Blue. ENERGY
Level 10, 26 Wharf St,
Brisbane QLD 4000
t +61 (0)7 3270 8800
f +61 (0)7 3270 8899

NATURAL GAS – Reliable, Dispatchable, Sustainable, ... ESSENTIAL

30 April 2025

QUARTERLY ACTIVITIES REPORT to 31 March 2025

Blue Energy Limited (ASX: BLU, 'Blue Energy', 'Blue' or 'the Company') is pleased to report on activities during the quarter ended 31 March 2025 across its acreage in Queensland and the Northern Territory, in which the Company's key gas and oil projects are located.

KEY HIGHLIGHTS

- The legal matter before the Land Court of Queensland (Land Court) relating to Blue Energy's Sapphire asset was resolved. The Land Court of Queensland in its decision on the matter has granted an amended Environmental Authority (EA) to Eureka Petroleum Pty Ltd (100% subsidiary of Blue Energy) in respect to production activities over the PL 1034 area.
- The decision by the Land Court to issue the amended EA now allows the Minister for Natural Resources, Mines, Manufacturing and Regional and Rural Development to proceed with the grant of the Petroleum Lease (PL) 1034 over the Sapphire Block.
- Blue Management, working closely with the new Queensland Government, is confident in securing the outstanding PCA application tenures in the Moranbah area (PCA 336 and PCA 337).
- During the quarter the Sapphire 5 and 6 lateral pilot wells continued on production testing but with continued interruptions in production caused by surface facility maintenance issues. Optimisation work is also required on metering valve sets on the surface separator equipment.
- The Research and Development tax rebate for the 2024 expenditure on the Sapphire Pilot project covering the continuing Sapphire Pilot production activities, lodged last quarter has now been processed and the rebate amount of $605,000 was received from the ATO during the quarter.
- The seismic data, processing and interpretation technical work on Blue's Northern Territory acreage undertaken over previous quarters was submitted to the Northern Territory Department of Industry, Tourism and Trade for review and assessment as meeting Blue's work program obligations for EP 200 and EP 207.
- The NT Government has confirmed that this data and technical work have met the obligations and has confirmed that Blue's application for a suspension and extension of work program and permit term for all of Blues NT acreage has been granted, based on protracted land access negotiations required to comply with the NT Petroleum Act and its Regulations.
- The new Crisafulli led Government in Queensland confirmed its backing of the mining and gas industries with the initiation of the Resource Cabinet Committee which brings together Government and Industry to brief Queensland Government Ministers to identify issues delaying the approval of mining and gas projects. This follows on from the Queensland Treasurer's funding approval of new gas fired power generation projects at Kogan Creek, Swanbank and Gatton.

Environmental Authority PL 1034 (Sapphire) ATP 814

In a decision handed down by Member JR MacNamara the Land Court on 3 April 2025, the Land Court of Queensland issued an amended Environmental Authority (EA) to Eureka Petroleum Pty Ltd (the holder of ATP 814 and 100% wholly owned subsidiary of Blue Energy Limited) for petroleum activities to be undertaken on the Sapphire PL 1034 Application area (see Figure 1 below).

A brief summary of the case and the Land Court's decision follows:

- The Land Court Appeal was brought by Environmental Advocacy in Central Queensland Inc against the Queensland Government in respect to the granting an Environmental Authority to Eureka Petroleum.
- Blue Energy and Eureka Petroleum were named in the action as second and third respondents respectively and consequently drawn into the defence of the appeal by the Queensland Government (Department of Environment Tourism Science and Innovation – DETSI)
- The Land Court heard the Appeal and reached a decision on the matter.
- The appeal and the case had been ongoing since July 2023 and defended by the Company since that time.
- The matter has now been concluded with the issue of an amended EA.
- The Court has now issued a valid Environmental Authority for Blue to continue development of gas resources and reserves in the Bowen Basin.
- This new Environmental Authority (EA) issued by the Land Court adds new conditions to the original EA which build on the original EA conditions regarding water, flora and fauna matters.
- Blue can now focus on this and its other tenements in the Bowen Basin which contain significant gas resources, the development of which is vital to bolstering East Coast gas supply, local manufacturing, the stability of the electricity grid and many jobs and households that these sectors support.

