

Blue Energy and EnergyAustralia sign Heads of Agreement for 100 PJ of new long term gas supply

Blue Energy Limited (ASX: "BLU") is pleased to advise that it has executed a non-binding Heads of Agreement (HOA) with EnergyAustralia for the supply of 100 PJ of gas at Wallumbilla over 10 years from Blue's Northern Bowen Basin ATP814 coal seam gas tenure.

Key Points

Annual Contract Quantity: 10 PJ per annum
Term: 10 years

This is the first such agreement that will allow North Bowen Basin gas to be delivered into the main East Coast domestic market to the south from Moranbah.

It is a foundation volume that will contribute to the underpinning of the proposed gas pipeline from the North Bowen Basin into the Wallumbilla "Hub", and for the development of Blue's Bowen tenements.

Blue's independent reserves assessor, Netherland Sewell and Associates Inc of Dallas Texas (NSAI), has identified the areas where Blue can develop its resources, and which coincide with Blue's Production Licence Applications currently with the Queensland Government.

Blue's ATP814 permit has been assessed by NSAI to contain 3,248 PJ⁺ of Contingent Resource (recoverable) around Moranbah. In addition to this volume, there is currently 71 PJ of 2P reserves and 298 PJ of 3P reserves in close proximity to the existing gas field infrastructure in the North Bowen Basin.

Blue Energy's Managing Director Mr John Phillips commented that "it is very encouraging to see that the acknowledgement by the Federal and Queensland Governments of the gas potential in the North Bowen Basin has given gas buyers the confidence to seek to secure long term gas supply agreements for gas from this under-developed producing basin."

By Authority of the Board per:

John Phillips
Managing Director
Blue Energy Limited

About Blue Energy Limited

Blue Energy is a Brisbane Based Australian exploration company focused on the discovery and development of gas resources in the North Bowen, Galilee, Beetaloo/ Greater McArthur Basins in the Northern Territory. Blue has independently certified gas reserves and resources of 71 PJ of 2P reserves; 298 PJ of 3P reserves and 4,129 PJ of Contingent Resources as assessed by Netherland Sewell and Associates of Dallas Texas.

Blue Energy Gas Reserves and Resources

| Permit | Block | Assessment Date | Announcement Date | Methodology | Certifier | 1P (PJ) | 1C (PJ) | 2P (PJ) | 2C (PJ) | 3P (PJ) | 3C (PJ) |
|-------------------|-----------|-----------------|-------------------|-------------|-----------|----------|------------|-----------|--------------|------------|--------------|
| ATP854P | | 30/06/2012 | 19/03/2013 | SPE/PRMS | NSAI | 0 | 22 | 0 | 47 | 0 | 101 |
| ATP813P | | 29/10/2014 | 30/10/2014 | SPE/PRMS | NSAI | 0 | 0 | 0 | 61 | 0 | 830 |
| ATP814P | Sapphire | 5/12/2015 | 8/12/2015 | SPE/PRMS | NSAI | 0 | 66 | 59 | 108 | 216 | 186 |
| ATP814P | Central | 5/12/2015 | 8/12/2015 | SPE/PRMS | NSAI | 0 | 50 | 12 | 99 | 75 | 306 |
| ATP814P | Monslatt | 5/12/2015 | 8/12/2015 | SPE/PRMS | NSAI | 0 | 0 | 0 | 619 | 0 | 2,054 |
| ATP814P | Lancewood | 5/12/2015 | 8/12/2015 | SPE/PRMS | NSAI | 0 | 5 | 0 | 23 | 1 | 435 |
| ATP814P | Hillalong | 6/02/2019 | 7/02/2019 | SPE/PRMS | NSAI | 0 | 0 | 0 | 182 | 0 | 237 |
| ATP814P | South | 30/06/2013 | 29/07/2013 | SPE/PRMS | NSAI | 0 | 15 | 0 | 27 | 6 | 30 |
| Total (PJ) | | | | | | 0 | 158 | 71 | 1,166 | 298 | 4,179 |
| Total | | | | | | 0 | 27 | 12 | 199 | 51 | 714 |

Table 1: Blue Energy net Reserves and Resources

*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 25 January 2012, 26 February 2013, 19 March 2013, 8 December 2015 and 28 February 2019. 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 2007 Petroleum and Resource Management System (PRMS) approved by the SPE, utilizing 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 813, 814 or 854 referred to in this report and that all of the material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed.

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