significantly reduce fugitive methane emission from the coal industry, provide revenue to the state via more royalties and add to the volume of gas on offer to manufacturing.
- The Qld Govt is seeking the Federal Government to match the State funding
- In 2006, then Qld GOC Enertrade, ran a similar study and identified several route options and prepared an EIS.



# Corporate Snapshot

## Metrics

<b>Cash (30/6/20)</b>	<b>\$4.3 million</b>
<b>Debt</b>	<b>Nil</b>
<b>Market Cap (09/10/20)</b>	<b>~\$94 million</b>

## 12 month Share Price Performance



## Board

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

## Reserves and Resources

	1P/1C	2P/2C	3P/3C
<b>Reserves (Pj)</b>	<b>0</b>	<b>71</b>	<b>298</b>
<b>Resources (Pj)</b>	<b>158</b>	<b>1,166</b>	<b>4,179</b>

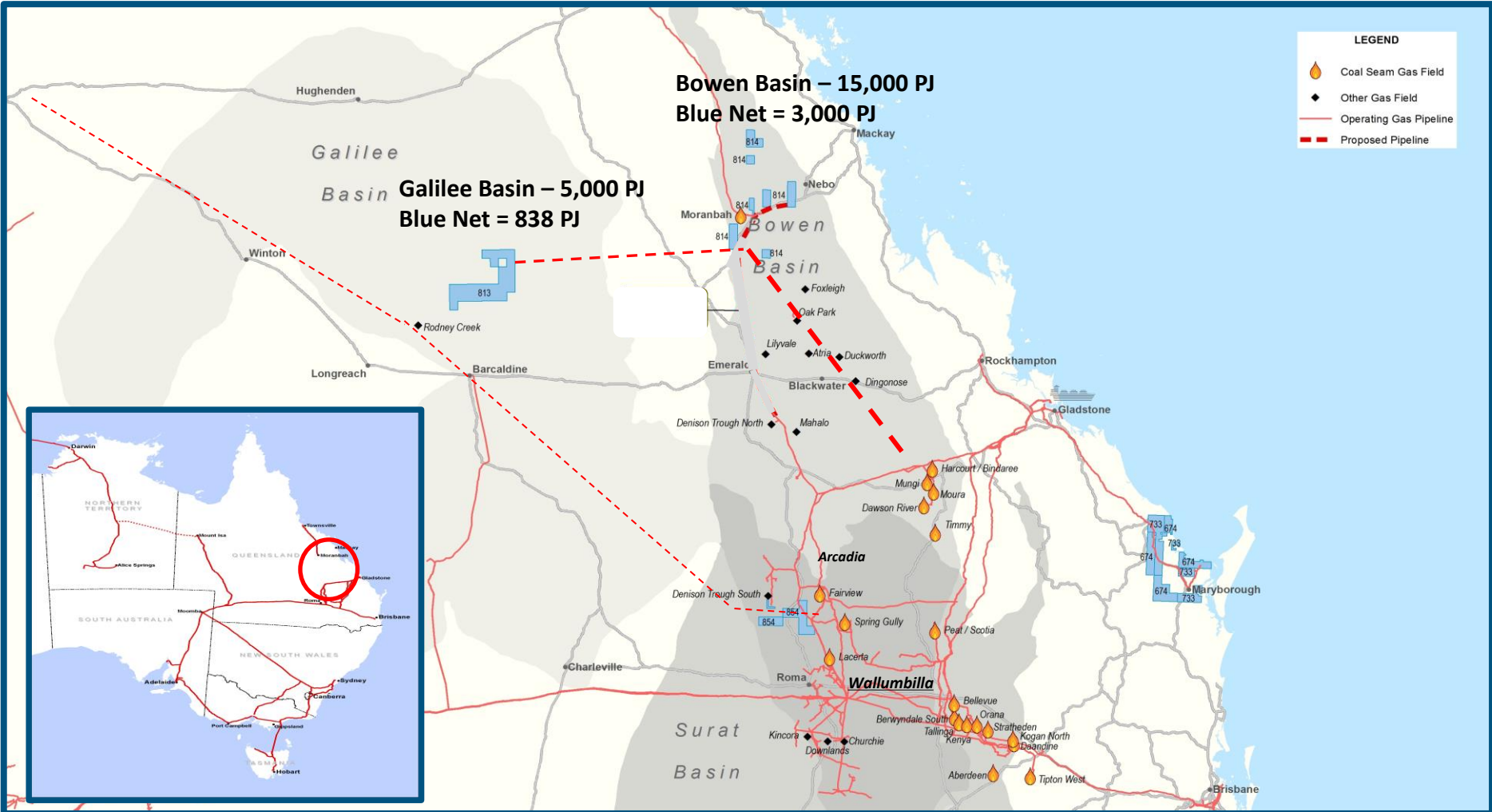
