

Investor Briefing
4th-6th April 2017

Legals

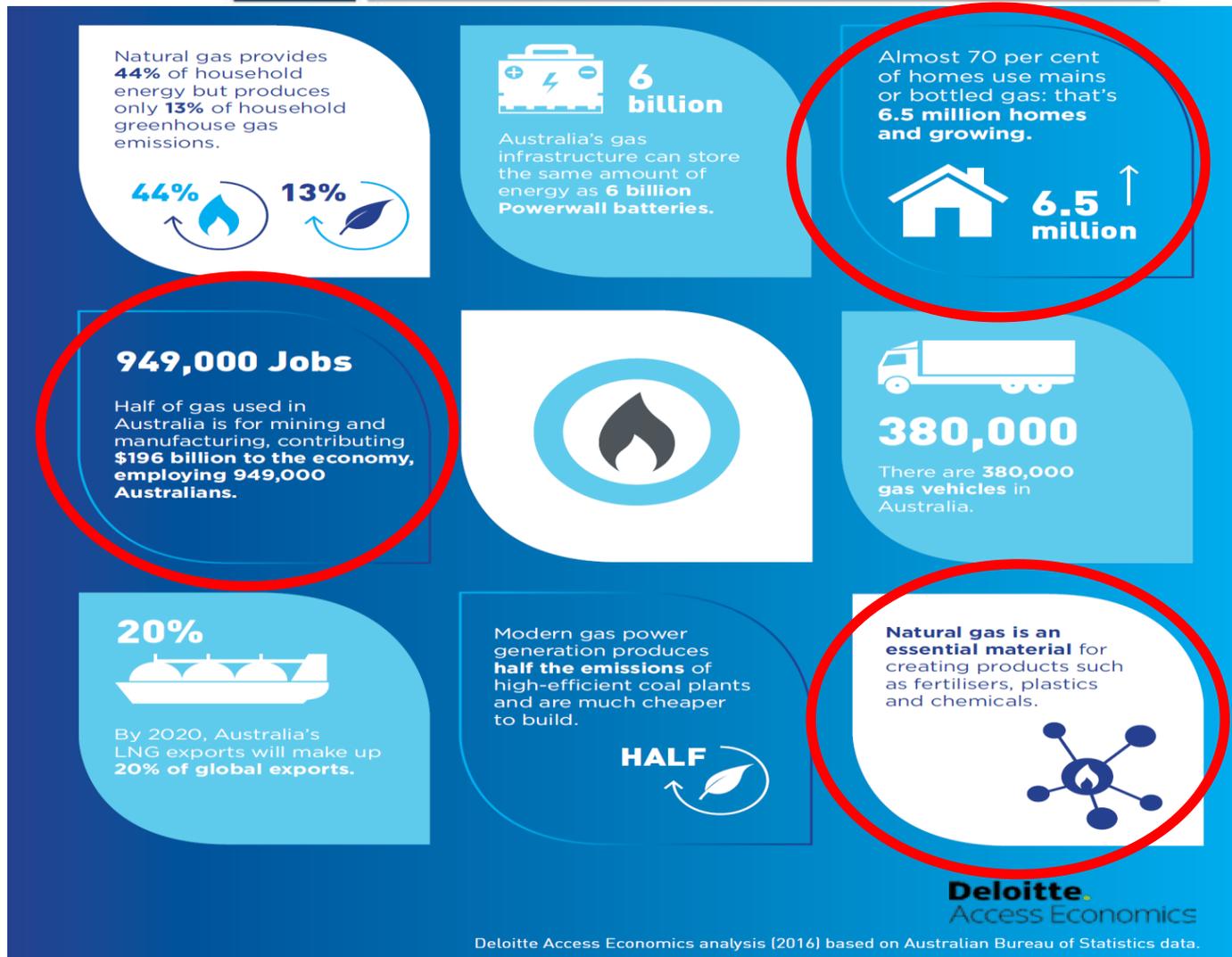
Disclaimer

This presentation may contain forward looking statements that are subject to risk factors associated with the gas and energy industry. It is believed that the expectations reflected in the statements contained within are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to price and currency fluctuations, geotechnical factors, drilling and production results, development progress, operating results, reserve estimates, legislative, fiscal and regulatory developments, economic and financial markets conditions in various countries, approvals and cost estimates.

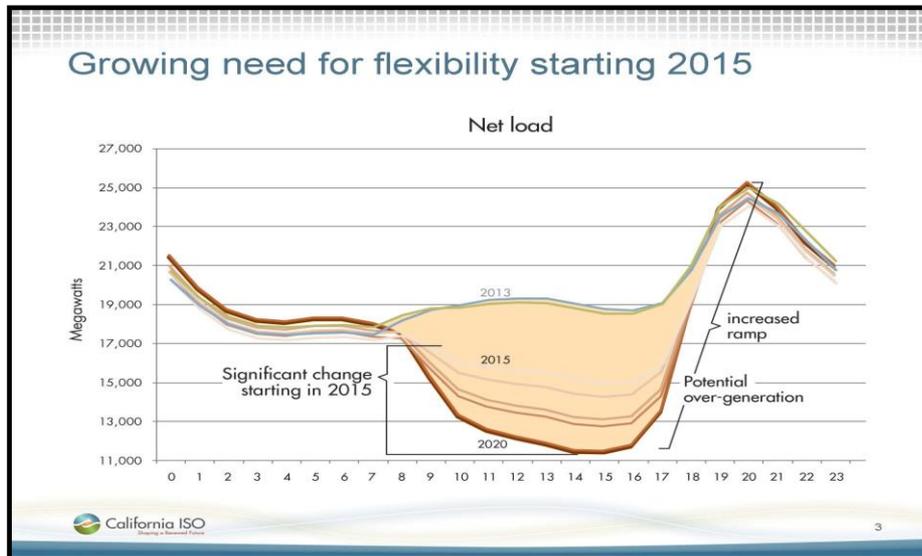
Competent Person Statement

The estimates of Reserves and Contingent Resources have been provided by Mr John Hattner of Netherland, Sewell and Associates Inc. Mr Hattner is a full time employee of NSAI, has over 30 years of industry experience and 20 years' experience in reserve estimation, is a licensed geologist, and has consented to the use of the information presented herein. The estimates in the report 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 Society of Petroleum Engineers (SPE), utilising a deterministic methodology.

No gas in Eastern Australia – so what?



