

**Investor Presentation**

**East Coast Gas**

**27<sup>th</sup> & 28<sup>th</sup> October 2016**

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# East Coast Gas

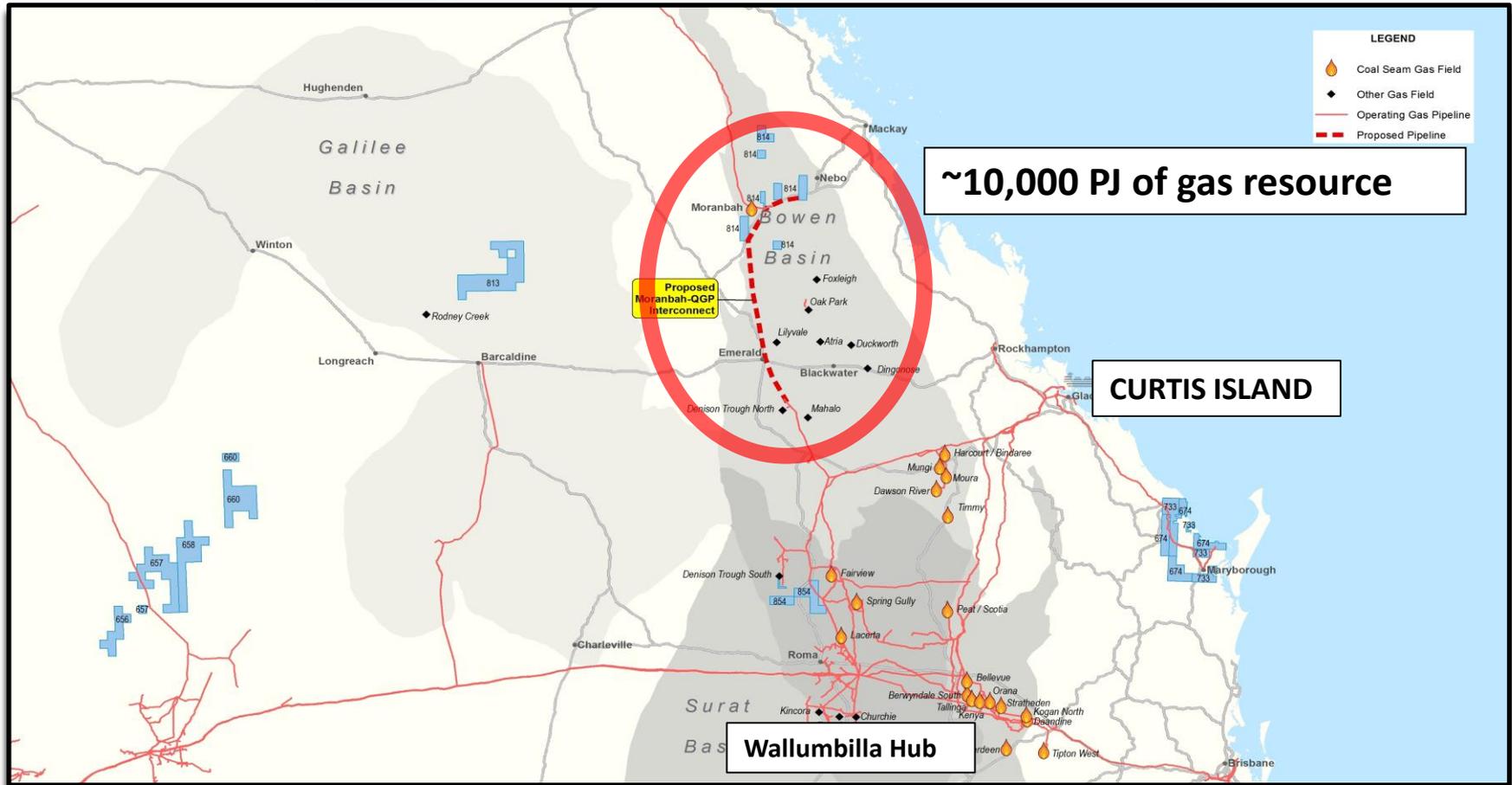
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## The problem

**There is a shortage of deliverable gas for the east coast market  
For both export and domestic markets**

# The Solution

## “The Bowen Basin Gas Province”



Connect the Bowen Basin to the southern market

# East Coast Gas

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## The Market

### Demand today\*

Curtis Island Export LNG	3,400 TJ/day	~1,300 PJ/a
Domestic	1,350 TJ/day	~ <u>500 PJ/a</u> 1,800 PJ/a

### Demand over next 20 years (no growth)

Curtis Island	~29,000 PJ
Domestic	~ <u>11,000 PJ</u> ~40,000 PJ

### Supply Snapshot

Proved East Coast Reserves (1P)	18,000 PJ
Proved Developed Producing Reserves	?6,000 PJ

CAPEX needed for conversion from 2P into 1P (producing) is large – \$3-3.75 billion pa  
(Credit Suisse)

