



Investor Presentation
August 2015

Legals

Disclaimer

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Competent Person Statement

The estimates of Reserves and Contingent Resources have been provided by Mr John Hattner of Netherland, Sewell and Associates Inc. Mr Hattner is a full time employee of NSAI, has over 30 years of industry experience and 20 years' experience in reserve estimation, is a licensed geologist, and has consented to the use of the information presented herein. The estimates in the report by Mr Hattner have been prepared in accordance with the definitions and guidelines set forth in the 2007 Petroleum and Resource Management System (PRMS) approved by the Society of Petroleum Engineers (SPE), utilising a deterministic methodology.

Gas crisis?

Those with gas molecules are positioned for success

Fears of squeeze on gas supply

MATT CHAMBERS
ENERGY

Royal Dutch Shell's planned \$49 billion takeover of Britain's BG Group could reduce the incentive to supply eastern gas users by making exports even more financially attractive, according to Manufacturing Australia, a group

warned since 2011 of a crisis. And in its submission to the Australian Competition & Consumer Commission's east coast gas inquiry, it did not change tack.

"Without a transparent and competitive east coast gas market, we run the risk that domestic customers pay even more than the so-called international price, and yet will have little resiliency for

prices revert to sustainable levels — because of high costs of construction, loss of skills and supporting supply chains, and higher risk premiums."

The link to Shell's mammoth BG takeover, the biggest oil and gas merger in more than a decade, is around concerns about consolidation of supplies.

pipelines developed at scale for export," Mr Eade said. "This financial incentive could potentially be increased should the proposed acquisition of BG by Royal Dutch Shell be approved, due to the potential for shared infrastructure."

The ACCC is also investigating the merger, which last week received clearance from Brazilian

90 per cent of east coast gas reserves to supply domestic consumers. "For example, Shell has not proceeded with investment in an LNG facility at Gladstone and is currently sitting on substantial gas reserves through the Arrow joint venture," he said.

"Despite the impending shortfall, there is no evidence or indi-

Allied Mills, Capral, Cement Australia and Rheem.

The submission said the emergence of the east coast LNG market had doubled or tripled prices to as much as \$10 per gigajoule and included "dramatic consolidation" of the sector.

"As a result of these events, many gas-intensive manufac-



Blue has gas

Blue has LNG scale gas

Blue has resource growth potential

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Blue Well Positioned

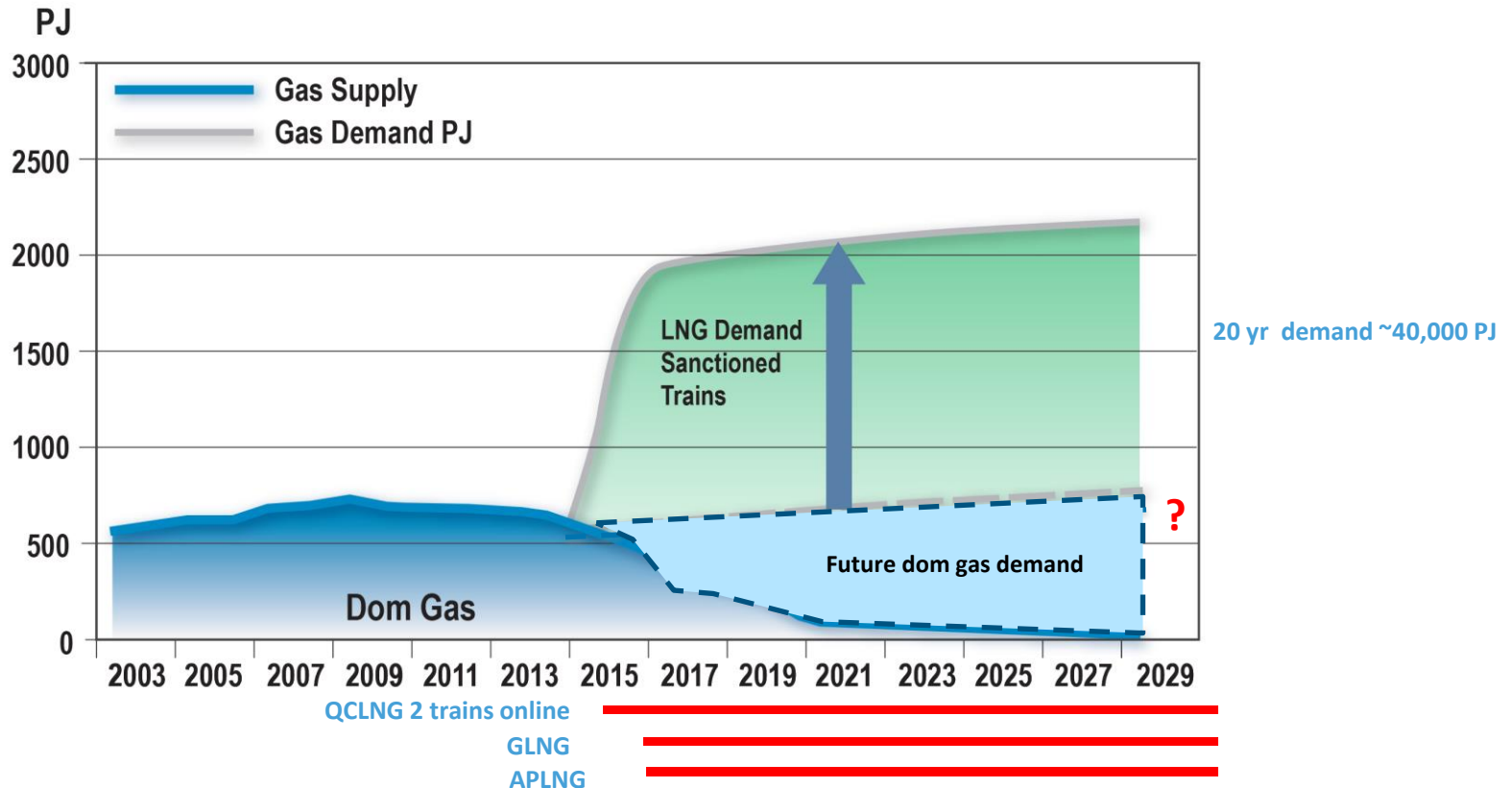
Company	Sector	2P (PJ)	Contingent Resources (PJ)	Requirement (PJ)
BLUE	LNG/Dom	55	4,392	uncontracted
APLNG	LNG	14,091	2,679	~10,800
GLNG	LNG	5,603	1,202	~9,780
QCLNG	LNG	10,326	13,700	~10,200

