

Blue. ENERGY

Noosa Mining Conference
19th July 2018

Disclaimer and Listing Rule 5.42 Disclosure

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The estimates of reserves and contingent resources recorded and referred to throughout this Presentation have been provided by Mr John Hattner of Netherland, Sewell and Associates Inc (NSAI) and were originally reported in the Company's market announcements 25 January 2012, 26 February 2013 and 19 March 2013. NSAI independently regularly reviews the Company's Reserves and Contingent Resources. Mr Hattner is a full time employee of NSAI, has over 30 years' of industry experience and 20 years' of experience in reserve estimation, is a licensed geologist and a member of the Society of Petroleum Engineers (SPE), and has consented to the use of the information presented herein. The estimates referenced in this Presentation attributed to Mr Hattner have been prepared in accordance with the definitions and guidelines set forth in the 2007 Petroleum and Resource Management System (PRMS) approved by the SPE, utilizing a deterministic methodology. Blue Energy confirms that it is not aware of any new information or data that materially affects the information included in any of the announcements relating to ATP 813P, 814P or 854P referred to in this report and that all of the material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed.

Outline

- 1. International Gas Market**
- 2. Domestic Gas Market**
- 3. Blue Energy positioned to take advantage**

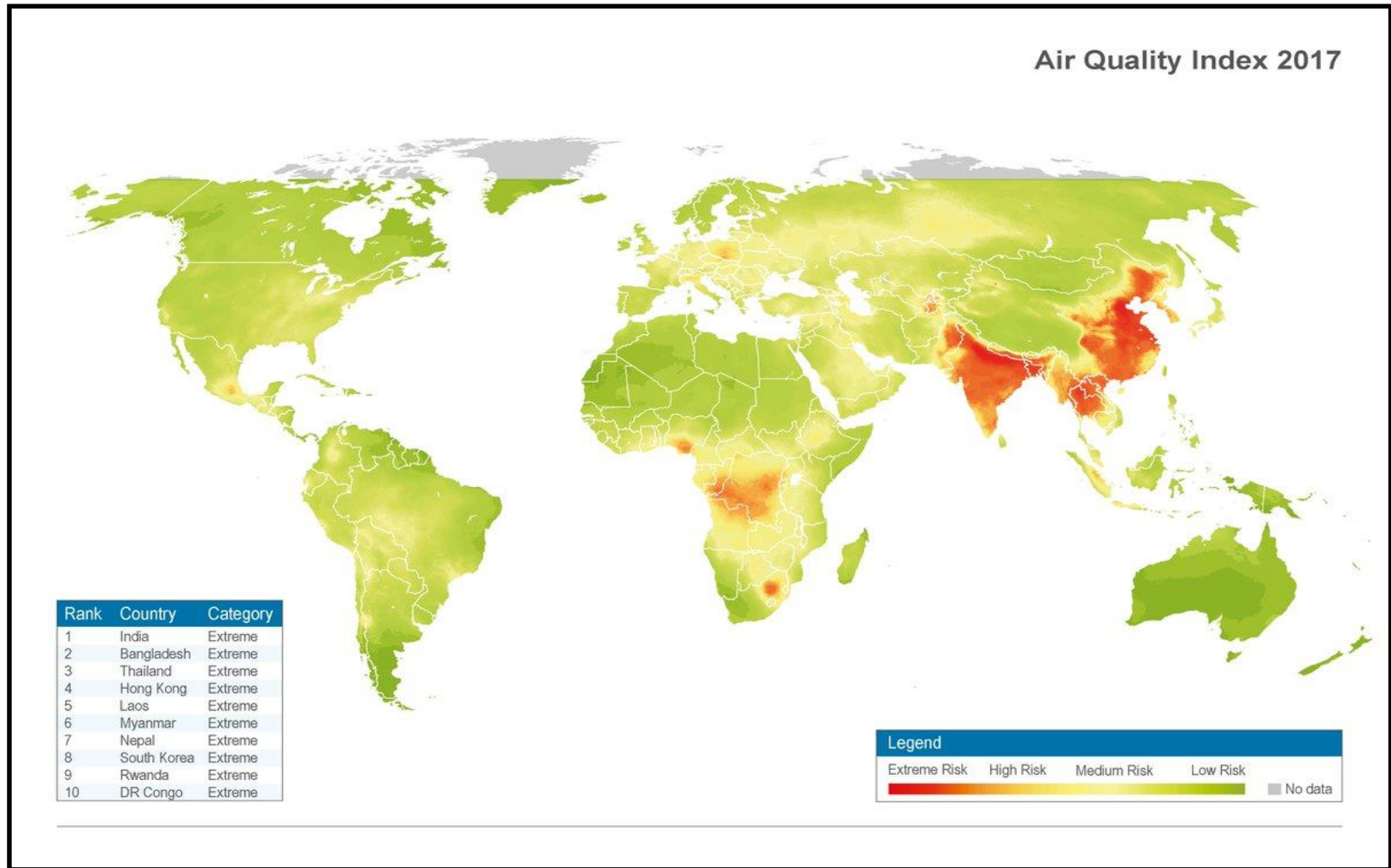
China 2016: 1.61 million people died from air pollution
India 2016: 1.58 million people died from air pollution
Globally 2016: 6.1 million people died from air pollution

