



**Investor Presentation**  
**9<sup>th</sup>-11<sup>th</sup> May 2018**

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# Disclaimer and Listing Rule 5.42 Disclosure

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## Disclaimer

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## Listing Rule 5.42 Disclosure

The estimates of reserves and contingent resources recorded and referred to throughout this Presentation 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 and 19 March 2013. 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 referenced in this Presentation attributed to 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 813P, 814P or 854P 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.

# Agenda

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1. Why invest in Blue Energy?
2. Global Thematic
3. Australian East Coast Gas Market
4. Bowen Basin
5. Upside - Northern Territory
6. Summary

# Who is Blue Energy?

Brisbane based ASX listed pure exploration play

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**John Ellice-Flint**

Executive Chairman  
(Geology)



**John Phillips**

Managing Director  
(Geology)



**Rod Cameron**

Deputy Chairman  
Non-Executive Director  
(Finance/Commerce)



**Karen Johnston**

Risk and Audit Com Chair  
Non-Executive Director  
(Commerce/Audit/Governance)

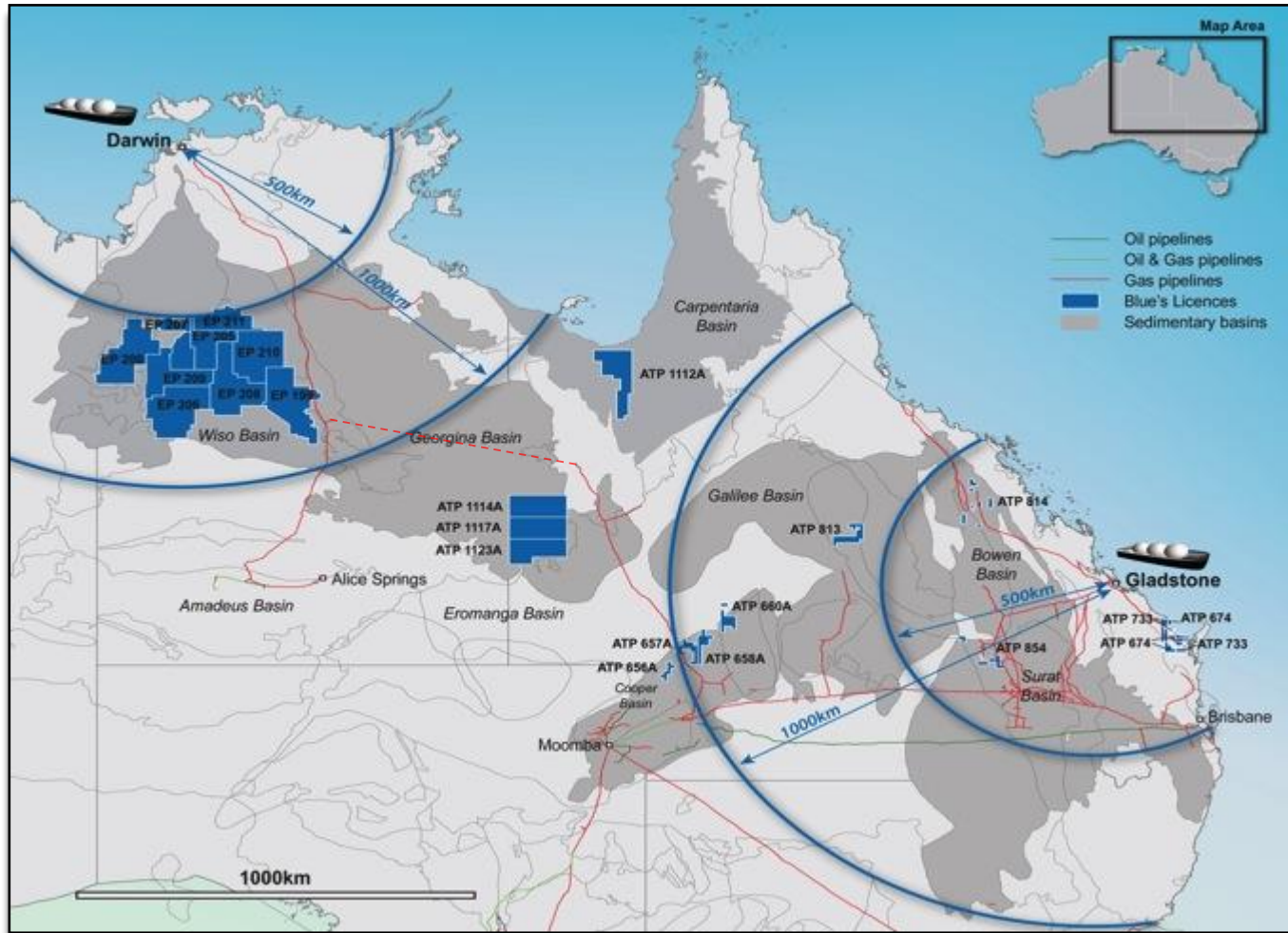
# Blue Energy metrics

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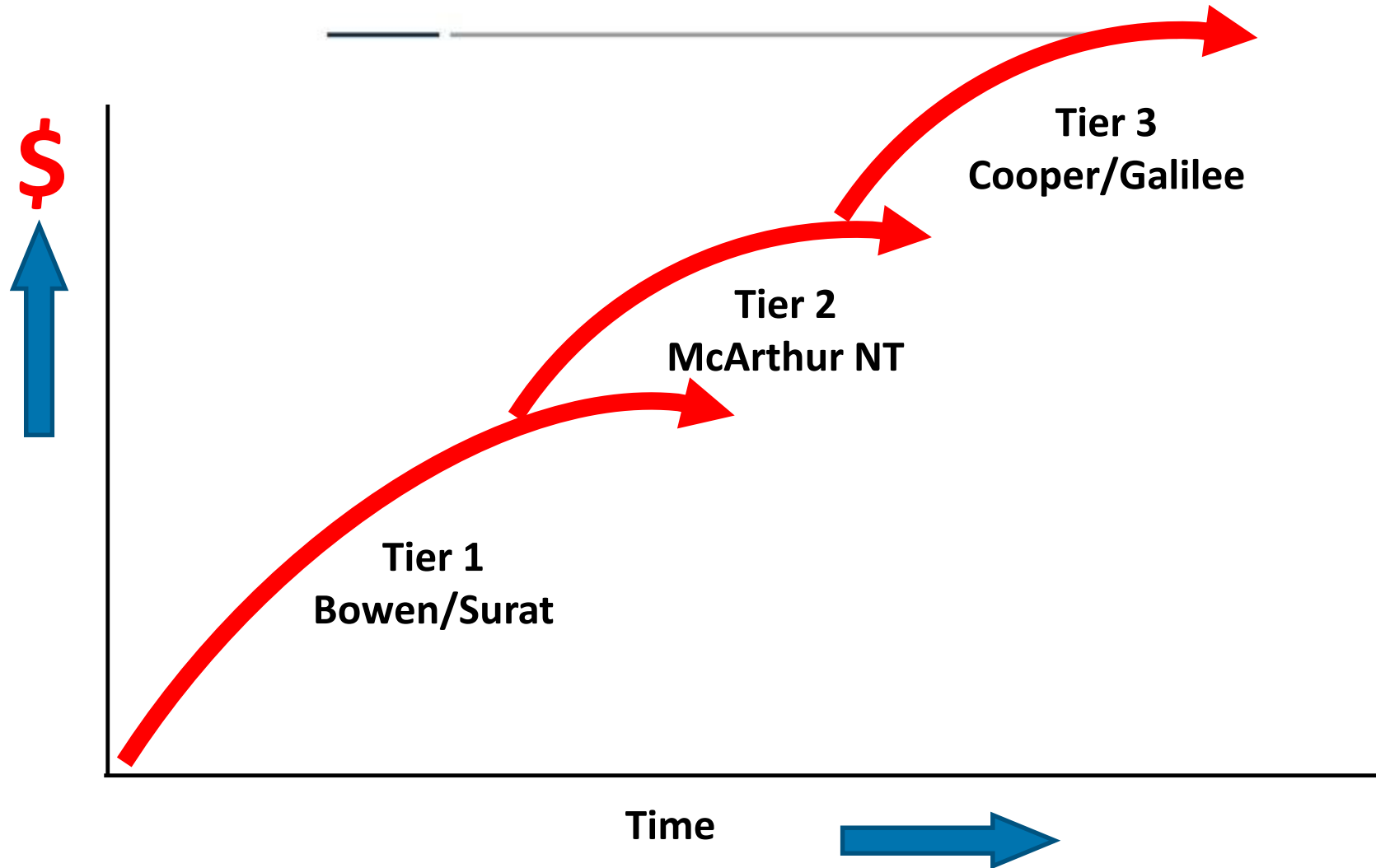
- **Uncontracted 2P & 3P Gas Reserves**
- **Operatorship and control**
- **Strong Board**
- **Low overhead**
- **Low finding cost**

