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ASX/Media Release

John Phillips Promoted to Chief Executive Officer

Key Points:

- John Phillips appointment as CEO effective 1 April 2010
- Focus on new growth phase
- Key objectives for next 12 months to extensively drill out and obtain initial reserve certification in ATP813P & ATP814P
- Follows establishment of a gas resource for the Monslatt project area adjacent to Arrow Energy's Moranbah Gas Project.
- Also follows execution of MOU with Korea Gas Corporation (KOGAS) to investigate small scale LNG projects in eastern states

The Board of Coal Seam Gas (CSG) explorer and developer **Blue Energy Limited (ASX Code: BUL)** has promoted Chief Operating Officer Mr John Phillips to the role of Chief Executive Officer, effective from 1 April 2010, to drive the Company through its next growth phase.

Blue Energy's Chairman Mr Peter Cockcroft, who will simultaneously relinquish executive duties, said "Mr Phillips' appointment as CEO would provide additional leadership stability as the Company pursued new growth opportunities and strengthen its governance structure."

"We are extremely fortunate to have someone of John Phillips' calibre to be our CEO," said Mr Cockcroft, who has engineered the restoration of Blue Energy's financial position and corporate rejuvenation since taking over as Executive Chairman 15 months ago.

Mr Phillips, who joined Blue Energy in May 2009, has developed a deep understanding of the coal seam gas industry as a result of his experience while working with Conoco in the 1990's through to his previous role as COO of successful CSG explorer Sunshine Gas.

"John and his management team have the experience, know how and resources to take Blue Energy into a new phase for CSG which has now evolved from an initial discovery stage into a period of fully fledged implementation, towards commercialisation, for the benefit of shareholders," Mr Cockcroft said.

Mr Cockcroft noted that Mr Phillips' promotion closely followed two recent positive developments which augured well for Blue Energy's future.

- On 15 March 2010 Blue Energy announced the establishment of an independently certified 2C (Contingent Resource) of 121 Petajoules (Gas in Place), 3C (Contingent Resource) of 3,411 Petajoules (Gas in Place) and Prospective Resource of 3,607 Petajoules (Gas in Place), 7,162 Petajoules in total, within the Monslatt area in ATP814P which hosts the same coal seams as Arrow Energy's nearby Moranbah Gas Project.
- Blue Energy also achieved another significant milestone on 16 March 2010 with the signing of a Memorandum of Understanding (MOU) with strategic partner Korea Gas Corporation (KOGAS) to investigate the feasibility of

developing small scale Liquefied Natural Gas (LNG) and Compressed Natural Gas (CNG) projects in eastern Australia.

“Blue Energy is now consolidating its position as a leader in the smaller capitalised ASX listed CSG explorers and developers, by focusing appraisal drilling programs on ATP814P and ATP813P, near Moranbah and in the Galilee Basin, over the coming 12 months”.

“Also the focus on developing CSG in Queensland, should be enhanced by Blue Energy’s and KOGAS’ joint evaluation of micro LNG and CNG projects, to provide a clean , environmentally friendly alternative to existing fuels such as diesel, petrol and LPG”, Mr Cockcroft said.

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