

21 December 2022

SAPPHIRE 5 PILOT PRODUCTION TESTING UPDATE

Early gas flows observed on commissioning

Blue Energy Limited (ASX: BLU, 'Blue') is pleased to report on the operations at its 100% owned and operated Sapphire 5 pilot wells in the Sapphire Block which is part of ATP 814 (PLA 1034).

The Sapphire 5V and 5L well set (4 laterals and 1 vertical well) has now been commissioned and production testing will commence shortly (dewatering via pumping on Sapphire 5V vertical well).

Commissioning activities confirmed the presence of hydrocarbons in the Sapphire 5L lateral wells, with a gas flare observed on the Sapphire 5L flare stack (see figure 2).



The commissioning activities were delayed by heavy localised rainfall in early December which caused access issues; however, access was re-established as roads dried out and the remaining facilities works on Sapphire 5V and 5L have now been completed.

Operational activities are now focusing on gradually drawing down the pressure on the Sapphire 5V vertical well to initiate gas flow in the Sapphire 5 lateral wells, by controlling the pump rate on the vertical Sapphire 5 V well.

Figure 1: Sapphire 5 Lateral Pad surface facilities



Figure 2: Gas flare during commissioning of Sapphire 5 L lateral wells: Source: Blue Energy

Commissioning activities on the adjacent Sapphire 6 V and 6L well set is continuing.

Released by Authority of the Board per:

John Phillips
Managing Director
Blue Energy Limited