

23 June 2009



MEDIA ANNOUNCEMENT

Galilee Basin Pipeline Study

Blue Energy Limited (ASX:BUL) is pleased to announce that it has commissioned Brisbane based environmental, mapping and land management consultancy, Resource & Land Management Services Pty Ltd ("RLMS"), to undertake a gas pipeline route study from Blue's Galilee Basin acreage (ATP813P) to several potential LNG export locations on the Queensland coast, including Gladstone.

The initial desk top study is designed to identify optimal routes in order to expedite the gas commercialisation process for the ATP. In addition to the study, appropriate regulatory survey licenses will be obtained to further accelerate the permitting process, once the preferred route is identified.

Commenting on the commissioning, Blue Energy Executive Chairman Peter Cockcroft said "it is imperative that the development of the coal seam gas potential of the Galilee Basin is not hindered by a delay in scoping gas transmission infrastructure development. We therefore see this study as a key element along the path to commercialising this potentially significant future gas province."

Blue Energy has recently announced it intends to undertake a 21 corehole drilling program across four ATP's to commence in July 2009, including 10 coreholes in ATP 813P, which will gather basic geological data for the reserve certification process and assist in providing locations for pilot production wells.

END

Peter Cockcroft
Executive Chairman
Blue Energy Limited
Tel: +61 7 3332 8800
Email: peter.cockcroft@blueenergy.com.au