Blue well positioned to supply gas in the short, medium and long term

~90% of east coast reserves are controlled by the LNG export proponents

Domestic gas users struggle to engage big gas producers – who are also LNG proponents

East Coast Australian setting

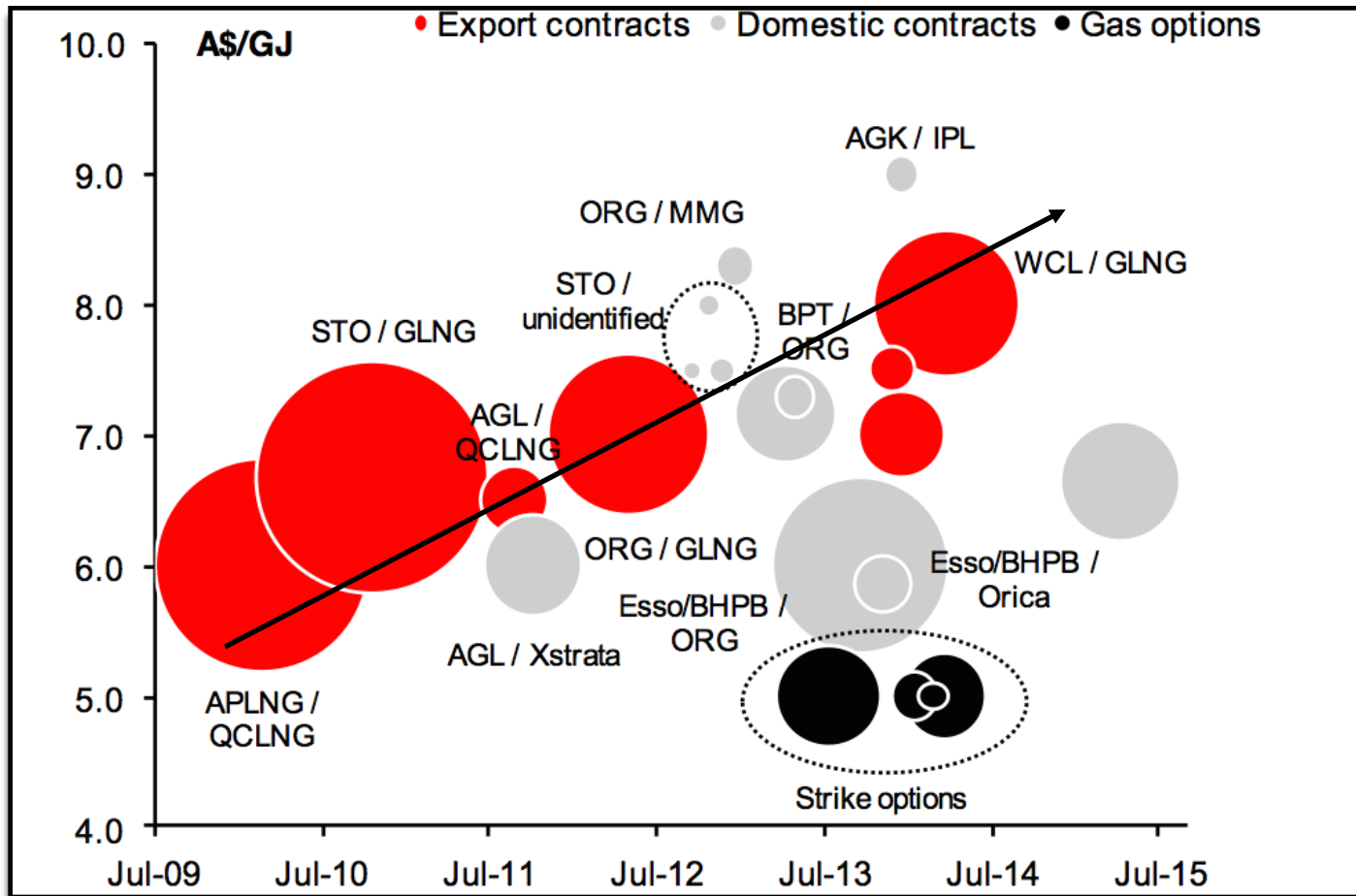


Reliably and safely exporting clean gas to the world's developing economies is a win/win/win

More gas supply needed to domestic market – to satisfy demand and lower costs of gas to customers

