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

30 January 2026

QUARTERLY ACTIVITIES REPORT to 31 December 2025

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

KEY HIGHLIGHTS

- Progressing environmental data acquisition to meet Environmental Authority requirements for PL 1034 (Sapphire) development
- In parallel, planning is underway for a new well in PL 1034.
- Blue has 91 PJ of 2P Gas Reserves[+] and 1,617 PJ of 2C Gas Resources[+] (2P+2C = 1,708 PJ)
- Blue has $4.97 million of cash and zero debt
- Awaiting decision by Qld Government on ATP 854 Potential Commercial Area Awards
- Queensland Energy Roadmap developed by the Queensland Government confirms critical role of gas in the electricity system reliability and firming with up to 2 times growth in capacity.
- Macroeconomic global energy landscape is shifting rapidly to recognise need for more dispatchable electricity – Major global forum highlights the shortcomings of renewable energy in modern economies and the need for more dispatchable electricity.

Progression of PL 1034 - Sapphire Block

Blue continues to undertake the requisite environmental studies in compliance with the Land Court issued Environmental Authority for PL 1034 (Sapphire). Planning is also underway for a new gas appraisal well

ATP 854 PCA decisions

Blue is awaiting a decision from the Queensland Government (Department of Natural Resources, Mines, Manufacturing and Regional and Rural Development) on the award of several Potential Commercial Areas lodged by Blue covering the 398 PJ of Contingent Resources estimated in ATP 854 near the township of Injune in Queensland (near the Wallumbilla gas hub)

The Queensland Energy Roadmap

The release last year by the Queensland Treasurer of the Queensland Energy Roadmap has elevated the role of gas in the provision of electricity for Queensland and Queensland Industry. The Queensland Treasurer the Hon David Janetski in releasing the Roadmap highlighted the need for gas as a critical technology for system reliability and firming as the (electricity) generation mix changes over time.

The Treasurer also identified that the current 3.5 GW of combined and open-cycle gas turbine capacity operating across Queensland's energy system will need to expand up to 4.1 GW of gas-fired generation by 2030 and then again by 2035, to between 6.1 – 8.3 GW.

The Roadmap highlights that "the need for new gas capacity is universal across all market outlooks to de-risk the energy system as it transitions over time." It also records that "over the next five years, strategic investments through Government Owned energy Corporations will deliver over 700 MW of new gas generation capacity."

The impact of rapid growth in AI and Data Centre infrastructure in Australia is yet to be fully understood but it will only increase electricity demand and potentially place more stress on the east coast electricity grid.

Macro-economic global energy landscape changing

The World Economic Forum (WEF) annual series of meetings and presentations held in Davos Switzerland this month has produced a recurring theme of "Energy Realism", delivered by several prominent corporate CEO's.

The interplay between growth in Artificial Intelligence (AI) capacity, data centre expansion, and energy system supply was a central theme at WEF 2026. Participants repeatedly stressed that energy availability and infrastructure must be prioritised alongside digital ambitions — otherwise technological progress risks outpacing the physical systems needed to support it.

AI and data centres require massive amounts of electricity (on a continuous 24/7/365 basis) — in most cases supplied in quantities far more than many grids are currently able to provide. This situation will create competition for power between the different sectors (domestic heating and manufacturing versus tech) unless careful energy planning is grounded in realism This is particularly relevant to Australia's current grid configuration and energy mix.

To highlight the elevation of energy as a prime issue within the Davos forum (compared to previous conference focus on Climate) the following quotes are noted from key individuals:

> **Honeywell CEO Vimal Kapur** said:
> "*Solar power cannot produce cement. Solar power cannot produce steel. They are very energy intensive. It's physics. Renewables remain in the mix, but it cannot bring the amount of joules we need to produce this infrastructure which is required in the world*."
>
> **Elon Musk (Tesla, Spacex et al)** said:
> "*I think the limiting factor for AI deployment is fundamentally electrical power … we'll be producing more chips than we can turn on."*
>
> **Fatih Birol (Executive Director International Energy Agency - IEA)** said:
>
> *"…This demand will be met by renewables, natural gas and nuclear power. I have never seen the energy security risks multiplying (like this). Energy security should be elevated to the level of national security."*
>
> **Larry Fink (CEO of Blackrock and Chairman of WEF) said:**
> "*The world is going to be short of power. And to supply these data centres, you cannot rely solely on intermittent sources like wind and solar. You need dispatchable power, because these data centres cannot simply turn on and off*."

