

Annual General Meeting
November 2015

Legals

Disclaimer

This presentation may contain forward looking statements that are subject to risk factors associated with the gas and energy industry. It is believed that the expectations reflected in the statements contained within are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to price and currency fluctuations, geotechnical factors, drilling and production results, development progress, operating results, reserve estimates, legislative, fiscal and regulatory developments, economic and financial markets conditions in various countries, approvals and cost estimates.

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.

Global Energy Themes

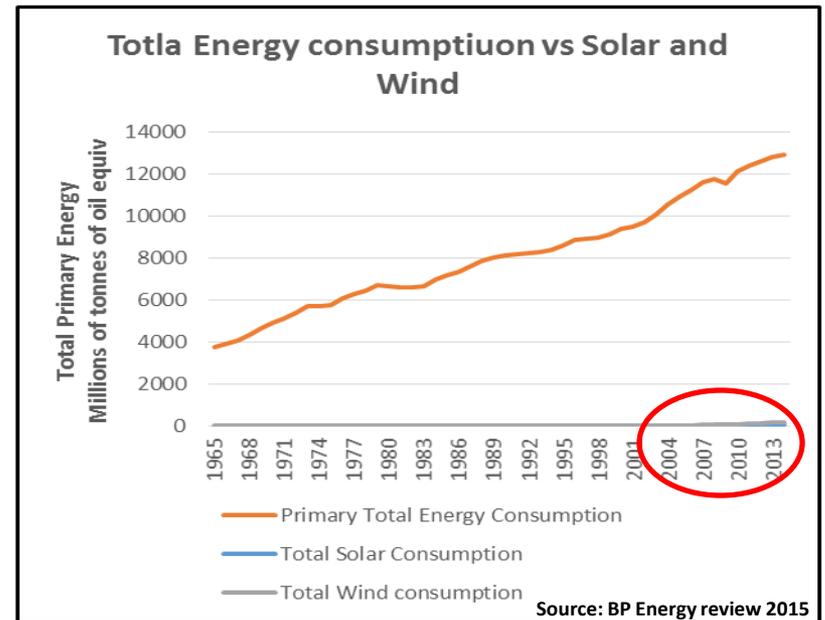
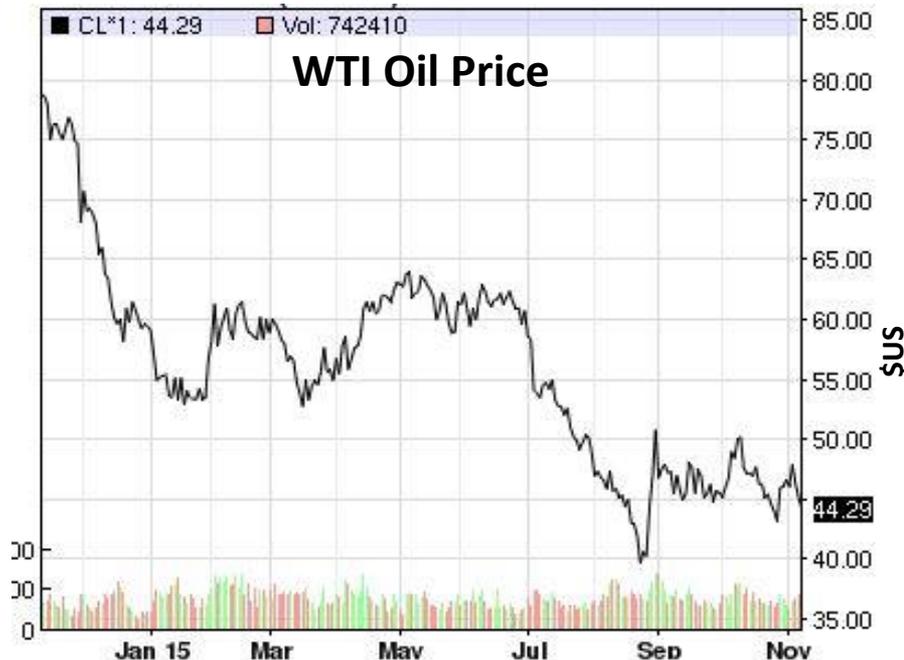
- Global oil price crash
- LNG capacity coming on line as oil linked spot prices slump
- US Lower 48 becomes dominant producer
- Shale production resilient - driven by debt and hedging

- OPEC seeking to maintain market share
- Saudi Arabia looking to bolster its OPEC quota – no longer swing producer
- Iran to regain oil exporter status
- Russia needs hard currency - oil revenue/gas sales to Europe
- Potential for disruption – Middle East unrest
- Uncertainty over China growth/demand