Price of delayed exploration effort will be lower supply and higher gas costs

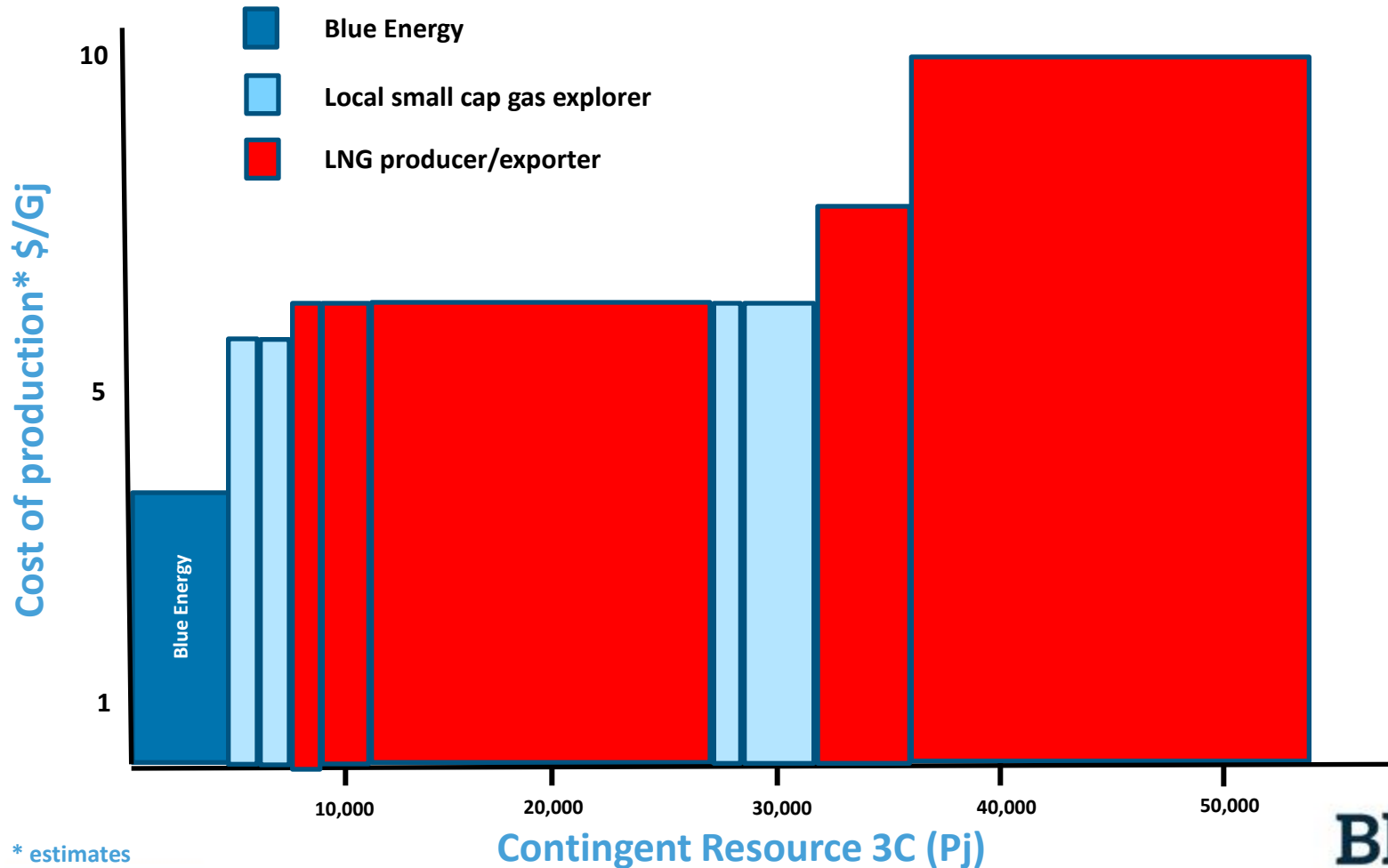
It's about price and volume



Source: Macquarie Research April 2015

...and also cost

...what will it cost to convert contingent resources to proved reserves?



Strategic Gas trends

Fuel switching is gaining momentum

- broad scale move away from coal
- gas powered vehicles
- balance of trade/energy security implications
- infrastructure development opportunities

