



CSG-LNG Conference

John Phillips – Managing Director

3 December 2010

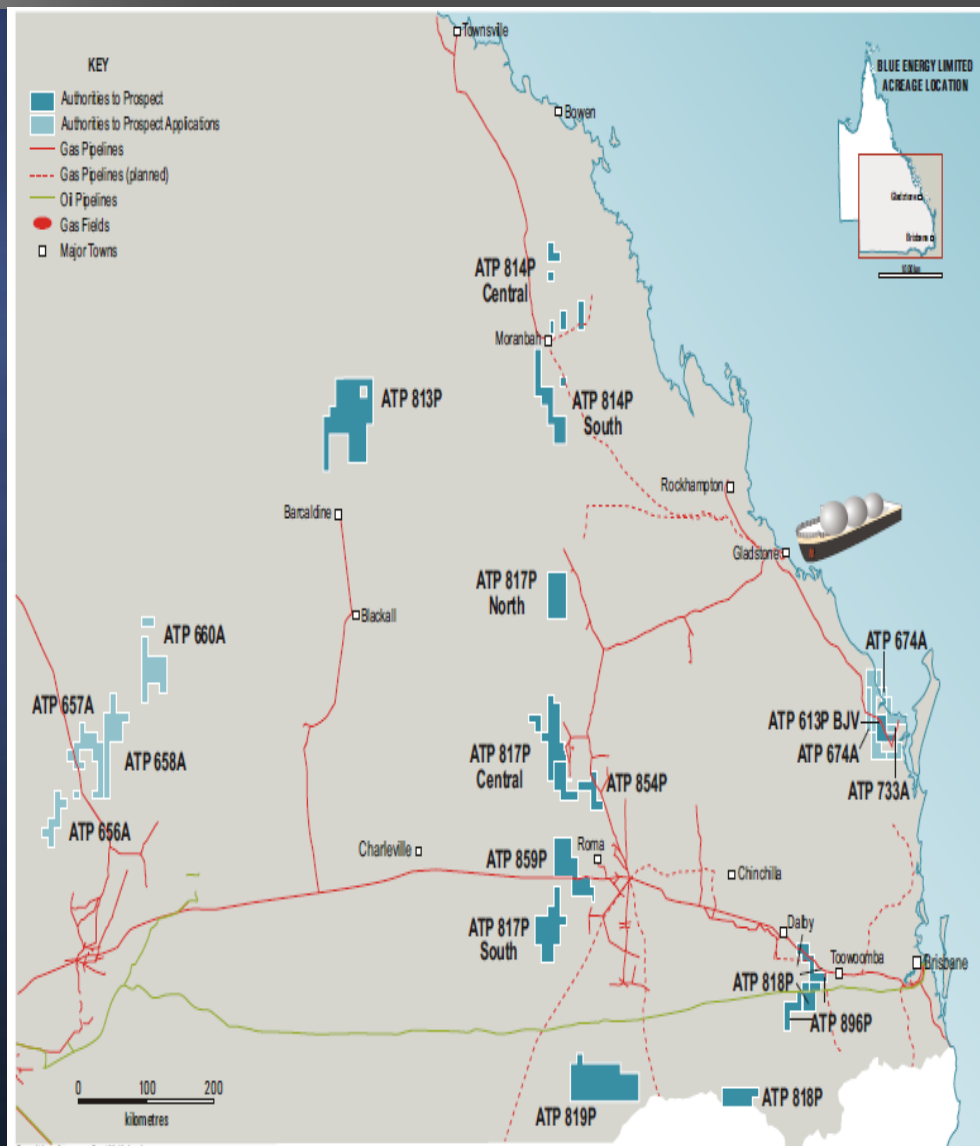
BLUE ENERGY LIMITED

Employees	15
Shares on Issue	647.5m
Market Capitalisation	\$71m*
Cash	\$18m
Shareholders	6,192
Coal Seam Gas Acreage	21,049km ²

SIGNIFICANT SHAREHOLDERS

ANZ Nominees	17.6%
Stanwell Corporation	13.5%
KOGAS	9.7%

*As at 29 November 2011



Board

Mr. Peter Cockcroft (Chairman)	:International Gas and LNG veteran
Mr. John Phillips (CEO & MD)	:Technical and Management background in petroleum and CSG
Dr. Paul Massarotto (NED)	:Technical specialist and research background
Mr. Garry Button (NED)	:Finance and accounting expertise
Mr. Heung Bog Lee (NED)	:Engineering expertise in global LNG