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Air quality is deadly in the two most populous nations on earth

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Source: Verisk Maplecroft 2017

Global Gas Demand Growth is Strong

Cleaning up air quality

by fuel switching to GAS

is a priority for the world

...Australia is lagging

Fuel switching of the Marine Fleet is underway (Bunker oil to **LNG**)

impact: need 100-150 million tonnes of extra LNG per annum

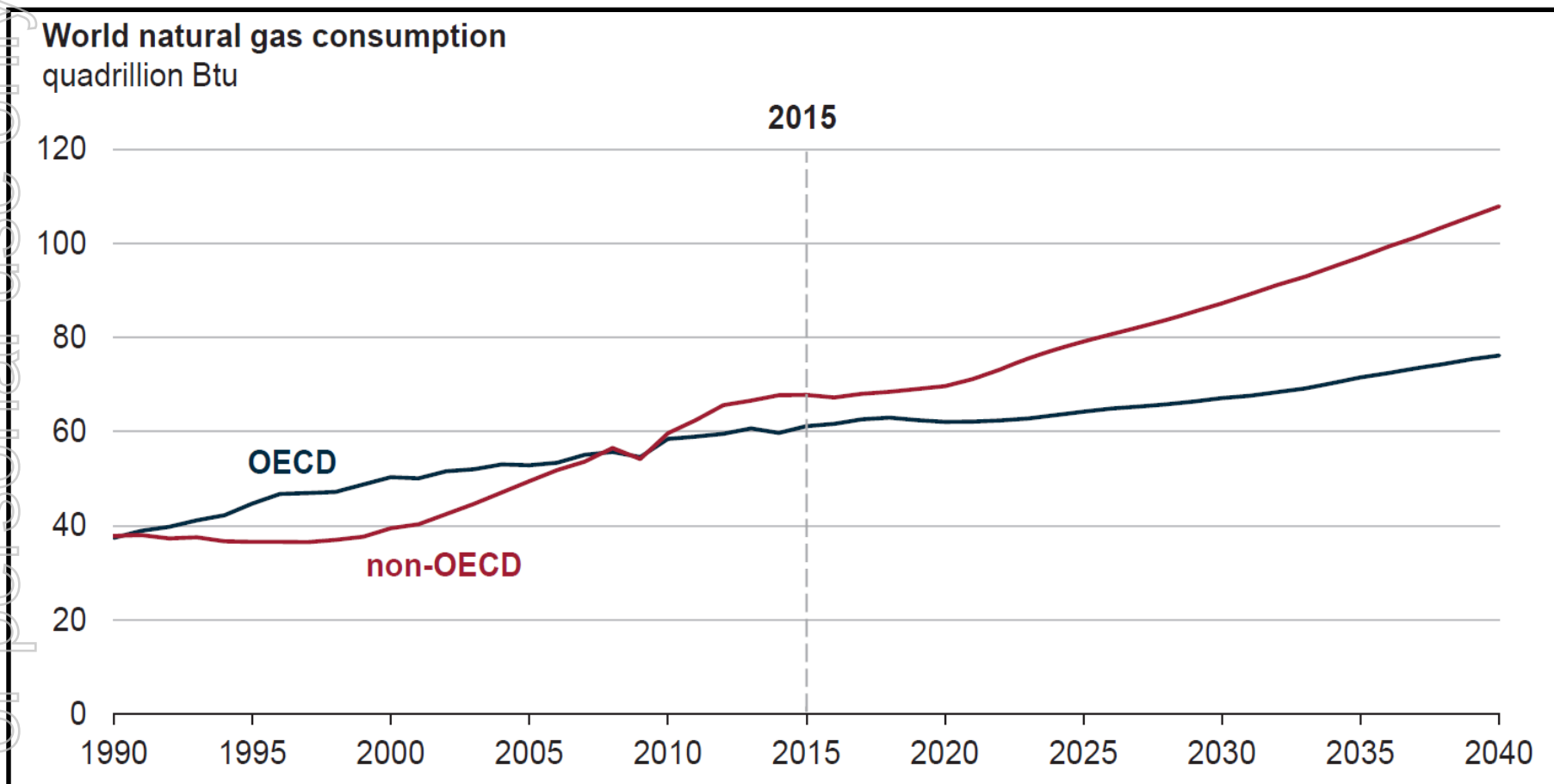


Particulates in one year from just one ship on bunker fuel = 52 million cars

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Global Gas Demand – On The Rise

