

21 July 2022

Operational Update

Blue spuds second well in North Bowen drilling campaign

Blue Energy Limited (ASX: BLU, 'Blue') advises that the second vertical well in its pilot well appraisal drilling program, Sapphire 6V being undertaken in ATP 814 (PL 1034 – Sapphire Block) has spudded at 1015 hrs 20th July 2022. The rig crew is currently installing the Blow Out Preventors, having run 9 5/8" casing to 117.5 metres.

The proposed total depth for Sapphire 6V is 900 metres and this is expected to be reached within 3 days of drilling out of surface casing. Following the completion of the Sapphire 6V well, a series of lateral wells will be commenced and drilled in batch format, with the vertical sections of each well drilled first followed by the lateral sections for each well. (See Figure 1)

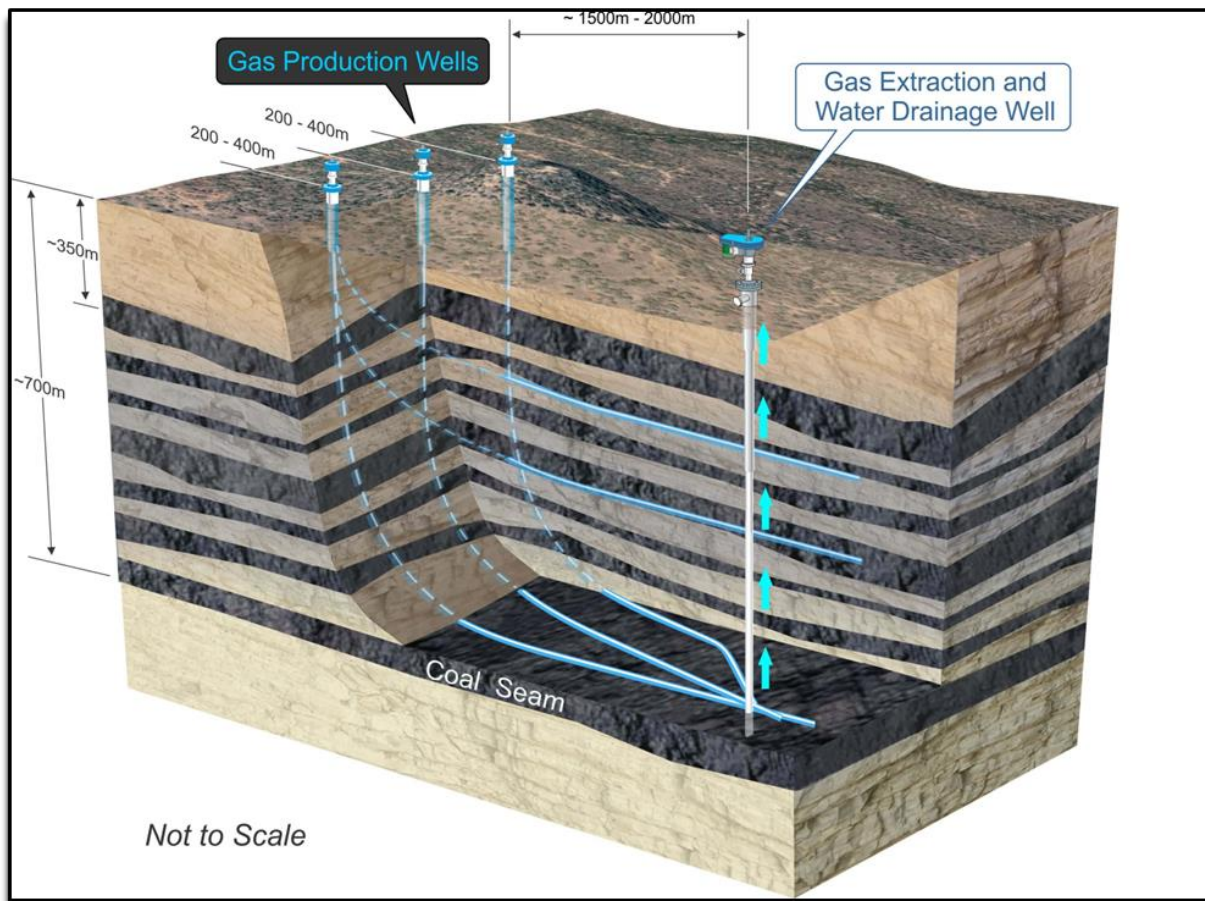


Figure 1: Schematic block diagram of well design concept for the development of the ATP 814P gas resources.

Released by Authority of the Board per:

John Phillips
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