Blue has completed the interpretation of Geoscience Australia regional 2D seismic data in the Wiso Basin area of the Northern Territory.

Interpretation of the newly obtained and processed 2D regional seismic data across EP 200 and EP 207 has yielded promising stratigraphic correlations with areas further to the north and east of these permit locations. The sedimentary sequence observed on the new seismic suggests correlation with the Glyde Package seen in the McArthur Basin to the east where previous gas discoveries have been made such as the Cow Lagoon and Glyde gas discoveries made by ADZ Pty Ltd (formerly Armour Energy). Blue's technical team is assessing locations for potential stratigraphic drill holes to further confirm the stratigraphy and sample this sequence for oil and gas potential.

ACTIVITY IN PROVEN BASINS

Bowen Basin, Queensland: ATP 814 (Blue Energy 100% and Operator)

Pilot production testing of the Sapphire 5 and 6 wells continued during the quarter. Consecutive surface equipment maintenance issues on each of the vertical water producing wells (5V & 6V - generator sets) have resulted in interruptions to the production testing process. The aggregate gas and water rates of the pilot wells can be seen in Figure 2 and shows gas rate trends over time. Field staff are now preparing to install replacement surface gear on the Hydraulic Pump unit on Sapphire 5V vertical water well and also install new metering valves on the separators associated with the lateral gas producer wells.

