

Gas Resource Upgrade

Blue increases ATP 854 gas resources by 300%

Blue Energy Limited (ASX:BLU or Blue Energy) is pleased to advise that it has now received an upgrade of the recoverable gas resources in its solely owned permit ATP854 in the Surat Basin. The 300% upgrade is in net recoverable gas resource across the 1C, 2C and 3C Contingent Resource categories. This represents an increase in the total Contingent Resource base of the permit from 101 PJ to 398 PJ of 3C. The increase is based on a review by the independent reserve certifier Netherland Sewel and Associates Inc (NSAI) as at 31 December 2021.

Key points

- ATP 854 total recoverable gas resource (3C category) increased by nearly 300% to 398 PJ.
- Both 1C and 2C contingent gas resource categories also increased by over 300%.
- Gas resource upgrade was certified by world class independent certifier NSAI.
- ATP 854 is 100% owned and operated by Blue Energy Limited and is the most southerly permit in the company's portfolio.
- ATP 854 has existing gas pipeline infrastructure passing through the permit, allowing direct access to the Wallumbilla gas hub.
- ATP854 is now a substantial gas resource which can augment Blue Energy's Bowen Basin gas supply agreements with Origin Energy and Energy Australia, both in timing and volume.
- With this upgrade, aggregate corporate 3C recoverable gas resources have increased by 7% to 4,476 PJ net.

The gas resource upgrade is a result of an independent certification conducted by NSAI of existing Blue Energy data together with available industry data, which has been established in the period since the initial gas resource estimation*.

The following table summarises the changes to the various gas resource categories and compares them to the previous estimates for ATP854.

Table 1: Changes in gas resources for ATP854

Permit	1C (PJ)		1P (PJ)		2C (PJ)		2P (PJ)		3C (PJ)		3P (PJ)	
	new	old	new	old	new	old	new	old	new	old	new	old
ATP854P Surat Basin Qld	90	22	-	-	194	47	-	-	398	101	-	-
% Change	+309%				+313%				+294%			

* Refer ASX Announcement 19 March 2013.

ATP 854 is located near the heart of the CSG - LNG gas supply precinct with gas pipeline infrastructure (PPL 30), linking Wallumbilla to Gladstone, running through the permit. The ATP854 gas resources therefore have a clear potential for near term economic development using this existing infrastructure (See Figure 1).

This gas resource upgrade is timely, given the gas offtake agreements Blue Energy has executed with Origin Energy and Energy Australia to supply gas to them at the Wallumbilla hub. These agreements are for the 10-year supply of up to 400 PJ of gas.

Gas from ATP854 will be considered as a potential initial supply option for these supply agreements and to augment the Company’s North Bowen Basin Gas reserves and resources.

Managing Director John Phillips said *“the upgrade of this permit’s gas resources signifies the potential for a significant new gas supply from this permit. The declaration of the four existing Potential Commercial Area (PCA) applications lodged by Blue (and awaiting approval with government) over this permit is vital for further appraisal to be undertaken so this new gas supply can be assessed and brought to the east coast domestic market as soon as possible.”*

