

Blue Energy Limited

Investor Presentation

March 2014

Disclaimer

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.

Competent Person Statement

The estimates of Reserves and Contingent Resources have been provided by Mr John Hattner of Netherland, Sewell and Associates Inc. Mr Hattner is a full time employee of NSAI, has over 30 years of industry experience and 20 years' experience in reserve estimation, is a licensed geologist, and has consented to the use of the information presented herein. The estimates in the report by 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 Society of Petroleum Engineers (SPE).

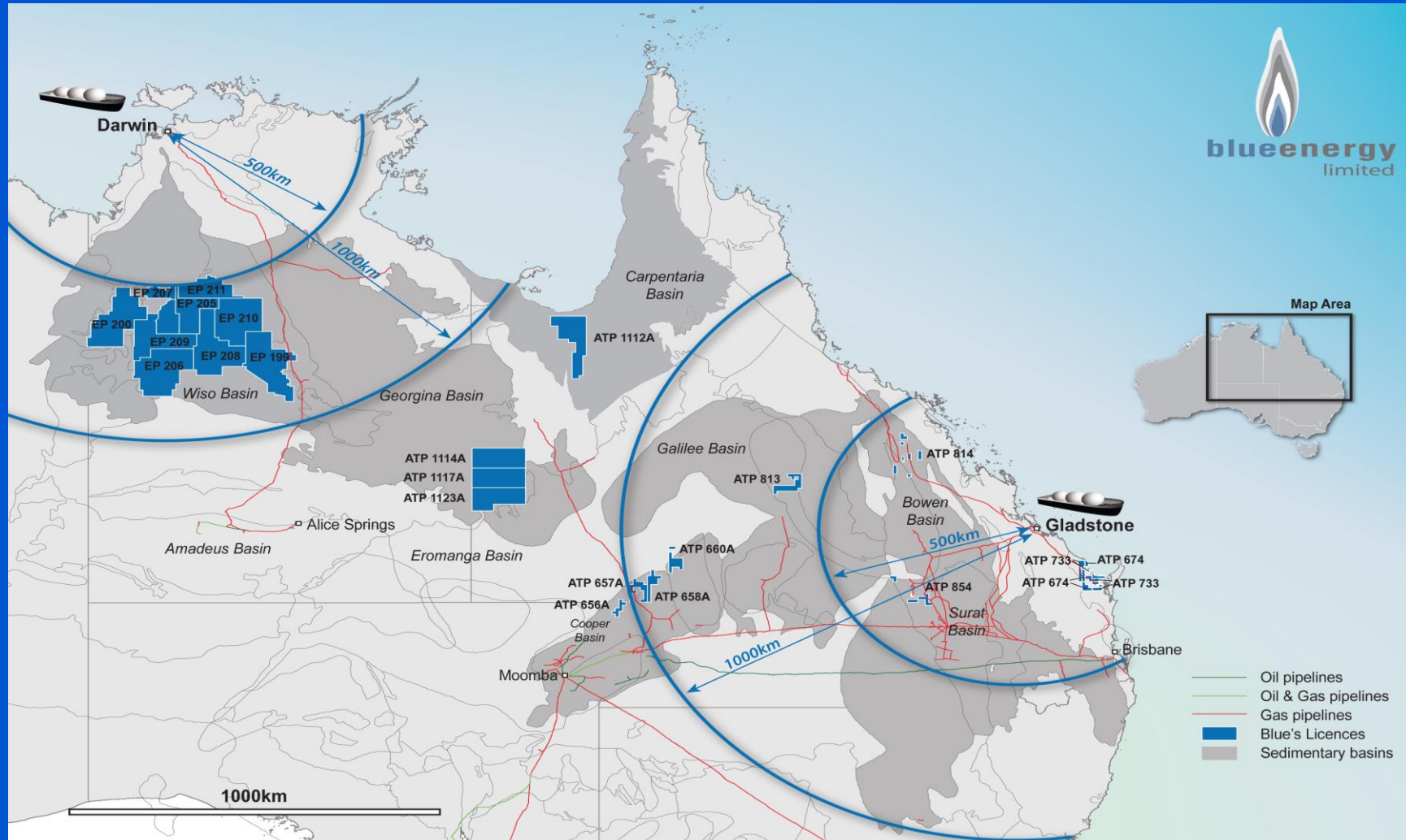
Reserves and Resources Position

Permit	Block	Assessment Date	1P (PJ)	1C (PJ)	2P (PJ)	2C (PJ)	3P (PJ)	3C (PJ)
ATP854P		30-06-12	-	22	-	47	-	101
ATP813P		31-12-10	-	-	-	42	-	548
ATP814P	Sapphire	31-12-12	-	75	50	127	178	224
ATP814P	Central	31-12-12	-	27	-	81	-	438
ATP814P	Monslatt	31-12-12	-	-	-	476	-	1,693
ATP814P	Lancewood	30-09-13	-	7	5	11	15	421
ATP814P	South	30-06-13	-	15	-	27	6	30
Total (PJ)			-	146	55	811	200	3,454
Total (bcf)			-	146	55	811	200	3,454

Strategic Investment Rationale

- Large acreage position in producing and emerging basins
- Uncontracted Gas Reserves
- East Coast gas shortage – rising gas prices
 - 6 LNG trains - supply shortage
 - Dom gas shortage Qld/NSW
- North Coast gas shortage
 - NT Short Dom Gas
 - Bayu-Undan reserves downgrade
- Wiso Basin acreage – now includes expanded McArthur Basin plays
- Georgina and Cooper Basin play exposure – ongoing and new drilling

