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# Blue and Queensland Pacific Metals Energy sign gas MOU to supply Sapphire Pilot gas into the Moranbah Gas Plant

Blue Energy Limited (**ASX: BLU**) is pleased to advise that it has signed a non-binding MOU with Queensland Pacific Metals Energy Pty Ltd (QPME) to facilitate supply gas on an "as available" basis into QPME's newly acquired Moranbah Gas Project (MGP) plant at Moranbah.

As the market has been advised recently+, QPME acquired the MGP and other assets from the Arrow AGL Joint venture (subject to regulatory approval) and will now own and operate the MGP.

This transaction provides Blue with a simple path to the commercialising of its pilot gas flow from the appraisal pilot well production testing activities being currently conducted in Blue's 100% held Sapphire Block in ATP 814 (PLA 1034).

The Sapphire Pilot is located only 3 kilometres from QPME's low pressure gas gathering system (see Figure 1 below).

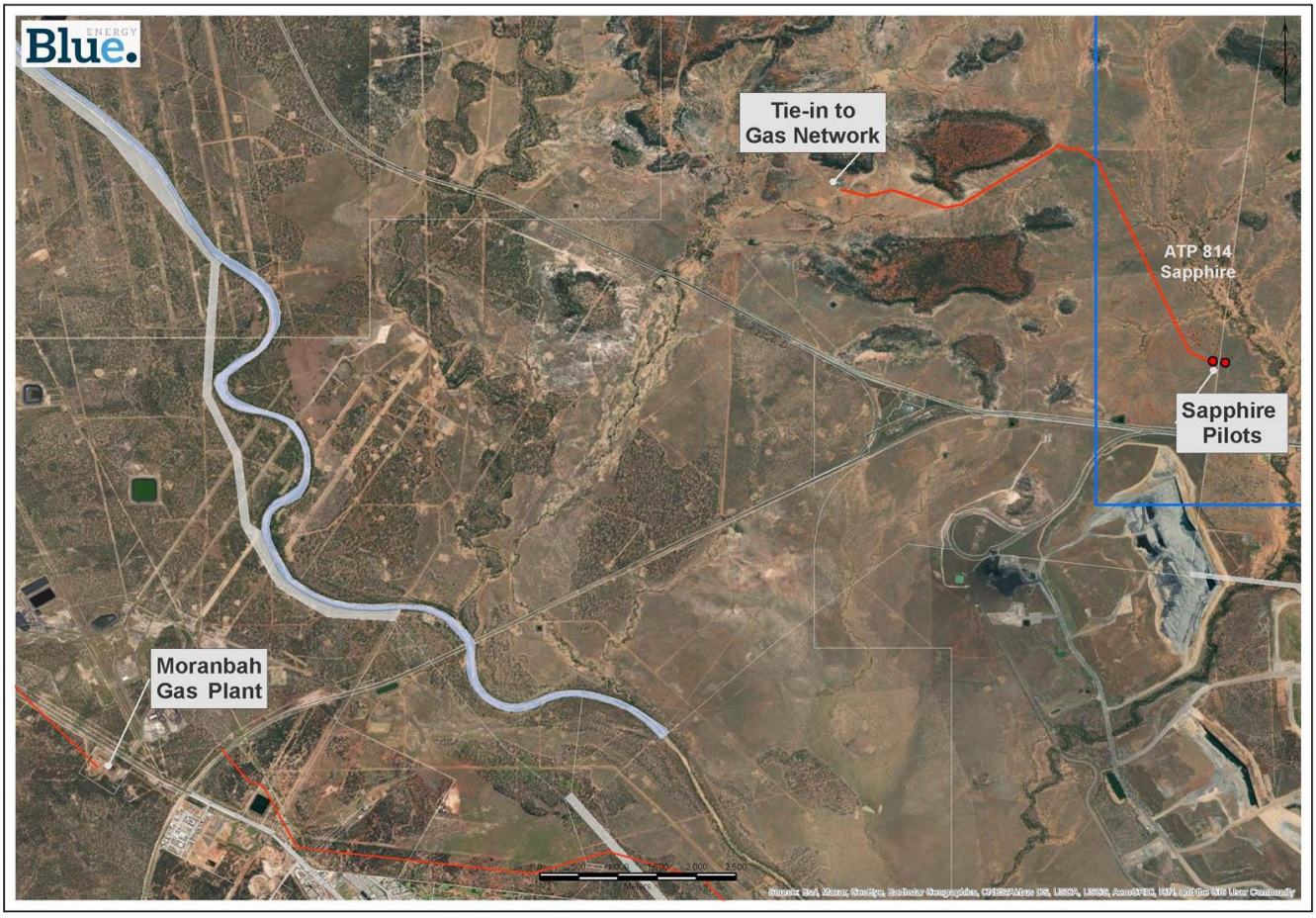


*Figure 1: Location map of Blue's Sapphire Pilot wells, the Moranbah Gas Plant and the proposed tie in point*

The MoU is the first step in a strengthening alliance between Blue and QPME for the development of gas reserves in the North Bowen Basin and paves the way to develop Blue's gas reserves to supply the previously announced Gas Supply MoU with QPM for their Nickel Refinery project in Townsville++

Blue and QPME's parent company QPM have an existing MOU for the supply of 7 PJ/annum of gas over 15 years to QPM's Proposed Nickel Refinery in Townsville. This is a separate MoU and remains on foot.

Engineering works will commence shortly to establish the mechanics and logistics of tie in points and transfer points for the delivery of the gas.

Blue Energy Managing Director, Mr John Phillips, said "Blue is delighted to be able to offer our pilot gas to QPME in the near term on an as available basis. This will ensure Pilot gas produced by Blue is fully utilised and can assist QPME in meeting its gas supply targets on becoming the new owner of the MGP. It allows Blue a very cost effective path to bringing more new gas supply into the domestic market, efficiently, cost effectively and in a timely manner. Blue looks forward to working constructively with QPME to fully realise the potential of the North Bowen Basin gas resource."

Release by Authority of the Board per:

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[+] Refer QPM ASX Announcements dated 5 April 2023
[++] Refer ASX Announcement dated 12 November 2019