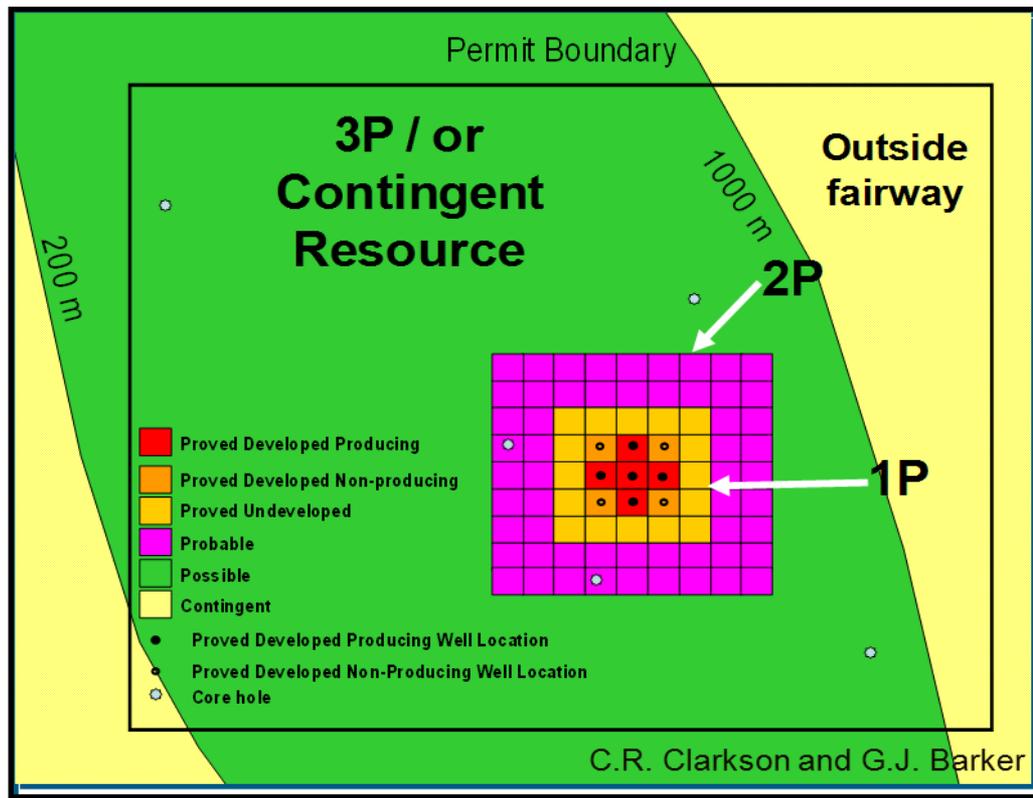
\* Wednesday 25<sup>th</sup> October 2016

# Conversion to Reserves

## The Process (is capital intensive)

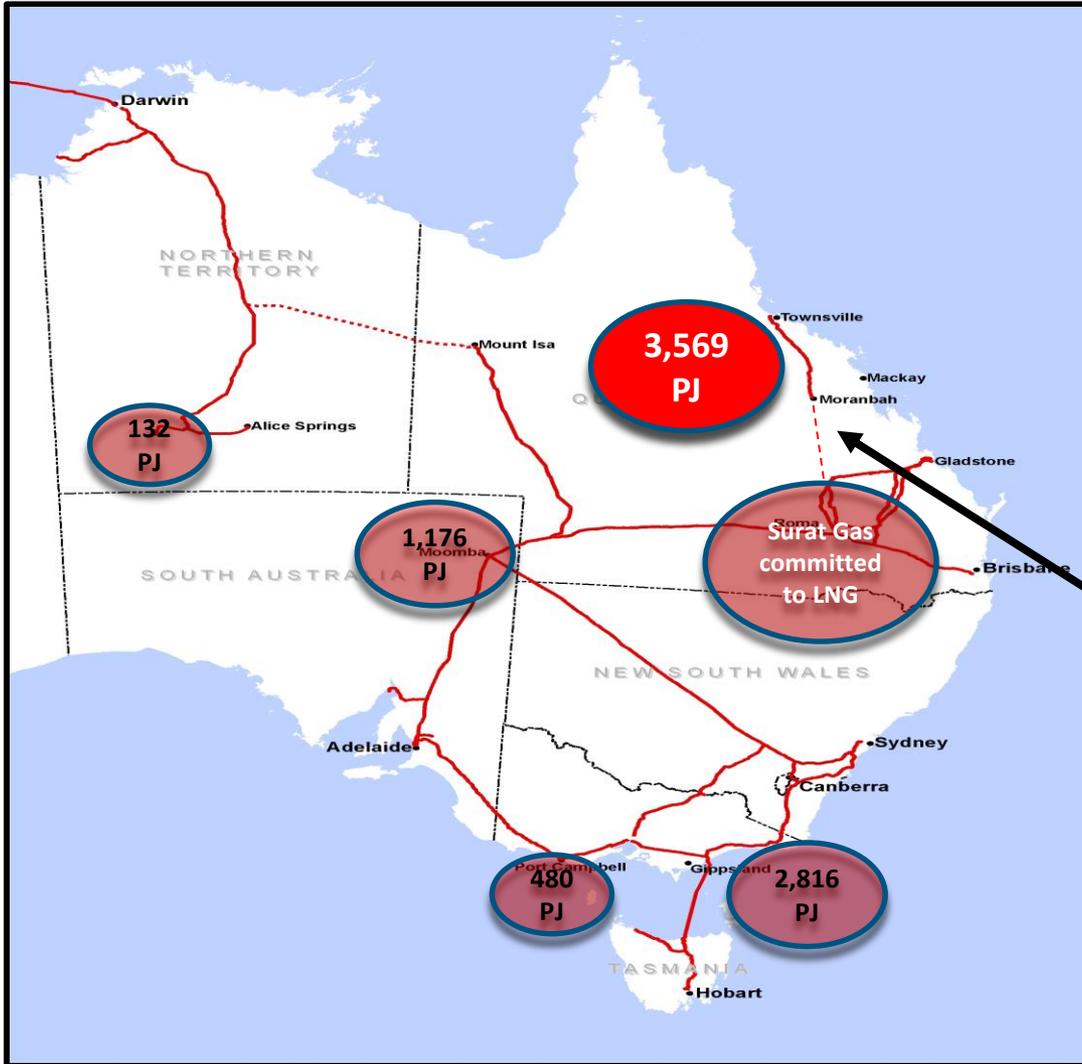
Blue has 3,100 PJ of Uncontacted Contingent Resource in the Bowen