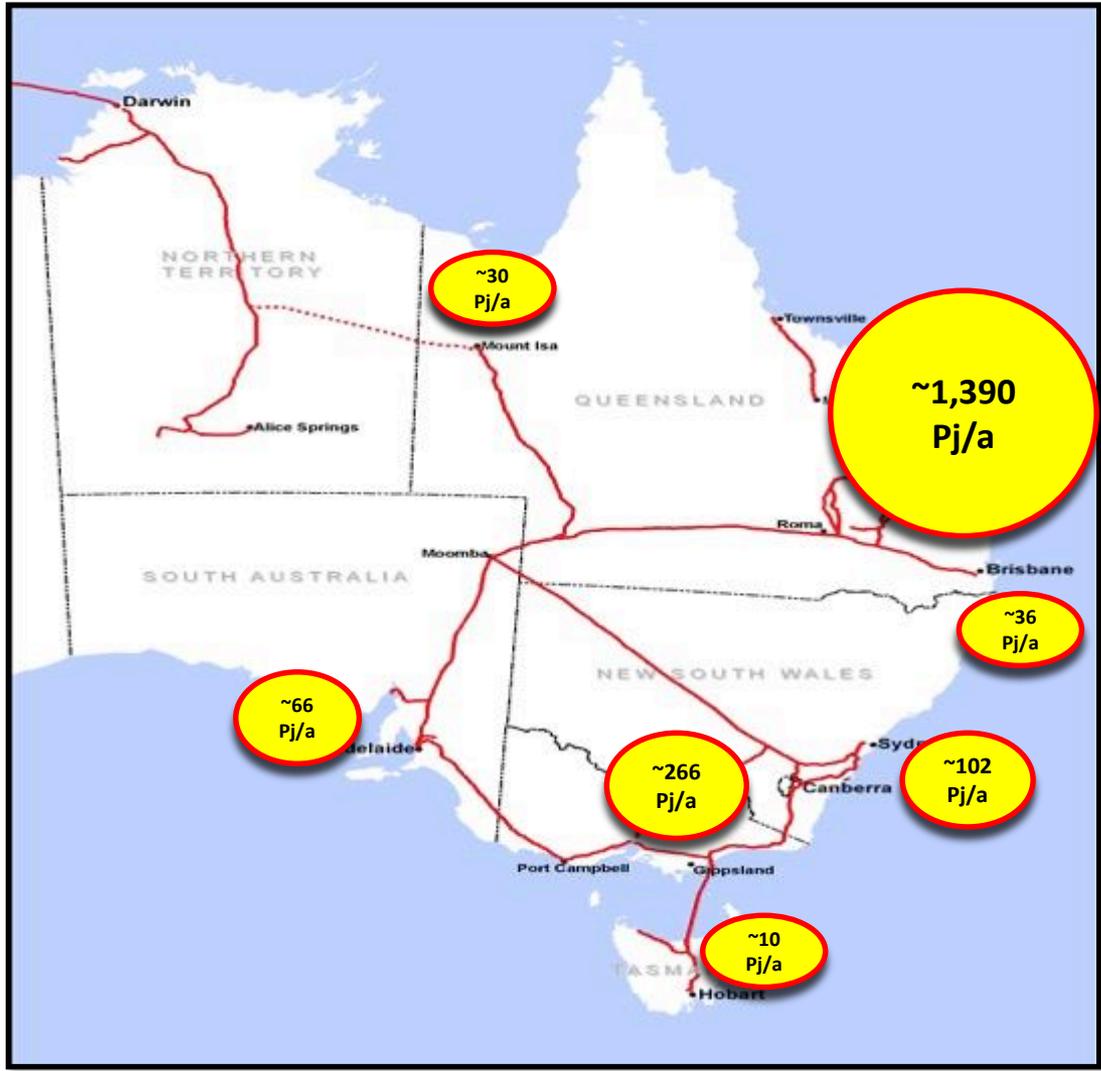
... and without gas the Duck in SA becomes a Black Swan



Increasing asynchronous renewables require more variable baseload input - need gas fired generation

“The Duck “

...it's been known since 2011 that demand would triple
(6 trains @ ~650 TJ/d = 3,900 TJ/day!)



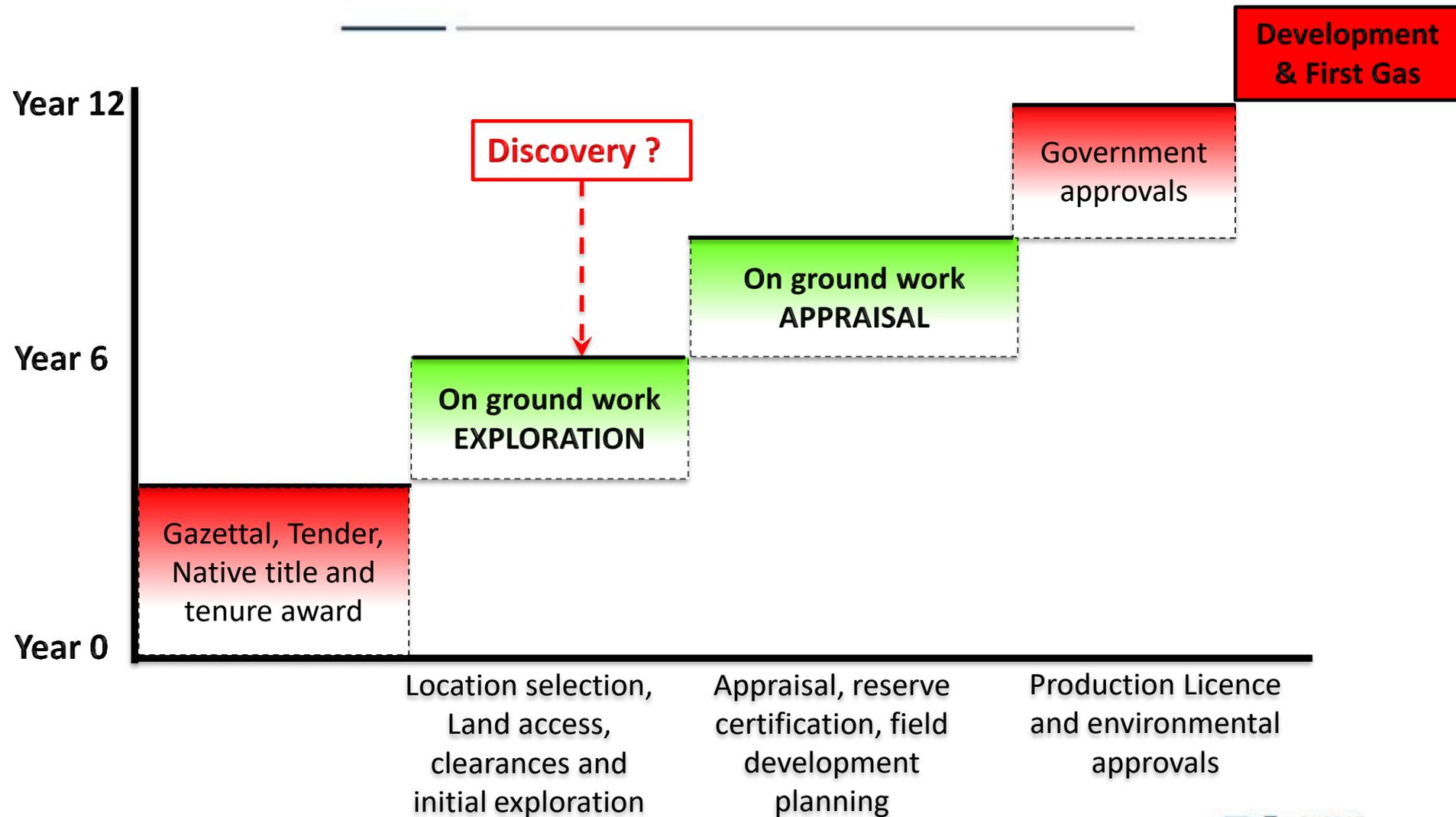
- Curtis Island – 3,900 Tj/day
- Victoria – 750-1,000 Tj/day)
- Sydney – 230-270 Tj/day
- Adelaide – 180-220 Tj/day