ASX Code	BUL
2P Reserves (NSAI)	71 Pj/Bcf
3P Reserves (NSAI)	298 Pj/Bcf
3C Contingent Resource (NSAI)	3,942 Pj/Bcf
Cash (1 April 2018)	\$3.0 million
Market Cap (7 May 2018)	~\$159 million
Net Acreage	24.1 million acres (~100,000 km <sup>2</sup> )

# Blue Energy's Assets



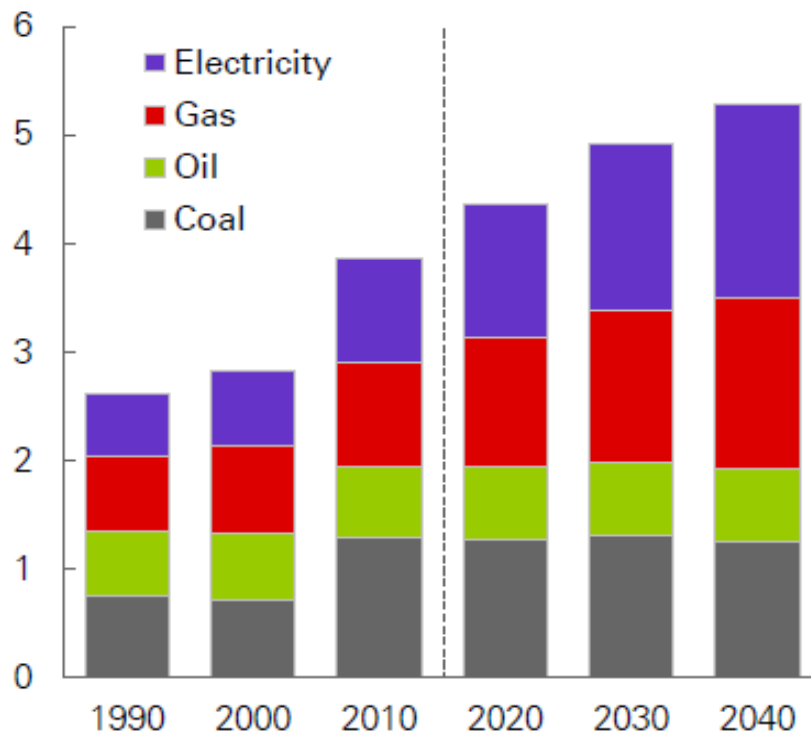
# Blue Energy's Long Term Strategy



# Global Energy Demand is Rising

Final energy consumption in industry\* by fuel

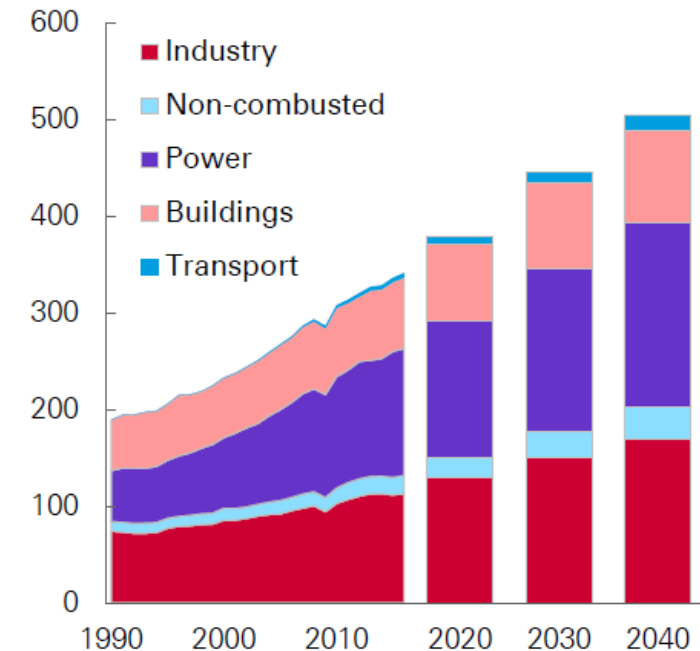
Billion toe



2018 BP Energy Outlook

Gas consumption by sector

Bcf/d

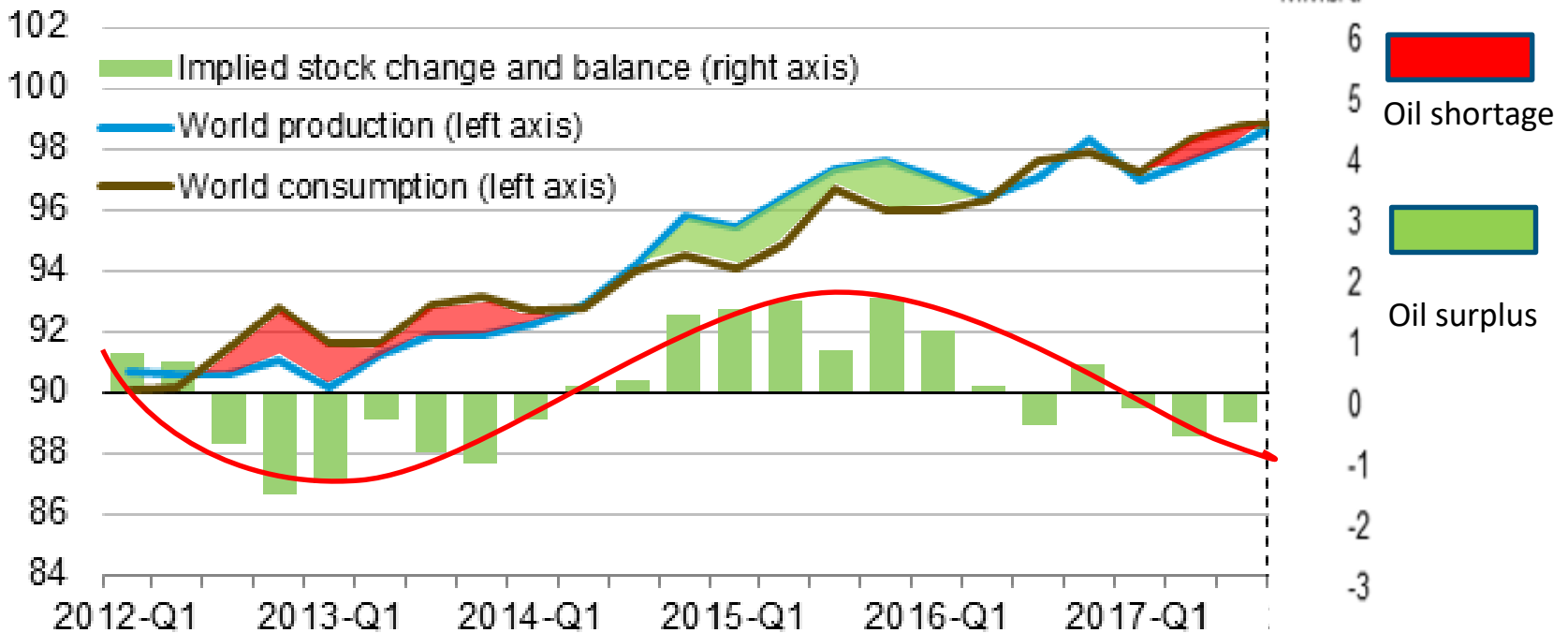




# Oil surplus is effectively gone

## World liquid fuels production and consumption balance

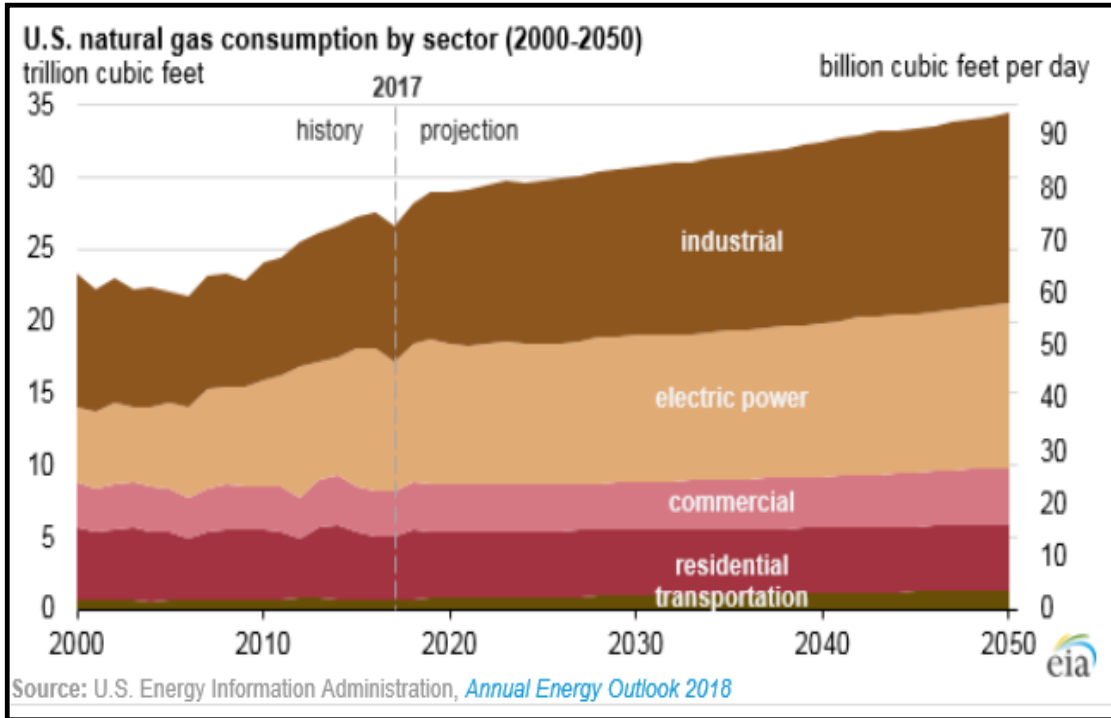
million barrels per day (MMb/d)



Source: Short-Term Energy Outlook, October 2017.

Modified after EIA

# Gas Use Lowers CO2 Emissions



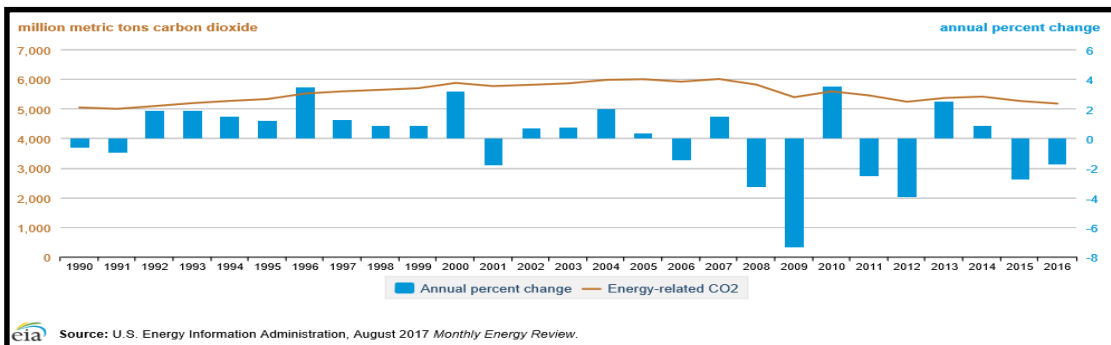
Fracture stimulation and horizontal drilling technology in the US has unlocked vast gas reserves