Conversion rates from Contingent Resources to reserves are up to 80% in Resource plays  
(that potentially gives Blue almost a train's worth of reserves for 20 years)



# East Coast Gas Supply

## Where are the current 2P Gas Reserves?

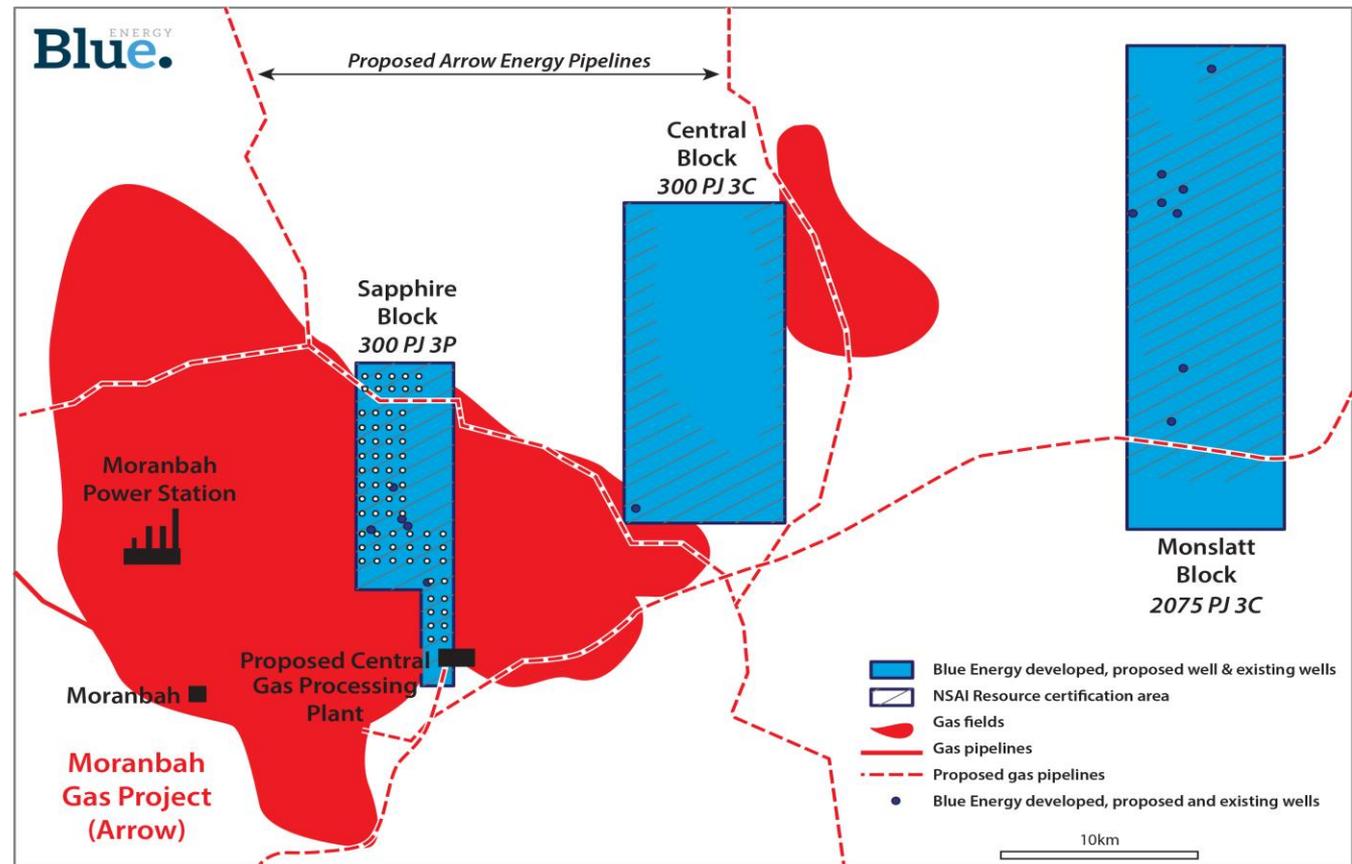


- 2P Reserves ARE NOT “flowing” molecules today
- Big CAPEX is required to develop “deliverable molecules” in short-medium term
- Bowen Basin gas province needs development and connection to the East Coast market