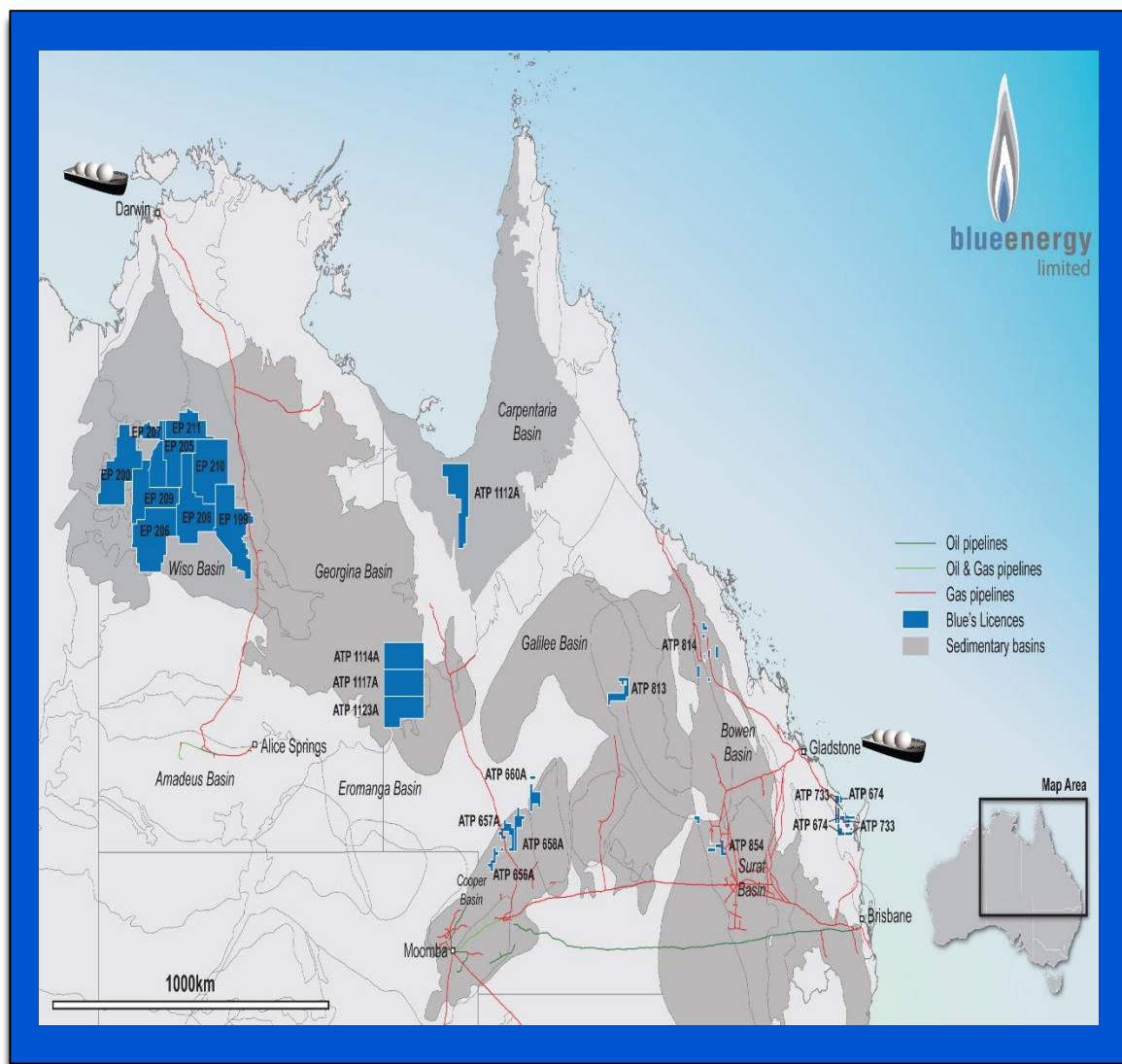
Strategic Investment Rationale



Corporate Snapshot

ASX	BUL
2P Reserves (NSAI)	55PJ (55 bcf)
3P Reserves (NSAI)	202PJ (202 bcf)
Contingent Resource	3,501PJ 3C (3.5 tcf)
Cash (31 st Dec 2013)	\$14 million
Acreage (net)	~89,880km ² (22.2 million acres)
Employees	6

- Operator of all acreage held
- Uncontracted gas reserves
- Adjacent to LNG proponents
- Diversity of basins and plays
- Natural gas and oil portfolio