ACTIVITY IN PROVEN BASINS

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

With the grant of PL 1034 (Sapphire Project) by the Queensland Government, Blue continues to pursue those additional environmental requirements that were detailed in the Land Court approval of April 2025, to grant an amended Environmental Authority. In broad terms these revolve around baseline groundwater and fauna surveys ahead of any development of the field.

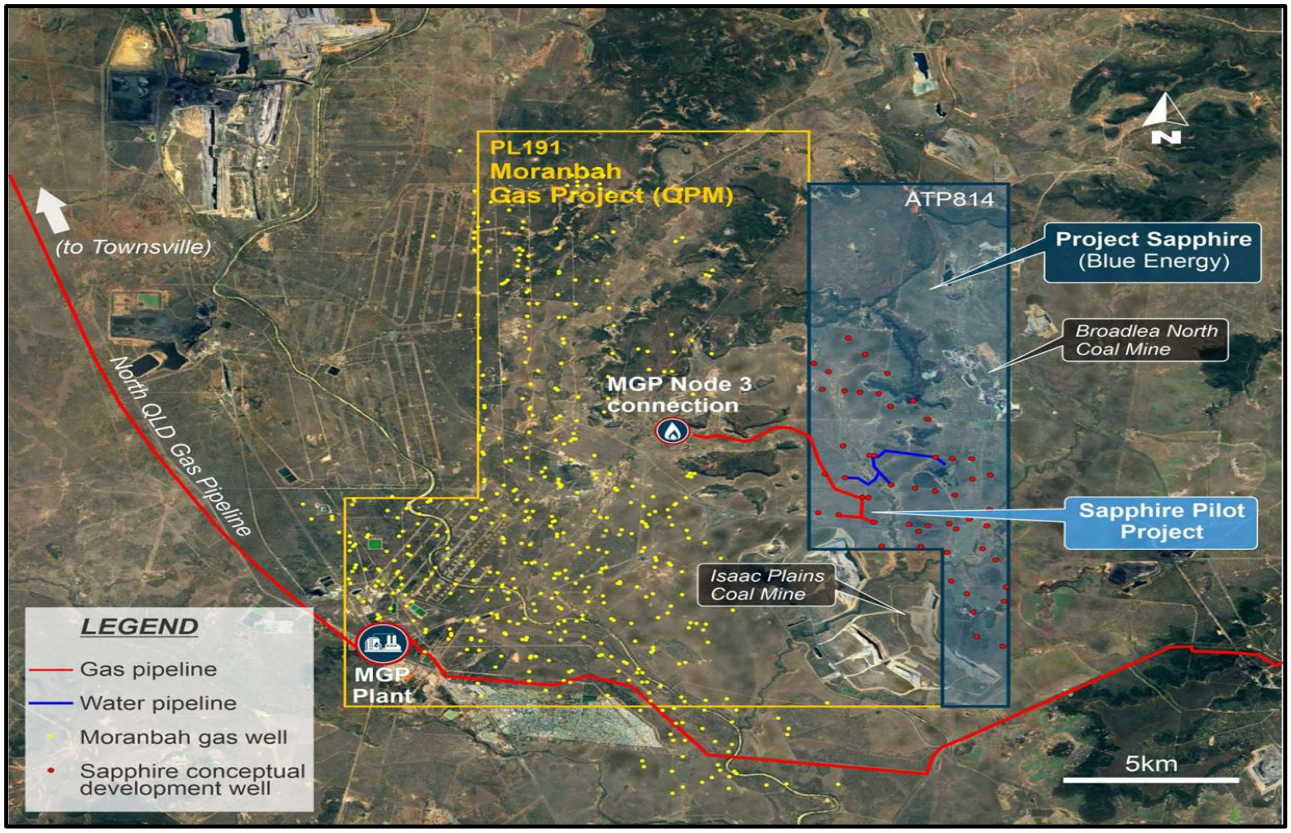

Figure 1: Sapphire block (PL 1034) of ATP 814 in relation to the Moranbah Gas Project and the related gas producing wells. Also shown is the proposed pipeline connection from Sapphire to the MGP Node 3 connection and initial proposed Sapphire development.

The existing Sapphire Pilot is situated within the PL 1034 production licence, (previously part of ATP 814) which is located immediately adjacent to the Moranbah Gas Project (MGP)– See Figure 1. The Sapphire 6 pilot wells continue to flow gas, whilst Sapphire 5 pilot is awaiting down hole pump replacement. The MGP is a producing gas field owned and operated by Queensland Pacific Minerals Energy (QPME).

Blue Energy has a current 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 via a proposed pipeline connection from the Sapphire Pilot location to the Node 3 compressor station within the Moranbah Gas field (Figure 1).