# Sapphire Conceptual Development plan

## ATP 814P Bowen Basin

### CONCEPTUAL SAPPHIRE DEVELOPMENT

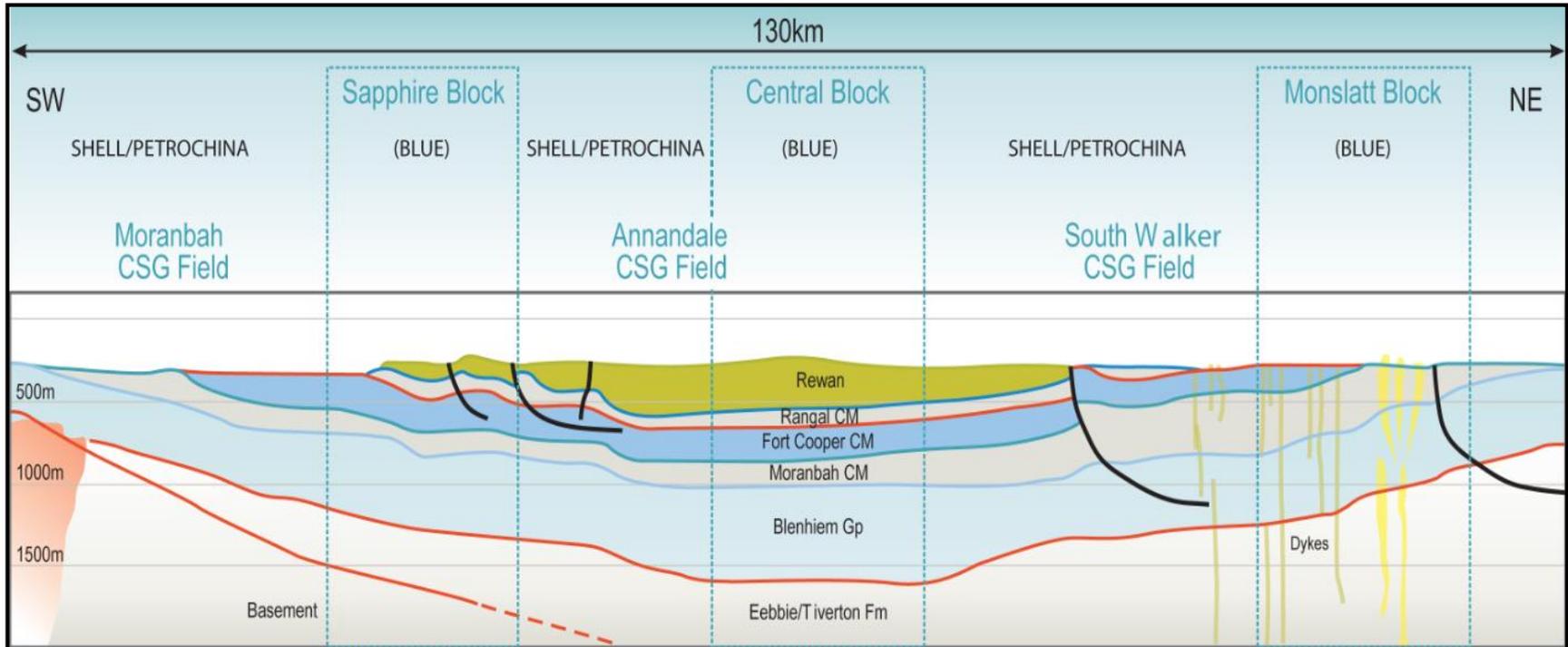


Blue ENERGY

- 100% Blue
- Current 2P & 3P reserves suitable for domestic contract (300 PJ)
- Big resource upside (~3,000 PJ) – LNG market
- Province provides solution for southern gas shortages
- North Qld demand potential is developing
- Conceptual Development plan and feasibility study on Sapphire in progress