Big to Small

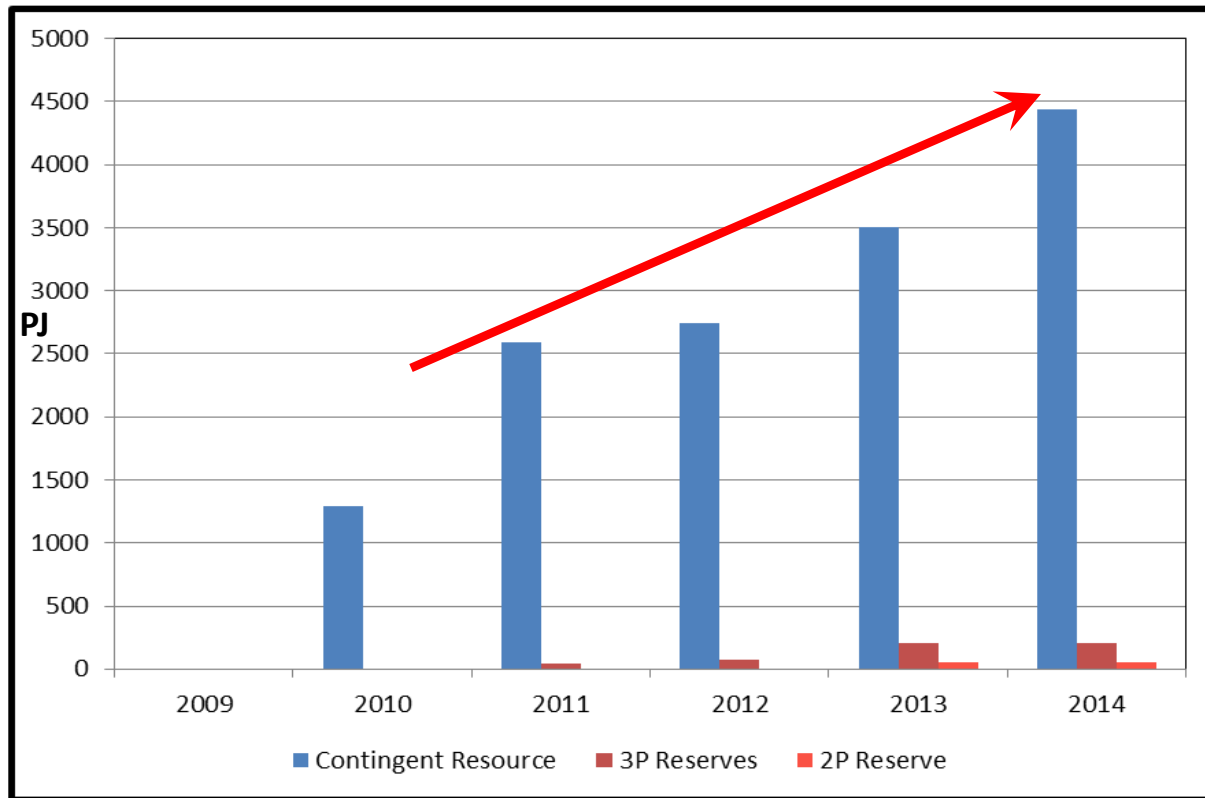
- mini LNG/CNG role – virtual pipelines

Gas helps the emissions equation – look at US emissions – due to gas usage

Negative health outcomes of diesel usage is emerging – particulates

Renewable energy is costly and requires fossil fuel backup and peaking capacity

Gas Reserves & Resources



36% CAGR for Contingent Resources

Reserves and Resources certified by Netherland, Sewell and Associates Inc

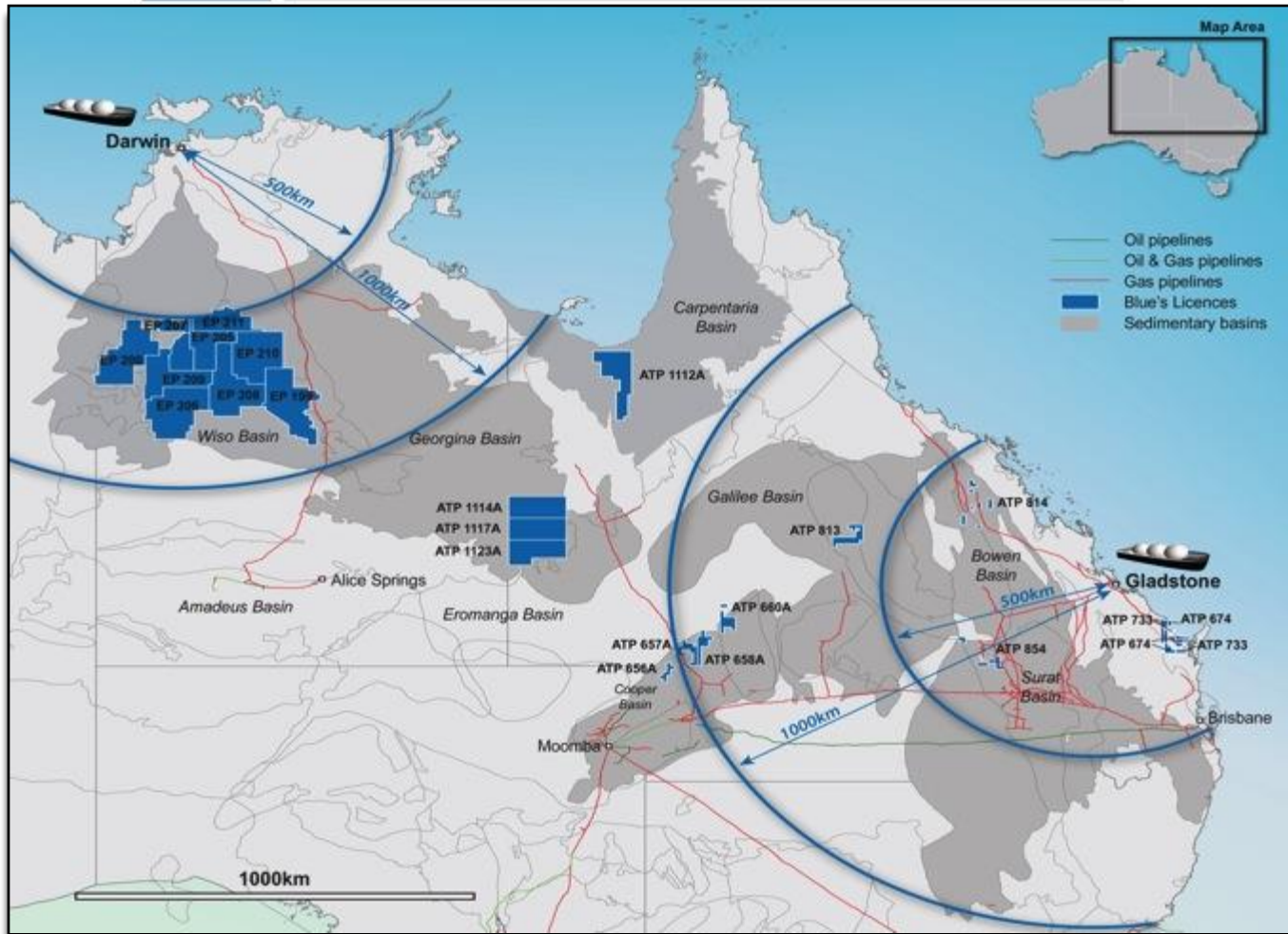
Low cost and unique reserve and resource growth mechanism

State of Play

- Uncontracted 2P & 3P Reserves
- Operatorship and majority equity
- Diverse portfolio – oil and gas
- Material acreage positions
- Strong and experienced Board
- Lean organisation – low overhead

ASX Code	BUL
2P Reserves (NSAI)	55 Pj/Bcf
3P Reserves (NSAI)	200 Pj/Bcf
3C Contingent Resource (NSAI)	4,392 Pj/Bcf
Cash (1 August 2015)	\$6.4 million
Market Cap (11 th Aug 2015)	~\$22 million
Net Acreage	24.1 million acres