Management

John Phillips (CEO & MD)	:Geologist with 27 years oil and gas experience
Stuart Owen (CFO & Comp Sec)	:Energy industry finance and accounting background
Clif Hefner (E&P)	:International O&G and Australian CSG experience
James van Rooyen (Drilling)	:Domestic and International drilling background

- NSAI certifies Contingent Resource of 3,142 PJ (GIP) at Monslatt .
- NSAI certifies Shale Gas Prospective Resource of 3,630 PJ (GIP) at Monslatt.
- Multi rig exploration drilling program across 3 permits – 17 wells drilled.
- KOGAS and Blue execute midstream MOU to look at feasibility of small scale LNG/CNG for transportation sector.
- Negotiated and executed 2 Native Title Agreements in the Maryborough Basin.
- Repayment of \$3 million convertible note.
- No serious injuries sustained by staff and no significant environmental incidents.



- Zero Recordable Staff Lost Time Injuries (YE June 2010).
- Zero Recordable Contractor Lost Time Injuries (YE June 2010).
- Zero significant environmental incidents (YE June 2010).
- Clean Regulator Environmental Audit for activities in strategic cropping areas.
- Pro-actively engaged in Galilee Basin aquifer study.

ATP814P Block	Interval	Contingent Resource PJ's (GIP)		Prospective Resource PJ's (GIP)	Certifier
		2C	3C		
Monslatt	Coals	1,206	1,937		NSAI
	Shales			3,630	NSAI
Central	Rangal			1,100	Internal
Sapphire	Moranbah			725	Internal
	Rangals			148	Internal
Totals		1,206	1,937	5,603	

Implied recoverable resource (2C + 3C) = 1,295 PJ

- ATP 814P – Monslatt Block
 - delineation of the gas resource
 - conversion of contingent resource to reserves
 - commercialisation of gas resource
 - including gas offtake agreements/power/mini LNG/export LNG
- ATP 813P Galilee Basin – broad exploration program for initial resource estimate and pilot well location.
- Maryborough Basin – securing tenure and planning coring and pilot well drilling campaign.

17 CSG Wells drilled

ATP 814P – Bowen Basin

Core/Strat holes:

Monslatt 3, 5, 6;
Sapphire 2 & 3;
Kerlong 1;

Pilot Holes:

Monslatt 4, 5P, 6P, 7, 8H;
16km 2D

ATP 813P – Galilee Basin

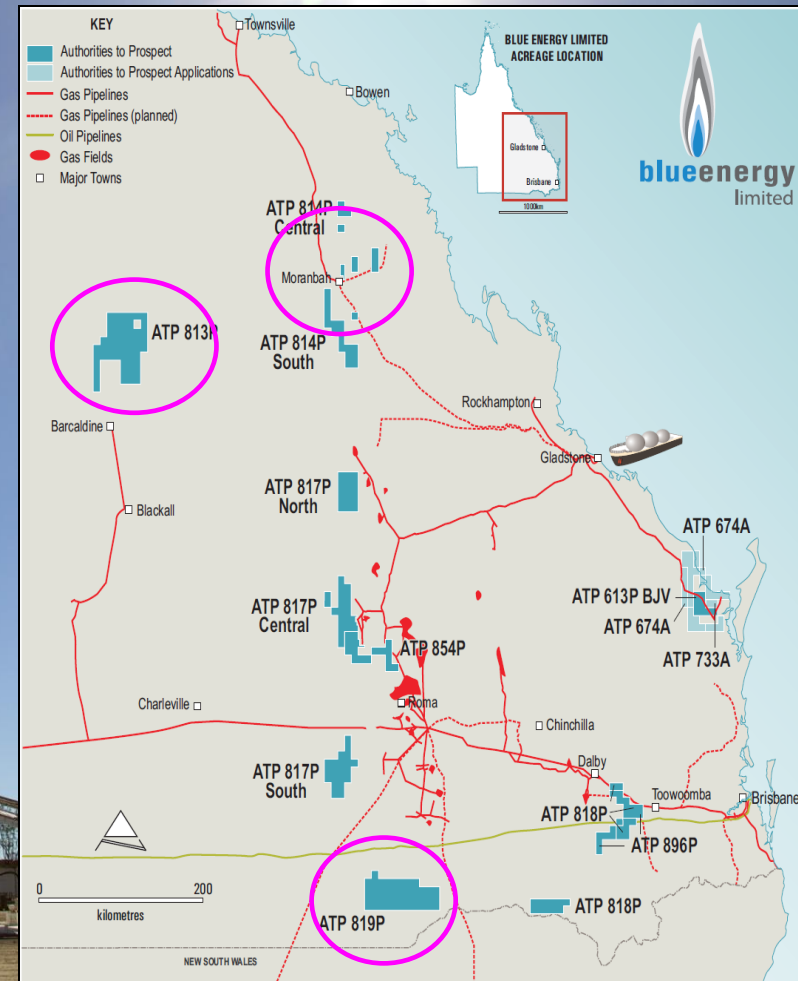
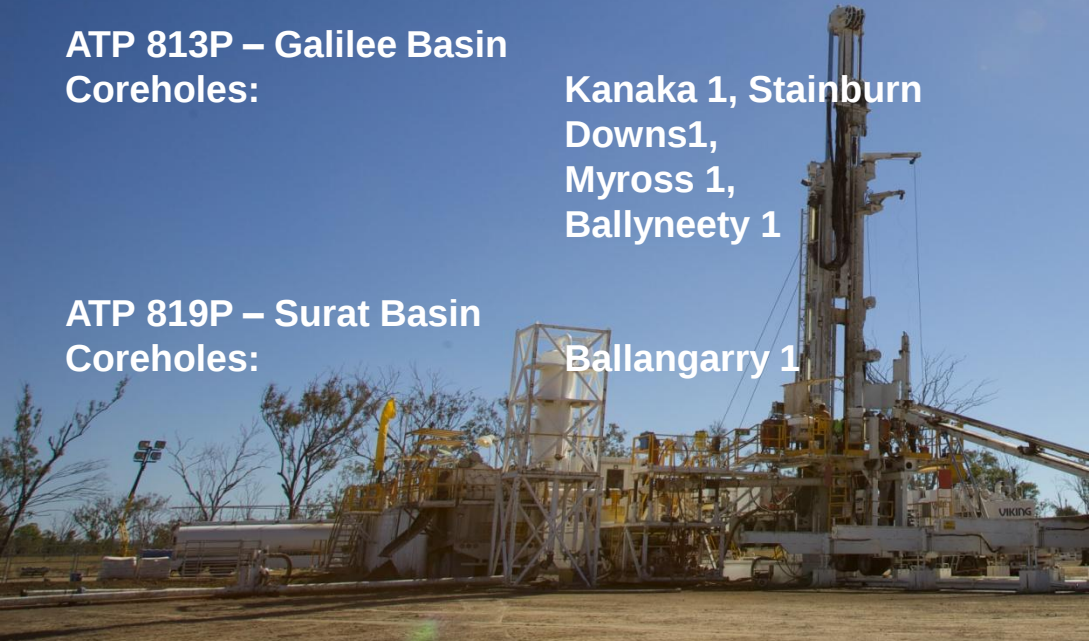
Coreholes:

Kanaka 1, Stainburn
Downs1,
Myross 1,
Ballyneety 1

ATP 819P – Surat Basin

Coreholes:

Ballangarry 1



Monslatt

3 core holes and
2 chip holes drilled and established:
CSG Resource

- 3,143 PJ 2/3C (GIP)

Shale Gas Resource

- 3,630 PJ PR (GIP)

In total 1,295 PJ of implied
recoverable 2C+3C

High gas content (up to 23m³/tonne)