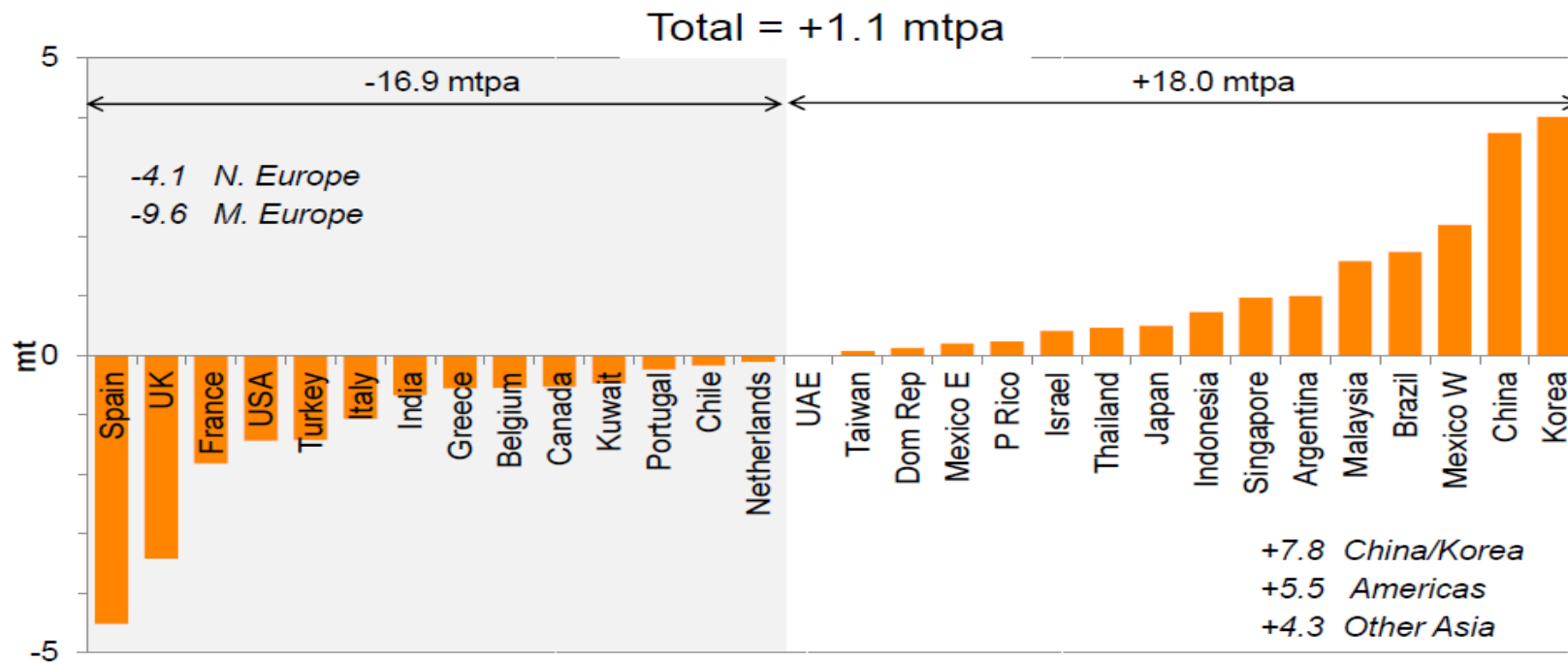
Scorecard

	2013	2014	
BUL Market Cap	\$38 million	\$64 million	✓
Cash Position	\$17 million	\$14 million	✓
Enterprise Value	\$21 million	\$50 million	✓
Wells Drilled (Cumulative)	39	41	✓
Metres Drilled (Cumulative)	29,000	30,800	✓
LTI	Zero	One	✗
Net Acreage (acres)	13.3 million	22.2 million	✓
2P Reserves (PJ) NSAI	0	55	✓
3P Reserves (PJ) NSAI	75	201	—
3C Resource (PJ) NSAI	2,788	3,501	—

