

21 November 2022

Operational Update

Blue Energy completes the drilling phase of the Sapphire Pilot Campaign – Production testing to commence shortly

Blue Energy Limited (ASX: BLU, 'Blue') is pleased to report on the operations at the Sapphire Pilot drilling programme in ATP 814.

Blue Energy advises that it has successfully completed the significant drilling program on the Sapphire Project successfully.

The Silver City Drilling Rig #23 has now been de-mobilised and activities at Sapphire Pilot are now focused on installation and commissioning of all surface facilities at Sapphire 5V and 6V to enable production testing to commence in the last week of November.

Operational highlights to date

- The Sapphire Pilot campaign drilled a total of approximately 14,000 metres of hole with a total of approximately 8,000 metres in horizontal section.
- 2 vertical water production wells drilled – Sapphire 5V and 6V
- Sapphire 5 L1, L2, L3 and L4 lateral wells successfully drilled and intersected with the Sapphire 5V vertical well.
- Sapphire 6 L1, L2 and L3 lateral wells been drilled and intersected the Sapphire 6V vertical well.
- No Lost Time Injuries were recorded for the entire campaign

Drilling Program Background

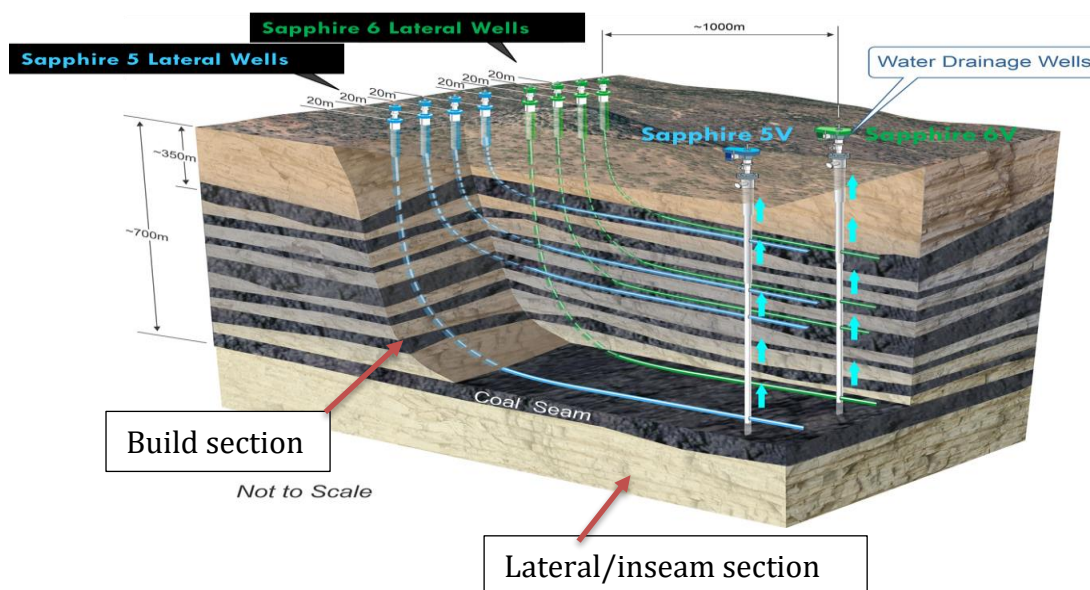


Figure 1: Schematic of Sapphire 5 and 6 pilot well configuration

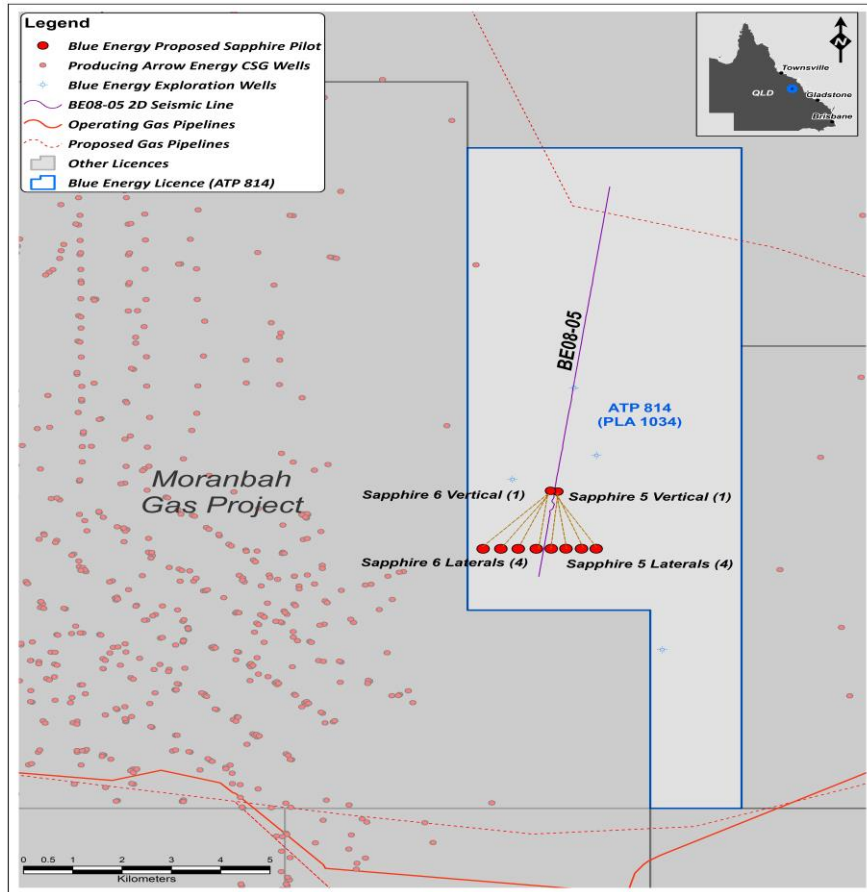


Figure 2: Plan view of Sapphire 5 and 6 Pilot well locations

Announcement released by Authority of the Board per:

John Phillips
Managing Director
Blue Energy Limited