What's different this time?....Global storage capacity plus US self sufficiency

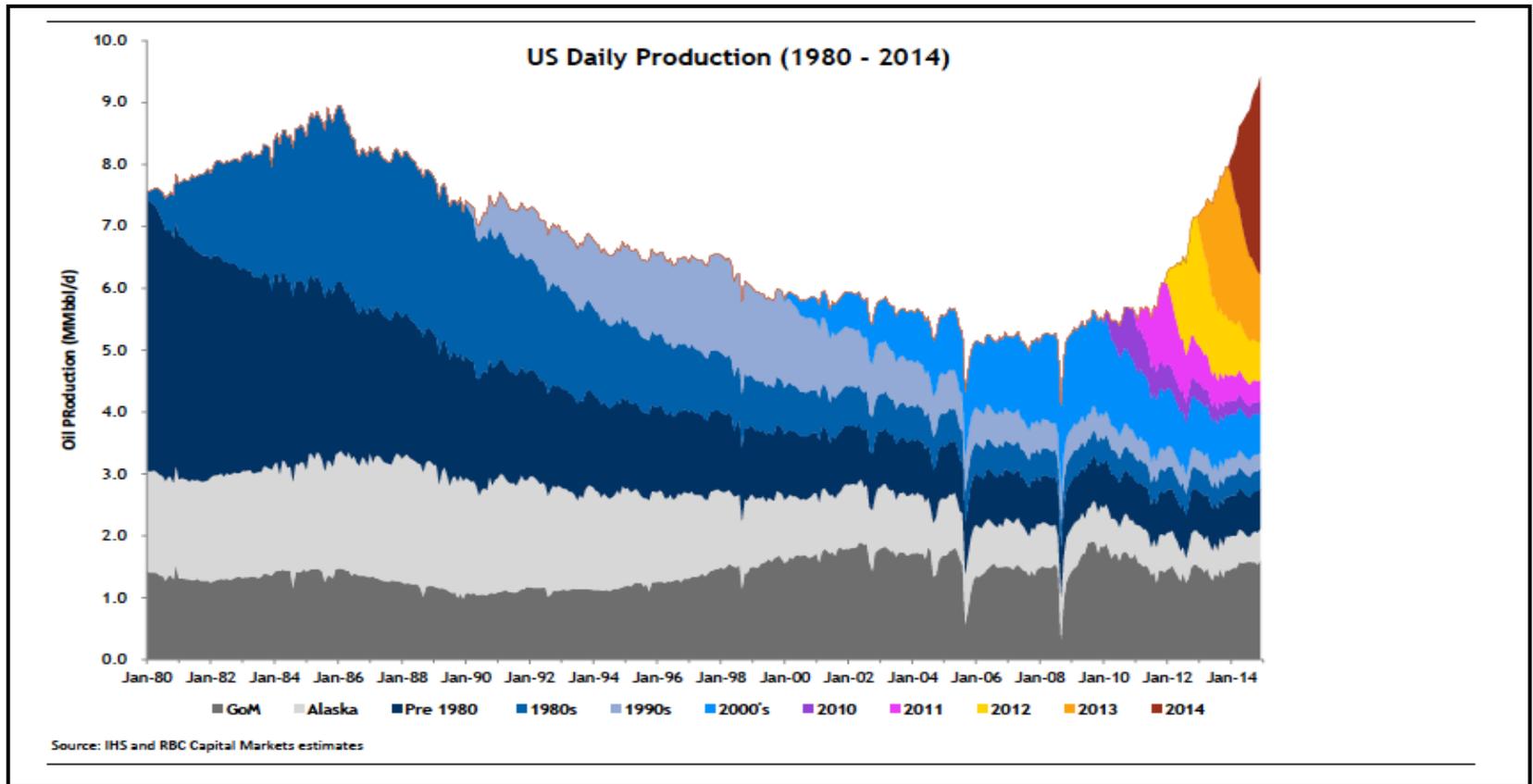
Global Energy Themes

- Global oil price crash – yet oil demand still rising – Global oil inventories surge to 3 billion bbls
- Consumption = 92 million barrels every day ~34 billion barrels each year
- Exploration successes yield ~ 10 billion barrels annually
- At US\$50/bbl exploration stops – so discovery volumes drop and the gap widens



Source: BP Energy review 2015

US Oil Production



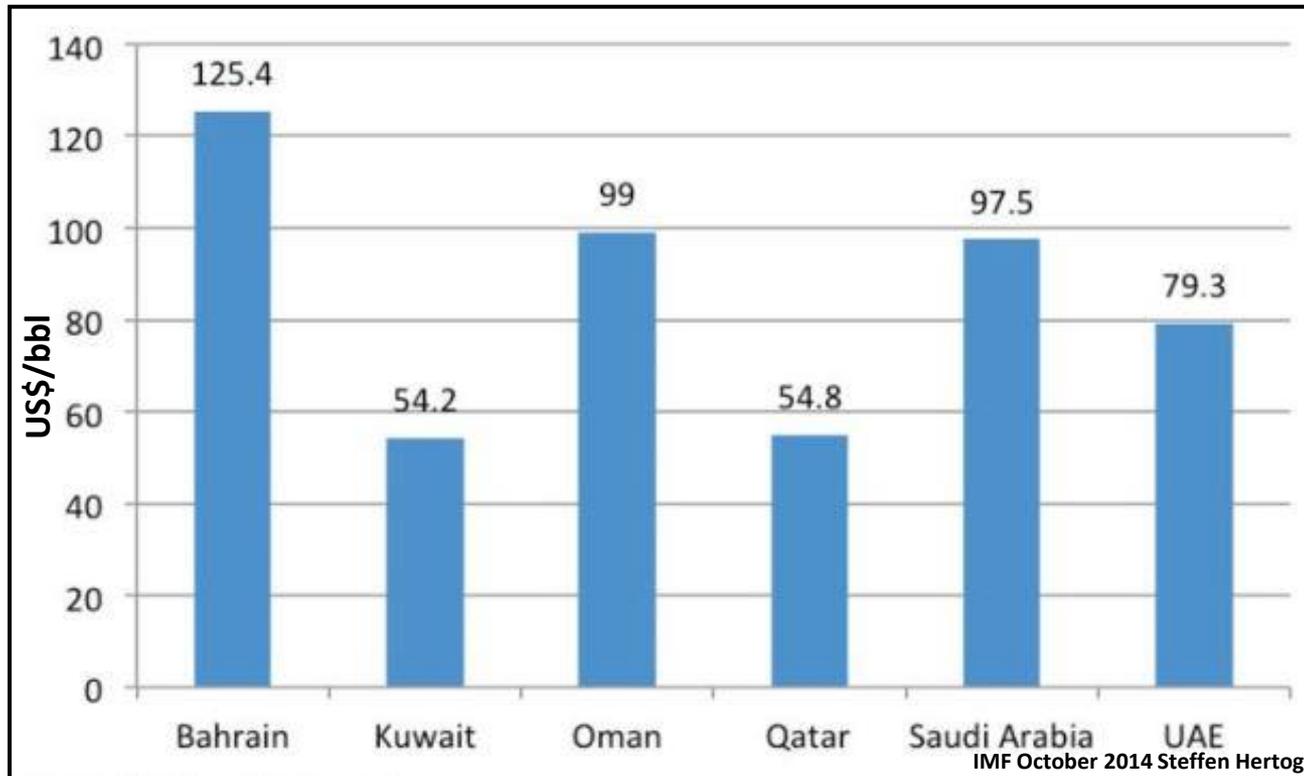
Shale well decline rates require treadmill style drilling