...so where's the new gas going to come from? -SA & QLD

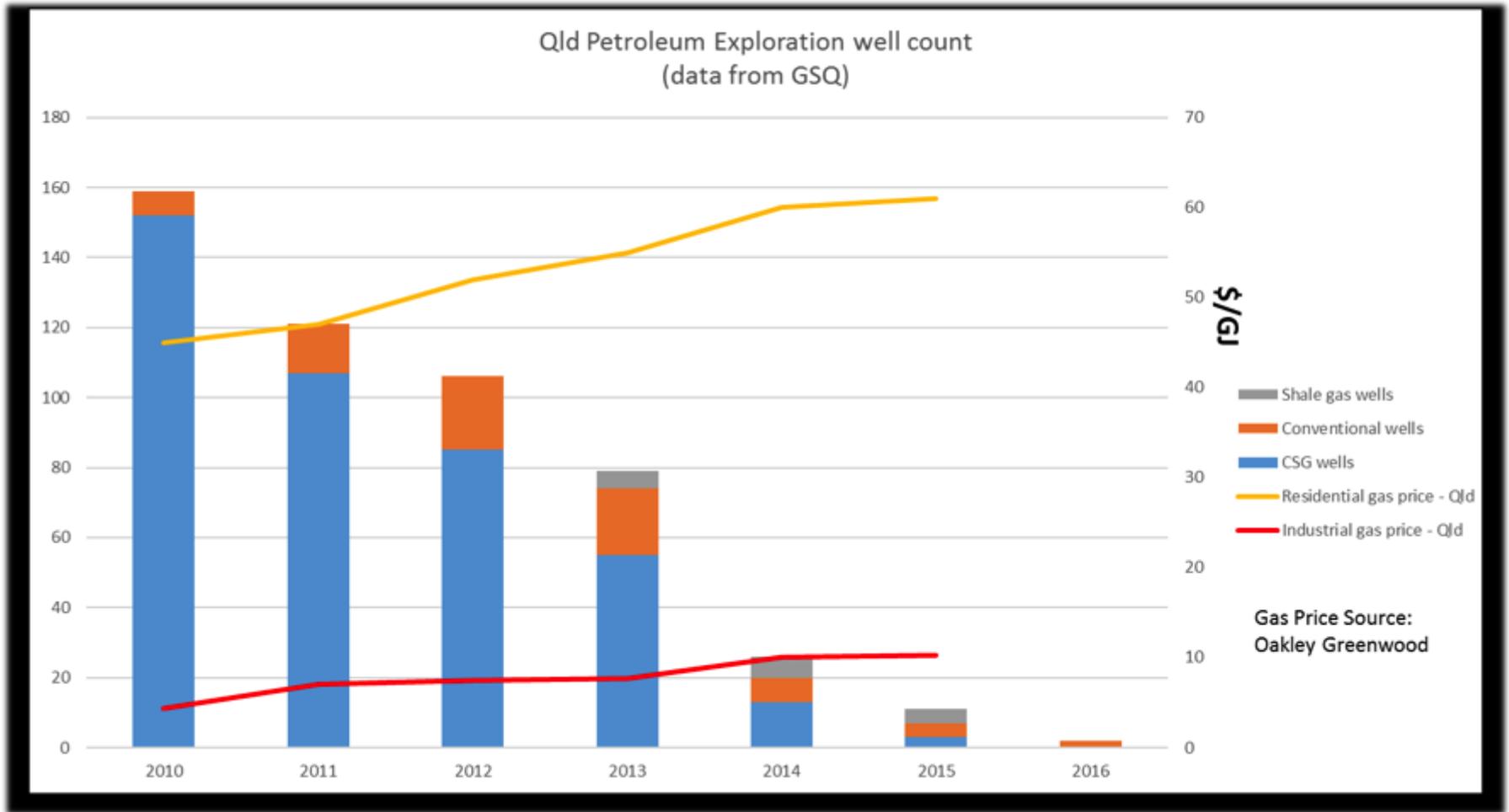


- Exploration bans and moratoria in Victoria, Tas , WA, SA & NT
- Governments fail to prosecute the industry's "Social Licence"
- Activity levels have fallen off a cliff
- Alternate international gas market developed and has tripled demand
- Availability of capital and social licence is restricting activity
- Environmental Regulation is still created by Govt Departments to limit activity

..but Gazettal to Production = 12 years!



... has the market failed?

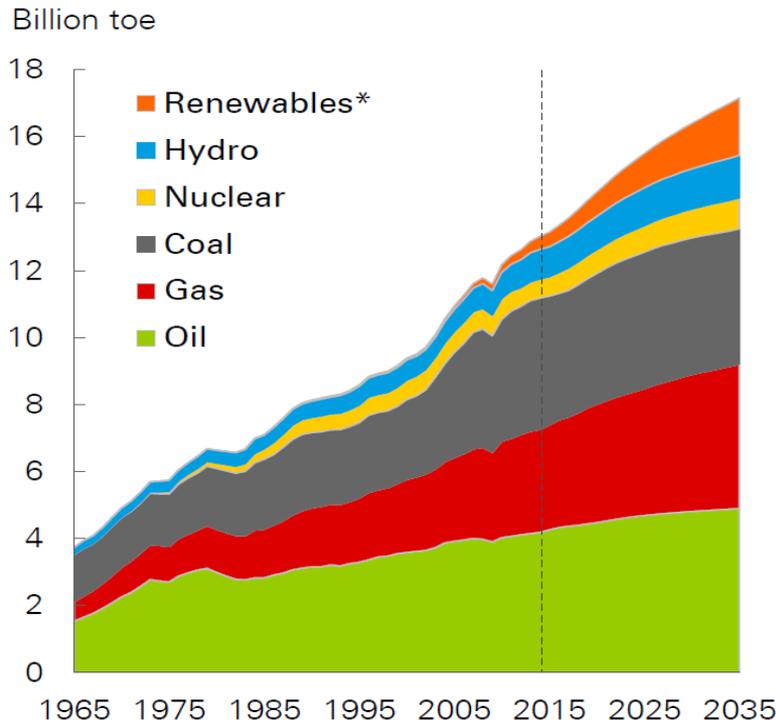


...will the World run on renewables in 2035?

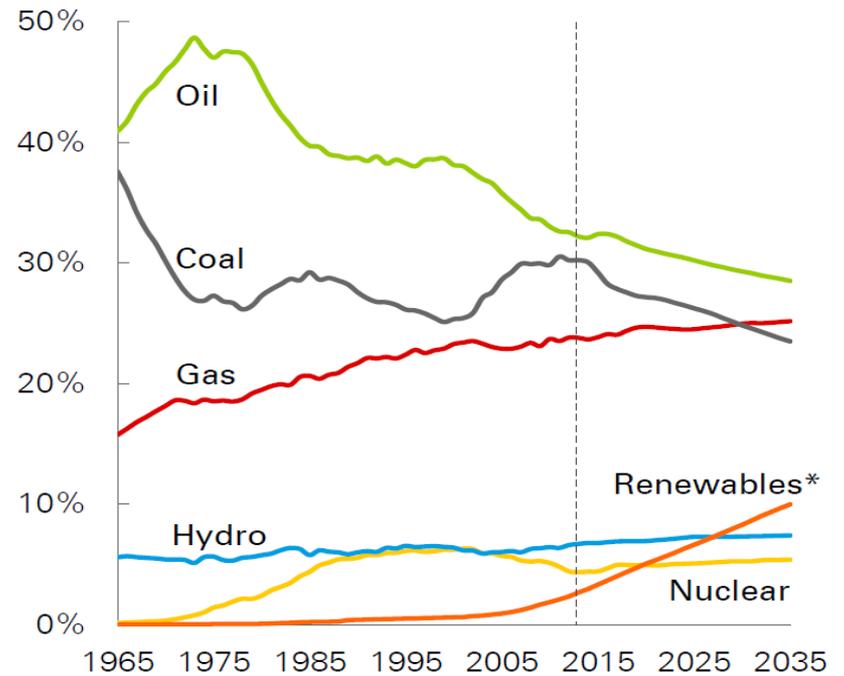
The gradual transition in the fuel mix continues...