Increased gas supply has lowered prices

Lower gas prices has allowed industry to grow

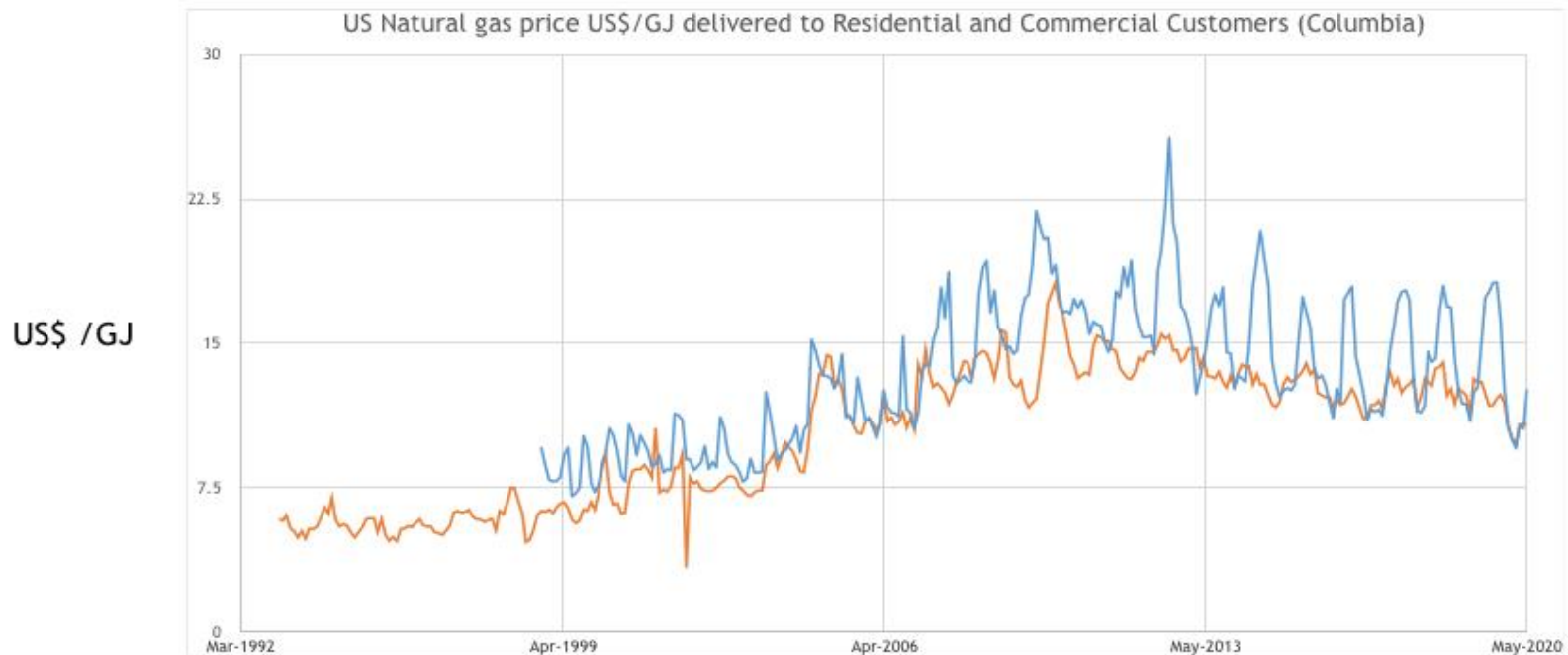
Cheaper gas has displaced coal in electricity generation

More gas use has lowered CO2 emissions (to 1992 levels)



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**Blue.**

# Henry Hub is not a delivered gas price



8/30/2016

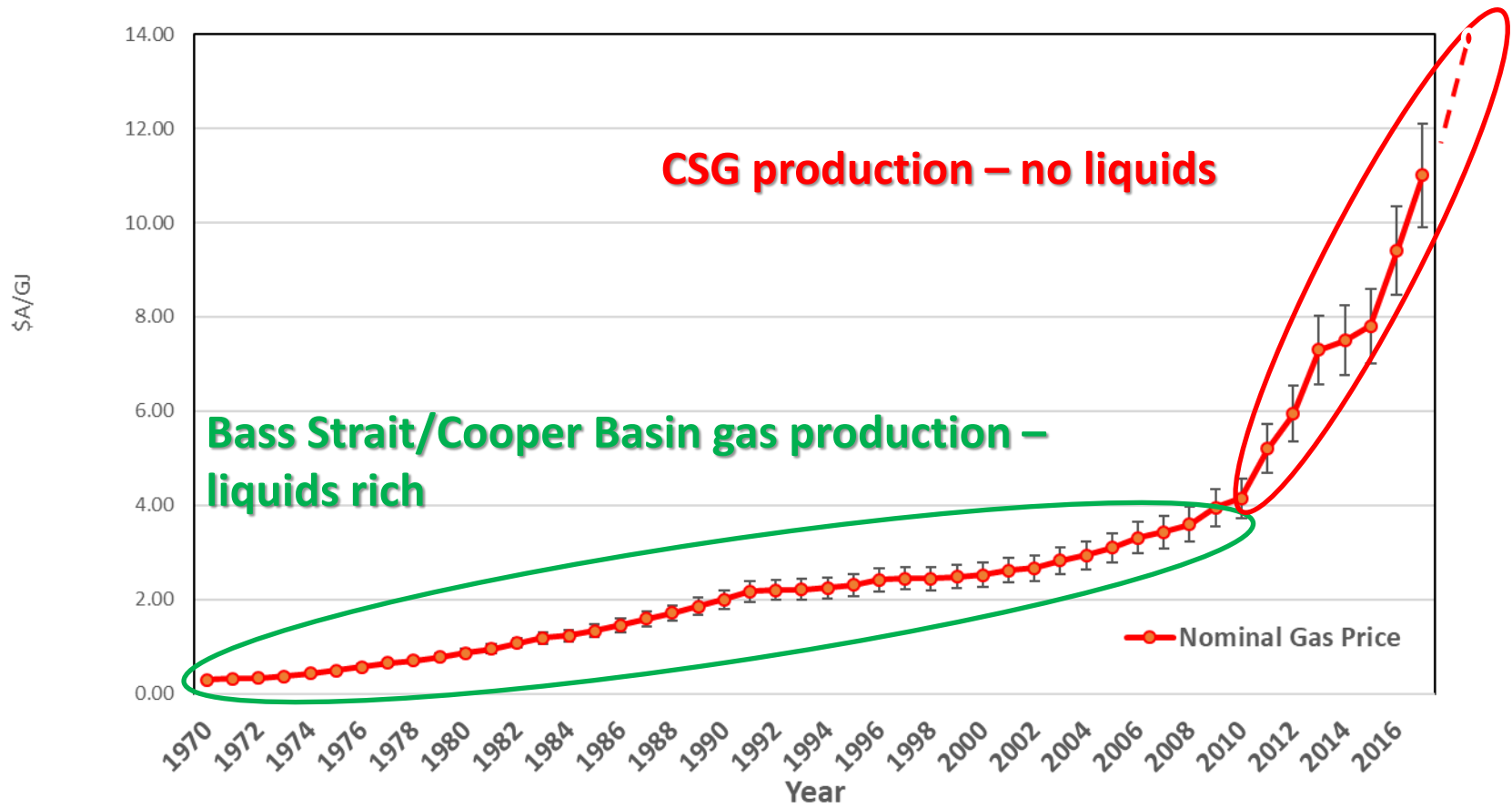
Applied Hybrid Energy Pty Ltd John Ellice-Flint

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# Demand drives East Coast gas price