Good net coal intersections - 30+m

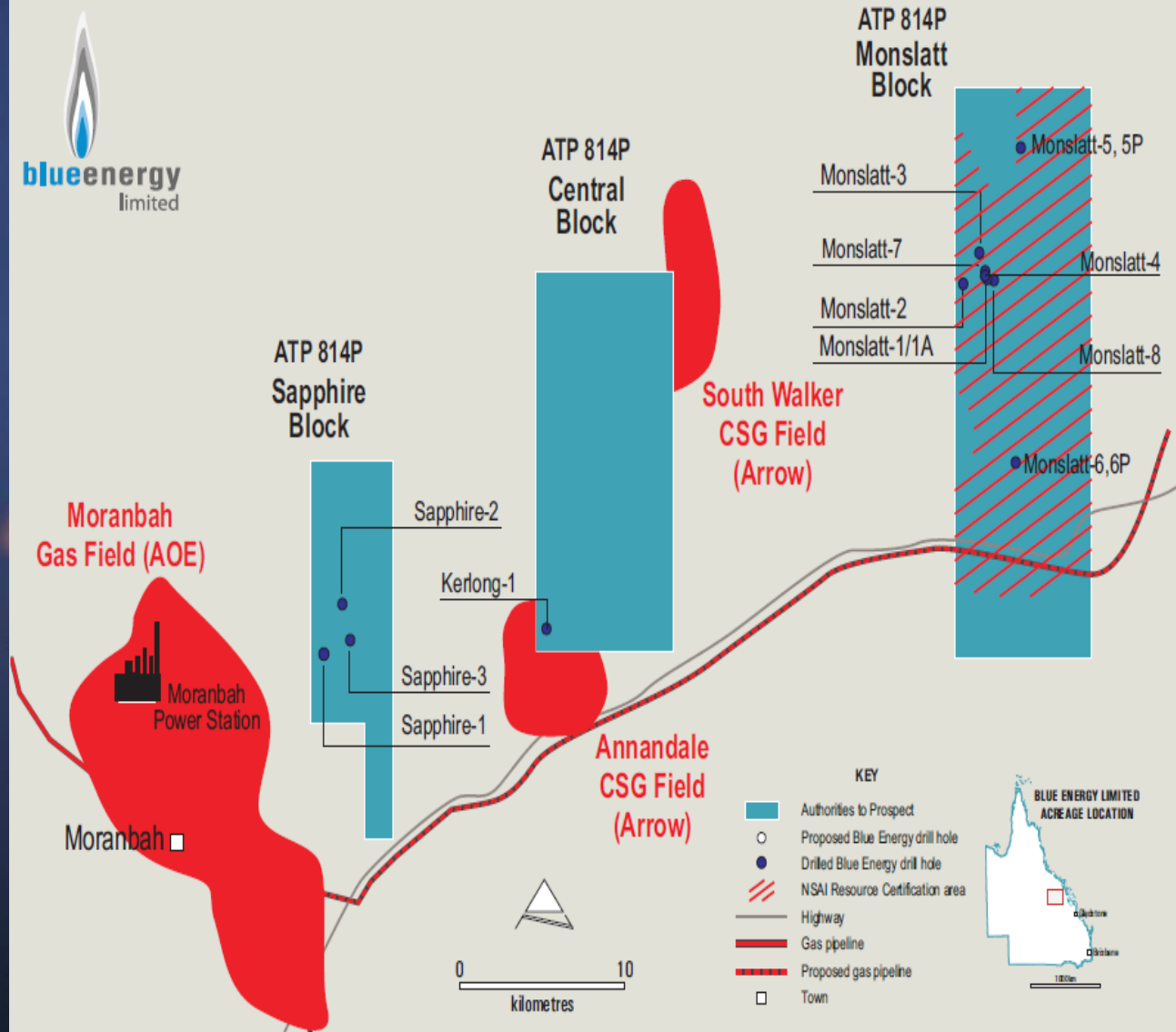
Pilot Production Holes:

Monslatt 4, 5P, 6P, 7, 8H

- awaiting completion

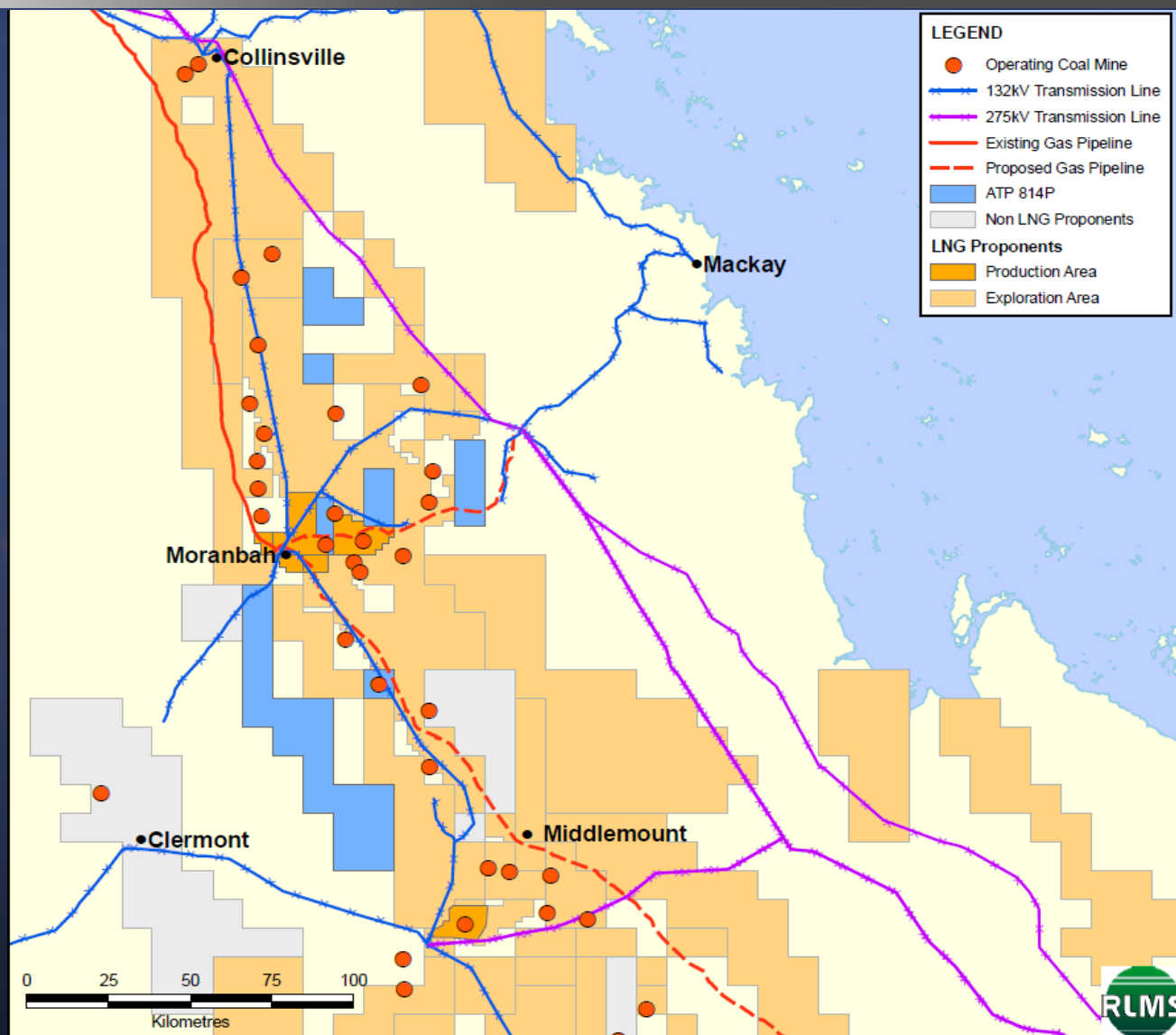
A variety of drilling and completion
styles attempted:

- Vertical – air drilled/under-reamed
- Vertical – radial pattern - underway
- Horizontal – surface to in-seam style
- No fracture stimulation