Primary energy consumption by fuel

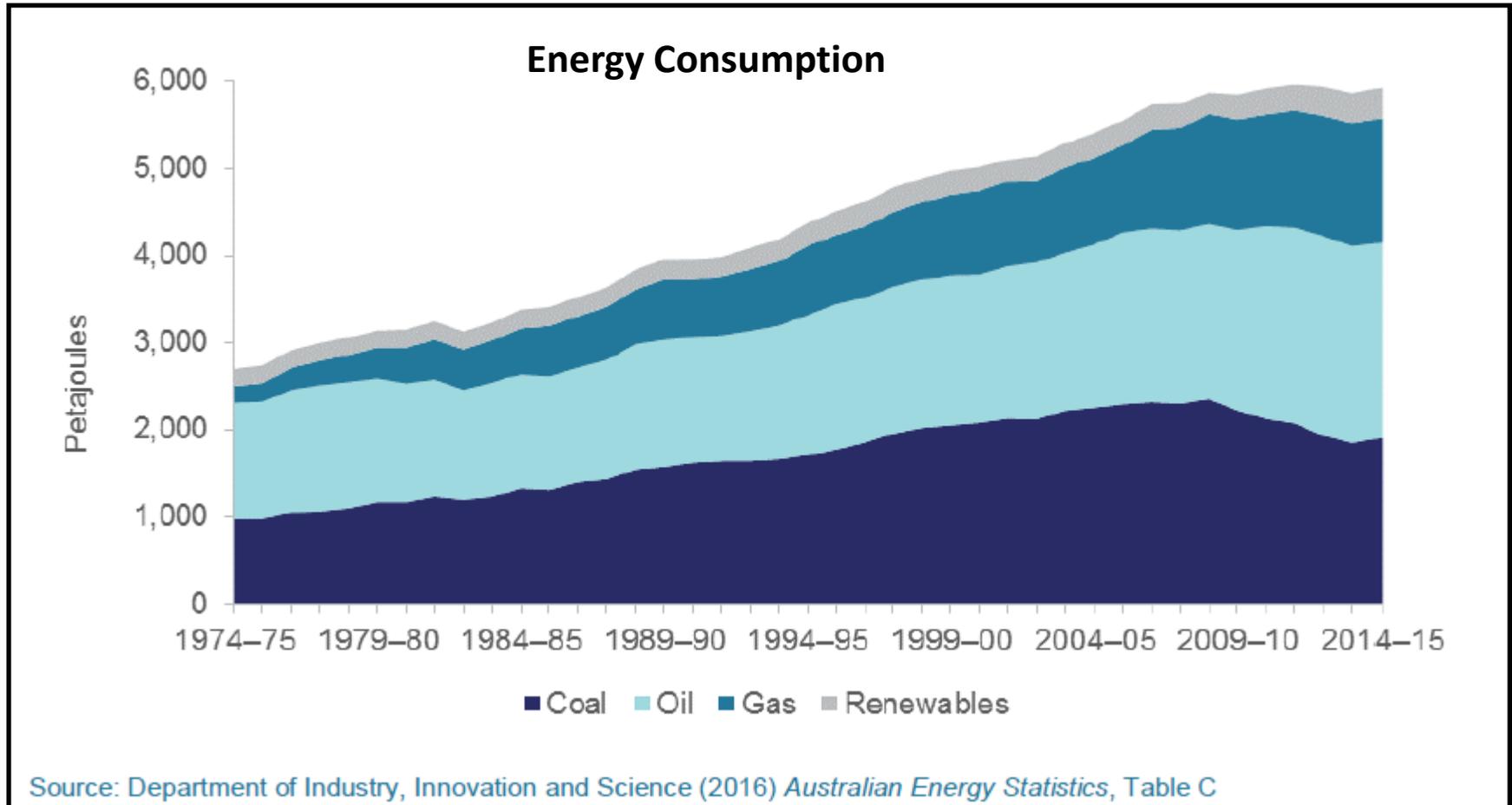


Shares of primary energy

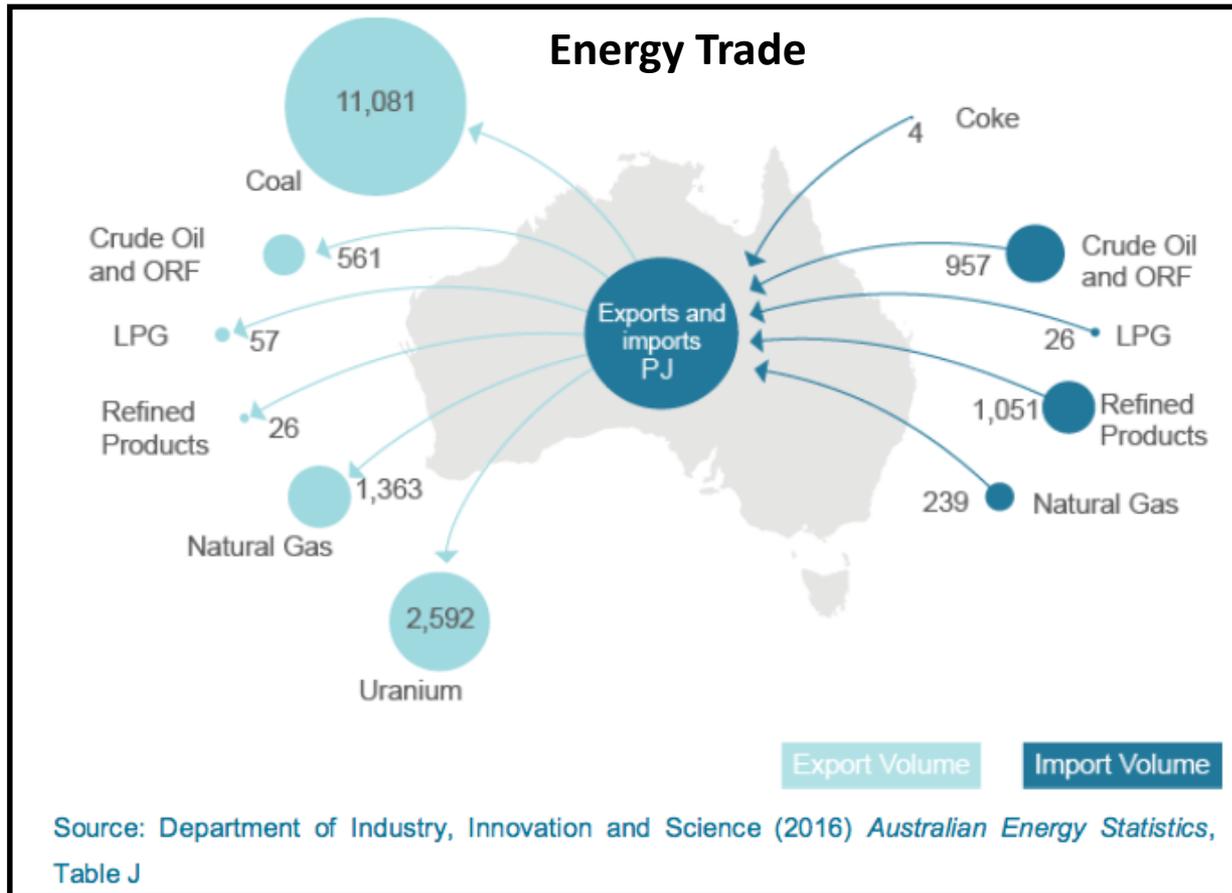


*Renewables includes wind, solar, geothermal, biomass, and biofuels

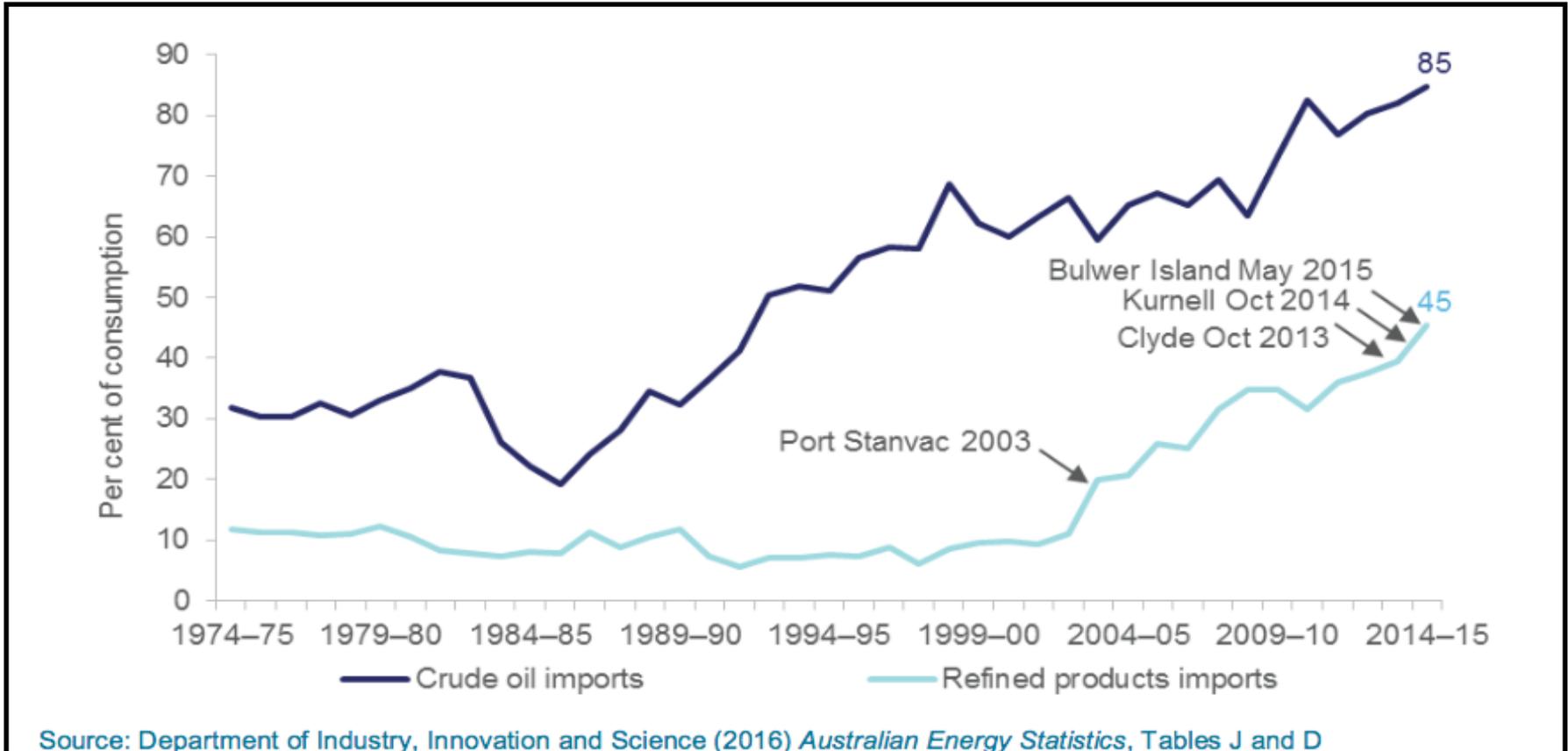
.... will Australia run on renewables?



....we import our diesel and export our gas



Transport, Defence, Resource and Agriculture sectors -all exposed to import disruption



National Energy Security Issue

No Strategic reserve or storage



...do we have an understanding of

National Energy Vision and Strategy?

How the energy markets work?

Energy producer cost bases?

Energy contracting strategies to ensure business continuity?

Lead times for onshore gas exploration to production?

