

21 November 2022

SAPPHIRE PILOT PRODUCTION TESTING UPDATE

Blue Energy Limited (ASX: BLU, 'Blue') is pleased to report on the operations at the Sapphire pilot wells in the Sapphire Block of ATP 814 (PLA 1034).

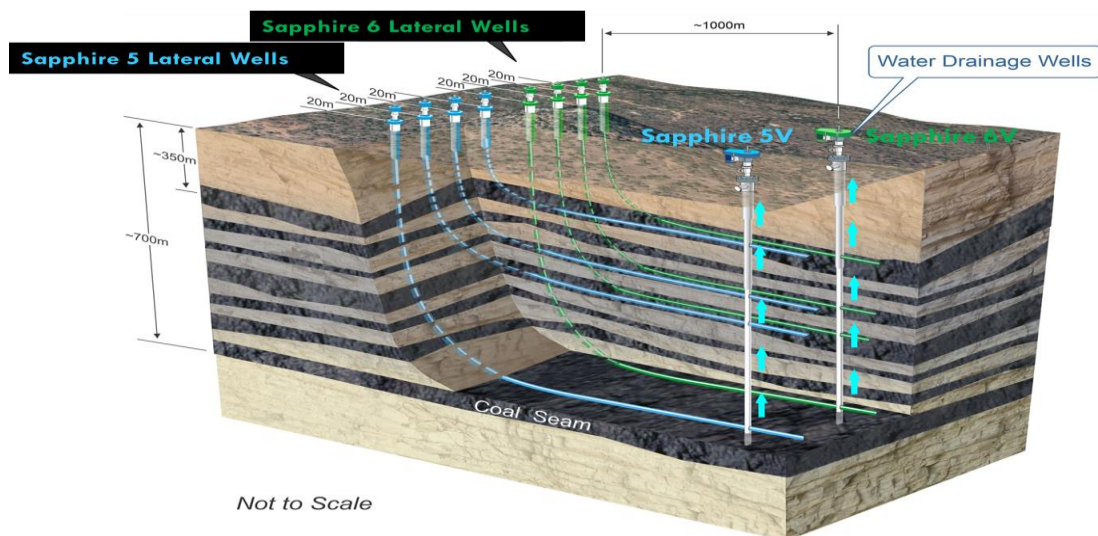
The SWS workover rig has now successfully run the downhole completion string (consisting of downhole pump, rods and tubing) in the Sapphire 6V vertical well. Surface facilities to drive this pump will now be installed.

As previously announced, the Sapphire 5V well has been completed with the water production string and downhole pump.

Now that both the drilling rig and workover rig have completed their respective activities, the surface facilities on Sapphire 5L lateral pad and the Sapphire 6 L lateral pad can now be completed and the lateral wells connected to the production test skids and flare line equipment, ahead of commencing the production testing activities.

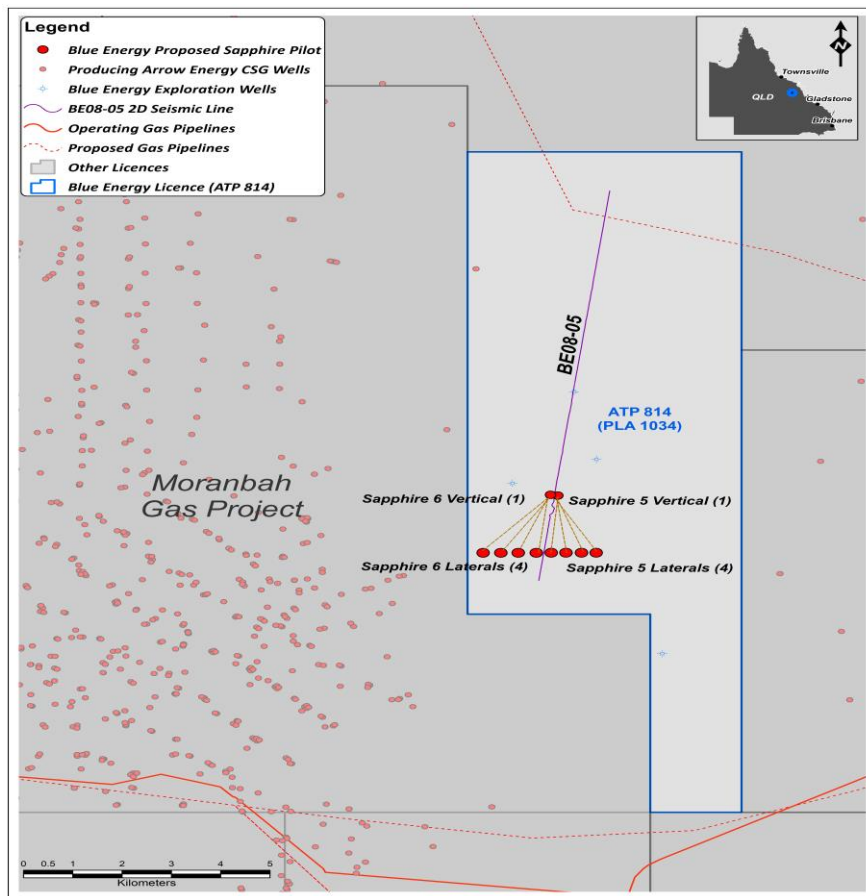
Blue expects to complete the installation and connection of all surface facilities for the Sapphire 5 pilot well set in the next week, with commissioning of the Sapphire 5 Pilot to occur in the last week of -November. The Sapphire 6 pilot well set completion and hook-up will follow.

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



Source: Blue Energy

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



Source: Blue Energy.

The pilot well sets incorporate up to 4 separate lateral wells, each accessing individual coal seams and designed to intersect a single vertical well (see Figures 1 and 2). The vertical well acts as the water producer for the lateral wells, with the lateral wells able to meter and measure the gas flow from each individual coal seam, to allow better allocation of seam-specific reserves.

Announcement released by Authority of the Board per:

John Phillips
Managing Director
Blue Energy Limited