Debt servicing/price hedging is driving shale production resilience

Backlog of 4,200 drilled but uncompleted wells

Something will give

Breakeven price for Gulf oil producers (incl govt social funding)



Large Gulf State social programs are funded from oil revenue – austerity may threaten cohesion

Saudi is funding military actions on several fronts – further drawing down cash reserves

Implications for OPEC stability

East Coast Gas

Eastern Australia is one of the few places globally with a gas supply shortage – due to:

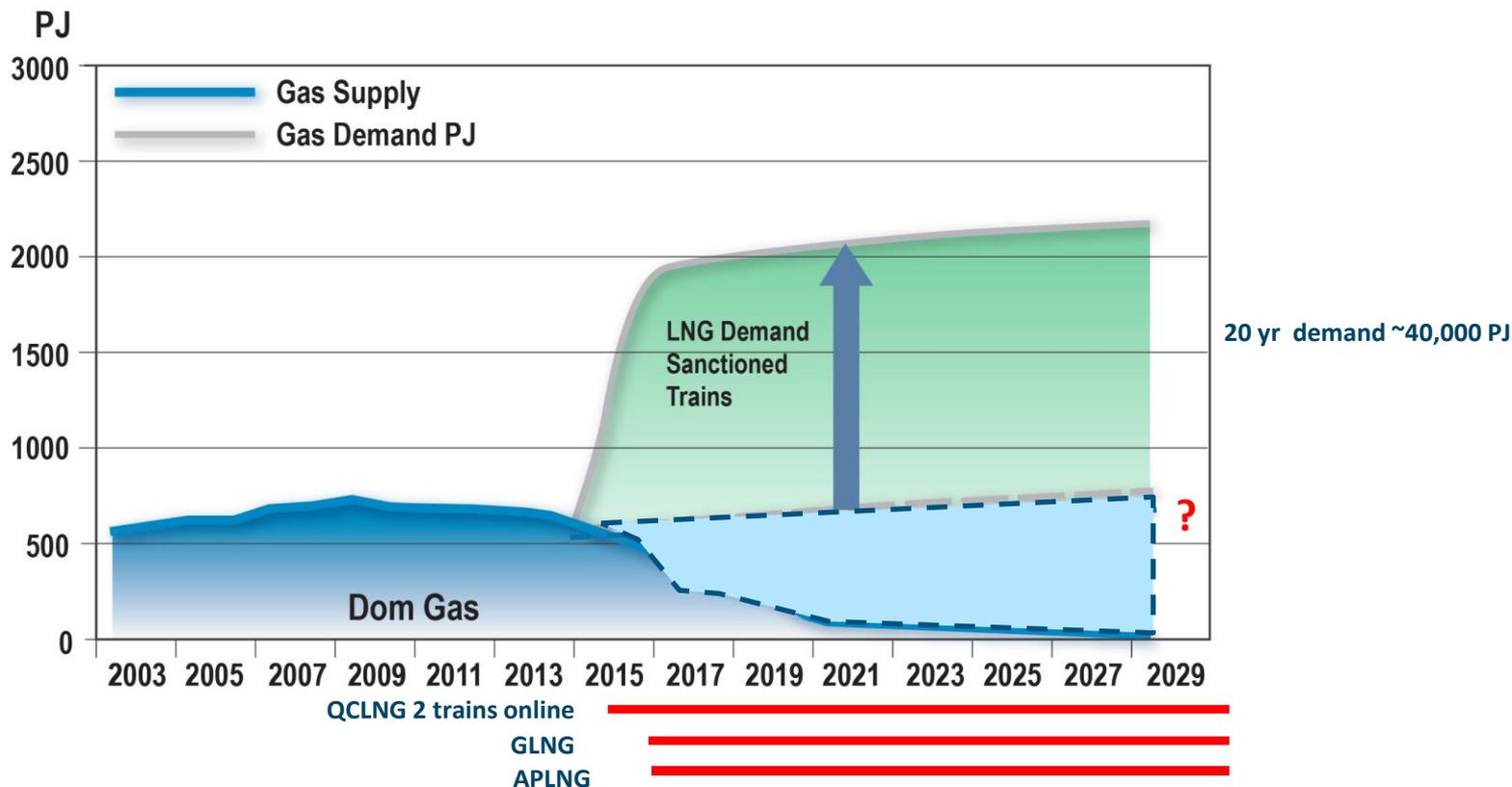
- Simultaneous ramp up of LNG production (to 4,000 Tj/day)
- Long term Gladstone LNG demand - lasting 30-40 years
- 85% of 2P east coast gas reserves tied to Gladstone LNG proponents
- Exploration/exploitation for new gas resources grinding to a halt
- Sovereign risk for onshore explorers at historical highs for Australia
- High cost of exploration and production in Australia - a deterrent
- Land access restrictions and elusive “social licence” - tenure risk
- Excessive time frames from licence award to production

