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MEDIA RELEASE



Strategy Update & CEO Retirement

Blue Energy Limited (ASX: BUL) has completed the technical planning and peer review of technical assumptions and findings on its extensive CSG portfolio referred to by the Chairman, Peter Cockcroft, at the AGM on 28 November 2008.

As previously announced the cash conservation approach to future exploration activities will include a focus on farming out some of Blue Energy's 100% owned CSG tenements. The review has been an important step in confirming the prospectivity of ATP813P, ATP814P, ATP817P and ATP854P.

Blue Energy has engaged experienced technical consulting group, MBA Consulting, to assist with the proposed farmout process, initially verifying datasets and establishing and manning a dataroom. There has been considerable interest in the Company's tenements and the formalisation of a farmout process will allow Blue Energy to pursue partners with appropriate financial and technical capabilities.

With the strong refocus on exploration activities, Blue Energy's Chief Executive Officer, Mr. Bill Williams, will be stepping down from this position later in January to pursue other interests. Mr Williams will continue to assist Blue Energy in the farmout process and other initiatives under a consulting arrangement. As part of the Company's focus on broader cost containment initiatives, staffing reorganisation and reduction in senior staff and consultant numbers now more appropriately reflect planned exploration activity levels.

Bill joined Blue Energy in late 2007 as Chief Commercial Officer, and took up the CEO position in March 2008 following the unexpected early retirement of founding director, Sharif Oussa. Chairman Peter Cockcroft said, "During a year marked by a tight industry labour market, extreme capital market volatility and very challenging changes in substantial shareholders, Bill maintained an operational focus on executing the Company's initial exploration program and high grading its prospective CSG assets. This work, combined with Blue Energy's retained 100% ownership position and significant cash on hand has advantageously positioned the Company in the difficult current market environment. Bill was also involved in securing the Alliance Agreement with Stanwell Corporation, a significant commercial milestone. We wish Bill all the best in his future pursuits and look forward to his specialist commercial assistance in 2009"

Chairman, Peter Cockcroft will assume executive operational and management responsibility while the Company continues its reorganisation and focus on stepping up exploration activities in 2009.

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