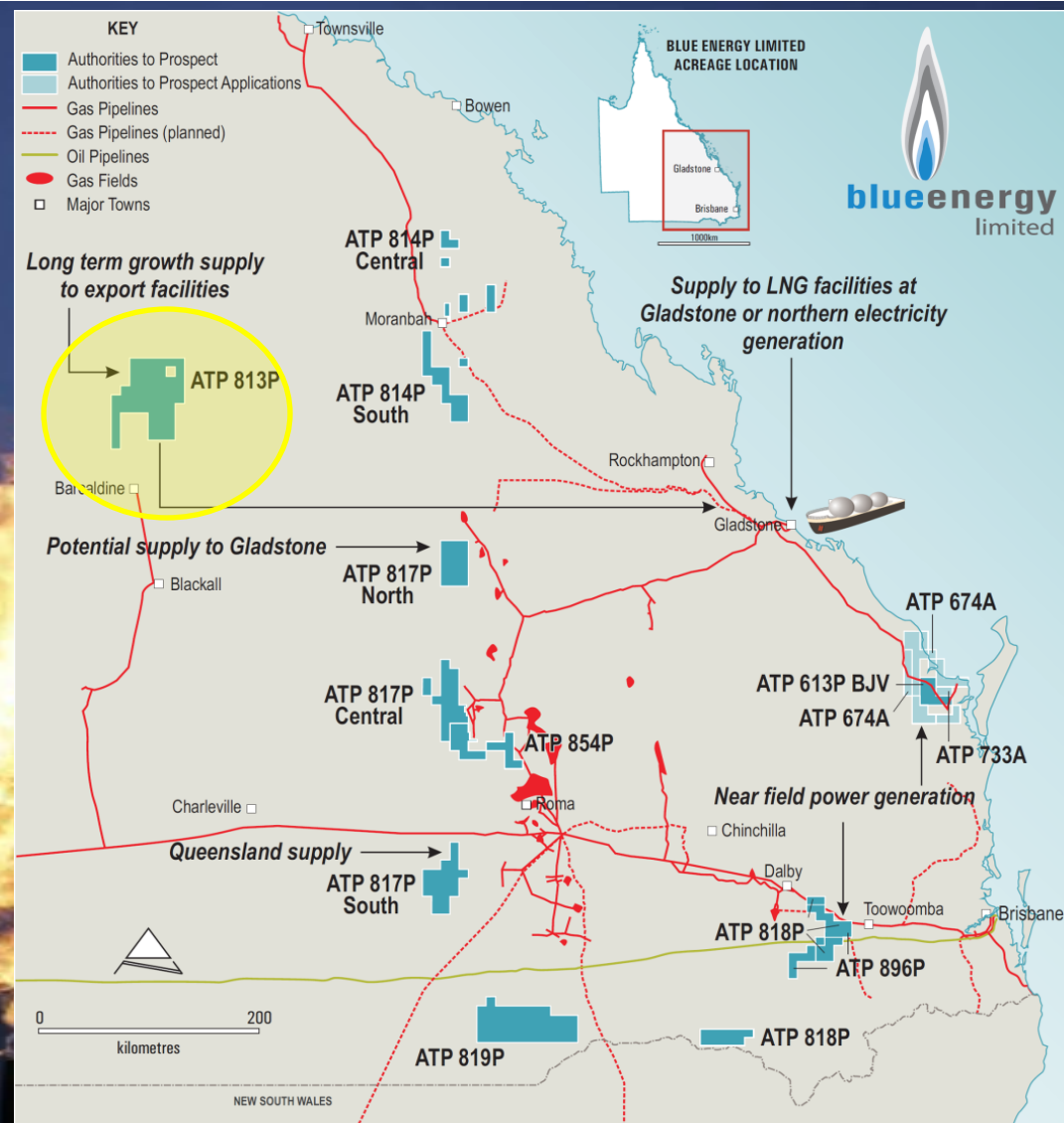
ATP 814P

- Surrounded by LNG tenements (BG and Shell).
- Relatively close to electricity grid interconnects.
- Disconnected from the SE Qld gas market.
- Close to existing operating coal mines.
- Proposed new coal mines will require power.
- Potential market for Mini LNG.



ATP 813P

- **Area:** 4,139 km²
- **Permit Granted:** 1 March 2006
- **Holding:** 100%, 12 years
CSG and conventional
- **Gas In Place:** 15.3 Tcf
- **Coal Seams:** Aramac Coal measures
Betts Creek – Permian
- **Work Completed:** Carolina 1, 65km seismic
Kanaka 1, Stainburn Downs 1,
Myross 1, Ballyneety 1
- **Offset Data:** Rodney Creek pilot wells (5)
- **Infrastructure:** 70km from the
Barcaldine power station
- **Target Market:** Export LNG



ATP 813P

First phase of exploration program Completed.

Coreholes:

Kanaka 1

Net Coal = 27m
Gas Content = 4-6m³/tonne

Stainburn Downs1

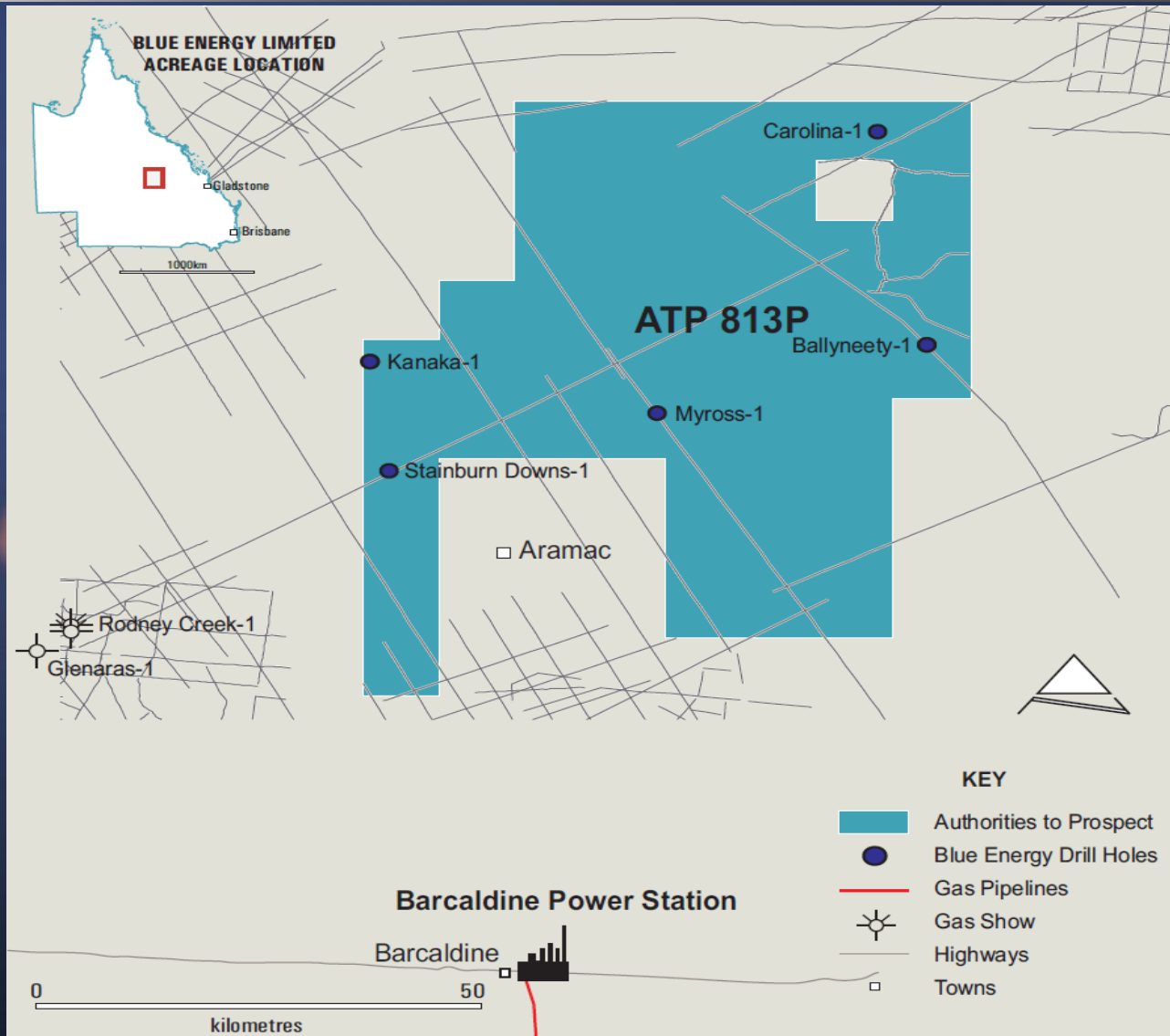
Net Coal = 21m
Gas Content = 4-6m³/tonne

Myross 1

Net Coal = 18m
Gas Content = 4m³/tonne

Ballyneety 1

Net Coal = 12m
Gas Content = 3m³/tonne



- **Bring Monslatt Pilot wells on line – reserve certification.**
- **Expand reserves base - Central and Sapphire Blocks of 814P.**
- **Negotiate and execute Gas Sales Agreements for Monslatt gas.**
- **FEED for gas field development.**
- **Continue Galilee Basin exploration program.**
- **Commence activity in Maryborough Basin.**
- **Negotiate Native Title Agreements for western Qld blocks.**
- **Assess strategic growth opportunities.**
- **Ensure adequate funding is maintained.**

This presentation may contain forward looking statements that are subject to risk factors associated with the gas and energy industry. It is believed that the expectations reflected in the statements contained within are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to price and currency fluctuations, geotechnical factors, drilling and production results, development progress, operating results, reserve estimates, legislative, fiscal and regulatory developments, economic and financial markets conditions in various countries, approvals and cost estimates.



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