Domestic gas demand should reflect environmental benefits of gas - but it doesn't yet



Despite all this – its an astonishing accomplishment to have 3 world scale LNG facilities constructed and operational in Gladstone

East Coast Gas



- Implied CAPEX requirement to sustain gas demand ~\$15-20 billion to 2020
- Why didn't industrial gas users lock in supply when it was available and cheap?
- No vision on fuel switching from diesel to gas in transportation

Lessons learnt

(...at the bottom of the cycle)

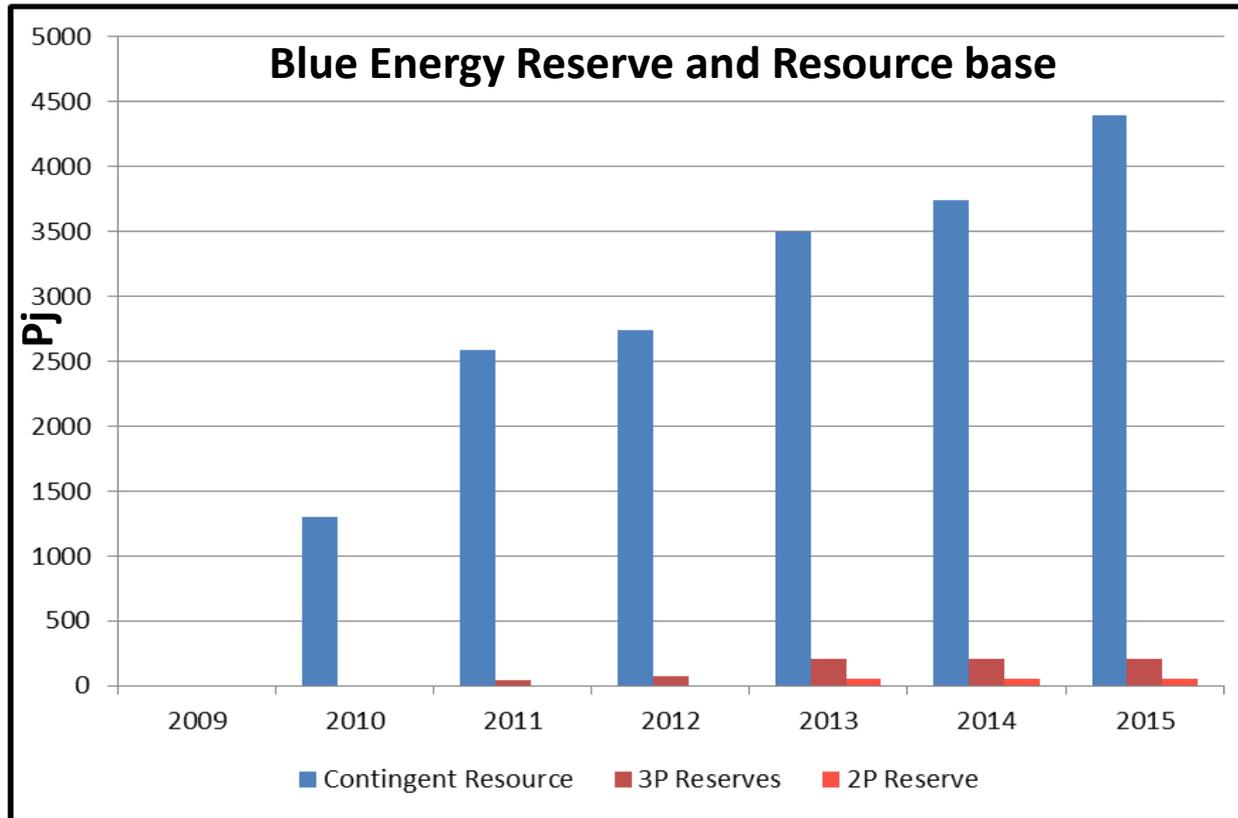
- **Cost control should be a daily ritual for Management**
 - not something trotted out when the oil price drops dramatically
- **Commodity prices are often volatile – expect the unexpected**
- **There is no substitute for experience – don't give up your core competencies**
- **Look at internal process – what is really required?**
- **Be pro-active to influence the level of Regulation - add value for all parties**
- **Continuous learning culture pays dividends through the bottom of the cycle**

Your Company

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

ASX Code	BUL
2P Reserves (NSAI)	52 Pj/Bcf
3P Reserves (NSAI)	200 Pj/Bcf
3C Contingent Resource (NSAI)	4,392 Pj/Bcf
Cash (1 October 2015)	\$6.0 million
Market Cap (19 November 2015)	~\$34 million
Net Acreage	24.1 million acres

Gas Reserves & Resources



Reserves and Resources certified by Netherland, Sewell and Associates Inc – Tier 1 certifier