# Blue's Priorities

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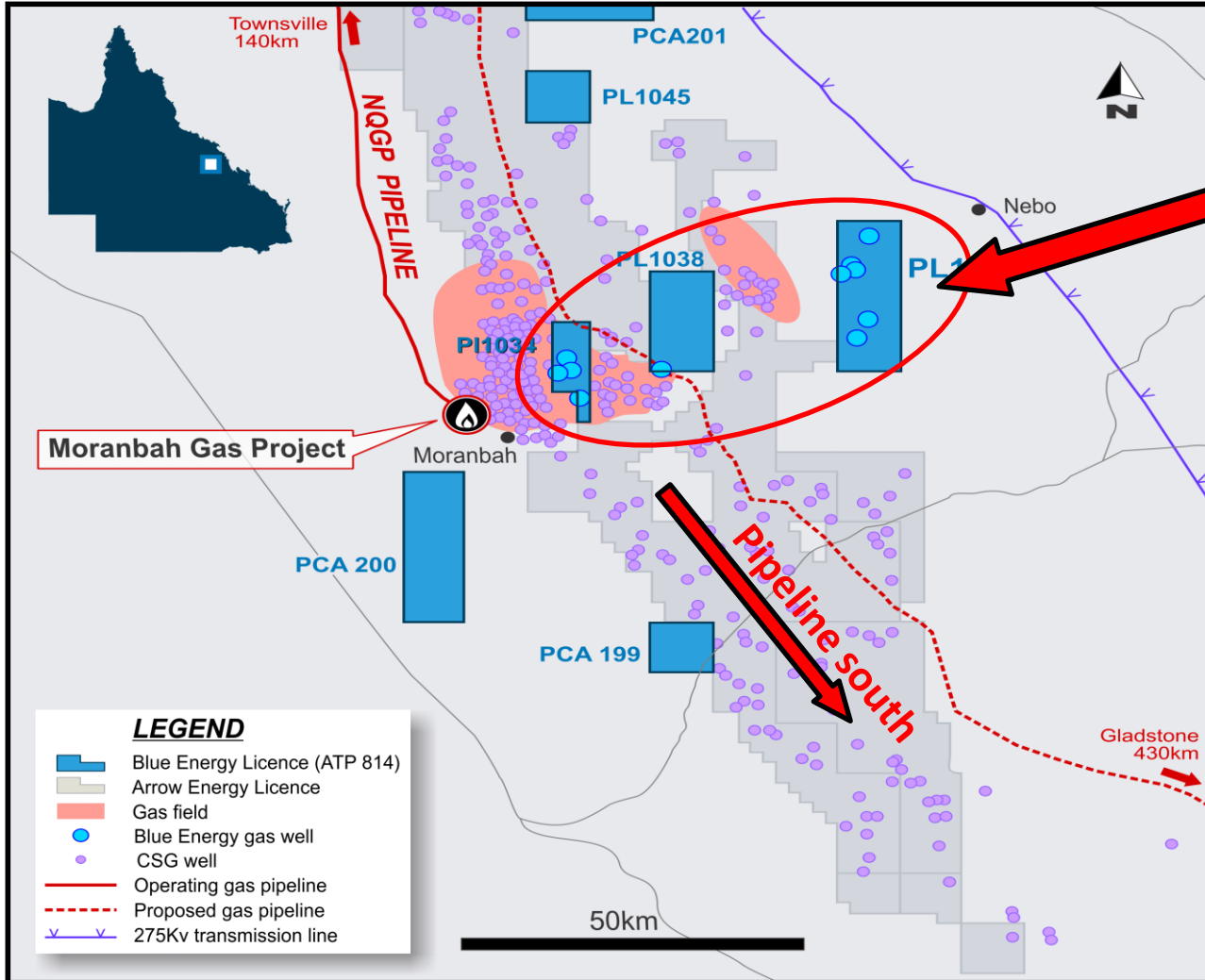
- **Monetise Bowen Gas – GSA's for Blue's 3,000 Pj Gas resource**  
Southern market – pipeline connection – gas buyers
  - Northern market – Townsville market – new industry gas buyers
  - Gas fired power generation – Robust business case for peaking capacity
- **Monetise Galilee Gas – GSA's for Blue's 838 PJ Gas resource**
  - East coast market connection
  - Additional gas for Bowen gas buyers
- **Recommence NT activity under new Regulations**
  - Large resource base identified by Industry in Beetaloo and McArthur Basins
  - Competitor activity re-starting
  - Blue has large acreage position
  - Blue undertaking post Pepper approval process for seismic acquisition
- **NAIF has been reinvigorated by the Federal Government to address key Northern Australian infrastructure funding**