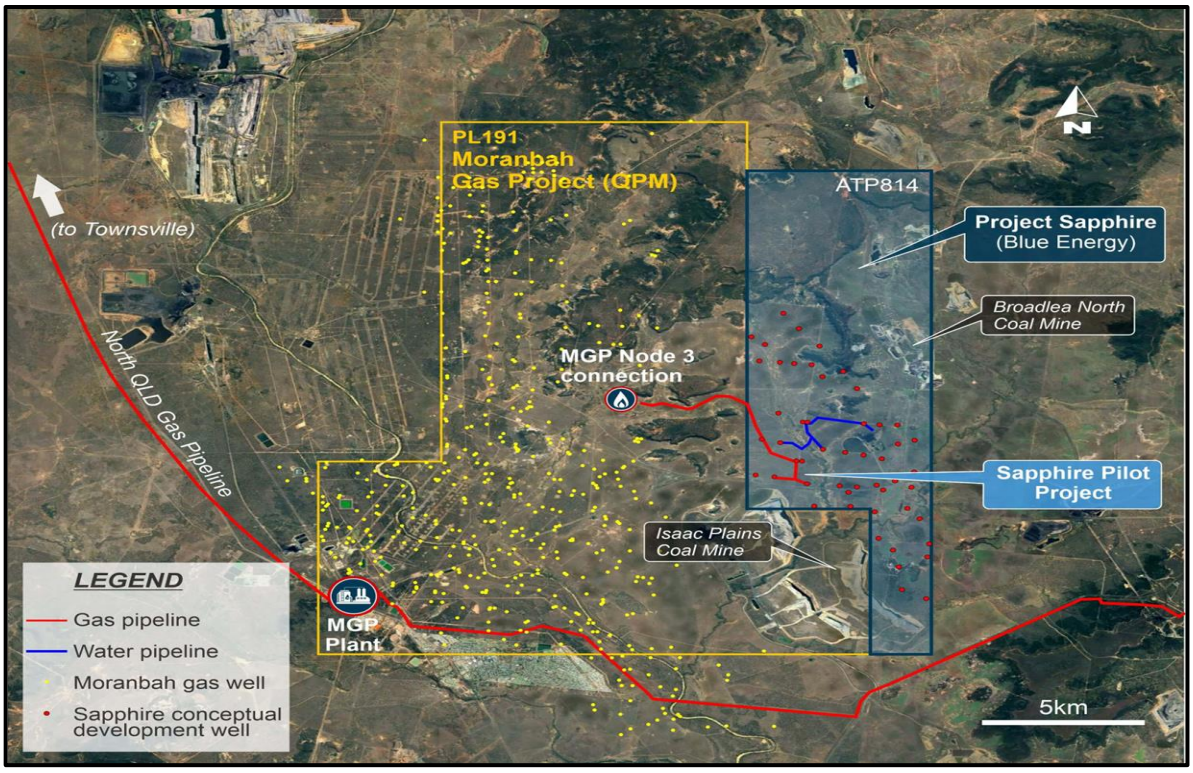

Figure 1: Sapphire block of ATP 814 in relation to the Moranbah Gas Project and the related gas producing wells. Also shown is the proposed pipeline connection from Sapphire to the MGP Node 3 connection and initial proposed Sapphire development.

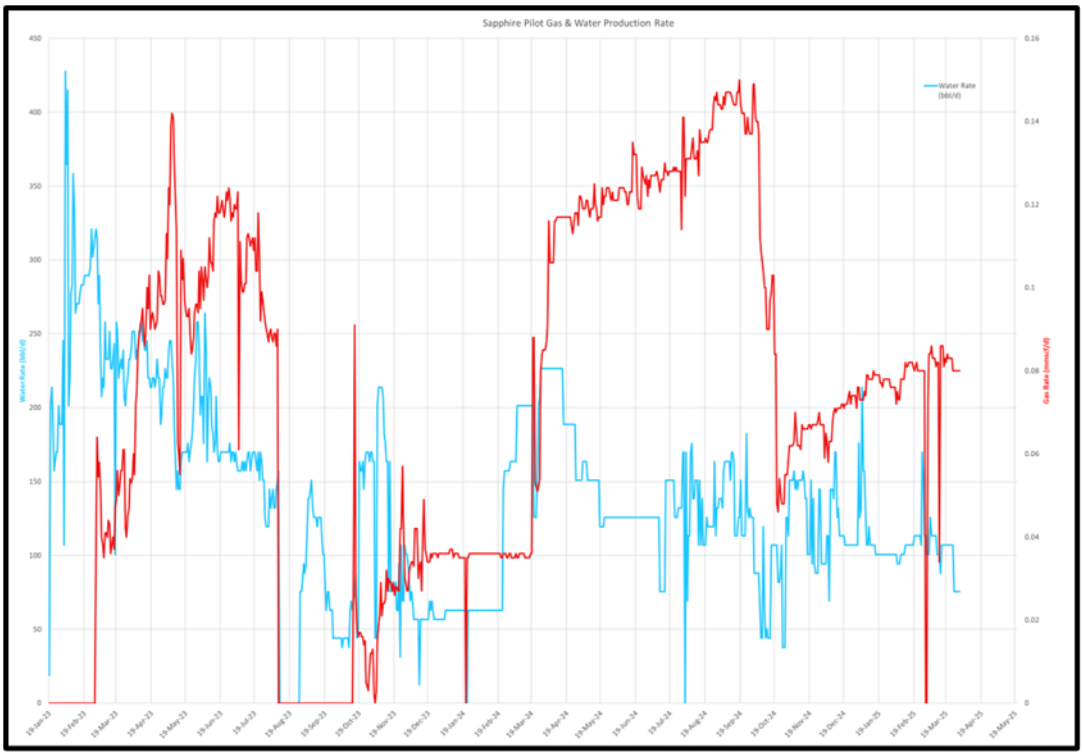

Figure 2: Sapphire Pilot production aggregate rates for gas and water.

The Sapphire Pilot is situated within the PL 1034 production licence application area, (part of ATP 814) which is located immediately adjacent to the Moranbah Gas Project (MGP) – See Figure 1. The MGP is a producing gas field which was recently acquired by Queensland Pacific Minerals Energy (QPME).

Blue Energy has an existing non-binding MoU to supply gas to QPME's proposed Nickel refinery in Townsville. With the acquisition of the MGP by QPME, there is alignment between QPME and Blue Energy for the Company to utilise MGP infrastructure to fulfil the supply agreement to the proposed QPME Townsville plant.

