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Media Release

ATP814P – World Class Gas Content and Accelerated Pilot

Blue Energy Limited (ASX: BUL) is pleased to announce that early gas desorption results from the Monslatt 1A core well are of world class standard, and have exceeded expectations.

To date the well has intersected 29 metres of net coal in the ideal depth window between 200 and 757 metres. There are currently 23 samples on test, all of which are desorbing gas. The highest yielding sample has reached 21m³/tonne of gas (on a raw basis) and 8 samples have been in excess of 10m³/tonne. Methane content is 95% or better.

These results exceed the nearby Arrow operated Moranbah CSG project where the gas contents are reportedly in the order of 15m³/tonne.

The well has also intersected carbonaceous shales that are currently desorbing gas at a rate of 2.5m³/tonne of gas (on a raw basis). The inclusion of the carbonaceous shales should significantly increase the resources of ATP814P.

As a result of the very high gas and methane content, optimal depth window and high net coal, Blue Energy is planning another CSG well in the region to test the lateral extent of the coals. This will allow the company to accelerate its reserves certification process with Netherlands Sewell & Associates (NSAI). Planning for a pilot well has commenced and will be accelerated with the aim of achieving reserves certification early 2010.

ATP814P – Bowen Basin

Monslatt 1A: CSG Corehole
Current Depth: 757 metres
Current Operation: Attempting to core ahead in the Moranbah Coal Measures, after encountering further hole instability.

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Figure 2: ATP814P drilling program location map