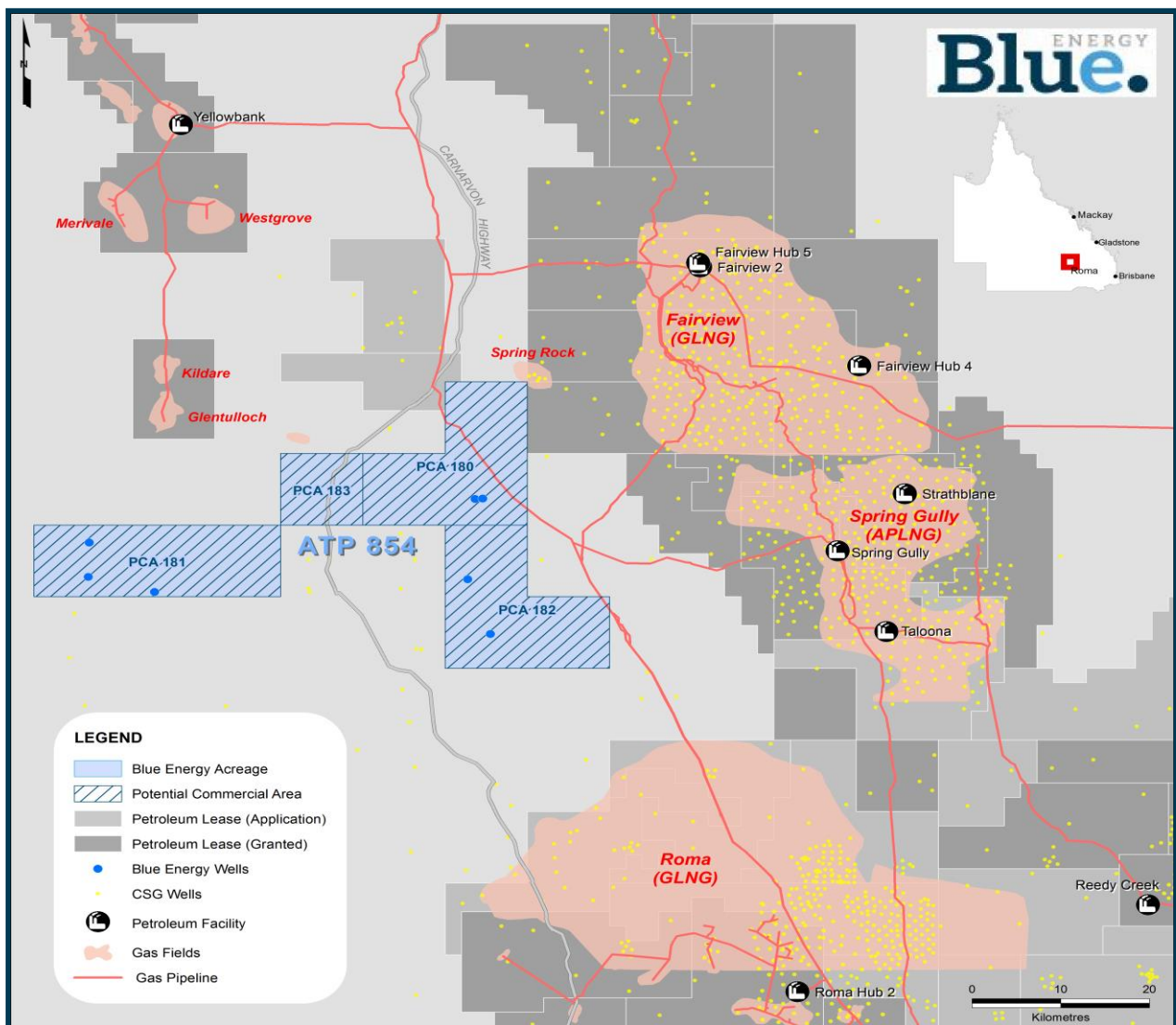


Figure 1: Location of ATP854 in relation to existing gas infrastructure and gas producing fields

Table 2: Changes in Blue Energy's Contingent Resources since last upgrade across all of its Permits

All numbers are net to Blue Energy

Permit	1C (PJ)		2C (PJ)		3C (PJ)	
	Last update	Now	Last Update	Now	Last Update	Now
ATP854P	22 (30/6/2012)	90	47 (30/6/2012)	194	101 (30/6/2012)	398
ATP813P	Nil	Nil	61 (29/10/2014)	61	830 (29/10/2014)	830
ATP814P	136 (28/2/2019)	136	1,058 (27/2/2020)	1,058	3,248 (27/2/2020)	3,248
Total	158	226 (+43%)	1,116	1,313 (+18%)	4,179	4,476 (+7%)

Listing Rule 5.33.2

The Contingent Resources which are reported herein have been estimated using the deterministic method, with classification and categorization based on incremental well spacing concepts. The estimates have not been adjusted for development risk.

Listing Rule 5.33.3 & 5.33.5

The Contingent Resources which have been certified by NSAI for ATP854 are contingent upon the collection of additional technical data, through drilling core wells and conducting pilot operations, to establish the commercial viability of project development and commitment to develop the resources.

If the contingencies are successfully addressed, some part of the contingent gas resources may be reclassified as reserves. The estimates of Contingent Resources have not been risked to account for the possibility that the contingencies are not successfully addressed.

The Contingent Resources estimated have been prepared in accordance with the definitions and guidelines set forth in the 2018 Petroleum Resource Management System (PRMS) approved by the Society of Petroleum Engineers (SPE).

Listing Rule 5.33.4

The report does not identify that the Contingent Resources are contingent on technology that remains under development.

Listing Rule 5.34

The Company confirms that it is not aware of any other information or data other than that disclosed in this announcement and which has been provided to NSAI for the purposes of preparing the estimate of the Contingent Resources, that materially affects the information included in the original announcement relating to ATP854 (19 March 2013) and this announcement and that all of the material assumptions and technical parameters underpinning the estimates in the original announcement continues to apply.

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 4,476 PJ of Contingent Resources as assessed by Netherland Sewell and Associates of Dallas Texas.

Table 3: Breakdown by Category Blue Energy total gas reserves and resources (net)⁺

Permit	Block	Assessment Date	Announcement Date	1P (PJ)	1C (PJ)	2P (PJ)	2C (PJ)	3P (PJ)	3C (PJ)
ATP854P		22/01/2022	25/01/2022	-	90	-	194	-	398
ATP813P		29/10/2014	30/10/2014	-	-	-	61	-	830
ATP814P	Sapphire	31/12/2012	26/02/2013	-	66	59	108	216	186
ATP814P	Central	21/12/2012	19/03/2013	-	50	12	99	75	306
ATP814P	Monstlatt	31/12/2012	19/03/2013	-	-	-	619	-	2,054
ATP814P	Lancewood	30/09/2013	30/10/2013	-	5	-	23	1	435
ATP814P	Hillalong	27/02/2020	27/02/2020	-	-	-	182	-	237
ATP814P	South	30/06/2013	29/07/2013	-	15	-	27	6	30
Total (PJ)				-	226	71	1,313	298	4,476

⁺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 of 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, utilising 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.

⁺⁺ Listing Rule 5.28.2: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.