

13 June 2019

## ASX Announcement

### Completion of Institutional Placement and launch of Share Purchase Plan

Blue Energy Limited (ASX:BLU) is pleased to report

- ❖ Institutional Placement raising \$4.2 million well supported by existing shareholders
- ❖ Placement shares to be issued at \$0.045 per share
- ❖ Eligible shareholders on the register on 12 June 2019 invited to participate in a Share Purchase Plan at an issue price of \$0.045 to raise up to an additional \$2.5 million

#### Placement

Blue Energy Limited (ASX:BLU) is pleased to announce the successful completion of an over-subscribed \$4.2 million placement to institutional and sophisticated investors comprising approximately 93,333,333 shares at \$0.045 per share (“**Placement**”).

The Placement received strong support from institutional shareholders and sophisticated investors. The purpose of the Placement is to access additional funding to advance Blue Energy’s gas projects and activities primarily in the North Bowen Basin and to prosecute the case to develop and connect this large basin-wide gas resource of up to 15,000 PJ of resource to the east coast gas network and industrial gas users. The net proceeds of the Offer and existing cash will be used for:

- Pipeline route studies for the recently awarded PSL 2037 (Pipeline Survey Licence – See Figure 1);
- Progression of Production Licence applications for ATP 814;
- Power generation grid studies in the Hillalong block of ATP814;
- Flexibility for potential drilling activity in ATP 814 or orATP854 in the Surat Basin;
- General permit portfolio exploration and appraisal including the Northern Territory; and
- General corporate and working capital purposes.

Commenting on the outcome of the Placement, Managing Director John Phillips said, *“these funds will allow Blue to continue the push for the development of the North Bowen Basin gas resources to be connected to the East Coast market and alleviate the persistent supply shortages for Industrial gas users, which Federal and State Governments, together with the ACCC, are seeking to resolve.*

Blue Energy entered into a trading halt prior to the commencement of trading on the ASX on Tuesday, 11 June 2019, pending announcement of the Placement. Trading of the shares of the Company is expected to re-commence on the ASX prior to 10.00am AEDT on Thursday, 13 June 2019. The Company requests that the trading halt is lifted and confirms that it knows of no reason it should be prevented from doing so.

The Placement price of \$0.045 per share represents a discount of approximately 15.3% to the 10-day volume weighted average price of BLU shares traded on the ASX prior to 11 June 2019. Settlement of the Placement is expected to occur on Tuesday, 18 June 2019 with the Placement shares expected to be allotted and to commence trading on the ASX on Wednesday, 19 June 2019. The New Shares will rank equally with the Company’s existing fully paid ordinary shares.

## Share Purchase Plan

Blue Energy is also offering existing eligible shareholders the opportunity to participate in a Share Purchase Plan (“SPP”) to raise up to a further \$2.5 million, at the same issue price as institutional and sophisticated investors paid under the Placement. Any additional funds raised from the SPP will be primarily applied to the Company’s working capital. In addition, depending on the level of subscriptions received, the Company is also considering undertaking a buy-back of unmarketable parcels of Shares (Unmarketable Parcel Buyback). However, in addition to the level of participation in the SPP, any Unmarketable Parcel Buyback (if any) remains subject to ongoing market conditions and final Board approval.

Eligible shareholders recorded on the register at 5.00pm (AEDT) on Wednesday, 12 June 2019 will be entitled to apply for up to \$15,000 shares at \$0.045 per share for a maximum investment of \$15,000 free of brokerage and other related transaction costs.

Participation in the SPP is entirely optional and is open to all shareholders other than shareholders who have registered addresses in countries outside Australia or New Zealand, where regulatory requirements make participation by the shareholder unlawful or impracticable. The Directors have determined that shareholders whose registered addresses are outside Australia and New Zealand will be unable to participate in the SPP.

Pursuant to the Terms and Conditions of the SPP, eligible shareholders will be offered the option to acquire *\$2,000, \$5,000, \$7,500, \$10,000 or \$15,000 in shares*. The Company will apply for quotation of the New Shares issued under the Placement and SPP on ASX, which will rank equally in all respects with existing Blue Energy fully paid ordinary shares.

Blue Energy may, in its absolute discretion, allocate less than the number of shares applied for in the SPP and determine to apply any scale back to the extent and in the manner that it sees fit. Any unallocated funds will be returned to applicants without interest in this case.

## Timetable

The Placement and indicative SPP timetable is detailed below. An SPP Offer Booklet and Acceptance Form will be sent to eligible shareholders on Friday, 14 June 2019 together with an application form.

### Timetable for the Placement and Share Purchase Plan

Record Date for participation in the SPP	Wednesday 12 June 2019
SPP Offer Booklet and Acceptance Form dispatched to eligible shareholders	Monday 17 June 2019
SPP offer opens	Monday 17 June 2019
Settlement of Placement shares	Tuesday 18 June 2019
Allotment and quotation of Placement shares	Wednesday 19 June 2019
SPP offer closes	Monday 1 July 2019
Scale back announcement (if any)	Wednesday 3 July 2019
Allotment of new shares under the SPP	Thursday 4 July 2019
Commencement of trading of SPP shares	Thursday 4 July 2019

The above timetable is indicative only and subject to change. Blue Energy Limited reserves the right to extend the closing date for the SPP, to accept late applications either generally or in particular cases or to withdraw the SPP without prior notice. The commencement of quotation of new securities is subject to confirmation from the ASX.

Bell Potter Securities Limited acted as Lead Manager and Bookrunner for the Placement.

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**Figure 1: Blue Energy’s North Bowen Basin Gas Assets and Pipeline Survey Licence location**