The Blue Portfolio



4.4 TCF Resource Base

Eastern Gas Province

Bowen Basin

Blue's 3.4TCF Gas Resource

Bowen Basin

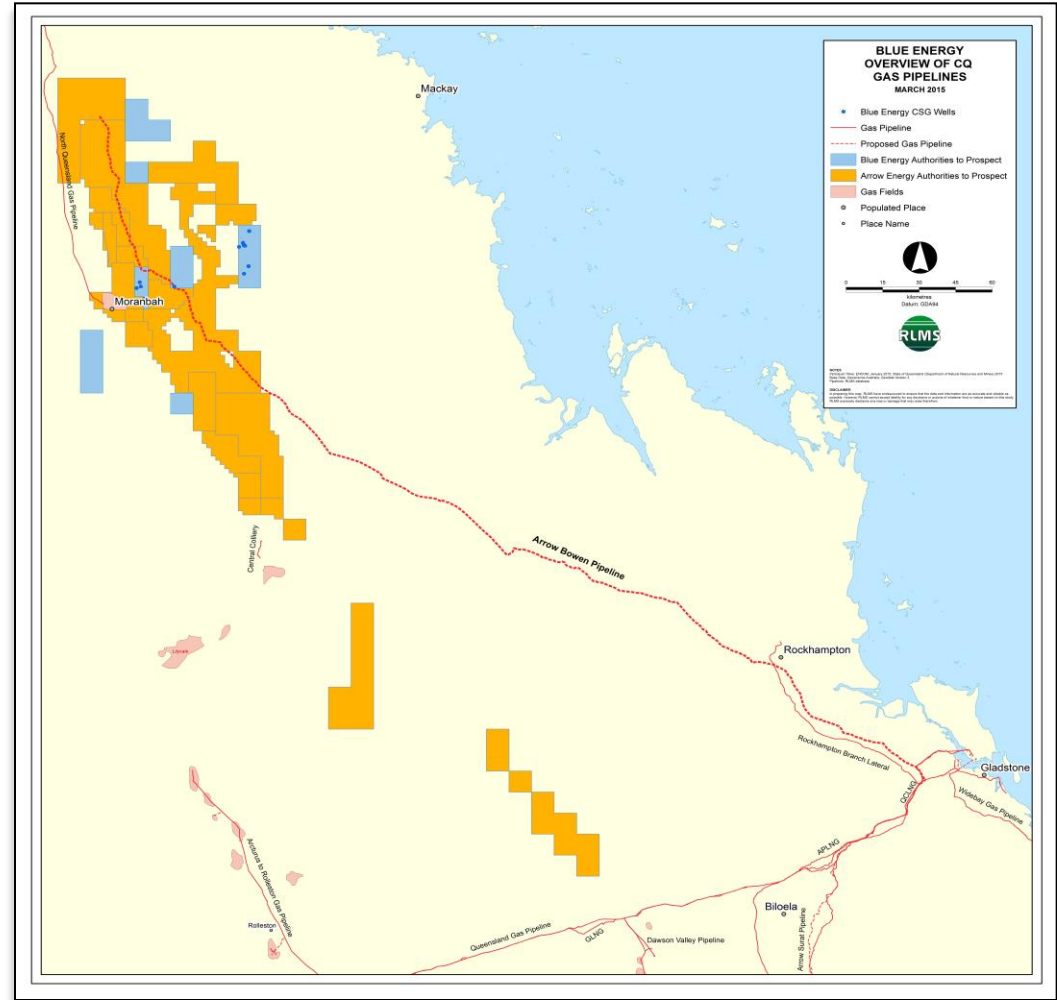
Producing basin

Coal Seam Gas and Shale Gas Plays

Shell/Petrochina Project (Arrow Energy) –gas supply for QCLNG (Shell/BG) in Gladstone

Export gas pipeline Moranbah-Gladstone in FEED (Arrow)

Industrial gas demand in the area is not being met



Bowen Basin

Blue ENERGY

Eastern Gas Province

Bowen Basin

Blue's 3.4TCF Gas Resource

Bowen Basin – ATP814P

100% Blue - Owned and Operated

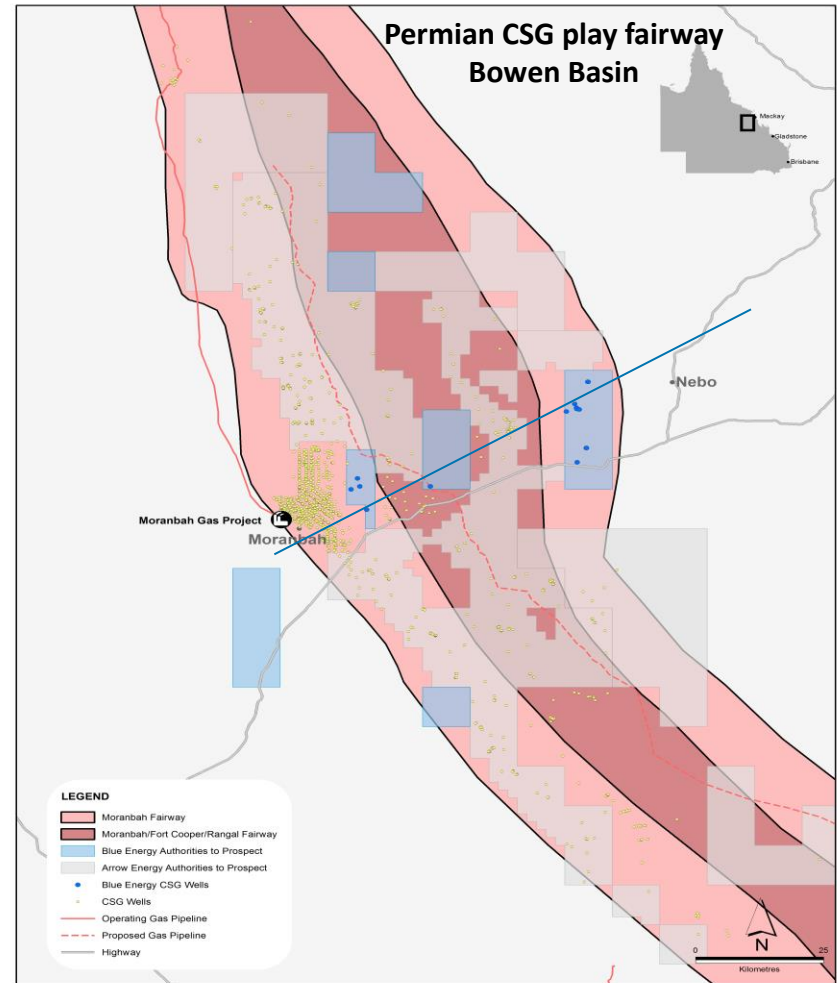
Uncontracted 2P and 3P Reserves (200 Pj)