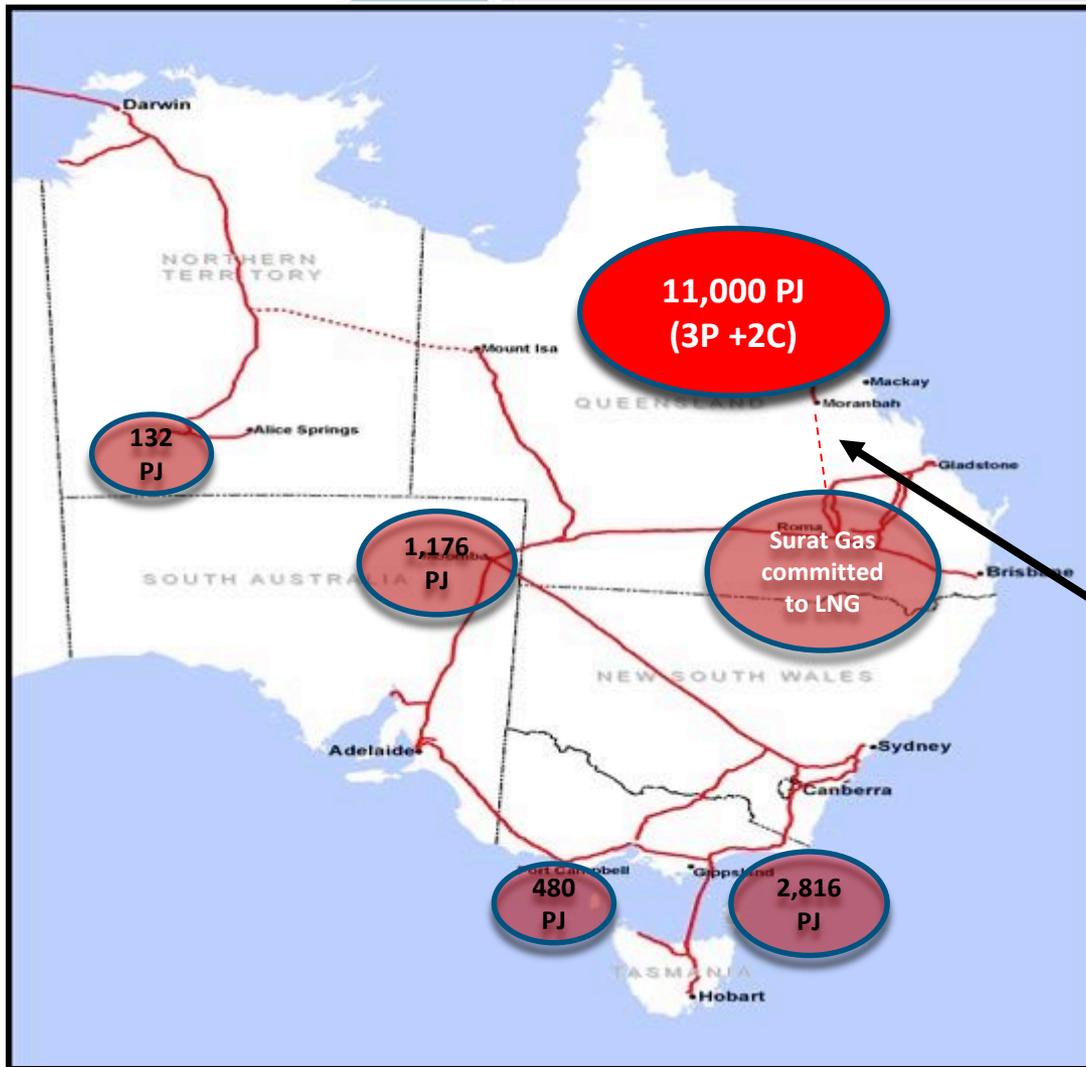
Quickest solution for more gas

**Develop existing undeveloped Reserves and discovered Resources
(eg Bowen Basin)**

Connect these resources to markets

And complete the national infrastructure network

East Coast Reserve Base



- 2P Reserves ARE NOT “flowing” molecules today
- Massive CAPEX is required to develop “deliverable molecules”
- Bowen Basin gas province needs development and connection to the East Coast market

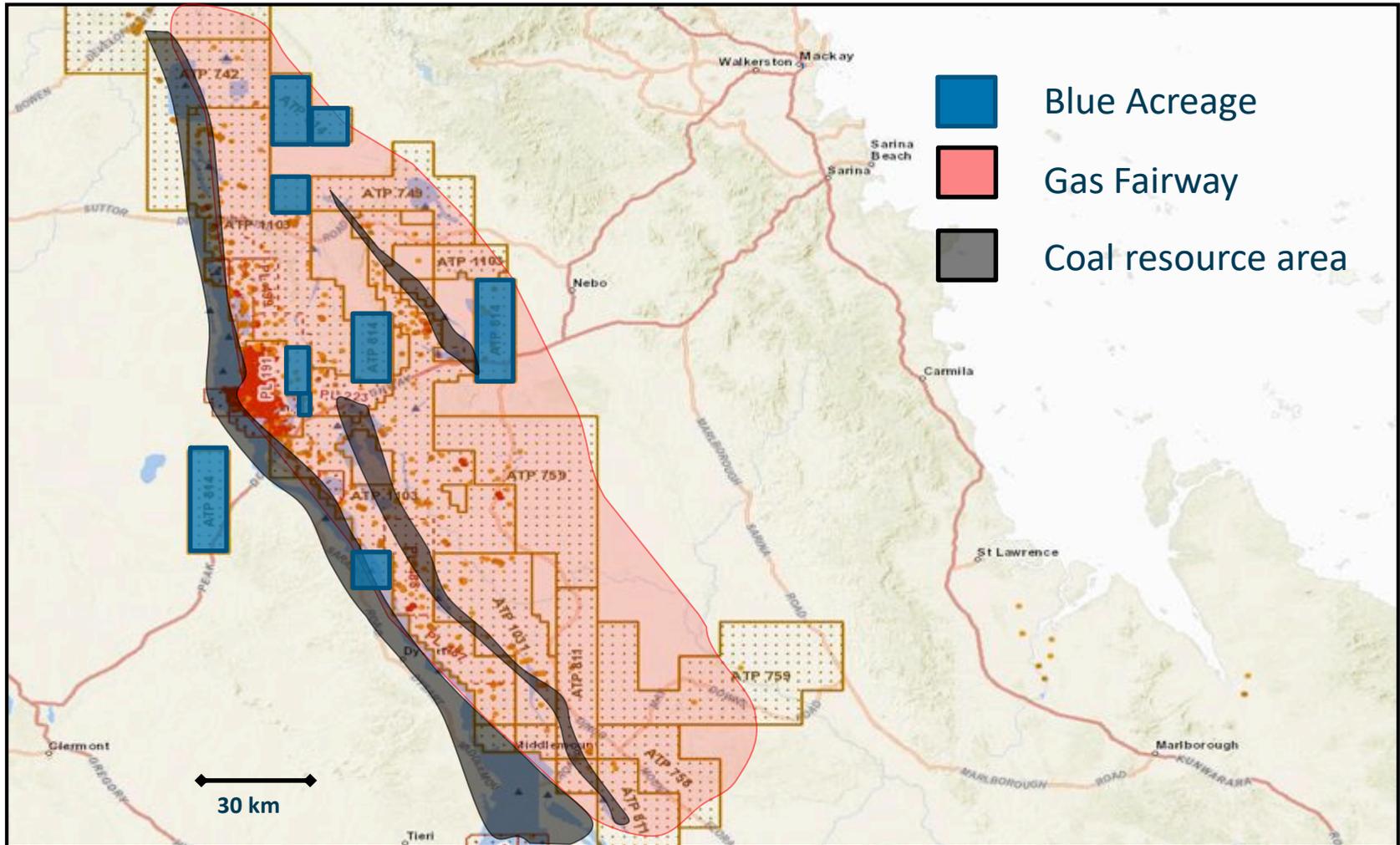
Bowen Gas Province

Already a Producing Basin



- **Area currently produces 35 TJ/day**
- **300+ producing wells**
- **Compression and export infrastructure to Townsville**

Bowen Gas Provenance Resource Area (~15,000 km²)