Reflecting this alignment, Blue and QPME also executed a non-binding MoU to supply pilot gas to the MGP from the Sapphire Pilot[1] via a proposed pipeline from Sapphire Pilot location to the Node 3 compressor station within the Moranbah Gas field (Figure 1).

Blue Management is now working with the Queensland Department Natural Resources, Mines, Manufacturing and Regional and Rural Development to complete the award of PL 1034 and allow development of the Sapphire gas resource to proceed.

Surat Basin, Queensland: ATP 854 (Blue Energy 100% and Operator)

As detailed in previous Quarterly reports Blue has lodged Potential Commercial Area (PCA) applications over part of the ATP 84 permit area to allow this tenure to progress toward assessing and developing the potential economic gas resources identified by Blue's exploration drilling work in the permit to date. Blue is focussed on working with the new Queensland Government to secure the grants of these PCA's and bring new gas supply to the market in a timely manner.

Blue has in earlier announcements reported 398 PJ^+ of Contingent Resources (recoverable gas) in ATP 854 as assessed by Netherland, Sewell and Associates Inc (NSAI). The gas resource is located

near the heart of the CSG–LNG Surat Basin gas supply precinct and has gas pipeline infrastructure linking Wallumbilla to Gladstone running directly through the permit (Figure 3 below).