Large Contingent Resource base ~ 3.4 TCF

Regular reserve and resource upgrades

NSAI used by Blue and Arrow for reserves

Deep CSG plus shale upside present



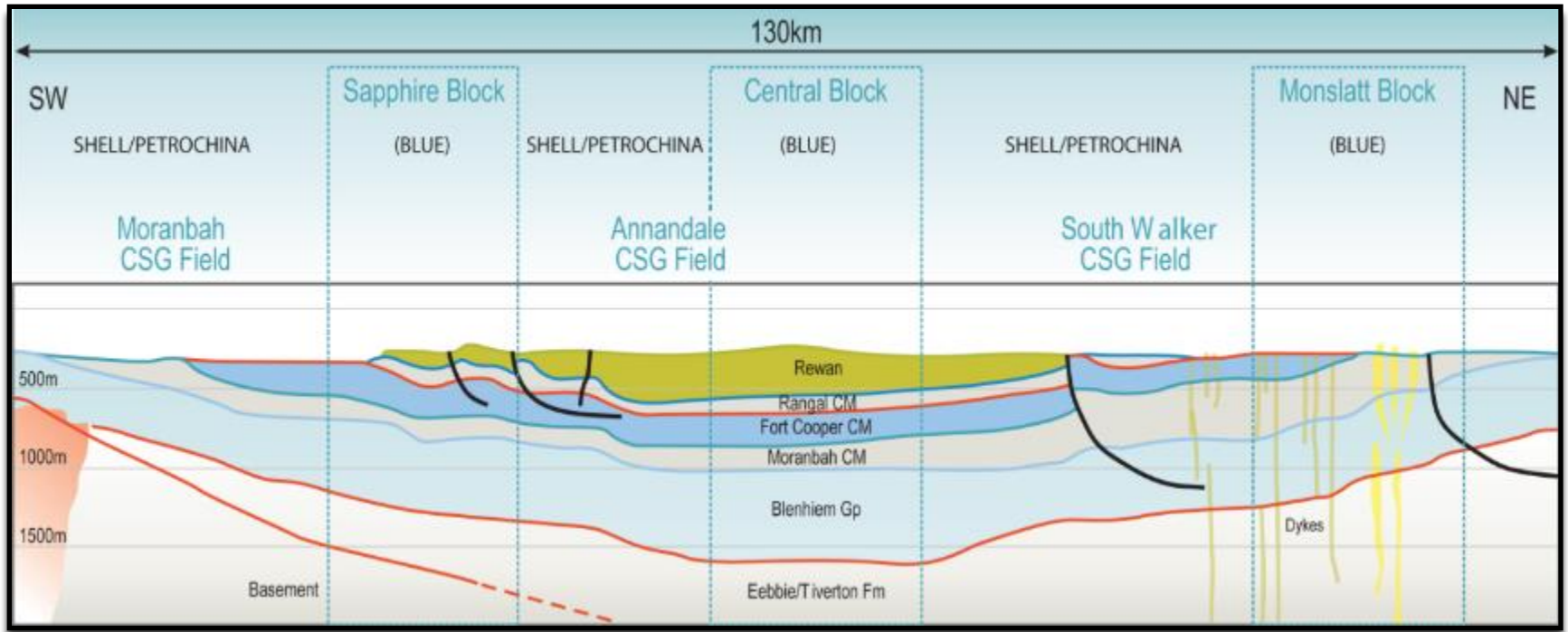
Bowen Basin

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Eastern Gas Province

Blue's 4.4TCF Gas Resource

Bowen Basin ATP814P



Blue's acreage has the same plays as current Arrow project
Significant upside exists in coal and shale below 650 metres

Bowen Basin

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Eastern Gas Province

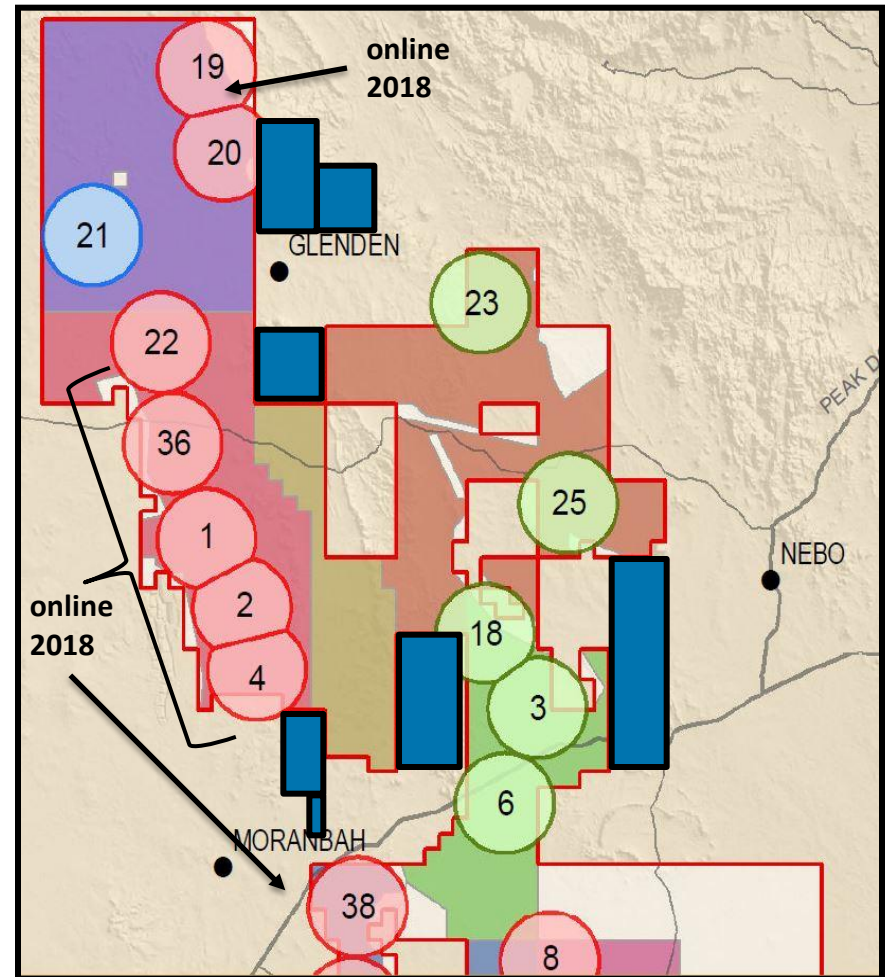
Bowen Basin

Blue's 3.4TCF Gas Resource

ATP814P

Up to 4000 wells to be drilled with 450 Tj/d gas production expected adjacent to Blue's areas