Global LNG Demand

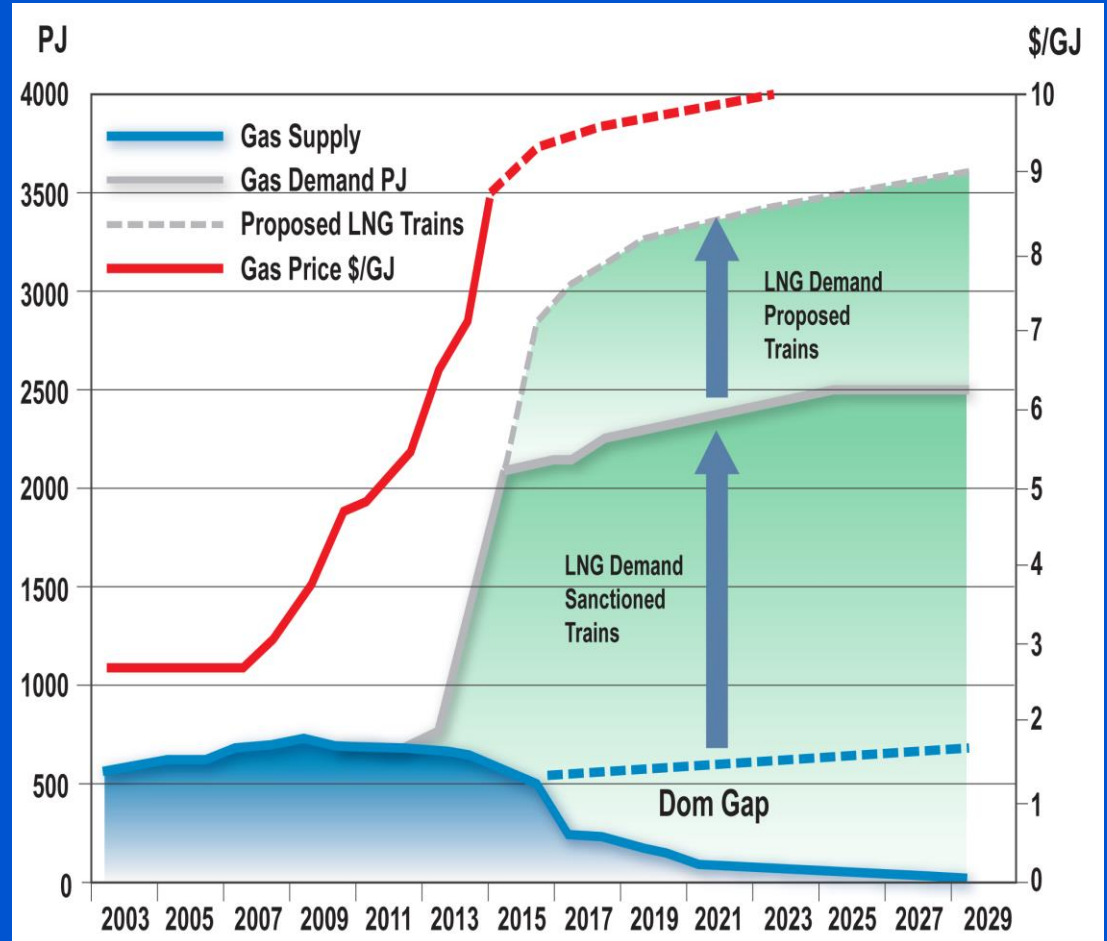
Markets: 2013 YOY

BG GROUP 



East Coast Gas Supply

- Domestic gas contracts rolling off 2015-2017
- Steep demand rise by end 2014
- QCLNG now in commissioning phase
- Dom gas competes with LNG on price and supply
- Uncontracted reserves now of greater value
- Gas end users entering upstream activity and risk



After SKM/MMA 2011; AEMO 2012

Natural Gas Portfolio

Proven and potentially productive basins

■ Acreage in producing basins:

Cooper: 5,191km²

Bowen/Surat: 1,917km²

■ Acreage in frontier basins:

Georgina: 21,300km²

Carpentaria: 8,161km²

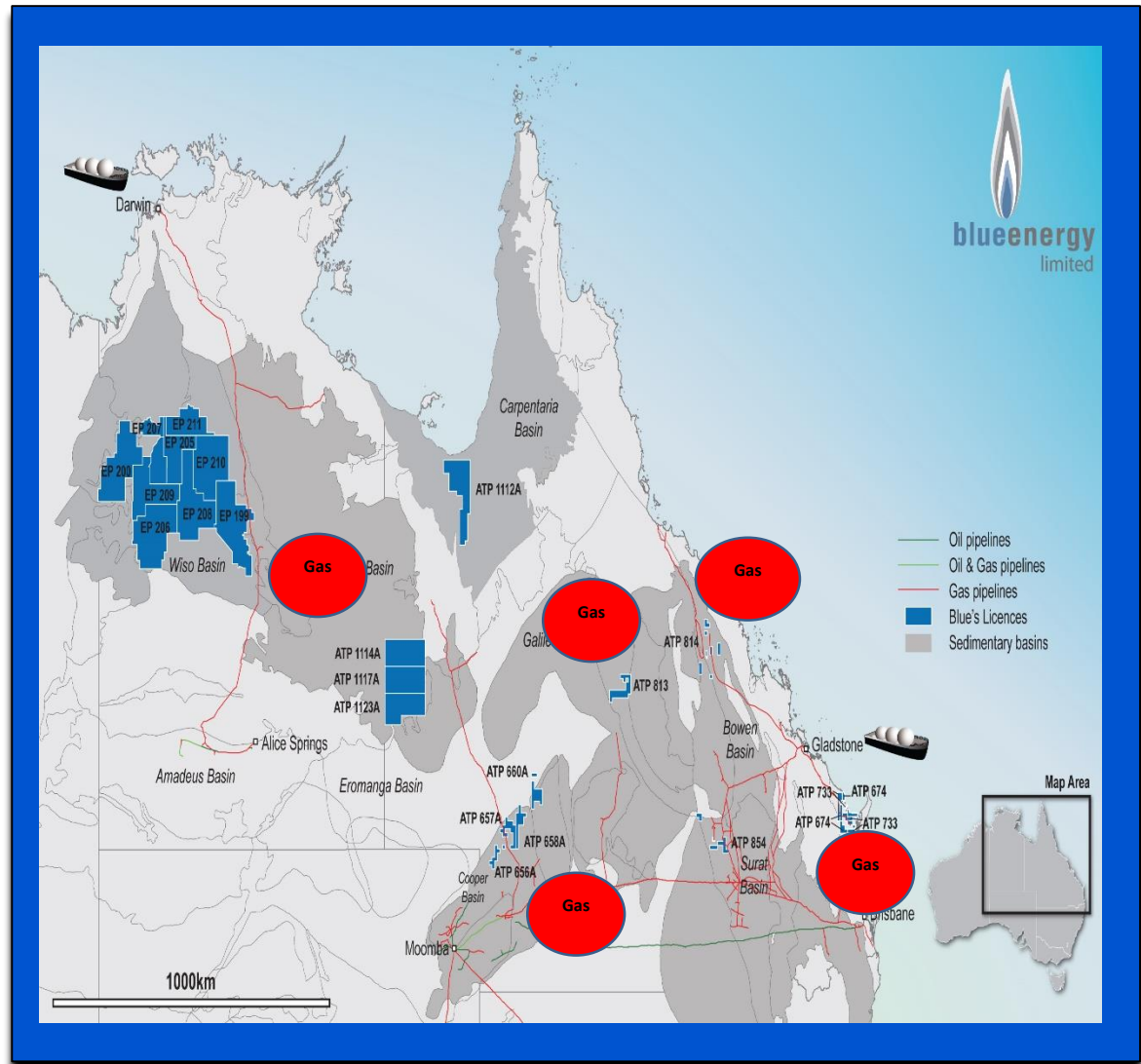
Maryborough: 2,900km²

Galilee: 2,079km²

Wiso: 48,332km²

Total Acreage 89,880km²

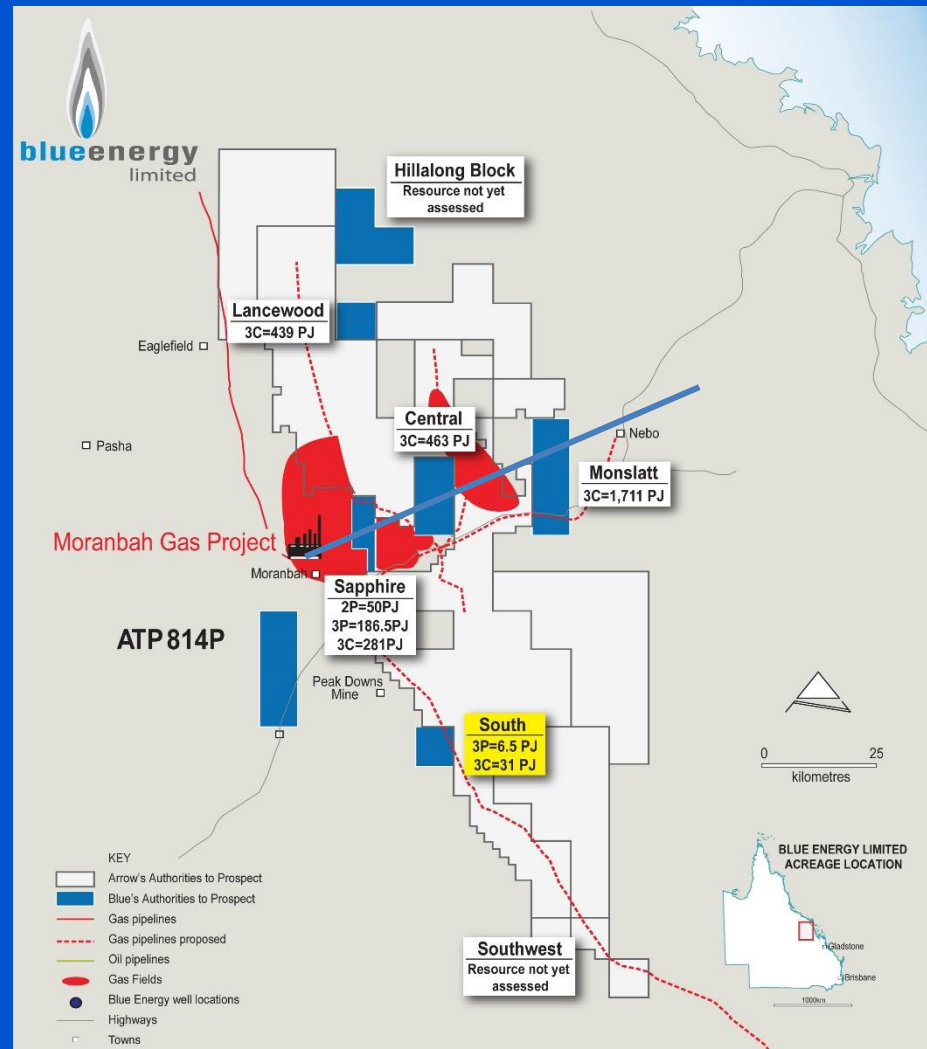
(22.209 million Ac)



East Coast Gas

ATP814P- Bowen Basin