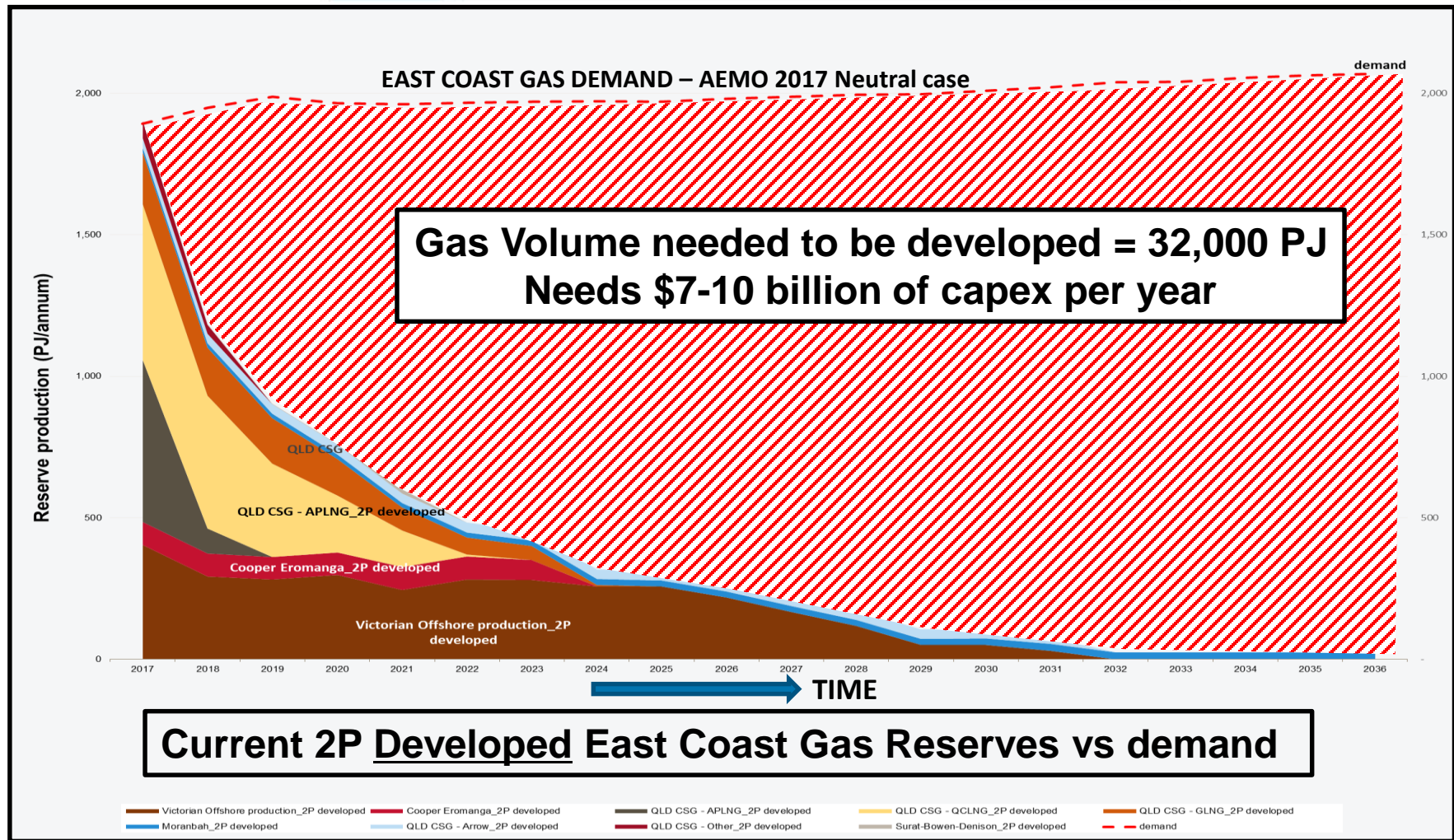
(Supply is struggling to keep up)

Approx. Australian East Coast Domestic Gas Price (1970-2017)