Lowest finding cost in the country

Unique reserve and resource growth mechanism

Gas Commercialisation

Domestic demand is going un-met in some regions

Prices are stable

Renewables need gas generation to be uninterruptable

Gladstone demand has fundamentally changed the East Coast market

Blue's gas molecules are becoming more valuable as supply tightens

Gas Commercialisation

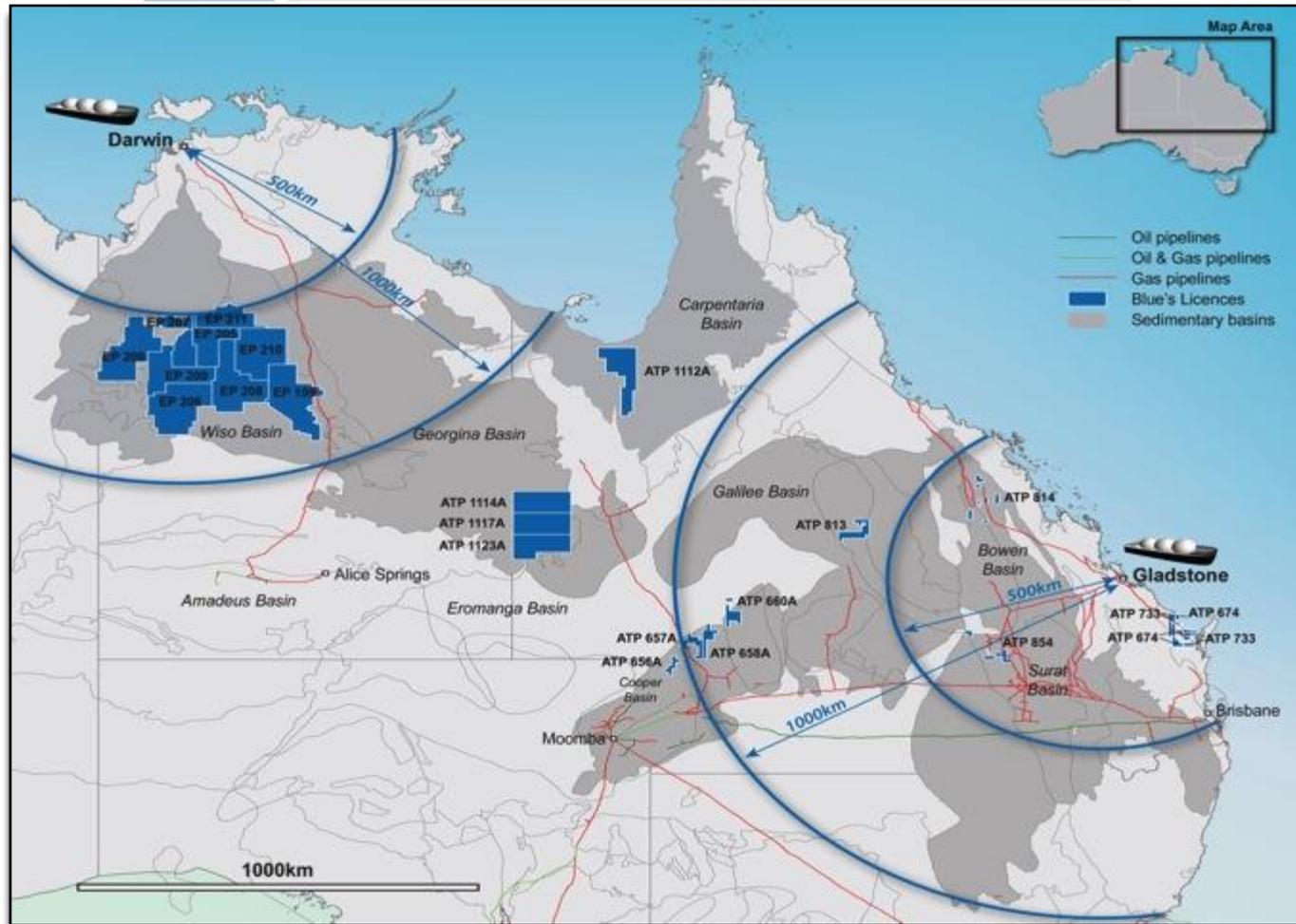
Three pronged strategy

Industrial gas buyers

Fuel switching in the nations highest diesel use areas

Potential supply to LNG market as a low cost marginal producer

The Blue Portfolio



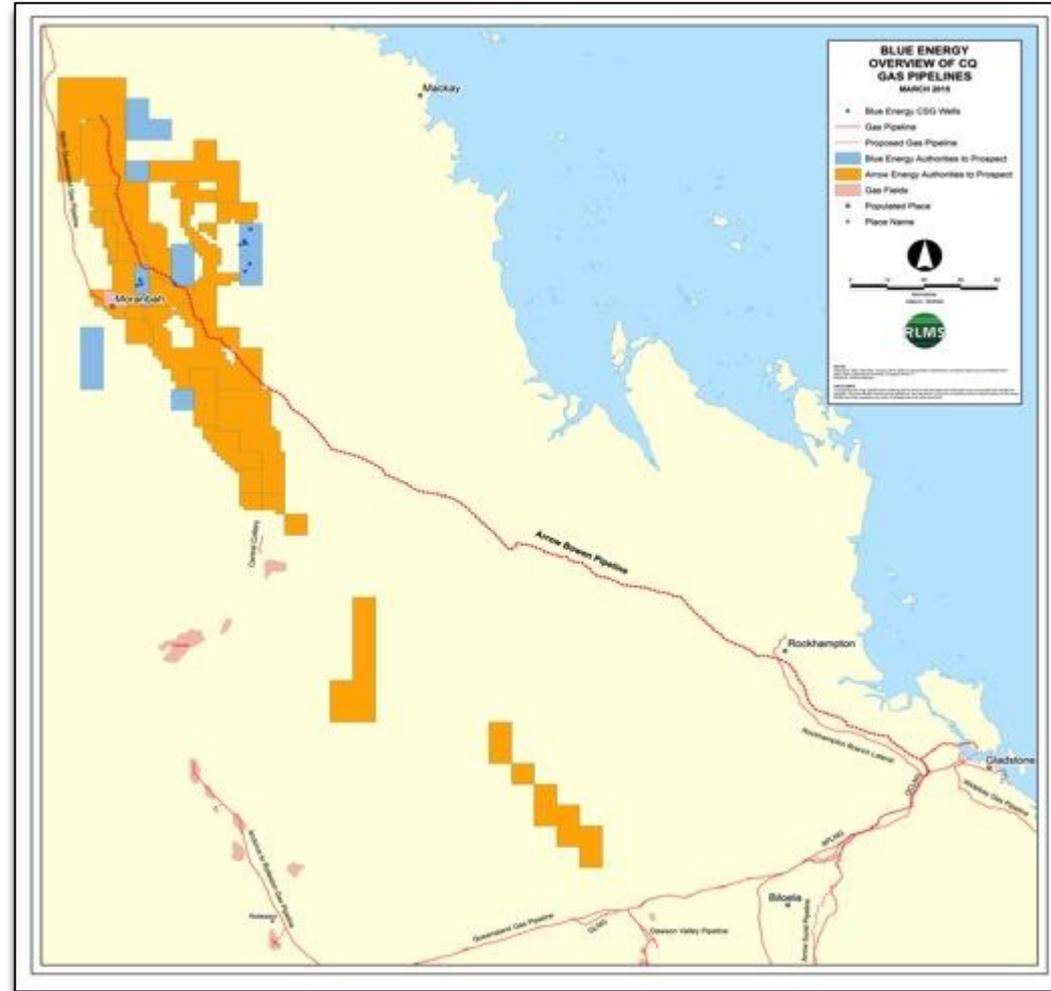
4.4 TCF Resource Base

Eastern Gas Province

Bowen Basin

Blue's 3.4TCF Gas Resource

- Producing basin
- Coal Seam Gas and Shale Gas Plays
- Shell/Petrochina Project adjacent
- Export infrastructure developing
- Industrial gas demand not being met