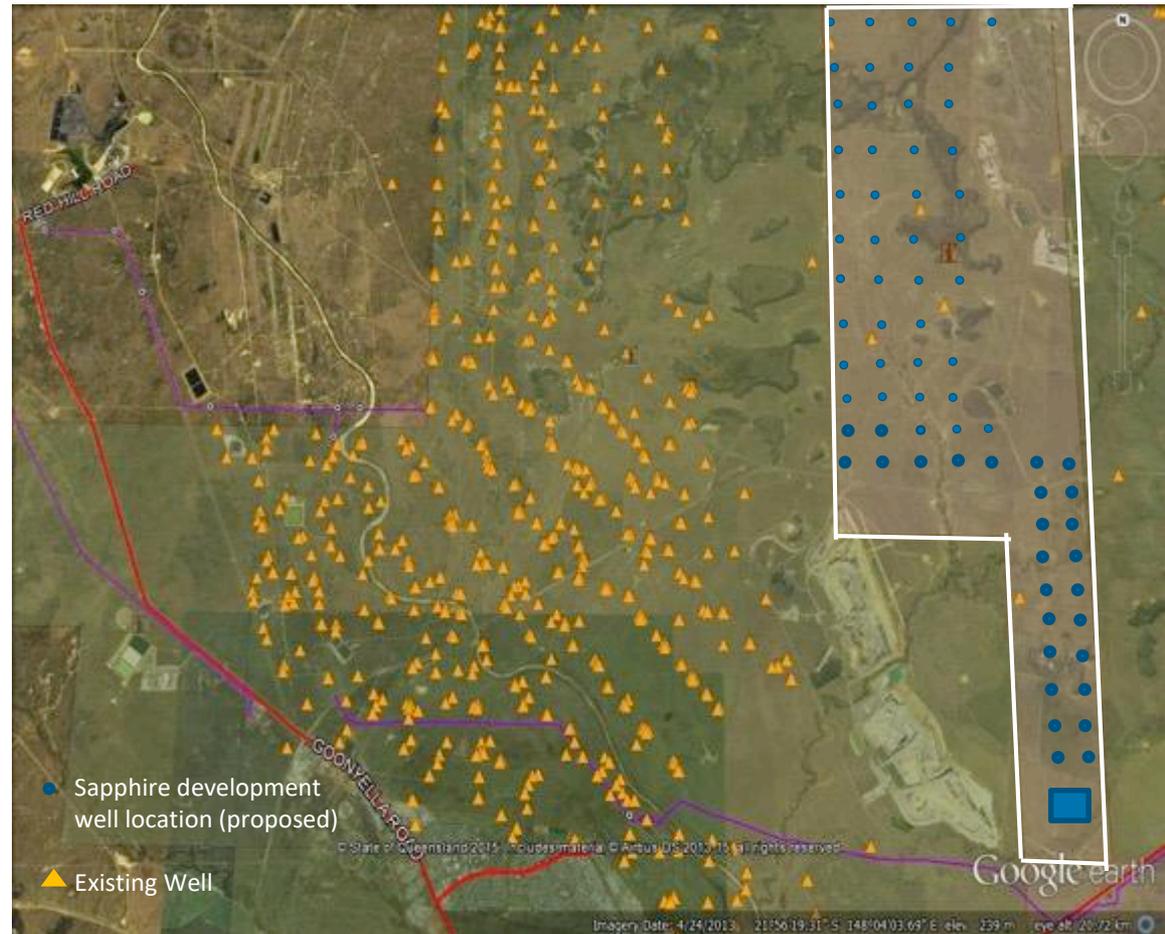


Bowen Gas Province

Blue's ATP 814P

Sapphire Conceptual Development plan

- 100% Blue
- Operatorship
- 71 PJ 2P Reserves (uncontracted)
- 298 PJ 3P Reserves (uncontracted)
- Big resource upside (~3,000 PJ 3C)
- Conceptual Development plan and feasibility study on Sapphire in progress

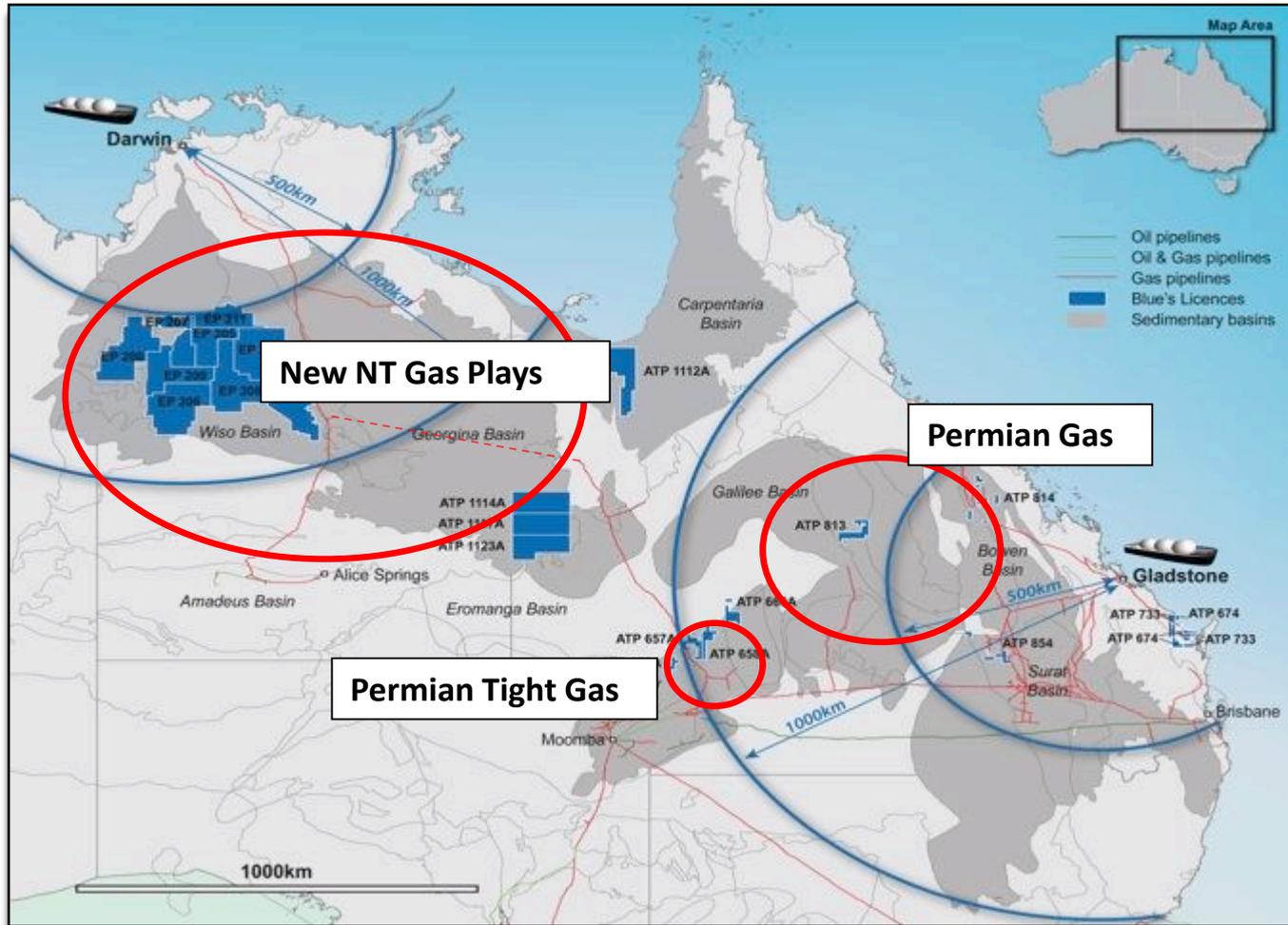


Blue Energy Snapshot

- Uncontracted 2P & 3P Reserves
- Operatorship and control
- Diverse portfolio – oil and gas
- Strong and experienced Board
- Low overhead
- Low finding cost

ASX Code	BUL
2P Reserves (NSAI)	71 Pj/Bcf
3P Reserves (NSAI)	298 Pj/Bcf
3C Contingent Resource (NSAI)	3,942 Pj/Bcf
Cash (31 December 2016)	\$3.4 million
Market Cap (1 April 2017)	~\$60 million
Net Acreage	24.1 million acres

