

5 April 2023

SAPPHIRE PILOT PRODUCTION TESTING UPDATE

Gas rate now 70,000 cubic feet per day (up from 20,000 cubic feet per day).

Gas rate being regulated by controlled dewatering rate

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

The previously reported gas flow rate has increased as the water level over the uppermost coals is slowly lowered in a controlled manner. The current separator gas flow rate is 70,000 cfd (cubic feet per day) up from the previously reported 20,000 cfd.

Dewatering process continues to be cautiously managed to ensure minimal damage to the coals in the pressure drawdown phase.

Blue continues to slowly bring down the water levels in both the water production wells (Sapphire 5V and 6V) to minimise the potential of damage to the coals and production of unwanted coal fines.

The Sapphire 5V vertical water production well is currently producing 135 barrels of water per day (BWPD) which is being managed to slowly bring down the water level on each of the Sapphire 5L lateral coal seams.

Water production from the Sapphire 6V vertical water production well is currently at 110 BWPD.

The water produced from the Sapphire 5V and 6V water production wells is regularly analysed and remains within the range suitable for provision to livestock, as defined by the ANZECC/ARMCANZ (2000) Water Quality Guidelines.



Figure 1: Gas flare during commissioning at Sapphire Pilot: Source: Blue Energy

Released by Authority of the Board per:

John Phillips
Managing Director
Blue Energy Limited