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

As detailed in previous Quarterly Reports, Blue has long-standing Potential Commercial Area (PCA) applications over parts of the ATP 854 permit area seeking the tenure upgrade (from ATP to PCA) to facilitate this tenure to progress toward developing of potential new economic gas resource, identified by Blue's exploration drilling work in the permit to date.

Following submission of the additional information requested by the Queensland Department of Natural Resources, Mines Manufacturing and Regional and Rural Development (The Department), Blue awaits it's decision on grant of these PCA's to accelerate bringing this new gas supply to the market as either sales gas or electricity.

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 2 below).

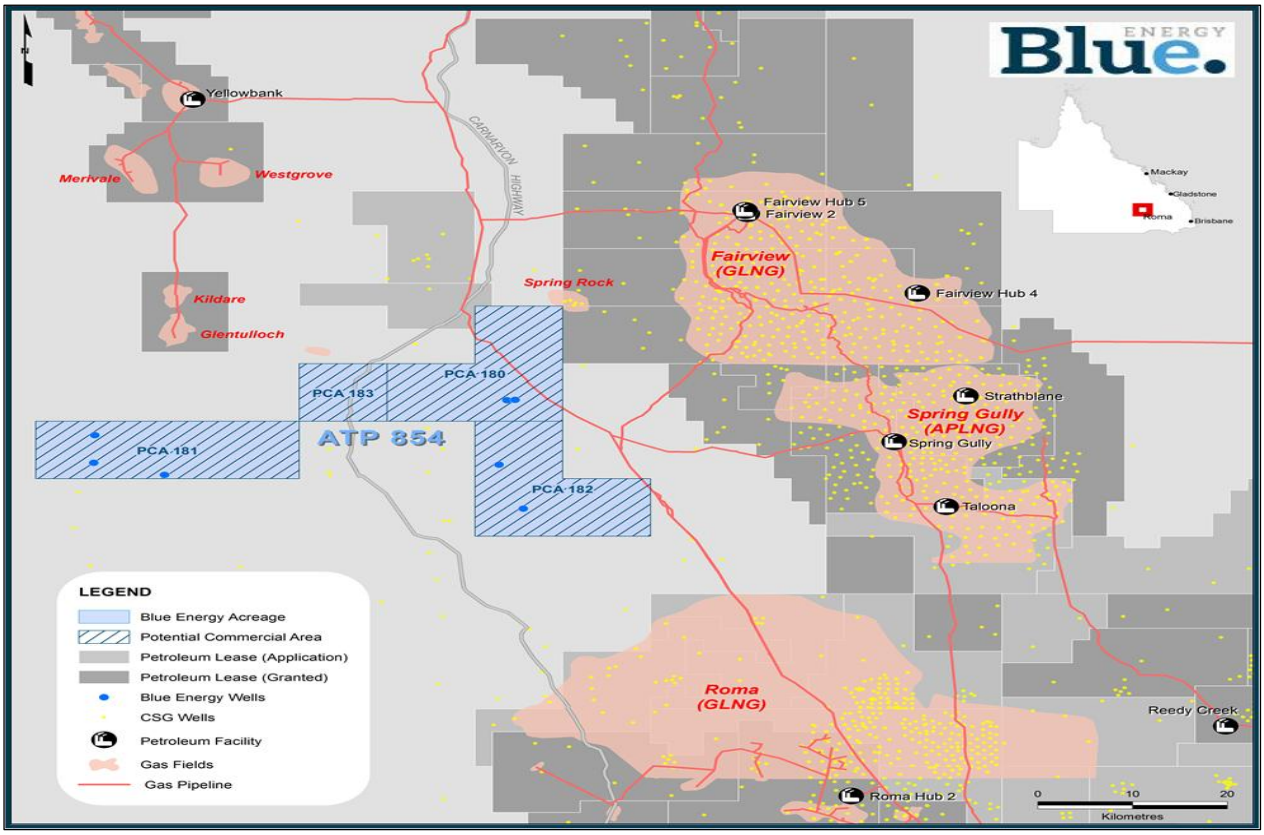

Figure 2: Location of ATP 854 in relation to existing pipeline infrastructure and major gas fields. Source: Blue Energy.

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

ACTIVITY IN EMERGING BASINS

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

As previously reported (Quarterly Report dated 30 April 2025), Blue Energy's work program is under suspension and an extension of the tenure terms for EP's 200, 205 and 207is in force through to mid February 2026, from the NT Government.