[+] *see Listing Rule 5.42 Disclosure at page 9.*

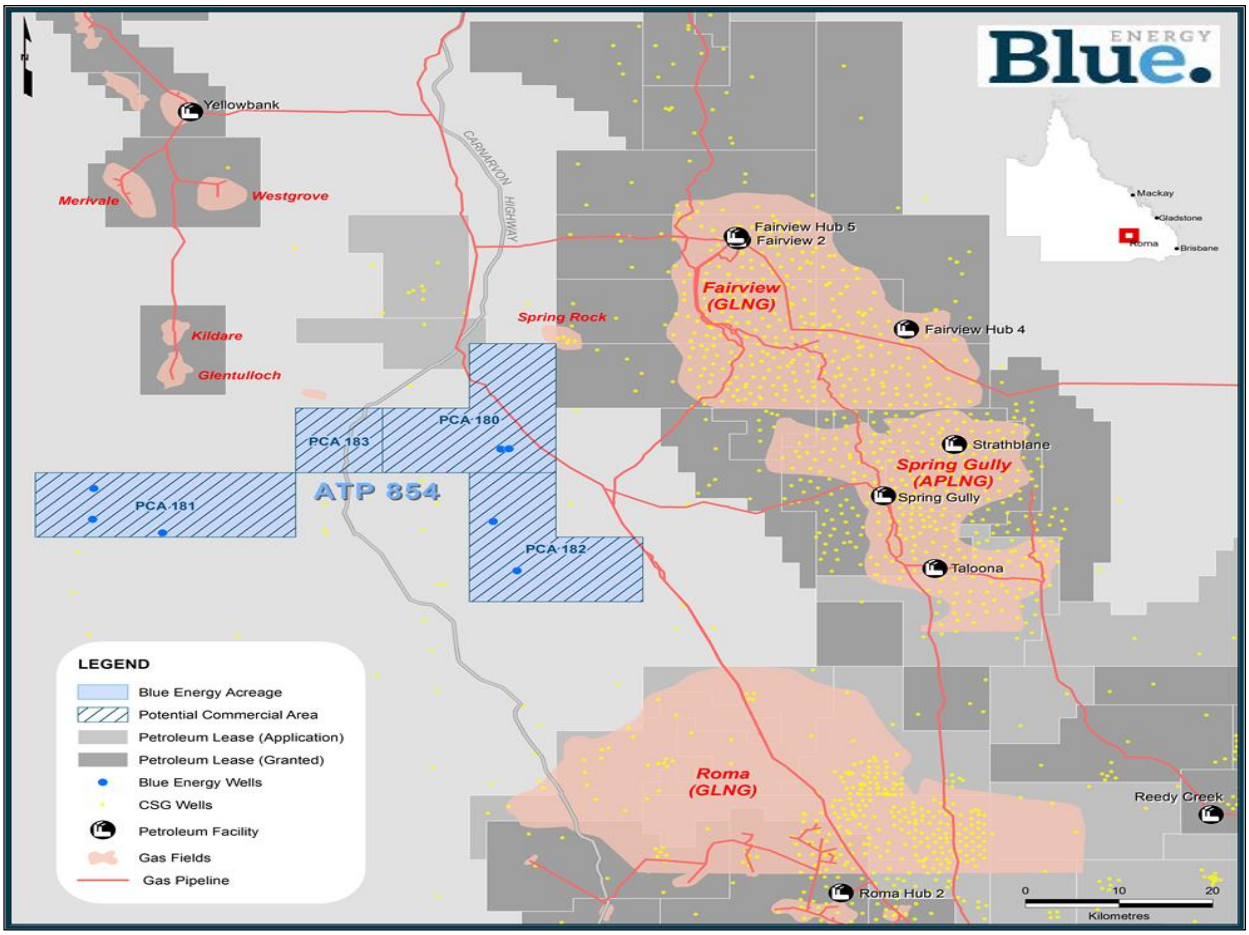

Figure 3: Location of ATP 854 in relation to existing pipeline infrastructure and major gas fields. Source: Blue Energy.

ACTIVITY IN EMERGING BASINS

Greater McArthur Basin, Northern Territory:
(Various permits and equity levels, Blue Energy Operator: see Table 2)

During the Quarter, Blue secured a further suspension of work program commitments and extension of the tenure terms for EP's 200, 205 and 207, through to February2026, from the NT Government. These extensions were requested by Blue as a function of delays in securing land access agreements for field activities on several pastoral holdings covering EP's 200, 205 and 207. These Land Access Agreements are a requirement under NT petroleum Act legislation introduced following the Pepper Inquiry in the Northern Territory completed the interpretation of the 2D seismic data acquired in the Birrindudu Basin as part of Geoscience Australia's "Exploring for the Future" program.

Importantly, in granting the Suspensions and Extensions to EP 200 and EP 207, the NT Government has confirmed that Blue has met its statutory work program obligations for EP 200 and EP 207.

Seismic data from Geoscience Australia's "Exploring for the Future" program form both within Blue's EP 200 and EP 207 tenements and from outside of Blue's permit areas) was acquired, processed, interpreted and incorporated into Blue's regional assessment to gain a better understanding of the regional context of the prospective section in the unexplored Birrindudu Basin. In addition, pre-existing mineral exploration data (borehole data) has been utilised to understand the likely stratigraphy of the sedimentary section identified by the new seismic data, and to that end, there is evidence that the lateral equivalent of the McArthur Group (and specifically the lateral equivalent of the gas bearing Barney Creek Formation, has been identified in those mineral borehole intersections within EP 200.

The Barney Creek Formation has previously flowed gas in the McArthur Basin in the eastern parts of the Northern Territory (Glyde discovery) and which carries Prospective and Contingent Resources category gas resources as presented in various Northern Territory Government public presentations.

Importantly, the seismic processing and interpretation undertaken by Blue has shown, (in conjunction with Lines PB 13-13 and PB 13-20 acquired by Pangaea in 2013 in the adjacent EP 198) that sedimentary sequences of the McArthur Group and potentially younger are likely to be present within Blue Energy's EP 208, 209, 210 and 211 Application areas. This therefore identifies a (to date unknown but) vast area of potentially gas prospective sedimentary basin, and which has very little subsurface geological data.

Blue has been granted a Suspension and Extension of the EP 200, 205 and 207 tenures and their associated work programs to reflect the delays in the EMP approval process for the 2D seismic acquisition proposed for these tenures.