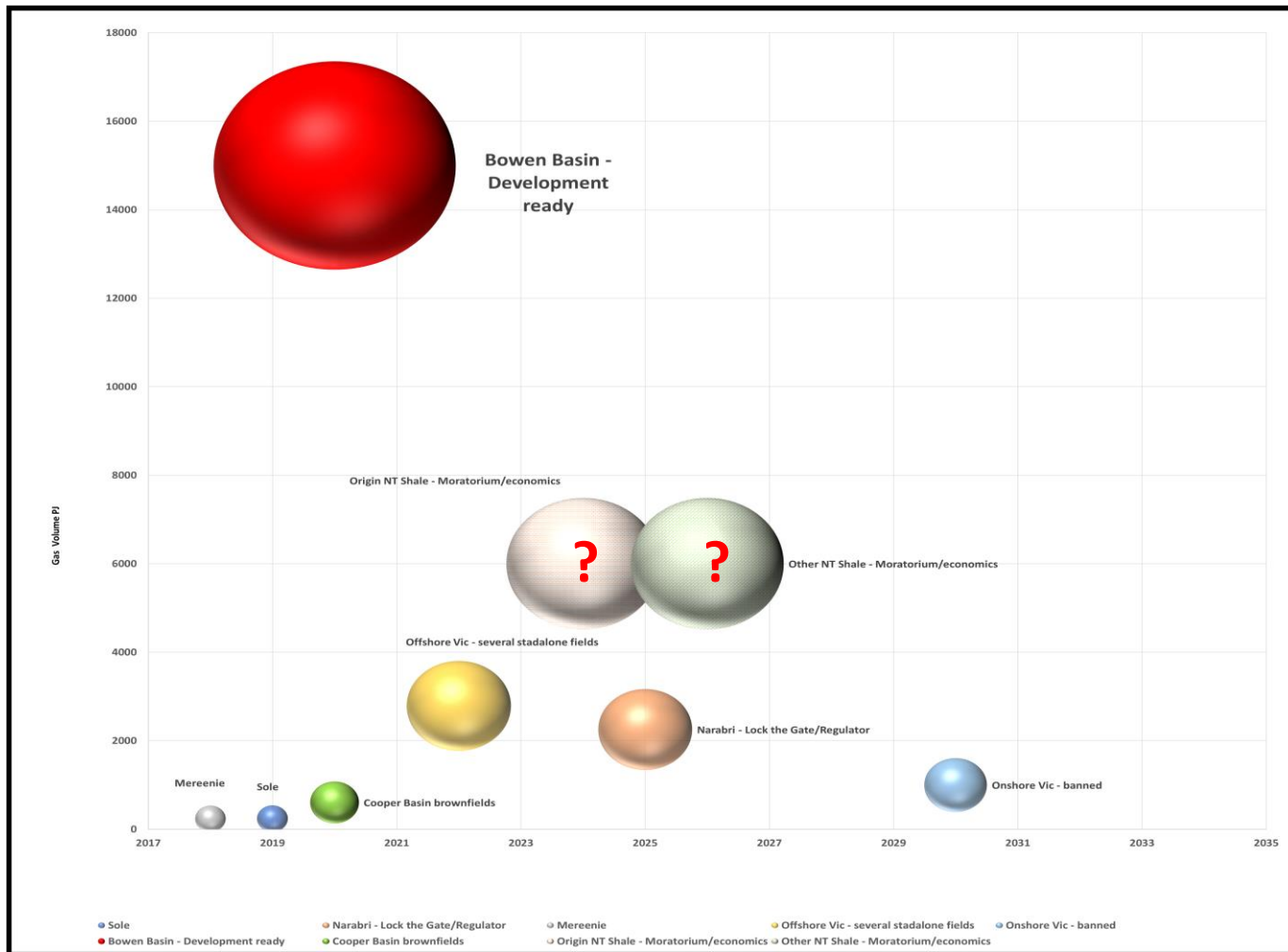
Wholesale gas is now \$12-16/GJ

# Australian East Coast gas reserves are in bad shape

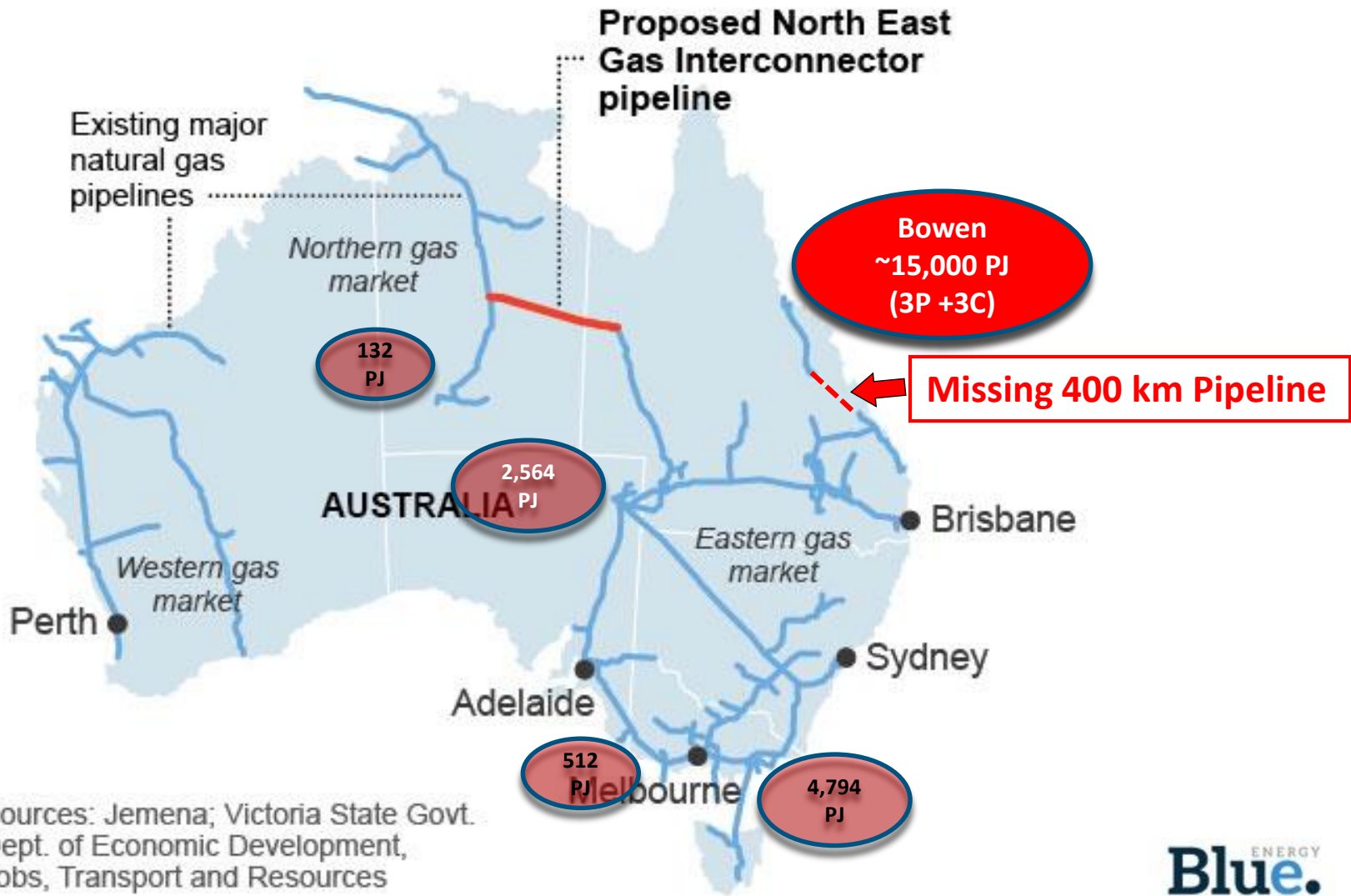


Modified after AEMO GSOO March 2017

# Brownfield Developments Won't Solve Long Term East Coast Gas Shortfall



# The Bowen Basin has 15,000PJ of discovered gas resource



# **The Bowen Basin and ATP 814**

## **A Key to long term East Coast gas security**

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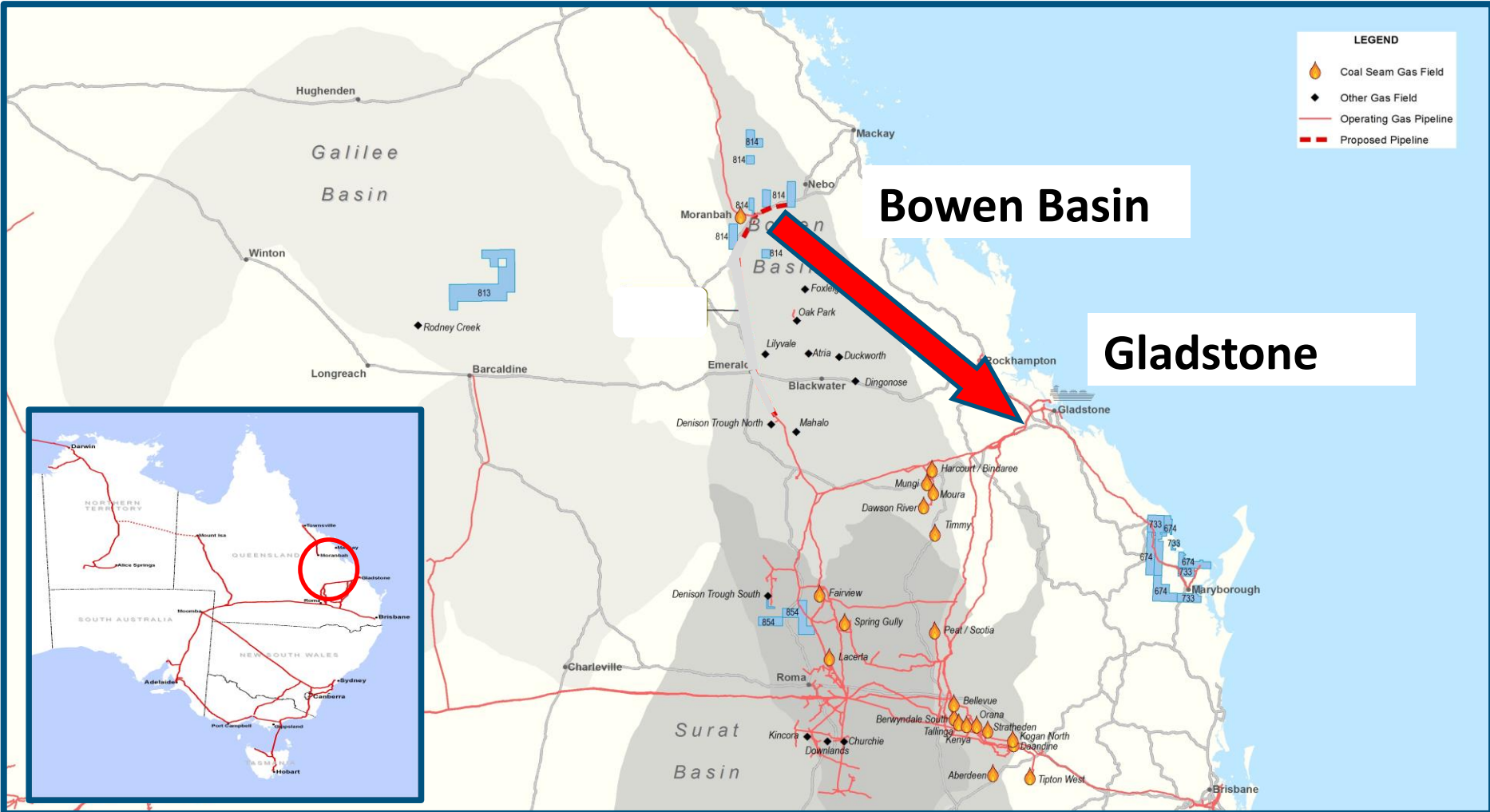
- **Huge CSG play – with only a small area currently developed**
- **Waiting on pipeline connection – MOU signed with APA – study progressing at speed**
- **10 year producing basin – 40 Tj/day currently**
- **300 wells drilled in basin to delineate reserves and resources**
- **Large discovered resource – 10-15,000 PJ - development ready**
- **Potential expansion of Townsville pipeline for Northern Australia Development**