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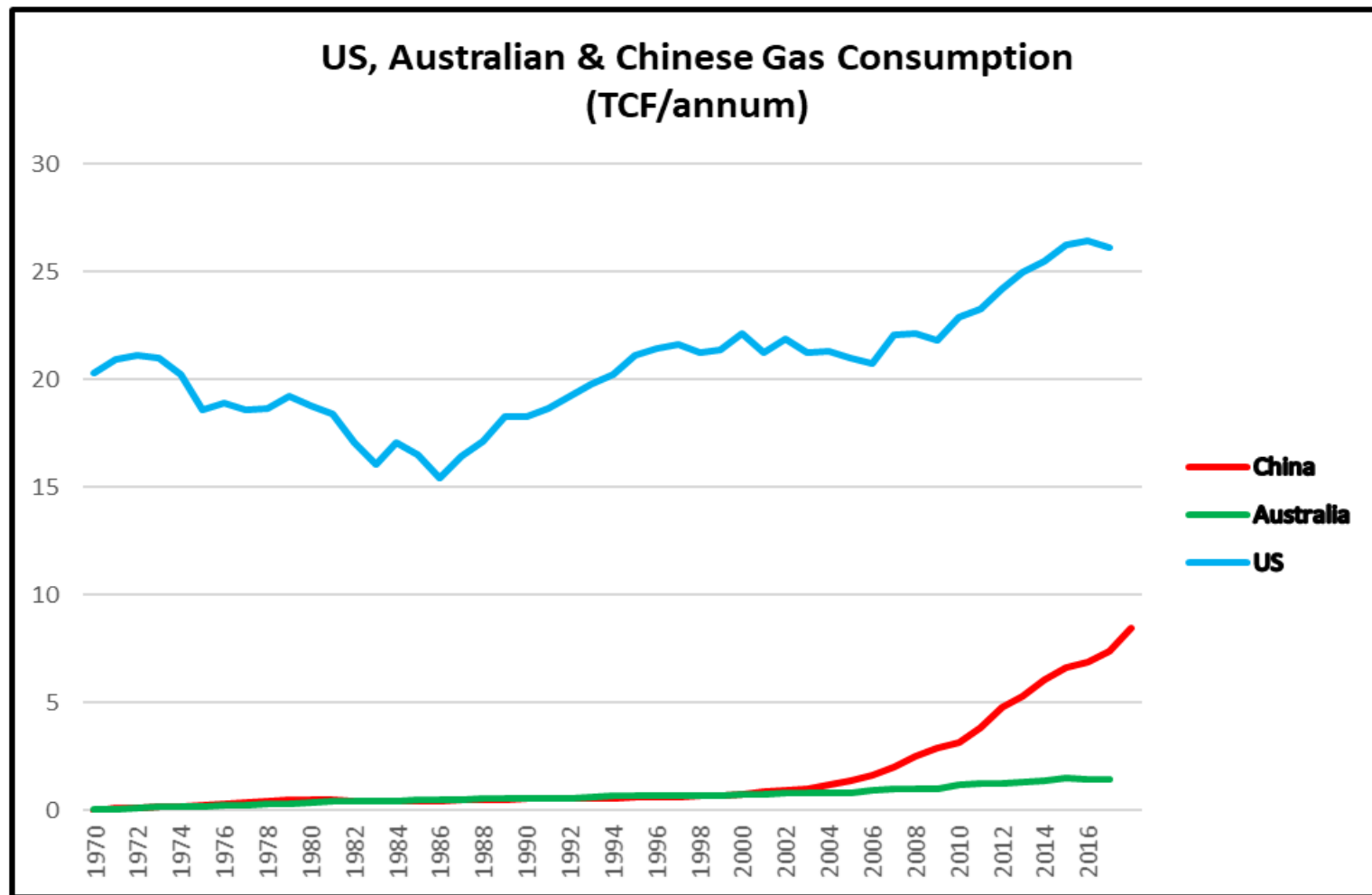