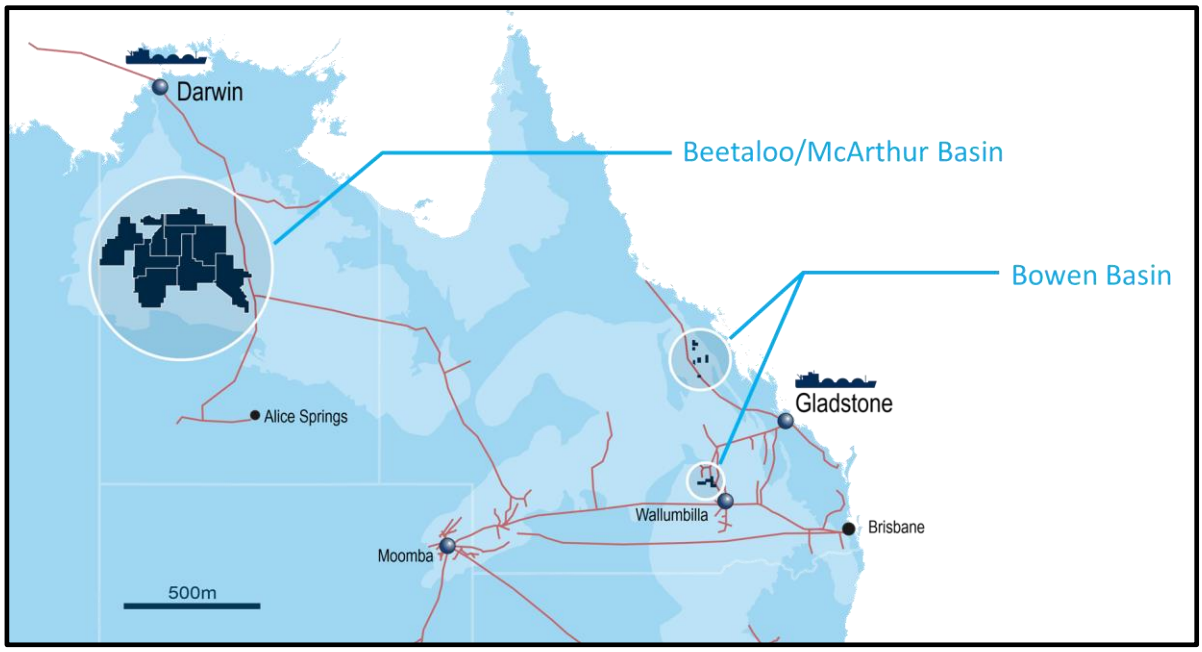

Figure 4: *The Blue Energy exploration asset portfolio Source: Blue Energy.*

June Quarter Exploration Expenditure Summary

During the Quarter, and as noted in Section 2.1 (d) of the Appendix 5B Form (appended to this Quarterly Activity report), the company expended $0.639 million on exploration and evaluation activities.

This total is comprised of general exploration expenditure (Tenement access, Tenure administration and Tenure management) together with Sapphire Pilot well activities (equipment hire, fuel, consumables, labour hire), resource assessment costs, legal defence costs plus labour and overhead costs charged to the Sapphire Project

CORPORATE

Cash position

Cash on hand (at 31 March 2025) was A$1.721 million. The Company has zero debt.

Blue lodged an R&D tax claim covering 2024 activities on the Sapphire Pilot in the previous quarter. This claim has been processed by the ATO and a rebate of $605,00 was received by Blue in the quarter.

Blue's accompanying Appendix 5B (Quarterly Cashflow Report) includes an amount in Item 6.1 which constitutes Non-executive Directors' fees for the quarter. The aggregate amount of payments to related parties and their associates for the December quarter (shown in Items 6.1 and 6.2 of the attached Quarterly Cashflow Report) relates to cash fees paid to all Directors (including fees paid to the Chairman and Managing Director).