# East Coast Australia

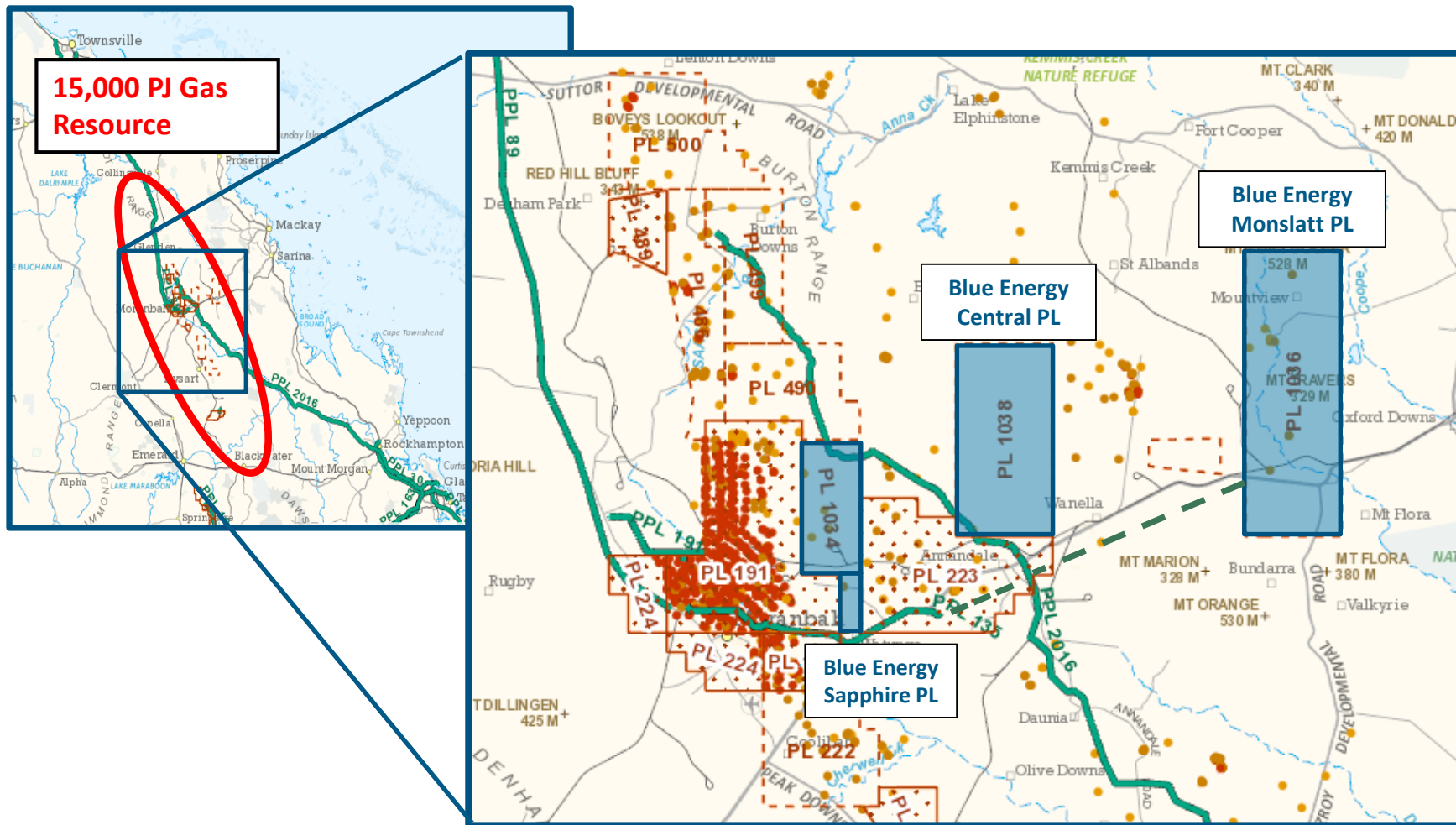
## Lacks a continuous North-South pipeline