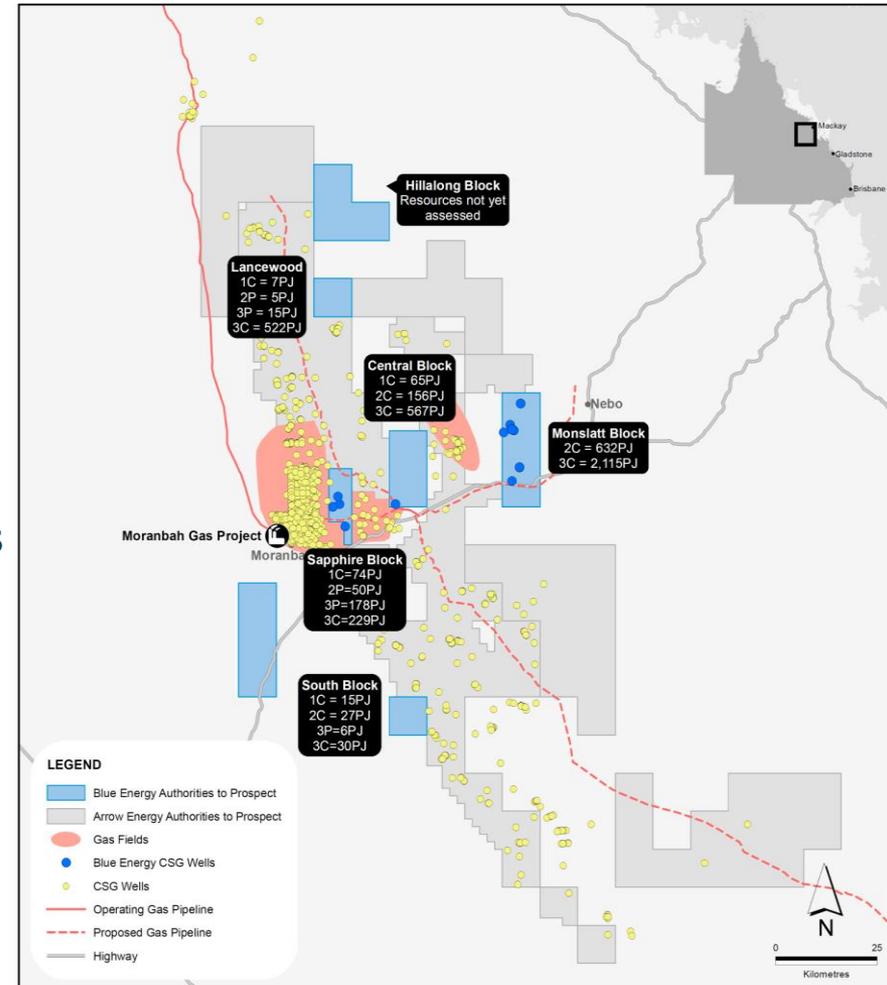


Eastern Gas Province

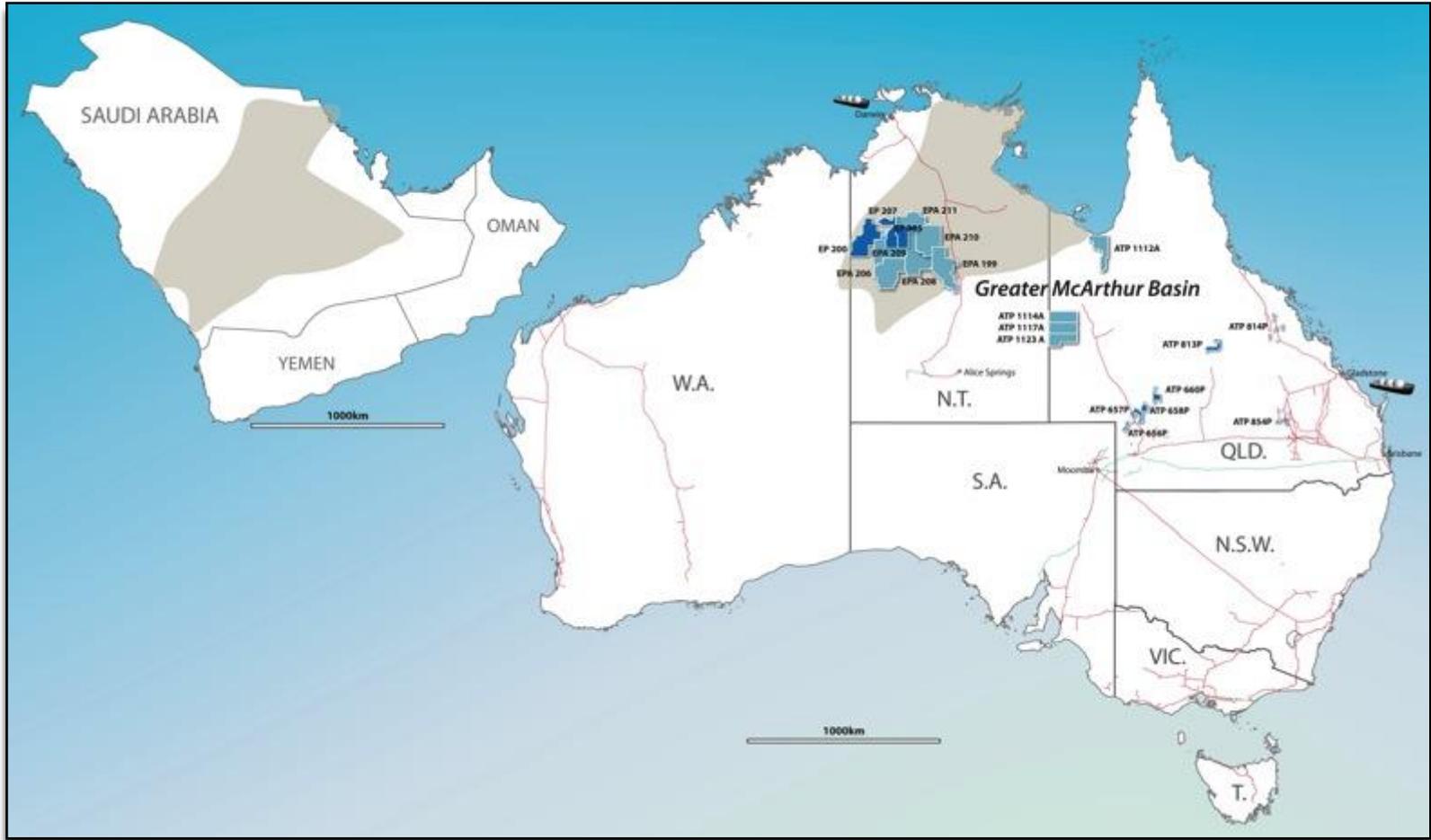
Bowen Basin

ATP814P

- 100% Blue - Owned and Operated
- Uncontracted 2P and 3P Reserves
- Large Contingent Resource base ~ 3.4 TCF
- NSAI used by Blue and Arrow for reserves