# Bowen Gas Province

## Geological configuration - Moranbah

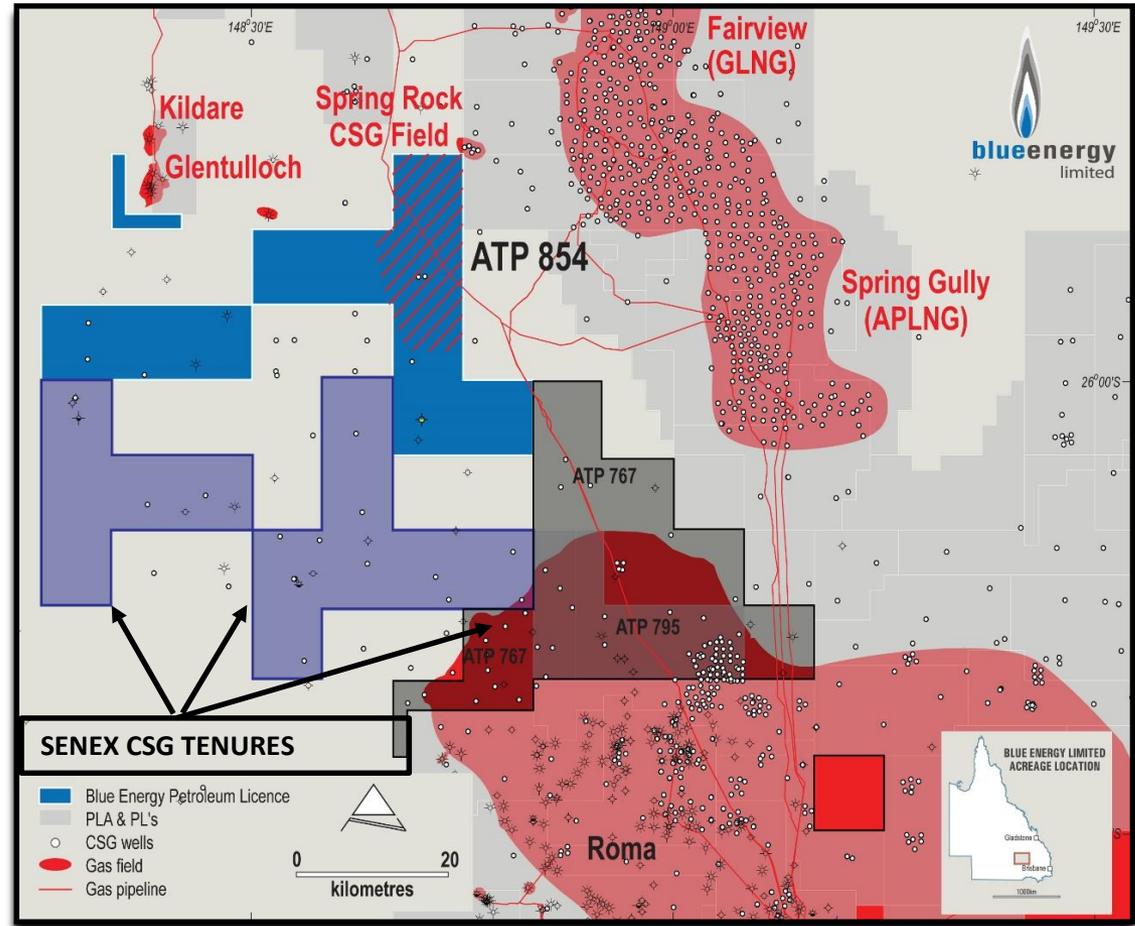


- Multiple targets
- Producing Fields adjacent

# Additional Blue Gas Acreage

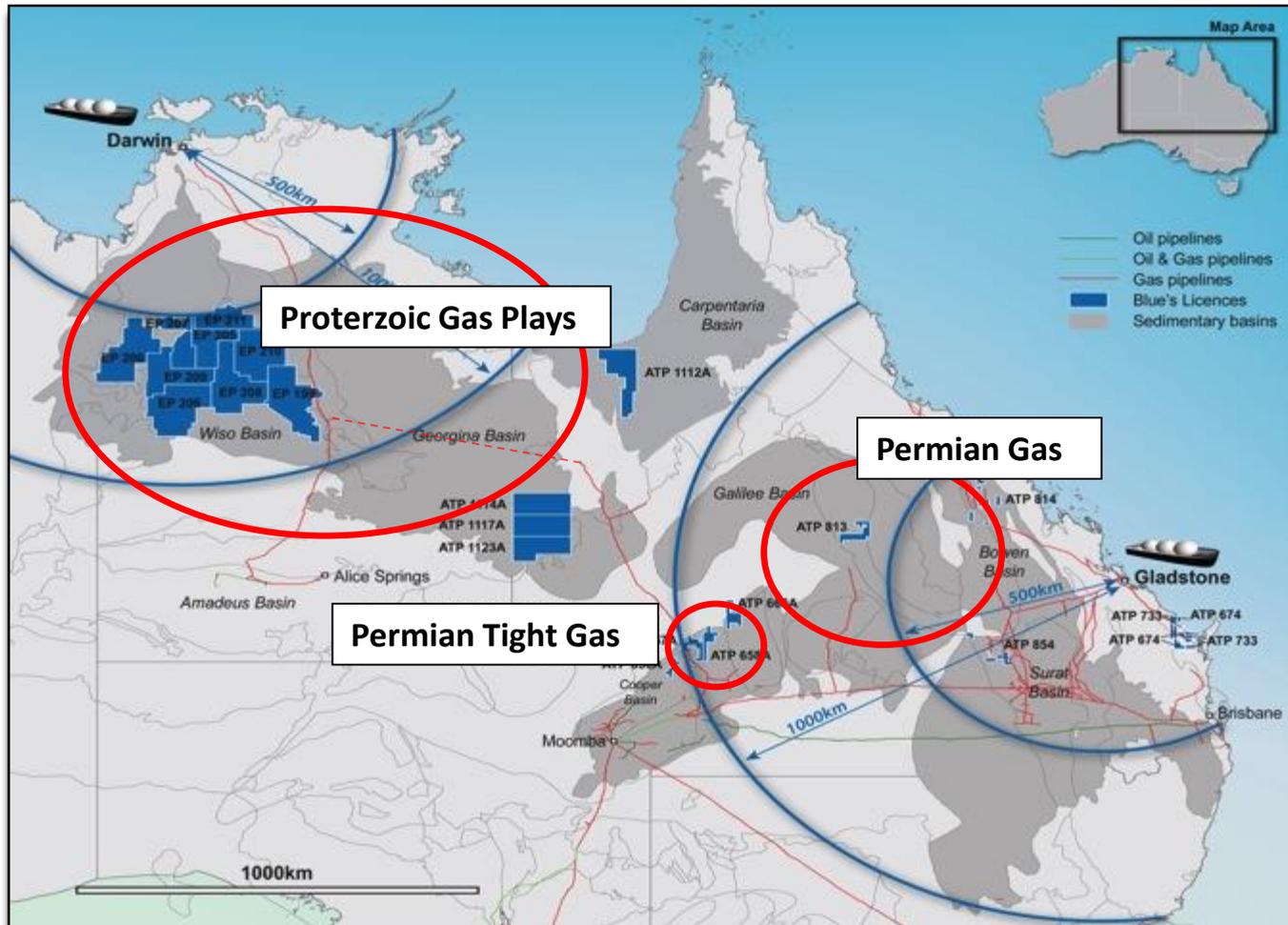
## ATP 854P Bowen Basin

- Blue has uncontracted Contingent Resources (100 PJ)
- Same play as Fairview and Spring Gully plus additional Early Permian targets
- The block has infrastructure passing through – connected to Wallumbilla and Gladstone
- There is exploration upside



