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Successful Placement to Raise \$3.2 million

Highlights

- Firm commitments received from Institutional and Sophisticated Investors to raise \$3.2 million (before costs) via a Two-tranche Placement comprising of:
 - Tranche 1: to raise approximately \$1.39 million utilising the Company's LR 7.1 capacity.
 - Tranche 2: to raise approximately \$1.81 million subject to shareholder approval.
- Chairman John Ellice-Flint has committed to \$200,000 in Tranche 2 of the Placement. Subject to shareholder approval.
- The Company also intends to undertake a share purchase plan to raise up to \$250,000 from existing shareholders on the same terms as the Placement.
- Placement proceeds will be used to progress work in the Company's 100% owned Sapphire Block (ATP 814) and for working capital.

Blue Energy Limited (ASX:BLU) is pleased to announce that it has received firm commitments for a two-tranche placement of new shares to existing and new investors to raise \$3.2 million (before costs) ("**Placement**"). Blue Energy also intends to offer eligible shareholders the opportunity to participate via a Share Purchase Plan to raise up to an additional \$250,000 ("**SPP**").

The Placement which is being completed in two tranches will result in the issue of 640,000,000 fully paid ordinary shares ("**New Shares**") at an issue price of \$0.005 per share.

The Placement received strong support from new and existing institutional and sophisticated investors.

Stralis Capital Partners acted as Sole Lead Manager for the Placement.

Use of Funds

The purpose of the Placement is to secure the funding to undertake preparations, planning and approvals for the drilling of a pilot well in Blue Energy's North Bowen Basin asset (ATP 814 – Sapphire Block) as well as progressing the North Bowen Basin multi-user large diameter pipeline connecting the undeveloped North Bowen gas province to the east coast gas grid via a large diameter multi user gas pipeline along with working capital, corporate costs and costs of the offer.

Commenting on the outcome of the Placement, The Chairman John Ellice-Flint, said:

"The Board is delighted with the strong level of support for the Company from current and new shareholders. It is clear that there is an understanding from investors of the importance of securing new natural gas supply for domestic manufacturing and the nation's economy. These funds will enable Blue Energy to progress its work at the Company's 100% held Sapphire Block and to work with other acreage holders and the Queensland Government to expedite the large, certified resources available in the North Bowen Basin."

Offer Structure

The Placement comprises:

- the unconditional placement to raise a total of ~\$1,388,230 through the issue of 277,646,039 New Shares utilising the Company's available placement capacity under ASX Listing Rules 7.1 ("**Tranche 1**"); and
- the conditional placement to raise a total of ~\$1,811,770 through the issue of 362,353,961 New shares subject to shareholder approval under ASX Listing Rule 7.1 that will be sought at a General Meeting of the Company to be held on or around mid-October 2025 ("**Tranche 2**").

The Placement price of \$0.005 per share represents a discount of 44.4 % to the closing price of BLU shares 26 August 2025, and a discount of 43.1 % to the 10-day volume weighted average price (VWAP).

Settlement of Tranche 1 of the Placement is expected to occur on 5 September 2025 with the Tranche 1 Placement shares expected to be allotted on 8 September 2025. The New Shares will rank equally with the Company's existing fully paid ordinary shares.

Blue Energy's Chairman, John Ellice-Flint has applied to participate in Tranche 2 of the Placement and has committed to investing \$200,000 subject to shareholder approval that will be sought at the General Meeting of the Company to be held on or around mid-October 2025.

Share Purchase Plan

Blue Energy is also announcing a non-underwritten SPP to raise a further \$250,000. Under the SPP, shareholders of the Company with registered addresses on Australia or New Zealand and recorded on the register at 5.00pm (AEDT) on Thursday, 28 August 2025 ("**Eligible Shareholders**") will be entitled to apply for up to \$30,000 in shares at a price of \$0.005 per share free of brokerage and other related transaction costs.

The SPP remains subject to the Company obtaining a waiver from Listing Rules 7.2 (Exception 5) and 10.11 (Exception 4). If this waiver is not obtained, then the SPP will not proceed.

Funds raised by the SPP will be primarily applied to the uses already stated as well as exploration expenditures and for general working capital purposes.

Participation in the SPP will be optional and will be open to all shareholders with a registered addresses in Australia or New Zealand. The Directors have determined that shareholders whose registered addresses are outside Australia and New Zealand will be unable to participate in the SPP as regulatory requirements in those countries may make participation by the shareholder unlawful or impracticable.

In the event of oversubscriptions, the Company may, in its absolute discretion, allocate less than the number of shares applied for in the SPP and determine to apply any scale back to the extent and in the manner that it sees fit (including (but not limiting the Company's discretion) by taking into account the, among other factors, the number of eligible shareholders participating, the size of an eligible shareholders shareholding at the SPP record date or the number of New Shares applied for under the SPP).

The Company may also, in its absolute discretion, raise a higher amount, subject to shareholder demand and compliance with the ASX Listing Rules.

Once the SPP timetable is confirmed, the Company will provide shareholders with an update.

Further information regarding the SPP (including terms and conditions of the SPP) will be provided to Eligible Shareholders in the SPP offer booklet, which is expected to be dispatched in the coming days (subject to receipt of the ASX waiver).

The New Shares issued under the SPP will rank equally in all respects with the Company's existing fully paid ordinary shares.

Capital Structure

On completion of both tranches of the Placement, and assuming that the SPP is fully subscribed the Company's capital structure will be as follows:

| | Ordinary Shares |
|--|----------------------|
| Securities on issue at the date of this announcement | 1,850,973,596 |
| Securities to be issued under Tranche 1 | 277,646,039 |
| Securities to be issued under Tranche 2 | 362,353,961 |
| Maximum Securities to be issued pursuant to the SPP | 50,000,000 |
| Total on completion of the Placement and SPP | 2,540,973,596 |

*Indicative Timetable for Placement

| | |
|---|-------------------------|
| Announcement of Placement | Friday 29 August 2025 |
| Settlement of Tranche 1 Placement Shares | Friday 5 September 2025 |
| Allotment and Quotation of Tranche 1 Placement Shares | Monday 8 September 2025 |
| EGM to approve Tranche 2 Placement and Director Participation | Mid-October 2025 |
| Settlement and Allotment of Tranche 2 Placement Shares | Mid-October 2025 |

*The timetable is indicative only and remains subject to change at the Company's discretion, subject to compliance with applicable laws and the ASX Listing Rules.

Fees

Broker fees payable are up to 6% + GST. Fees are payable in cash.

Released by Authority of the Board per:

John Phillips
Managing Director
Blue Energy Limited