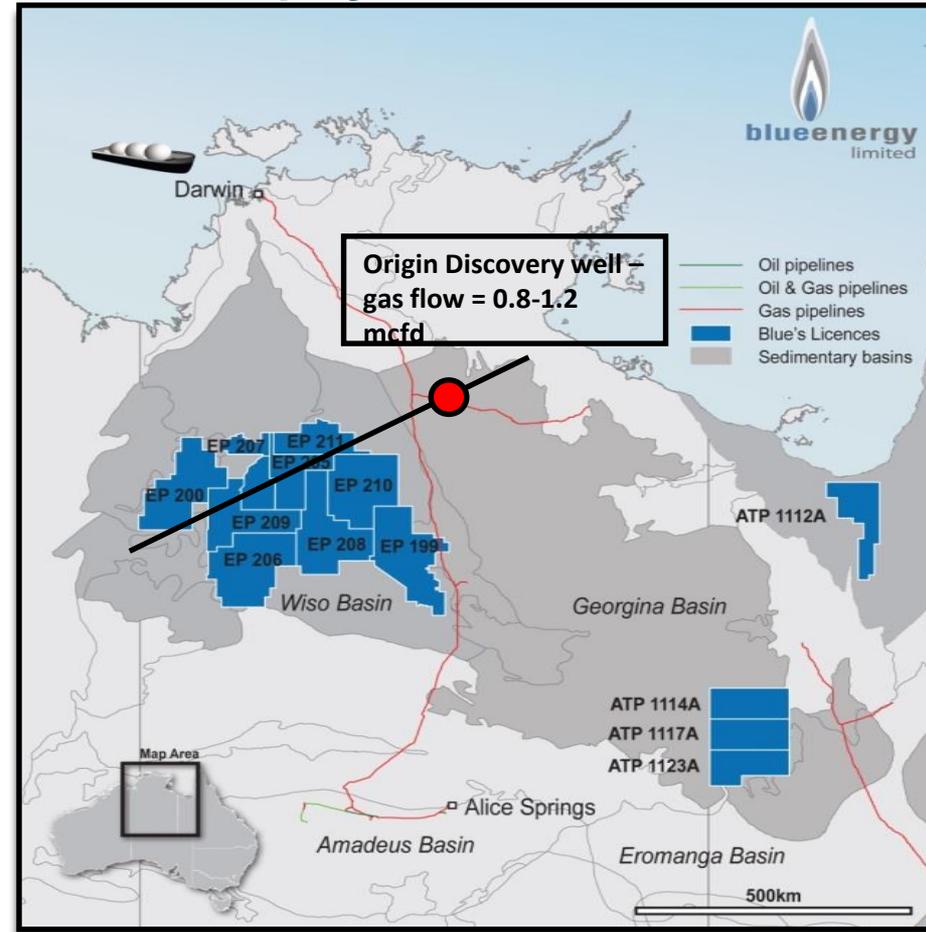
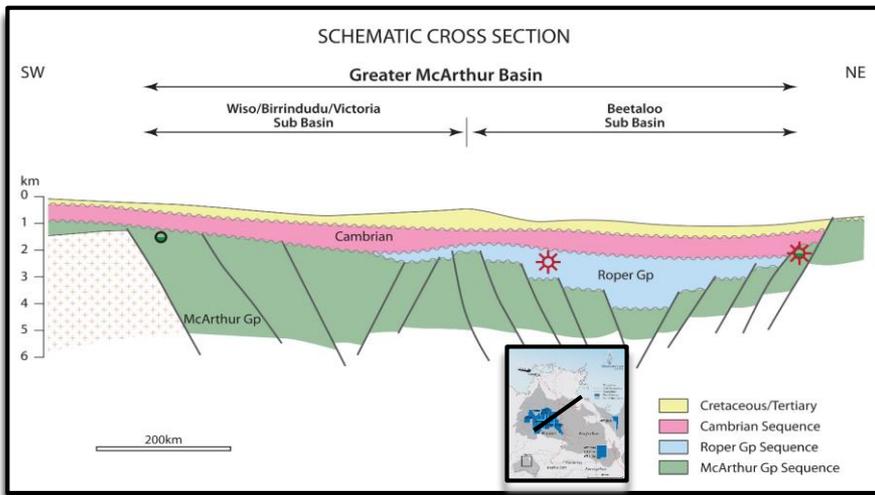
Emerging Plays



Emerging Plays

Northern Territory Proterozoic plays

- World class source rocks
- Potentially large gas resource
- Proof of concept with Origin well – early days
- Blue’s acreage is adjacent
- Government enquiring into Fracture Stimulation

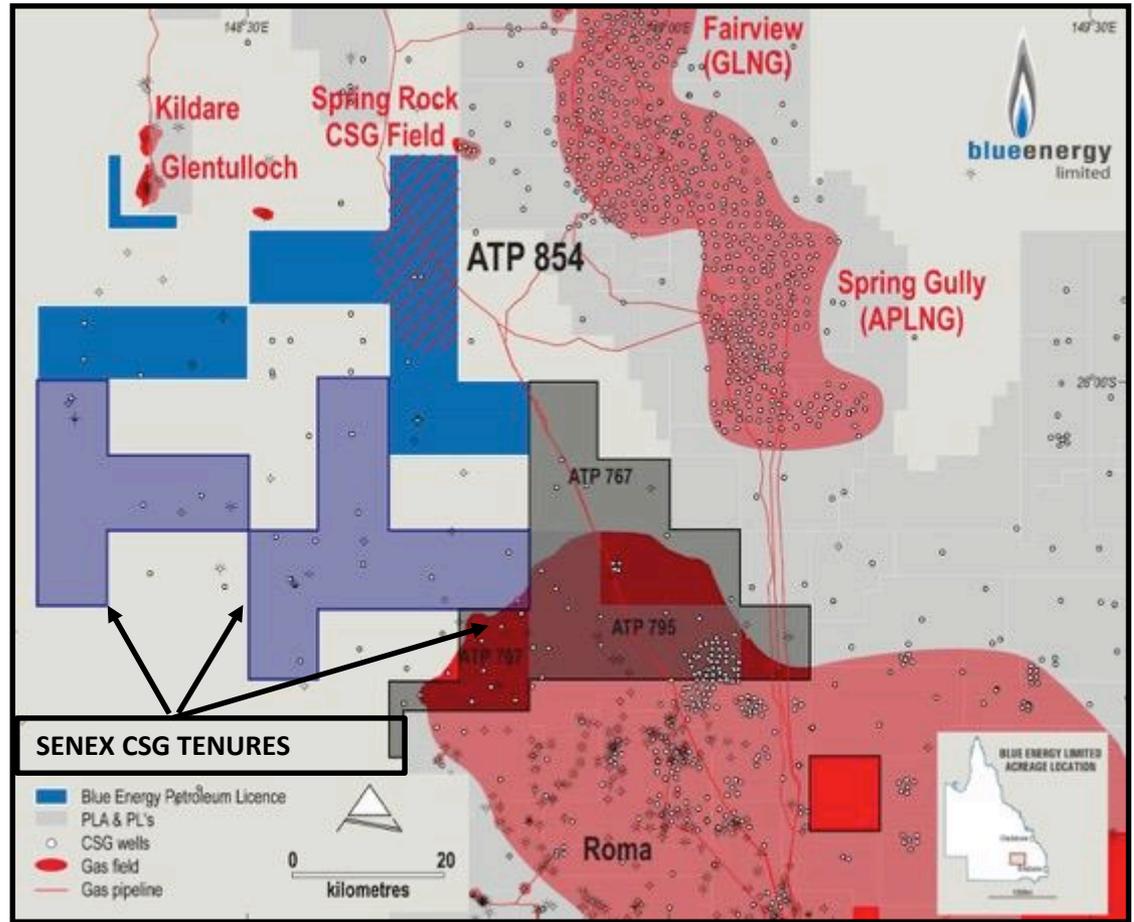


Blue. ENERGY

Additional Blue Gas Acreage

ATP 854P Bowen Basin

- Blue has uncontracted Contingent Resources (103 PJ)
- Same play as Fairview and Spring Gully plus additional Early Permian targets
- The block has infrastructure passing through – connected to Wallumbilla and Gladstone
- There is exploration upside



East Coast Gas

Summary

- Curtis Island is short gas
- Curtis Island is drawing gas from Cooper Basin and offshore Victoria
- Domestic Gas contracts continue to roll off – replaced by export contracts
- Domestic gas users failed to contract future gas early enough
- LNG exporters will supply domestic market *when the price signal is right*
- There is limited gas storage capacity
- Increasing renewables = increased gas fired generation for energy continuity
- Little exploration occurring – discovered but undeveloped reserves more valuable
- Those with uncontracted gas reserves and resources are in a good position

ENERGY
Blue.