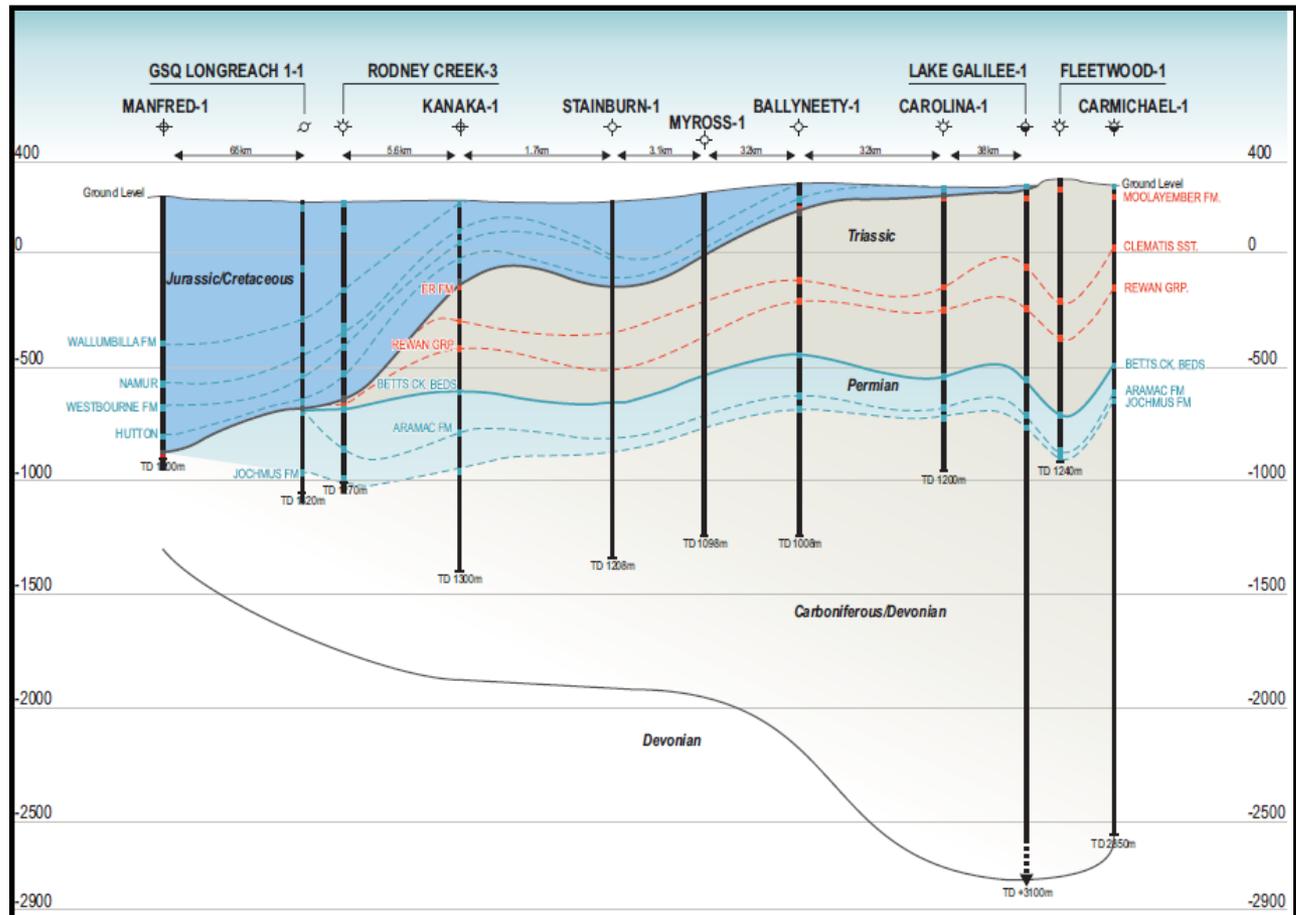
# East Coast Gas

## Emerging Plays for new gas resources



# East Coast Gas Solution “The Galilee Frontier”

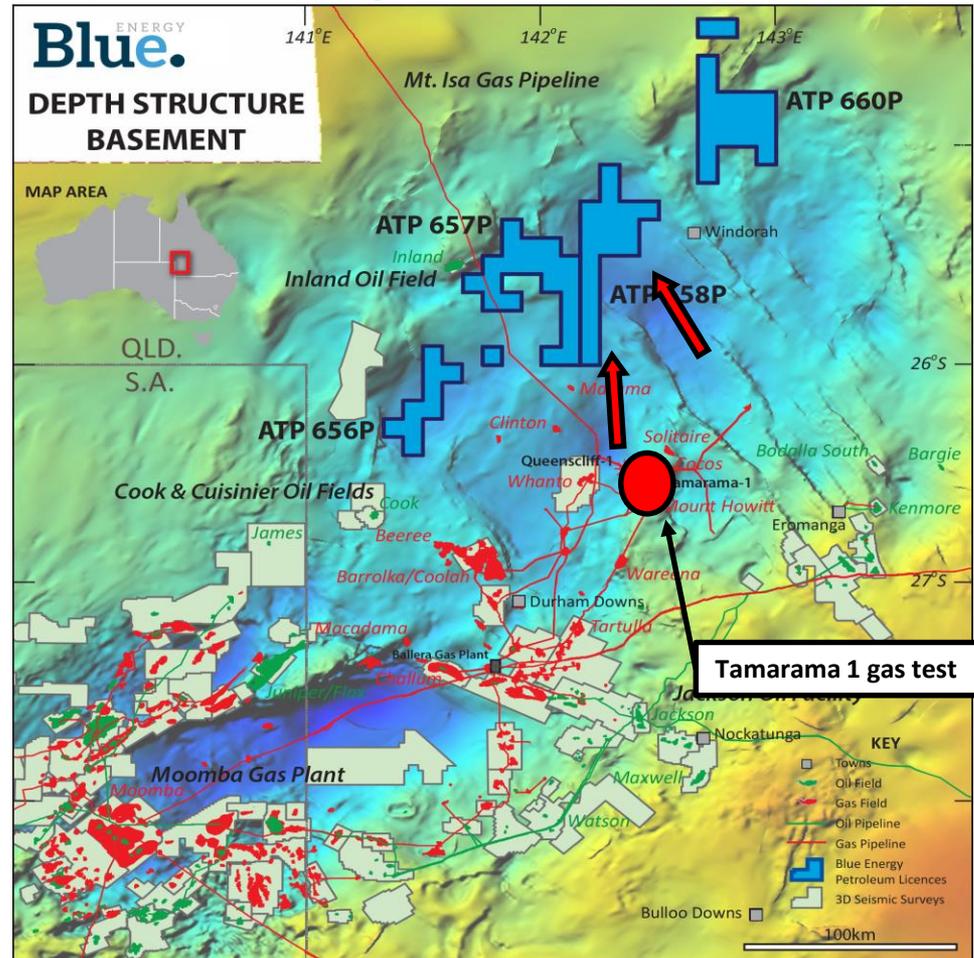
- Blue has 838 PJ Contingent Resource
- Large Contingent resource base in the basin
- Adjacent Operator production testing new lateral well
- Export infrastructure being scoped



# Emerging Plays

- Basin Centred Gas play identified - REAL Energy tests gas at Tamarama
- Permian and Triassic stratigraphic plays
- Santos JV has undeveloped structural gas fields adjacent to Blue
- Infrastructure passing through permit