# Connecting the Bowen and Galilee to the east coast market will secure long term gas supply



# Blue's Bowen gas will provide long term reliable supply



2,700 PJ (net to Blue) of marketable gas resource in these three blocks

# Bowen Gas Agreements

## Market gas to East Coast Gas Market

- The Bowen Basin's 15,000 PJ of Gas Resource is discovered and awaiting development
  - 30 years of gas supply to the domestic gas market
  - it's a proven and producing gas basin
  - 80% of this resource is controlled by foreign owned companies
- A single multi-user large diameter pipeline connection from Moranbah to Wallumbilla (via Gladstone) is needed – the Qld Govt has committed \$5 million for route and feasibility study
- Federal Govt High Graded Basin
- NAIF Funding option



# Bowen Gas Agreements

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## Northern Gas Market

Townsville gas users have been getting gas via NQGP pipeline since 2007

New demand opportunities – COVID recovery opportunities

- Mineral processing – QPM MoU signed
- Large scale battery plants
- Electricity generation in lower CO<sub>2</sub> world
- Solar farm firming generation
- Grid stability – ancillary services through gas fired synchronous power gen

Bowen Gas development for East coast market means more gas for Townsville



# Bowen Gas Power Gen

## North Qld Power Generation



Massive Govt sanctioned NQ Solar build out  
*...needs gas fired peaking capacity*

Electricity grid instability caused by unchecked renewable generators needs serious frequency and inertia capacity augmentation