1 Quadrillion Btu = 10^{15} Btu = 1,055 PJ

Global gas consumption = 136,000 PJ in 2017

Source: EIA 2017/BP Statistical Review June 2018

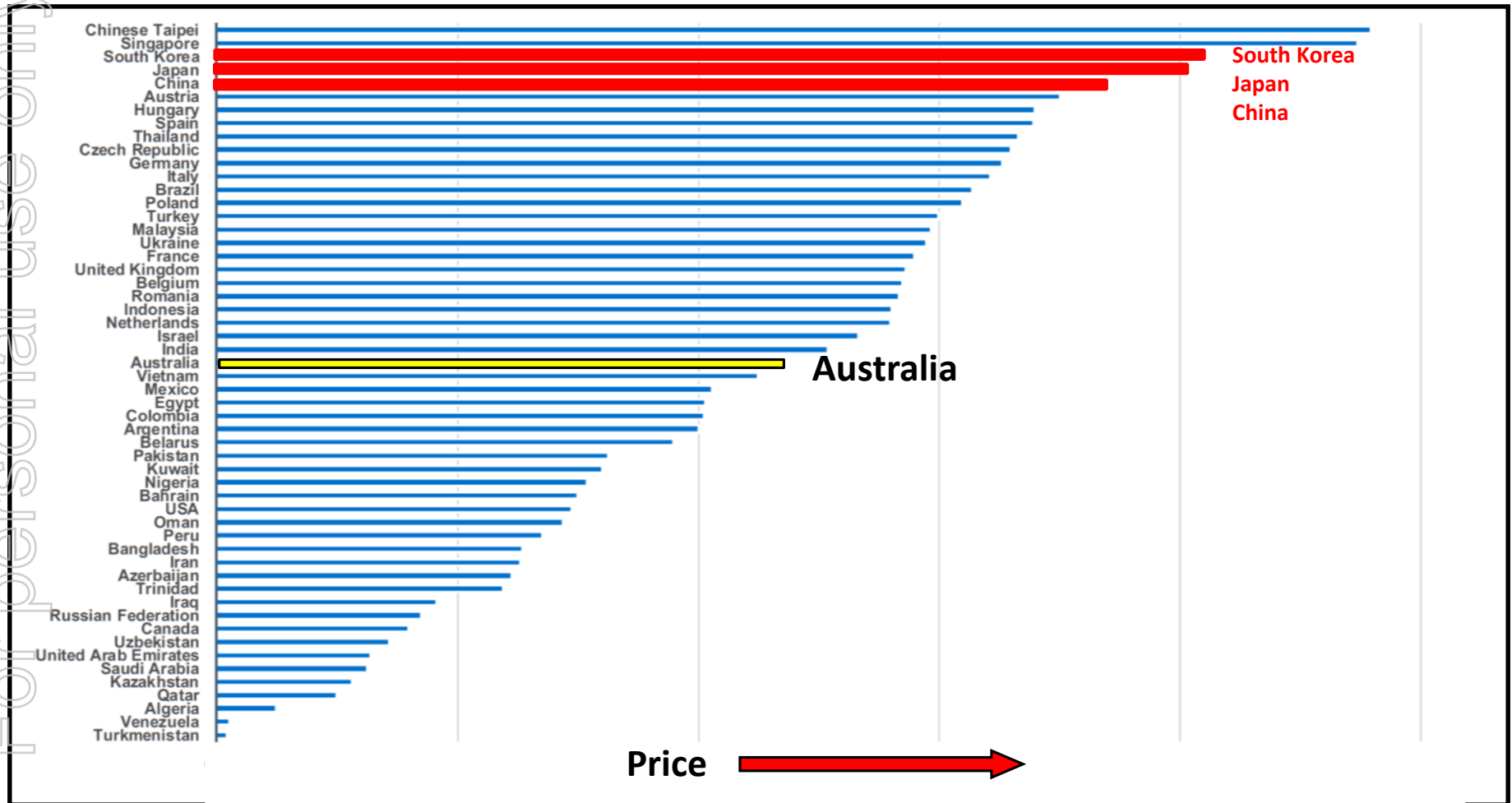
China Needs Gas and is Growing Fast



Data from: BP Statistical Review June 2018

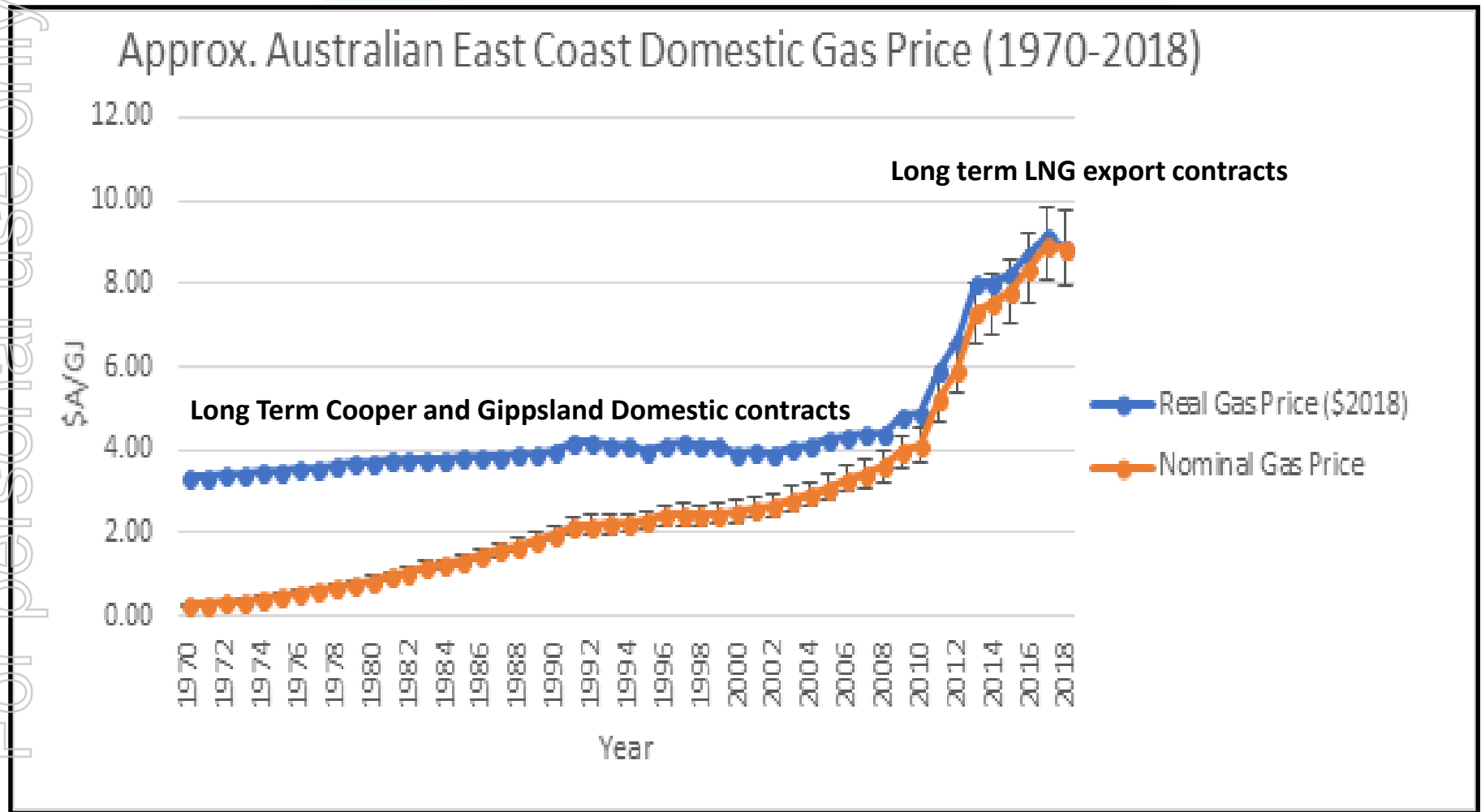
Global Wholesale Gas Prices-2017

We do NOT pay more than our LNG customers



Source: International Gas Union 2018

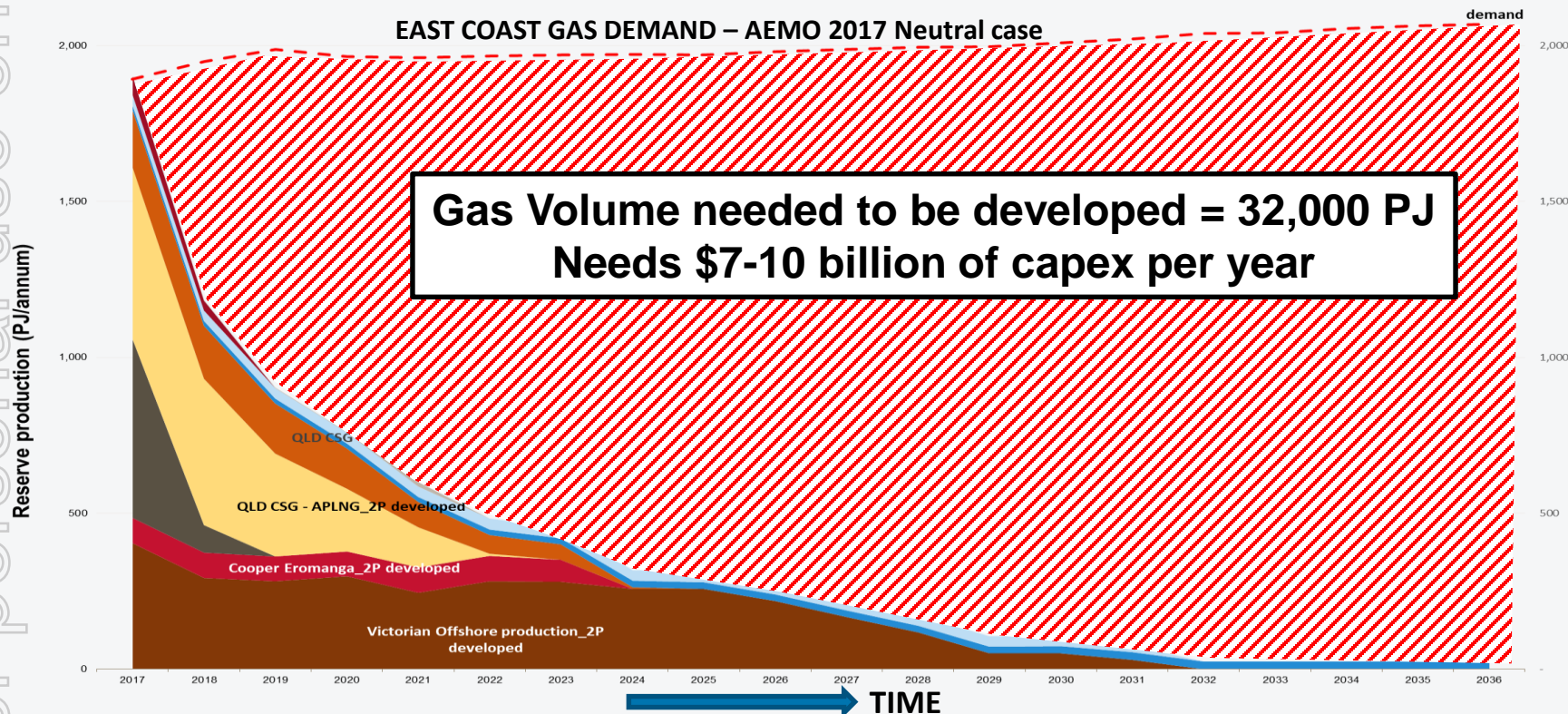
Demand drives East Coast gas price



Wholesale gas is \$8-10/GJ...for now – but watch this space

Australian East Coast Gas Reserves not in good shape

EAST COAST GAS DEMAND – AEMO 2017 Neutral case



Current 2P Developed East Coast Gas Reserves vs demand