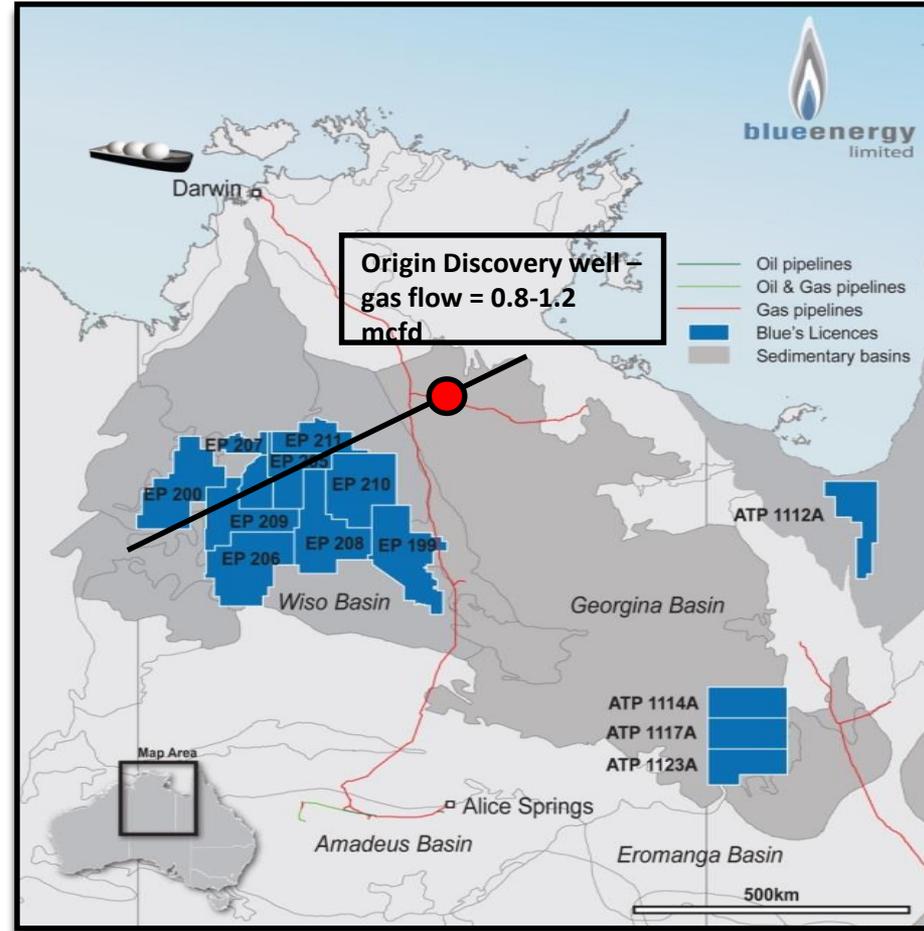
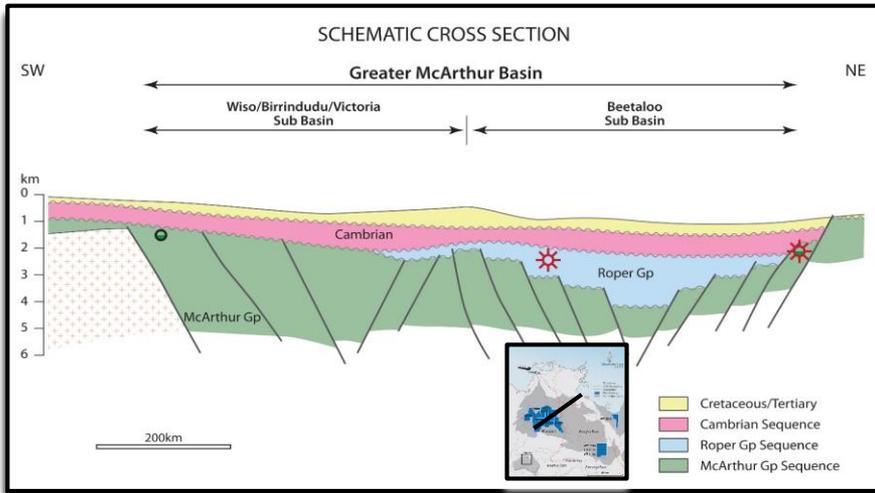
## Cooper Basin Tight Gas



# Emerging Plays

## Northern Territory Proterozoic plays

- Proterozoic marine shales of the Greater McArthur Basin are world class source rocks
- Operators have intersected prospective sections
- Origin Energy has fracture stimulated and flow tested Amulee West 1 well at 0.8-1.2 mmcf/d – proof of concept
- Blue's acreage is adjacent



# East Coast Gas

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## Summary

- **Curtis Island is short gas – at least 2 trains need third party gas**
- **Curtis Island is drawing gas from Cooper Basin and offshore Victoria**
- **Domestic Gas contracts continue to roll off**
- **LNG exporters will supply domestic market when the price signal is right**
- **There is limited gas storage capacity**
- **Increasing renewable targets = increased gas fired generation for energy security**
- **Little exploration occurring – discovered but undeveloped reserves more valuable**
- **Unlikely that substantive new gas resources will be identified and developed soon**

ENERGY  
**Blue.**