– gas fired generation

Clough Business Case report - robust




# Bowen Gas 2 Power Concept **Blue.**<sup>ENERGY</sup>

## Conceptual scalable fast start mobile aeroderivative gas turbine

HOME • GAS • GAS TURBINES • TM2500

**MOBILE AERODERIVATIVE GAS TURBINE  
TM2500**



**33-36 MW**  
Net output

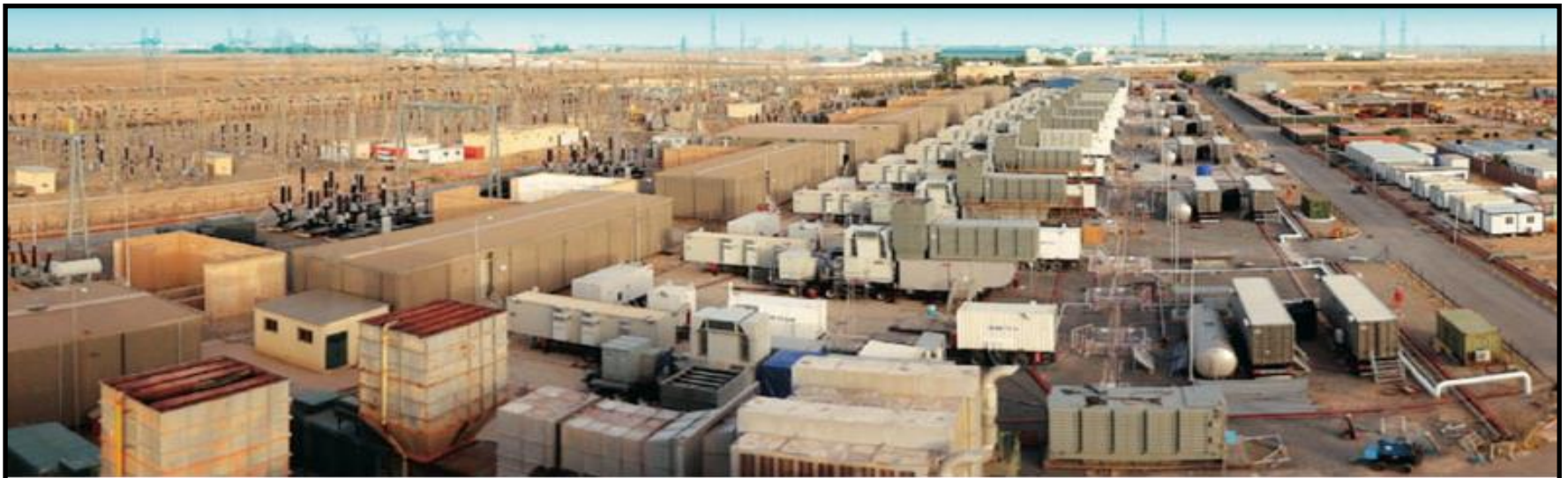
Up to **37%**  
Efficiency

**11 days**  
Installation and  
commissioning time

**5 min.**  
Start time

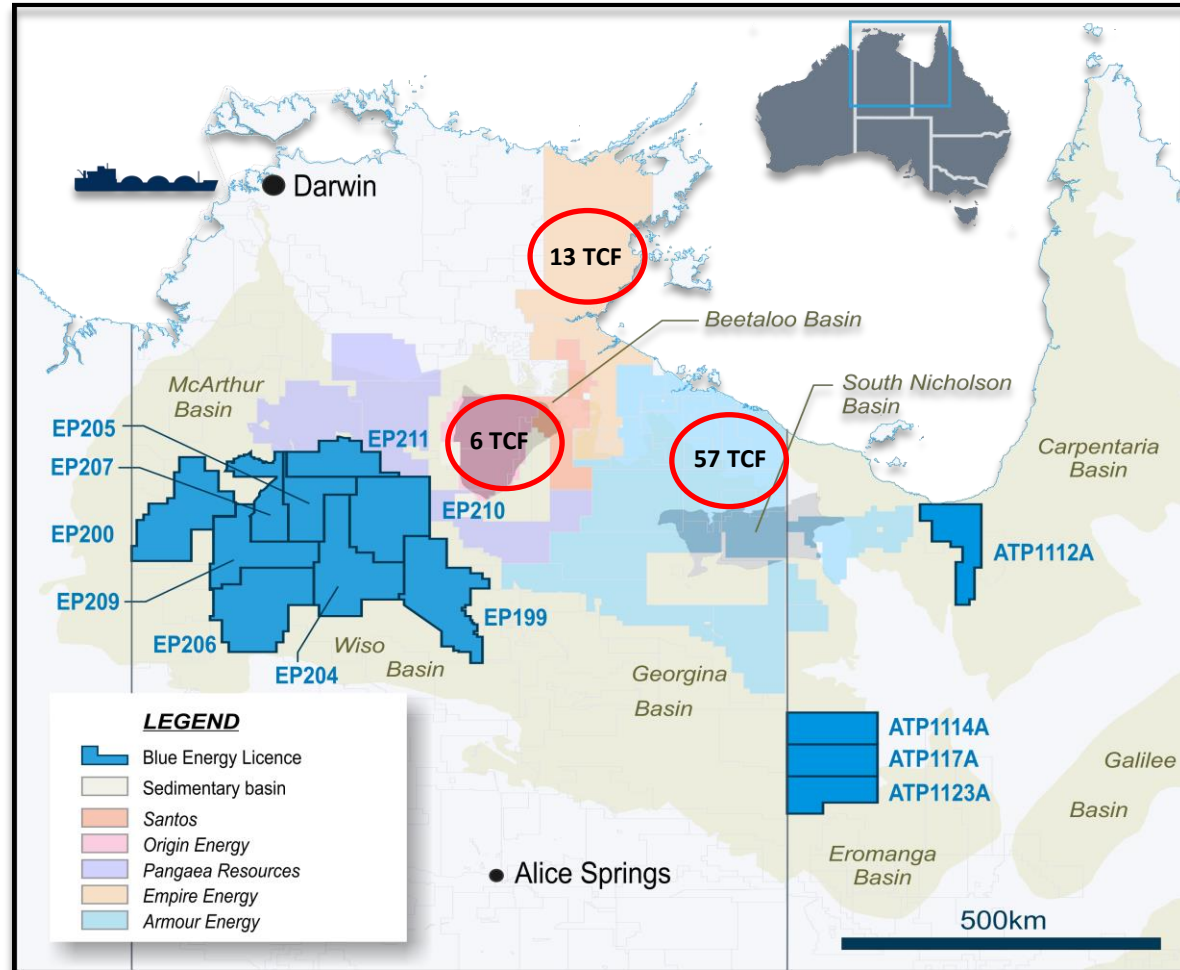
**300+**  
Units installed worldwide

SEE FULL PRODUCT SPECIFICATIONS >



# Beetaloo/Macarthur High Graded area

- Post Covid - Activity re-emerging – Remote community protection is critical
- Federal Govt high graded basin as an east coast gas supply source
- Massive resource potential
- Blue has large acreage position



