

Blue raises \$10 million with strongly supported Placement

Blue Energy Limited (ASX:BLU) is pleased to announce the following in relation to the capital management of the company

- ❖ **Successful Institutional Placement raises \$10 million at \$0.05 per share**
- ❖ **Funds raised will be directed to a reserve build drilling program in North Bowen ATP814**
- ❖ **Target to build 2P reserve base to underpin gas supply agreements with EnergyAustralia, Origin Energy and Queensland Pacific Metals**
- ❖ **Origin and EnergyAustralia gas agreements expected to underpin new gas pipeline construction**

Blue Energy has executed a strongly supported capital raise process which has secured approximately \$10 million in funds from institutional and sophisticated investors. This raising will result in the issue of 199,332,376 new shares at \$0.05 per share ("**Placement**").

The Placement received strong support from new and existing institutional and sophisticated investors.

The purpose of the Placement is to access additional funding to advance Blue Energy's 2P reserve build program in its 100% held ATP 814 P which will underpin the non-binding gas supply Heads of Agreements signed with Origin Energy, Energy Australia and Queensland Pacific Metals. (refer ASX Announcements dated 19/03/21, 03/12/20 & 12/11/19).

The 2P reserve build program will also underpin the economics of the Bowen Gas pipeline needed to be constructed between Moranbah and the Wallumbilla interconnect. In addition to the North Bowen work program, a portion of the funds will be used to advance 2D seismic approvals and acquisition in the Company's Greater McArthur Basin acreage in the Northern Territory.

The net proceeds of the Offer and existing cash will be applied towards:

- Drilling of vertical and associated lateral production style wells in the Sapphire Block of ATP814P (PL Application 1034).
- Drilling of vertical wells in PL Application Areas 1038 and 1045 in the North Bowen Basin.
- Progressing the approval process for acquisition of the 2D seismic survey data in EP's 200, 205 and 207 in the Northern Territory.
- General permit portfolio activities; and
- General corporate and working capital purposes.

Commenting on the outcome of the Placement, Managing Director John Phillips, said "*We are very pleased with the strong level of support for the Company as shown by the success of the capital raise. Clearly, the critical importance of developing new domestic gas supply is apparent to investors and comes as disruption to gas supply is resulting in significant industrial and power generating chaos in the UK and elsewhere. Additionally, strong International LNG spot prices (JKM spot price = US\$ 26.44/mmbtu) will continue to impact Australian East Coast supply to domestic gas users and therefore price through the Wallumbilla LNG Netback Price which is currently A\$26.44/GJ.*"

Following the successful capital raise, the Company will embark on a gas reserve build drilling program to convert a portion of the Company's large Contingent Gas Resources into Proved and Probable Gas Reserves (2P) within its 100% owned and operated ATP814 permit in the North Bowen Basin. The success of this program will help mature the existing Heads of Agreements for domestic gas supply (with Origin Energy, EnergyAustralia and Queensland Pacific Metals) into binding Gas Sales Agreements, which combined, total 512 PJ over 10-15 years

The reserve build program will target building the Company's 2P reserve base from its North Bowen Basin tenements. This outcome will also underpin the economics of a new gas pipeline connection between Moranbah and the Wallumbilla interconnect, and the opening up of the large North Bowen Basin gas resources for the broader gas -short East Coast Market.

The Placement price of \$0.05 per share represents a discount of 15.3% to the 30-day volume weighted average price of BLU shares traded to 17 September 2021. Settlement of the Placement is expected to occur on 29 September 2021 with the Placement shares to be allotted on 30 September 2021. The new shares will rank equally with the Company's existing fully paid ordinary shares.

The new Placement shares represent 15% of the current issued capital and will be issued within the Company's current Listing Rule 7.1 placement capacity.

Petra Capital and MST Financial acted as Joint Lead Managers and Bookrunners for the Placement.

This Announcement was released 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.