

30 September 2022

Blue welcomes Queensland Governments recognition of natural gas as vital to industry

Blue Energy Limited (ASX: BLU, 'Blue') welcomes the release earlier this week of the Queensland Government's Energy and Jobs Plan, in which it acknowledges the vital role of natural gas in the future energy requirements of industry in the State.

(see- https://media.epw.qld.gov.au/files/Queensland_Energy_and_Jobs_Plan.pdf)

The Plan identifies an action item (Action 1.5 in the document – see Figure 1 below) which looks to connect the Bowen Basin gas resource to the east coast gas market and therefore supply gas to industry on a reliable and long term basis. This compliments the ongoing Qld/Federal Government Study now being finalised by the KPMG/Netherland Sewell and Associates/GHD consortia on new gas pipeline options to bring the already discovered, large Bowen Basin gas resource, to market.

This action item will also support Blue Energy's current pilot drilling program in its 100% owned ATP 814 area of the North Bowen Basin which is designed to build its gas reserves and prove deliverability in order to accelerate the development of the North Bowen Basin gas province and provide long term reliable gas supply into the east coast gas market.

Implementation activities			
#	Description	Lead/s	Delivery
a.	A joint venture to build, own and operate a new 200 MW hydrogen-ready gas peaking power station at Kogan Creek	CS Energy	2026
b.	Work collaboratively with industry and national bodies to help address gas supply shortfalls	EPW DoR	Ongoing
c.	Work with industry to investigate options for connecting the Bowen Basin to the East Coast Gas market and options to secure additional gas storage for electricity needs	DoR	Ongoing

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Figure 1: Extract from page 30 of "Queensland Energy and Jobs Plan September 2022" – Action Item 1.5

Providing the domestic market with a new gas supply will put fundamental downward pressure on the currently high gas prices and also allow critical industries like fertilizer manufacturing to secure long term reliable feedstock to supply the nations agriculture sector, for example, with critical fertiliser products to allow Australia to maintain its premier position as a significant domestic and global producer of food. A current global shortage of fertilizer is impacting global food production which will impact many countries in the coming months and years.

The Energy and Jobs Plan also sees the Queensland Government, through its 100% owned corporation CS Energy, building a new 200 Megawatt gas fired electricity generation plant as part of an estimated 3 Gigawatts of gas fired generation capacity required to cover peak electricity demand and back up supply for its "Super Grid" as the Government retires the publicly owned coal fired electricity generation fleet by 2035

As can be seen from the events unfolding in Europe, the importance of natural gas to modern economies is vital, and the ability to secure adequate and reliable gas supply has become a matter of national security for many countries.

The need for Queensland and Australia to secure our own natural gas supply for domestic use and manufacture of critical products (like fertiliser, food and a host of other products) is critical to maintain a functioning economy and a stable society. As we have seen during the COVID period, a dependence on external supply chains for essential materials and product (oil, gas, diesel, fertilizer, medicines, food etc) leaves the country vulnerable and the development of home grown supply of these essential product, builds resilience and provides a shield against external shocks. The planned development of the North Bowen Basin gas resource will provide a critical part of this shield, be beneficial to the State's royalty stream and be beneficial to Blue shareholders.

Released by Authority of the Board per:

John Phillips
Managing Director
Blue Energy Limited