Victorian Offshore production_2P developed Cooper Eromanga_2P developed QLD CSG - APLNG_2P developed QLD CSG - QCLNG_2P developed QLD CSG - GLNG_2P developed
Moranbah_2P developed QLD CSG - Arrow_2P developed QLD CSG - Other_2P developed Surat-Bowen-Denison_2P developed demand

Modified after AEMO GSOO March 2017

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Blue Is Well Positioned

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- Blue Energy has large uncontracted **certified** gas reserves and resources
- The domestic and export LNG markets continue to be **short gas**
- Domestic Gas Prices – LNG imports/North Asian spot will set the East Coast floor price (Wood MacKenzie)
- Domestic Gas Demand will grow - to stabilise our electricity grid
- Blue has upside in the portfolio (NT, Galilee Basin)

Blue Energy Snapshot

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- **Operatorship and control**
- **Strong Board**
- **Low overhead**
- **Low finding cost**
- **Large acreage position in breaking play**

ASX Code	BUL
2P Reserves (NSAI)	71 Pj/Bcf
3P Reserves (NSAI)	298 Pj/Bcf
3C Contingent Resource (NSAI)	3,942 Pj/Bcf
Cash (1 April 2018)	\$3.0 million
Market Cap (17 July 2018)	~\$115 million
Net Acreage	24.1 million acres (~100,000 km ²)

Why invest in Blue Energy?

Blue's Reserves and Resources have increased in value

because

East Coast Gas Demand has tripled in 10 years and
Domestic Gas Price has tripled in 10 years