The NT Government has confirmed that Blue has currently met its statutory work program obligations for EP 200 and EP 207 under the terms of grant of these two tenures

As also reported previously, Blue Energy is in the process of earning a greater interest in these awarded tenures (the post farm in interest) from our Joint Venture partner. Accordingly, as the first 4 years of the work commitment has been completed to the satisfaction of the Northern Territory Government, Blue continues to pursue its post farm in 50% equity in EP's 200 & 205.

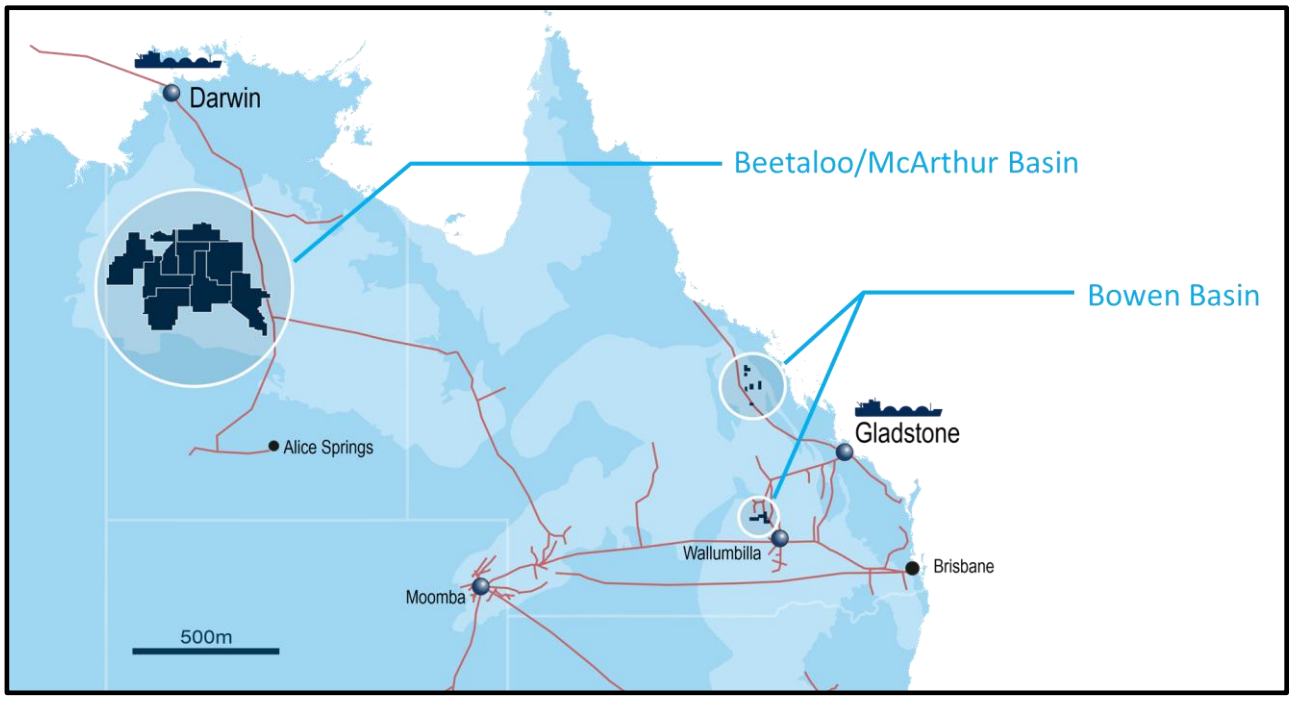

Figure 3: *The Blue Energy exploration asset portfolio Source: Blue Energy.*

December 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 $0.282 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 December 2025) was A$4.972 million, The Company has zero debt.

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).

Table 1 *Blue Energy gas reserves and resources (net) as at 30 June 2025*[+]

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**

[+]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 clow report

Name of entity

Blue Energy Limited

ABN	Quarter ended ("current quarter")
14 054 800 378	**31 December 2025**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 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	(64)	(100)
	(e) administration and corporate costs	(335)	(623)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	10
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(398)**	**(713)**

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	(284)	(718)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 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**	**(284)**	**(718)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	4,417	5,805
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	(227)	(315)
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**	**4,190**	**5,490**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,464	913
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(398)	(713)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(284)	(718)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,190	5,490

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**4,972**	**4,972**

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	4,411	1,053
5.2	Call deposits	561	411
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)**	**4,972**	**1,464**

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	193
6.2	Aggregate amount of payments to related parties and their associates included in item 2	49

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.**	(398)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(284)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	**(682)**
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,972
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	**4,972**
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	**7.29**

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:

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:

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:

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 January 2026**

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.