Resource numbers taken from the various company's ASX releases

# Catalysts

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- **Gas Sales Agreements for north Bowen Gas – 3,000 Pj Gas resource**
  - Southern market – pipeline connection – southern gas buyers
  - Northern market – Townsville – new industry gas buyers
  - Gas fired power generation – Robust business case for peaking capacity
  
- **Gas Sales Agreements for Galilee Gas – 838 PJ Gas resource**
  - East coast market connection via Bowen
  
- **Recommence NT activity under new Regulations**
  - Large resource base identified in Beetaloo and McArthur Basins
  - Competitor activity re-starting
  - Blue embarking on approval process for seismic acquisition



# Why Invest in Blue?

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- Blue has large certified gas reserves and resources in key basins (4,000 + PJ)
- Blue is Operator and holds 100% in Bowen and Galilee Basins
- Federal Government gas led manufacturing plan for post COVID re-build
  - underwriting gas agreements between producers and gas users
  - Potential NAIF funding of critical gas infrastructure
  - new gas from North Bowen, Galilee and Beetaloo basins
    - Blue has positions in all three basins.
- With new underwritten supply, manufacturers able to sign long term gas contracts
- Renewable energy build out needs gas fired generation to firm solar and wind
- Executing Gas Sales Agreements will re-rate the company

# Reserves and Resources **Blue.**<sup>ENERGY</sup>

Permit	Block	Date	Method	Certifier	1P (PJ)	1C (PJ)	2P (PJ)	2C (PJ)	3P (PJ)	3C (PJ)
ATP854P	Whole Permit	30/06/2012	SPE/PRMS	NSAI	0	22	0	47	0	101
ATP813P	Whole Permit	29/10/2014	SPE/PRMS	NSAI	0	0	0	61	0	830
ATP814P	Sapphire	5/12/2015	SPE/PRMS	NSAI	0	66	59	108	216	186
ATP814P	Central	5/12/2015	SPE/PRMS	NSAI	0	50	12	99	75	306
ATP814P	Monslatt	5/12/2015	SPE/PRMS	NSAI	0	0	0	619	0	2,054
ATP814P	Lancewood	5/12/2015	SPE/PRMS	NSAI	0	5	0	23	1	435
ATP814P	Hillalong	27/02/2019	SPE/PRMS	NSAI	0	0	0	182	0	237
ATP814P	South	30/06/2013	SPE/PRMS	NSAI	0	15	0	27	6	30
<b>Total (PJ)</b>					<b>0</b>	<b>158</b>	<b>71</b>	<b>1,166</b>	<b>298</b>	<b>4,179</b>
<b>Total MBOE</b>					<b>0</b>	<b>27</b>	<b>12</b>	<b>199</b>	<b>51</b>	<b>714</b>

All numbers are net to Blue Energy

# Reserves and Resources ENERGY Blue.

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- **Listing Rule 5 Disclosure**

- The estimates of reserves and contingent resources noted throughout this Presentation have been provided by Mr John Hattner of Netherland, Sewell and Associates Inc (NSAI) and were originally reported in the Company's market announcements 25 January 2012, 26 February 2013, 19 March 2013 and 8 December 2015. NSAI independently regularly reviews the Company's Reserves and Contingent Resources. Mr Hattner is a full-time employee of NSAI, has over 30 years' of industry experience and 20 years' of experience in reserve estimation, is a licensed geologist and a member of the Society of Petroleum Engineers (SPE), and has consented to the use of the information presented herein.

- The Contingent Resources information for the Hillalong block announced 27 February 2019, in this Presentation has been issued with the prior written consent of Mr John Hattner of Netherland, Sewell and Associates Inc in the form and context in which it appears. His qualifications and experience meet the requirements to act as a Competent Person to report petroleum reserves in accordance with the Society of Petroleum Engineers ("SPE") 2007 Petroleum Resource Management System ("PRMS") Guidelines as well as the 2011 and 2018 Guidelines for Application of the PRMS approved by the SPE utilizing the deterministic methodology.

- Blue Energy confirms that it is not aware of any new information or data that materially affects the information included in this Presentation or any of the previous announcements referred to relating to ATP 813P, 814P or 854P that all of the material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed.

- Blue Energy announced the booking of the initial contingent resources for its Bowen Basin permit ATP 814 on 25 January 2012 which was subsequently upgraded 19 March 2013 and again on 8 December 2015.

ENERGY  
**Blue.**