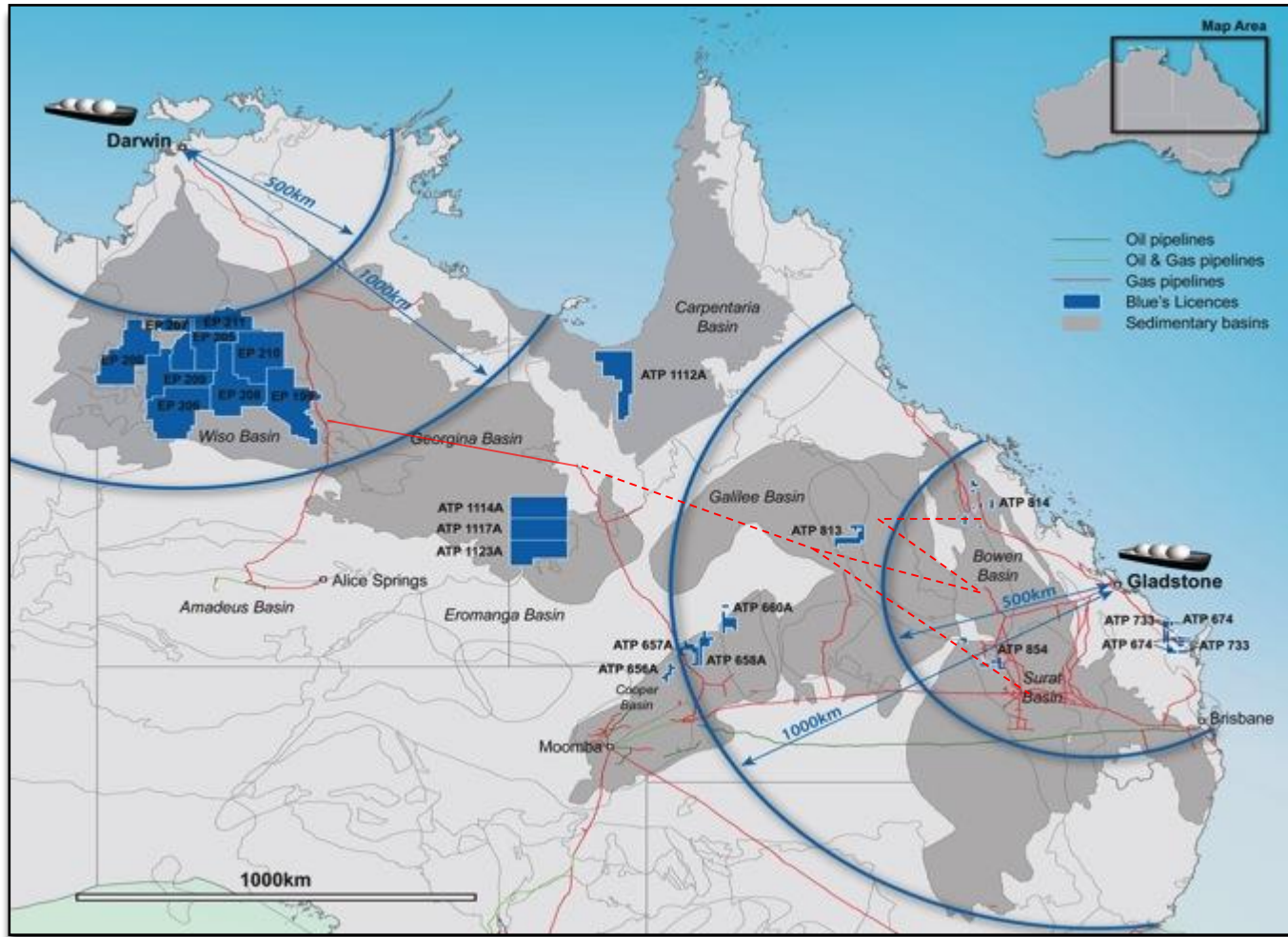
Ripe to monetise

Year	Domestic Gas Price	2P Value (in ground)	Domestic gas shortage?	Export LNG feed gas shortage?
2008	\$3.50/GJ	\$1.62/GJ av	No	N/A
2018	\$8-12/GJ	?3x \$1.62/GJ	Yes*	Yes

* AEMO 2017 and Wood Mackenzie 2018

Blue Energy's Assets

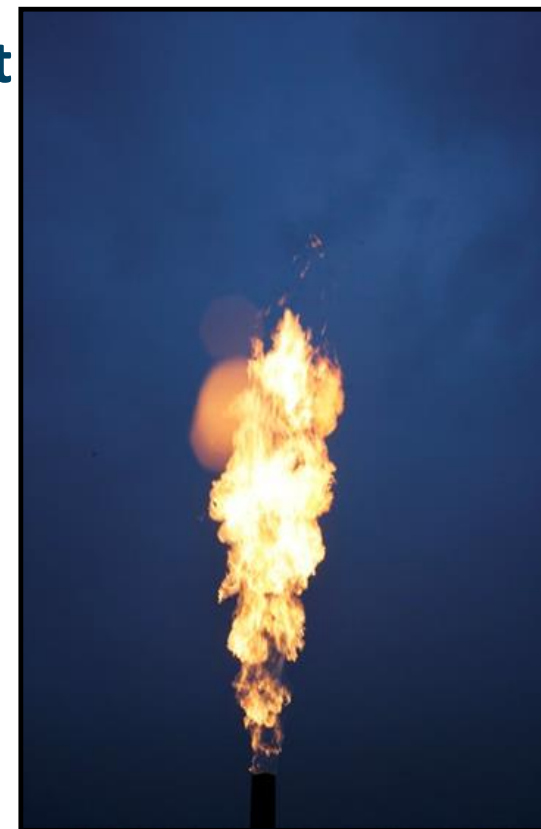
(lots of upside)



