

21 September 2022

Blue signs MOU for gas offtake agreement for pilot gas from Sapphire

Blue Energy Limited (ASX: BLU, 'Blue') is pleased to announce it has entered into a non-binding Memorandum of Understanding agreement to supply gas from its Sapphire Pilot testing activities to Nomadic Energy Pty Ltd for onsite power generation and utilising pilot gas which would have ordinarily been sent to flare. Nomadic Energy is an independent power provider that specialises in emissions reducing solutions for off-grid industrial power users.

This MoU provides the basis for a fit for purpose solution to flaring pilot test gas which is ideally suited to this type of short term and temporary (pre-development pilot testing) operation. The agreement requires Blue to supply small gas volumes for a relatively short time period and at the modest daily gas rates which are usually consistent with early pilot testing phases of Coal Seam Gas projects.

In summary the salient terms of the agreement will include:

Term:	730 days (2 years)
Daily rate:	0.5 terra joules per day
Generating equipment Costs:	borne by Nomadic

It is envisaged that once the Sapphire pilot well testing flow rates reach the requisite daily flow rate (0.5 TJ/day) under the MoU, the Nomadic supply agreement will commence.

The project will reduce greenhouse gas emissions from the Sapphire Pilot testing activity through the utilisation of the produced gas for onsite power generation.

Blue and Nomadic will now work toward finalising the terms and binding documentation for the pilot gas sales arrangement

Commenting on the agreement Blue Energy Managing Director John Phillips noted that "the Nomadic supply agreement provides an elegant solution which will prevent the need to flare early stage pilot test gas commonly associated with these types of pre-development activities"

Released by Authority of the Board per:

John Phillips
Managing Director
Blue Energy Limited