Arrow's domestic customers currently not receiving sufficient gas

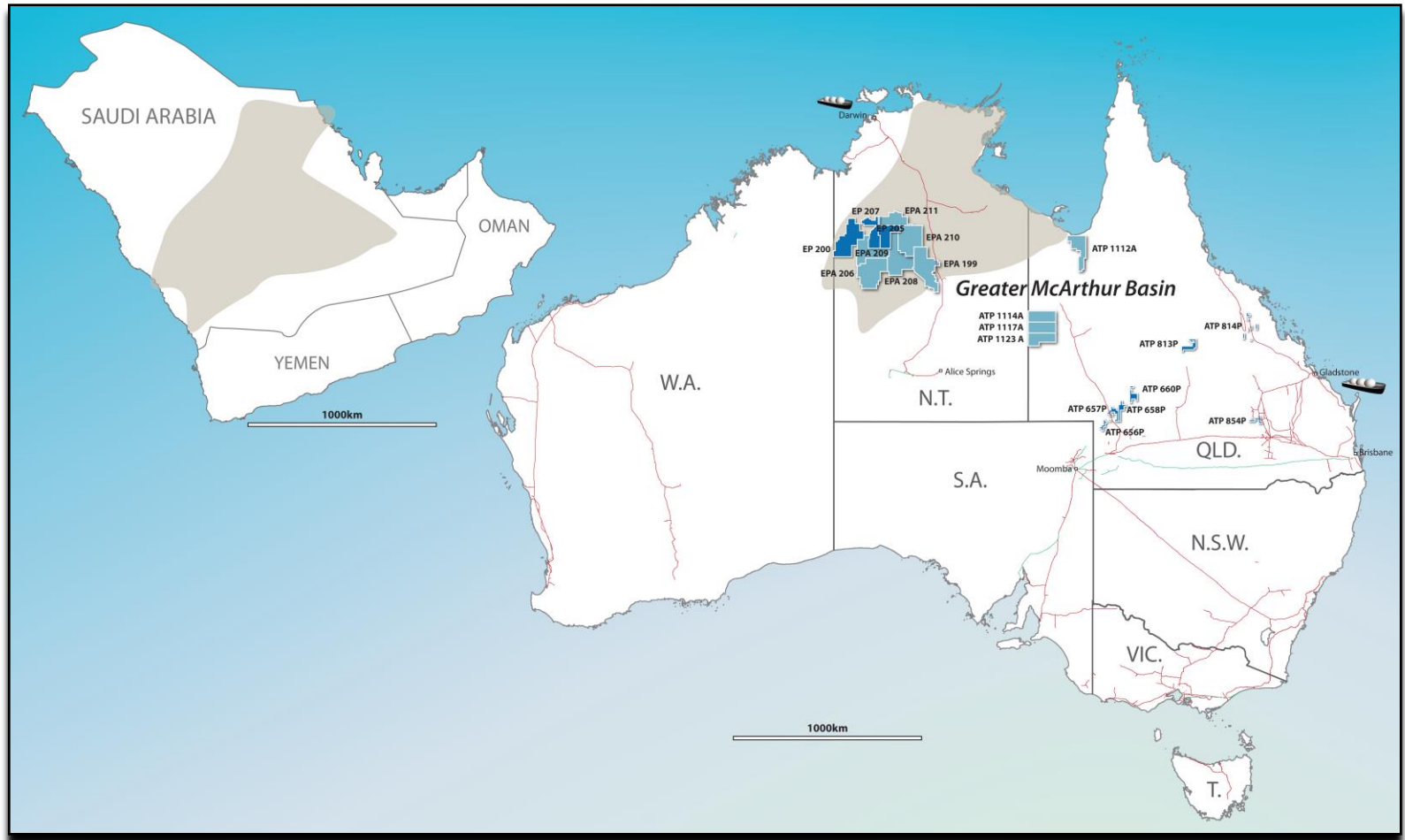


Source: Arrow Energy EIS

Bowen Basin

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Developing plays

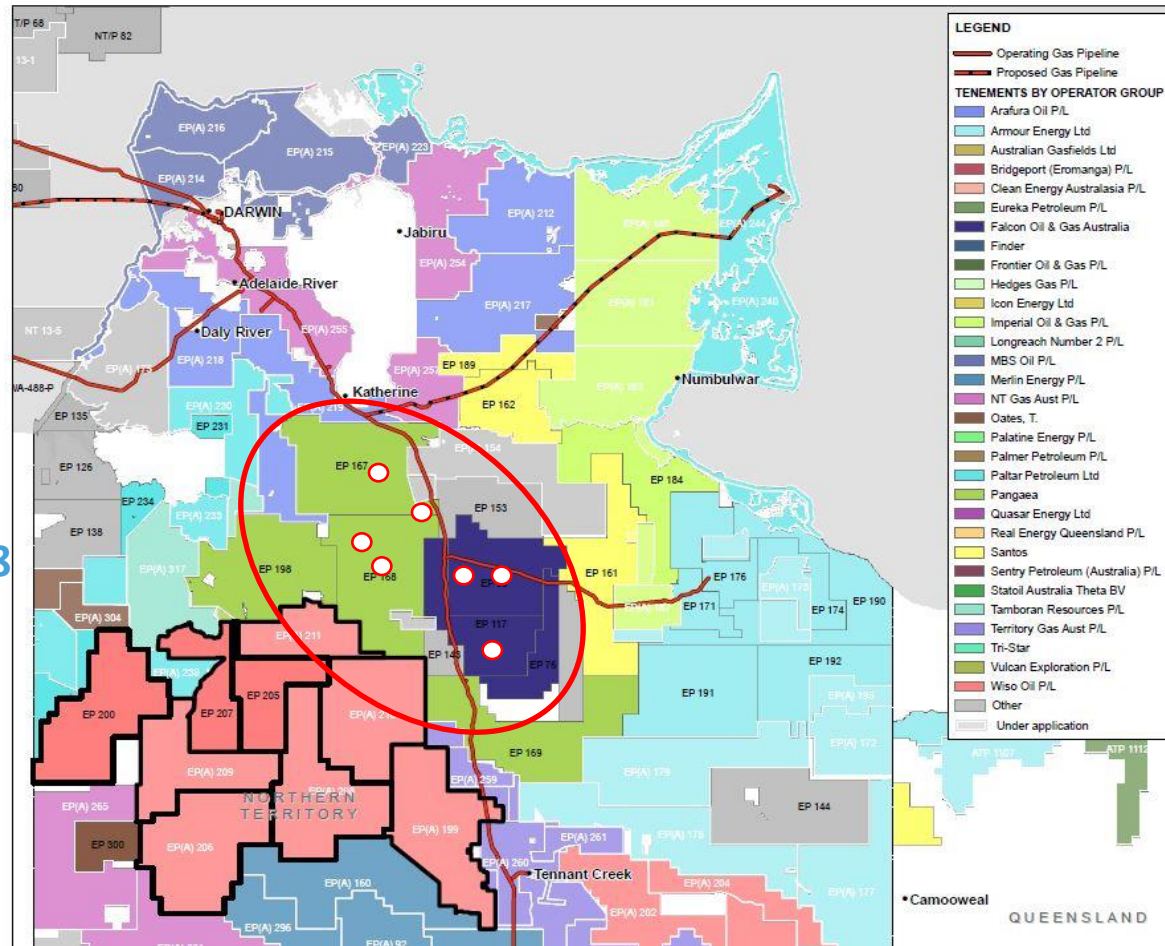


Greater McArthur and Georgina Basins

De-risking process- NT

2015 drilling season activity
Origin: 3 wells in EP98 & 117
Kalala S 1 spudded 14th July
Amungee NW 1
Beetaloo W 1

Pangaea: up to 4 wells in EP 167/168
Tarlee 1 & 2
Wyworrie 1
Birdum Creek 1

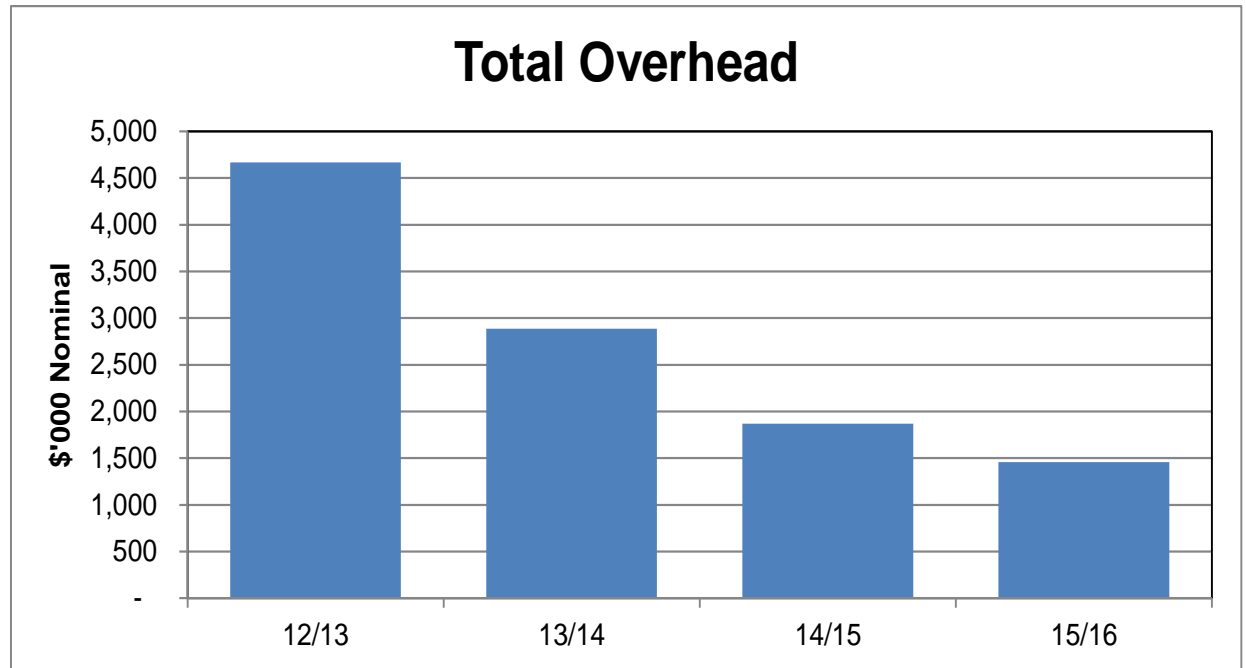


Greater McArthur Basins

Corporate run rate

Continual line item review

Running costs continue to be cut



Shareholders funds go toward value adding

Summary

- Short, medium and long term east coast gas supply opportunities in both export and domestic markets
- Fuel switching is gathering momentum
- Priority is to monetise east coast gas province assets
- Maintain low corporate run rate
- Blue's opportunity conveyor is robust

Catalysts

- Transaction on gas reserves
- Reserve upgrades
- FID on Moranbah - Gladstone pipeline project

Reserves and Resources

Permit	Block	Assessment Date	Announcement Date	1P (PJ)	1C (PJ)	2P (PJ)	2C (PJ)	3P (PJ)	3C (PJ)
ATP854P		30/06/2012	19/03/2013	0	22	0	47	0	101
ATP813P		29/10/2014	30/10/2014	0	0	0	61	0	830
ATP814P	Sapphire	13/01/2015	15/01/2015	0	74	50	129	178	229
ATP814P	Central	13/01/2015	15/01/2015	0	65	0	156	0	567
ATP814P	Monslatt	13/01/2015	15/01/2015	0	0	0	632	0	2,115
ATP814P	Lancewood	13/01/2015	15/01/2015	0	7	2	25	15	522
ATP814P	South	30/06/2013	29/07/2013	0	15	0	27	6	30
Total (PJ)				0	184	52	1,077	200	4,392
Total (bcf)				0	184	52	1,077	200	4,392

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