Developing plays



Greater McArthur Basin

Intense activity in the NT

Significant Farm in Deals

Imperial Oil and Gas – AEP

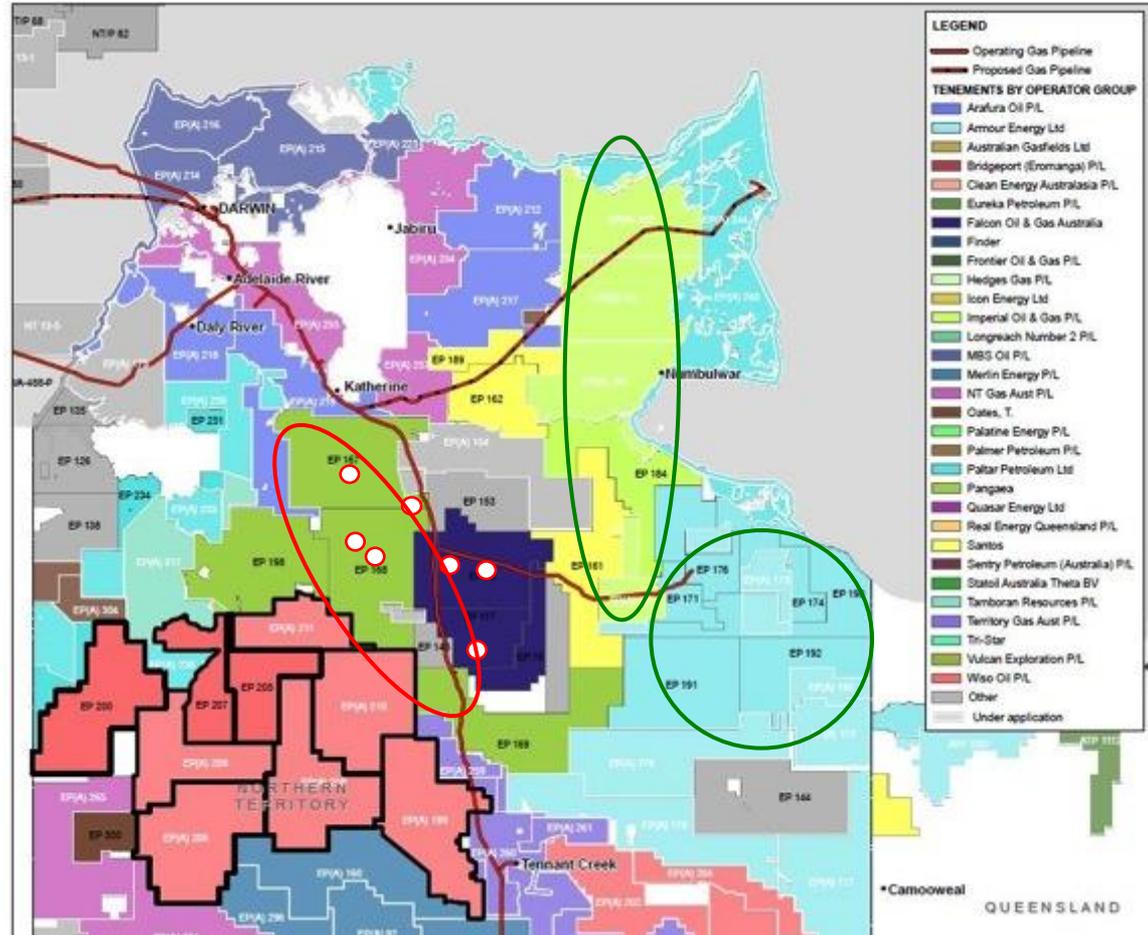
Armour Energy – AEP

Pangaea – EMG

2015 drilling

Origin: 2 wells in EP98 & 117

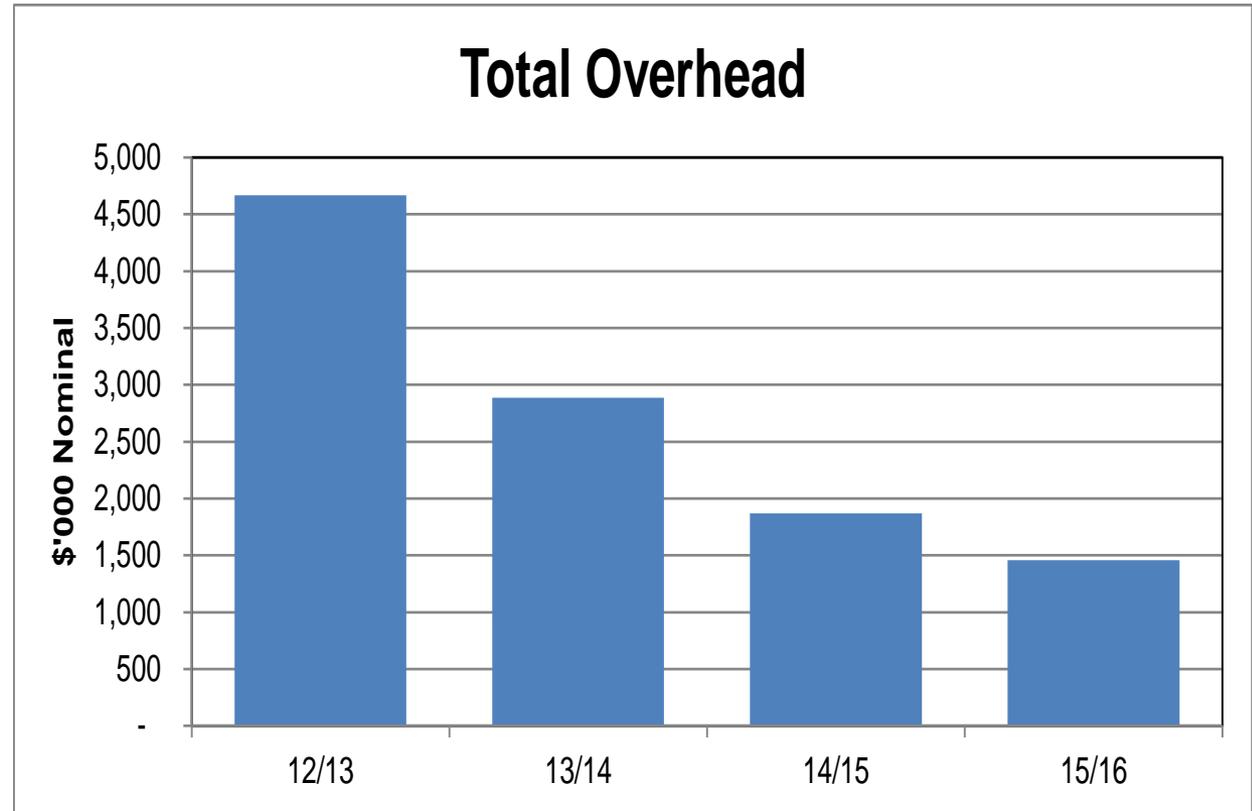
Pangaea: 4 wells in EP 167/168



Greater McArthur Basin

Corporate run rate

- Continual line item review
- Running costs continue to be cut
- Lowest amongst peers



Shareholders funds go toward value adding

Summary

- **Blue has a low cost operating strategy**
 - **Blue's CSG targets are shallow and the cost base reflects depth and low pressure setting**
 - **Main reserve/resource base is close to current and future infrastructure**
 - **Low corporate run rate**
- **Lowest finding cost**
- **Commercialising through dom gas sales and potential LNG export proponents**
- **Reserve and resource growth year on year add**
- **Positioned well for East Coast gas shortfall**
- **Eye for growth in new geological settings**

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	-	22	-	47	-	101
ATP813P		29/10/2014	30/10/2014	-	-	-	61	-	830
ATP814P	Sapphire	13/01/2015	15/01/2015	-	74	50	129	178	229
ATP814P	Central	13/01/2015	15/01/2015	-	65	-	156	-	567
ATP814P	Monslatt	13/01/2015	15/01/2015	-	-	-	632	-	2,115
ATP814P	Lancewood	13/01/2015	15/01/2015	-	7	2	25	15	522
ATP814P	South	30/06/2013	29/07/2013	-	15	-	27	6	30
Total (PJ)				-	184	52	1,077	200	4,392
Total (bcf)				-	184	52	1,077	200	4,392

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