### The Missing Link



# The Bowen Basin and ATP 814

## A Key to long term East Coast gas security

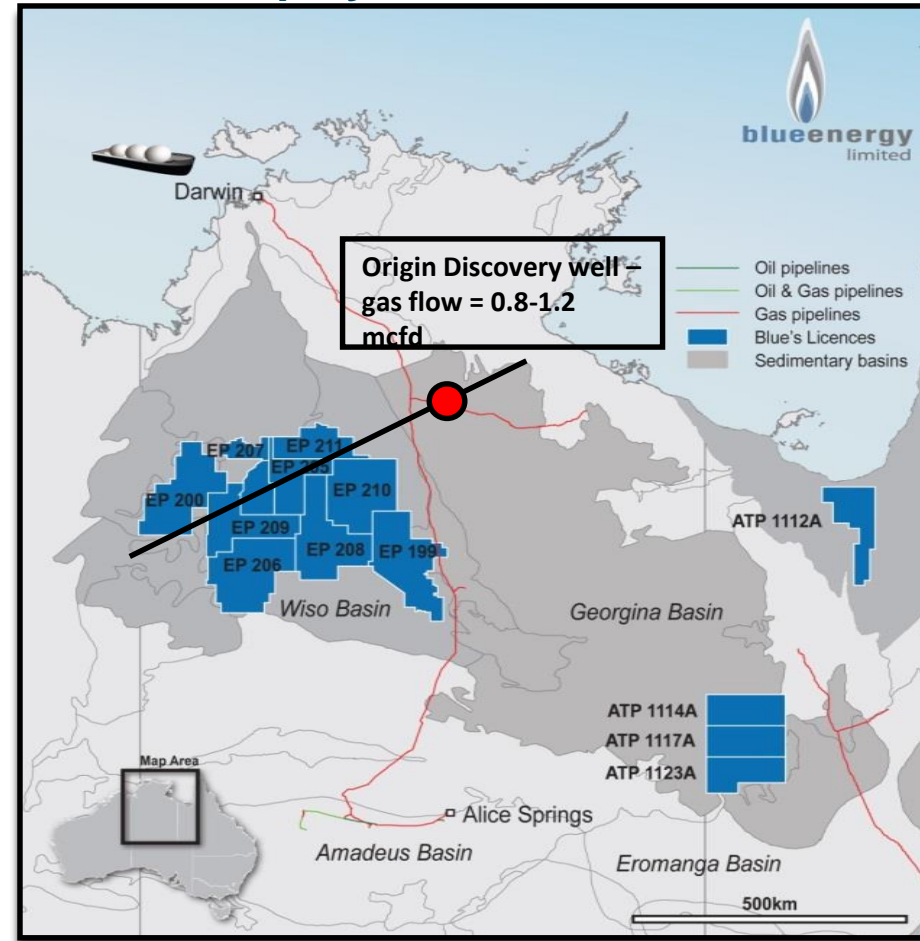
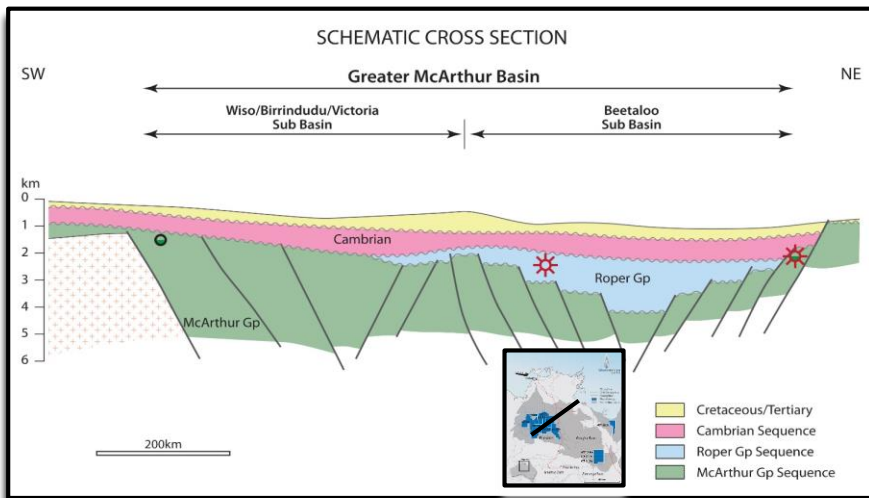


Blue's Production Licences – 3,000 PJ of resources **Blue.**

# Upside for Blue - Emerging Basins

## Northern Territory Proterozoic plays

- Material basin acreage position
- Proven Petroleum System
- World class source rocks
- Proof of concept with Origin discovery
- NT Government will lift Fracture Stim Moratorium



**Blue.** ENERGY

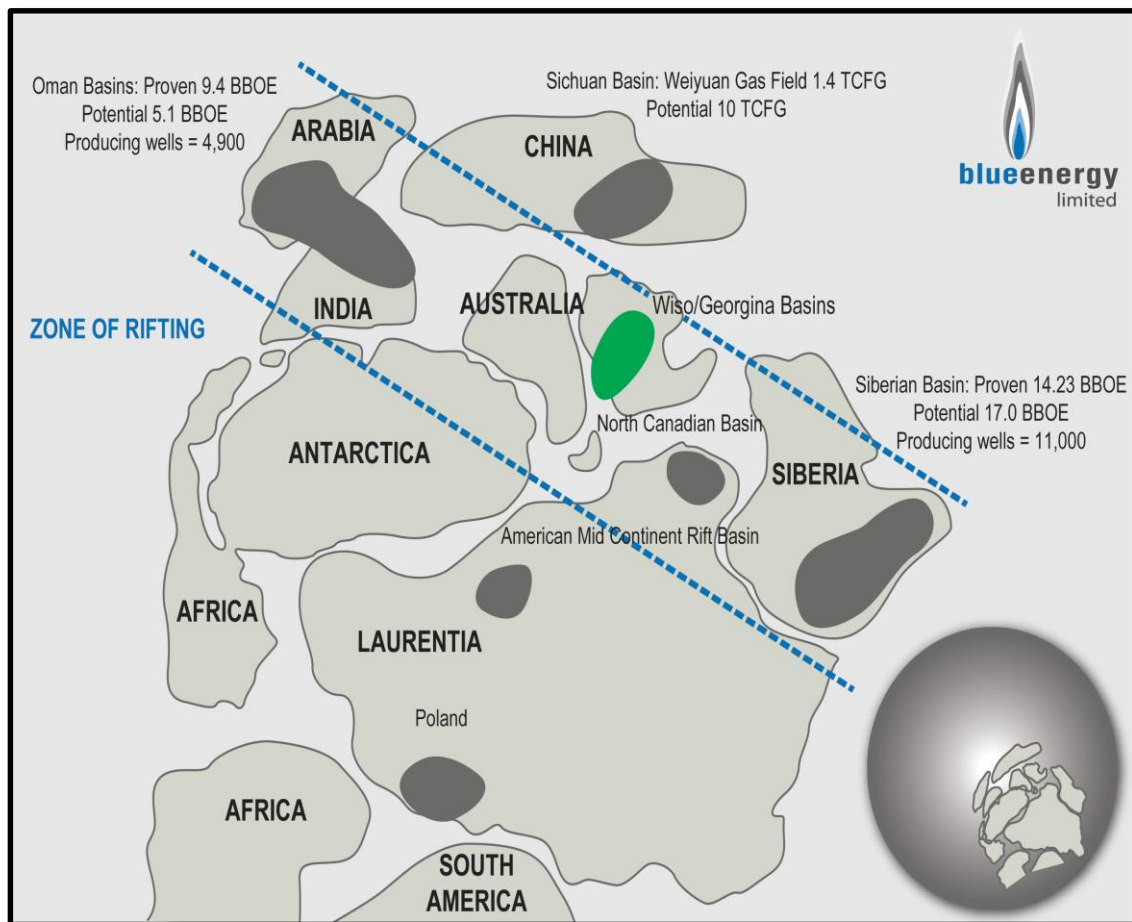
# Breaking Play in very Old Basins

## Old Australian Basins

McArthur - Proterozoic

Beetaloo - Proterozoic

Production analogies with Oman  
and Siberia



# So...why invest in Blue Energy?

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- The East Coast has a severe gas shortage (short, medium and long term)
- Blue has 3,000 PJ of uncontracted gas resource

## **3,000 PJ of Gas is:**

- 6 years of total east coast domestic gas consumption
- 20 years of feed gas for 1 LNG train
- 200 years of feedstock for Incitec Pivot Gibson Island



# Why invest in Blue Energy?

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- Australia's lowest finding cost
- Top Tier Independent Reserve Certifier – NSAI
- Low overhead - Virtual E&P Company
- Large acreage position – basin significant
- Operatorship and control - 100% equity
- Geologists and proven explorers run the Company

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**Blue.**