Blue's Bowen Gas adjacent to existing Super Major production

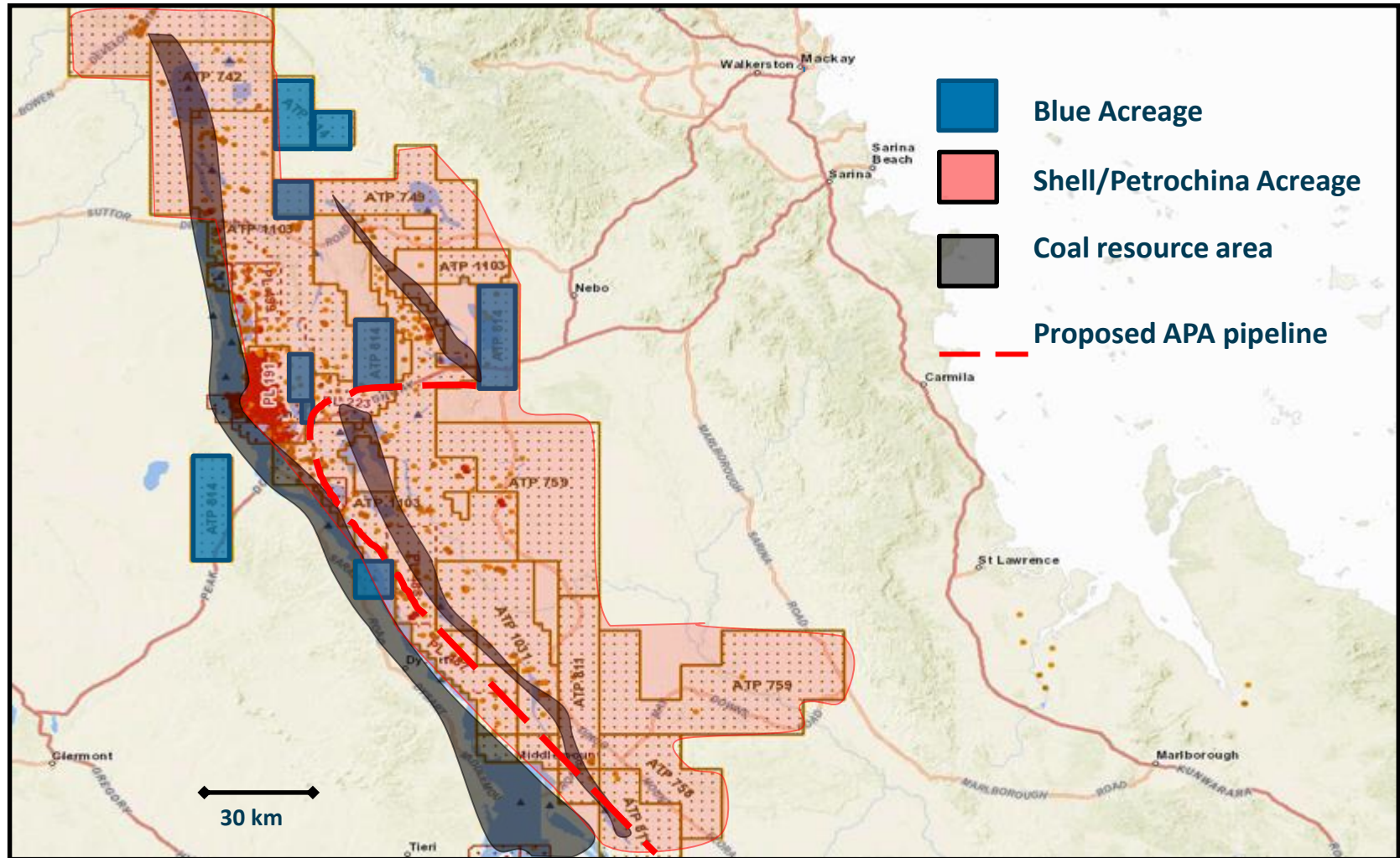
- Area currently produces ~40 TJ/day
- Area supplies gas to Townsville
- Super Majors have Govt approved development plan for LNG sized volumes

Blue's Monslatt 6



Bowen Gas Province

Blue's 3,000 PJ surrounded by Super Majors



Why invest in Blue Energy?

- Blue has large certified gas reserves in a producing basin
- Adjacent to Super Majors with approved development plan for 6,625 wells
- Domestic and International gas demand is high
- Gas prices reflect high demand
- Blue's focus is on negotiating the sale of our gas reserves

Blue's 12 month Catalysts

- **Bowen Gas Project gets FID – up to 6,625 wells**
- **Bowen Gladstone Pipeline gets FID – open access**
- **Blue executes Gas Sale Agreement**

Blue is well positioned to capitalise on global and domestic demand

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