Permit	Block	Date	Method	Certifier	1P (PJ)	1C (PJ)	2P (PJ)	2C (PJ)	3P (PJ)	3C (PJ)
ATP854P		25/01/2022	SPE/PRMS Det	NSAI	-	90	-	194	-	398
ATP814P	Sapphire	9/10/2023	SPE/PRMS Det	NSAI	-	171.2	90.7	251.7	287.0	256.0
ATP814P	Central	31/07/2023	SPE/PRMS Det	NSAI	-	39		111		469
ATP814P	Monslatt	8/12/2015	SPE/PRMS Det	NSAI	-	-	-	619	-	2,054
ATP814P	Lancewood	31/07/2023	SPE/PRMS Det	NSAI	-	203	-	232		573
ATP814P	Hillalong	27/02/2020	SPE/PRMS Det	NSAI	-	-	-	182	-	237
ATP814P	South	29/07/2013	SPE/PRMS Det	NSAI	-	15	-	27	6	30
Total (PJ)					**-**	**518**	**91**	**1,617**	**293**	**4,017**

***Table 1** Blue Energy gas reserves and resources (net) as at 31 December 2024[+]*

[+]Listing Rule 5.42 Disclosure

The estimates of Reserves and Contingent Resources noted throughout this Quarterly Activities Report have been provided by Mr John Hattner of Netherland, Sewell and Associates Inc (NSAI) and were originally reported in the Company's market announcements of 25 January 2012, 26 February 2013, 19 March 2013, 8 December 2015, 28 February 2019, 22 January 2022, 14 July 2022, 11 July 2023 and 11 October 2023. 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 estimates in the reports by Mr Hattner have been prepared in accordance with the definitions and guidelines set forth in the 2018 Petroleum and Resource Management System (PRMS) approved by the SPE, utilising a deterministic methodology.

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

[++] Listing Rule 5.28.2: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

***Table 2:** Queensland petroleum tenements*

Permit	Location	Interest Held Previous Quarter	Interest Held Current Quarter
ATP814	Bowen Basin (Qld)	100%	100%
ATP854	Surat Basin (Qld)	100%	100%

Table 3: *Northern Territory tenements*

*Permit	Location	Interest Held Previous Quarter	Interest Held Current Quarter	Comment
EP199A*	Wiso Basin (NT)	10%	10%	See Note 1
EP200*	Wiso Basin (NT)	10%	10%	See Note 1
EP205*	Wiso Basin (NT)	10%	10%	See Note 1
EP206A*	Wiso Basin (NT)	10%	10%	See Note 1
EP207*	Wiso Basin (NT)	10%	10%	See Note 1
EP208A*	Wiso Basin (NT)	10%	10%	See Note 1
EP209A*	Wiso Basin (NT)	10%	10%	See Note 1
EP210A*	Wiso Basin (NT)	10%	10%	See Note 1
EP211A*	Wiso Basin (NT)	10%	10%	See Note 1

*Exploration blocks where Blue is Operator and farming into.
Note 1: Subject to Farm-in Agreement which, upon completion of the seismic work program, will result in Blue becoming a 50% equity participant.

Released by Authority of the Board per:

John Phillips
Managing Director
Blue Energy Limited

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
Blue Energy Limited	
ABN	Quarter ended ("current quarter")
14 054 800 378	**31 March 2025**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(48)	(346)
	(e) administration and corporate costs	(205)	(988)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	17	111
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	605	605
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**369**	**(618)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(639)	(2,092)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(639)**	**(2,092)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,991	4,431
4.2	Net cash from / (used in) operating activities (item 1.9 above)	369	(618)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(639)	(2,092)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,721**	**1,721**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	661	121
5.2	Call deposits	1,060	1,870
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,721**	**1,991**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	121
6.2	Aggregate amount of payments to related parties and their associates included in item 2	48

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**-**	**-**

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Not applicable.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9) – **excluding government grants and tax incentives received at Item 1.7.**	369
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(639)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	**(270)**
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,721
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	**1,721**
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	**6.37**

Note: if the entity has reported positive relevant outgoings (i.e., a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Not applicable

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Not applicable

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not applicable

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: **30 April 2025**

Authorised by: **The Board of Blue Energy Limited**
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.