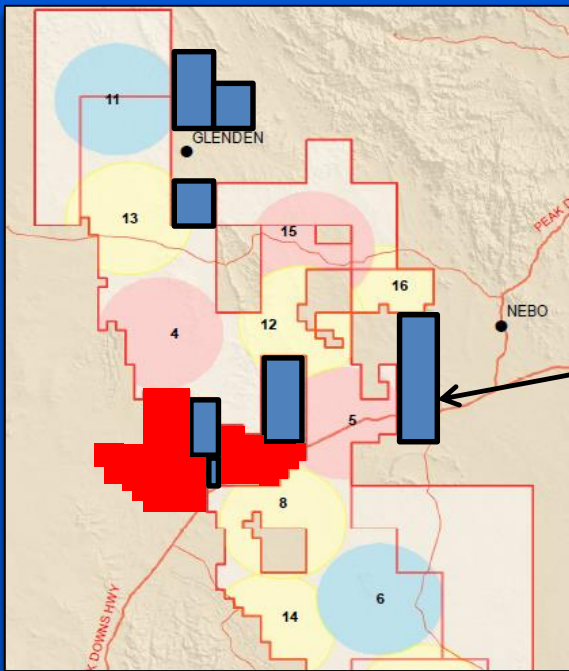
- Blocks surrounded by Arrow's Project area
- 814P Un-contracted Gas Resources and Reserves (NSAI)
 - 2P: 55PJ (55 bcf)
 - 3P: 202PJ (202 bcf)
 - 3C: 2,768PJ (2.77 tcf)
- Adjacent activity drives Blue's gas resource growth with minimal BUL expenditure



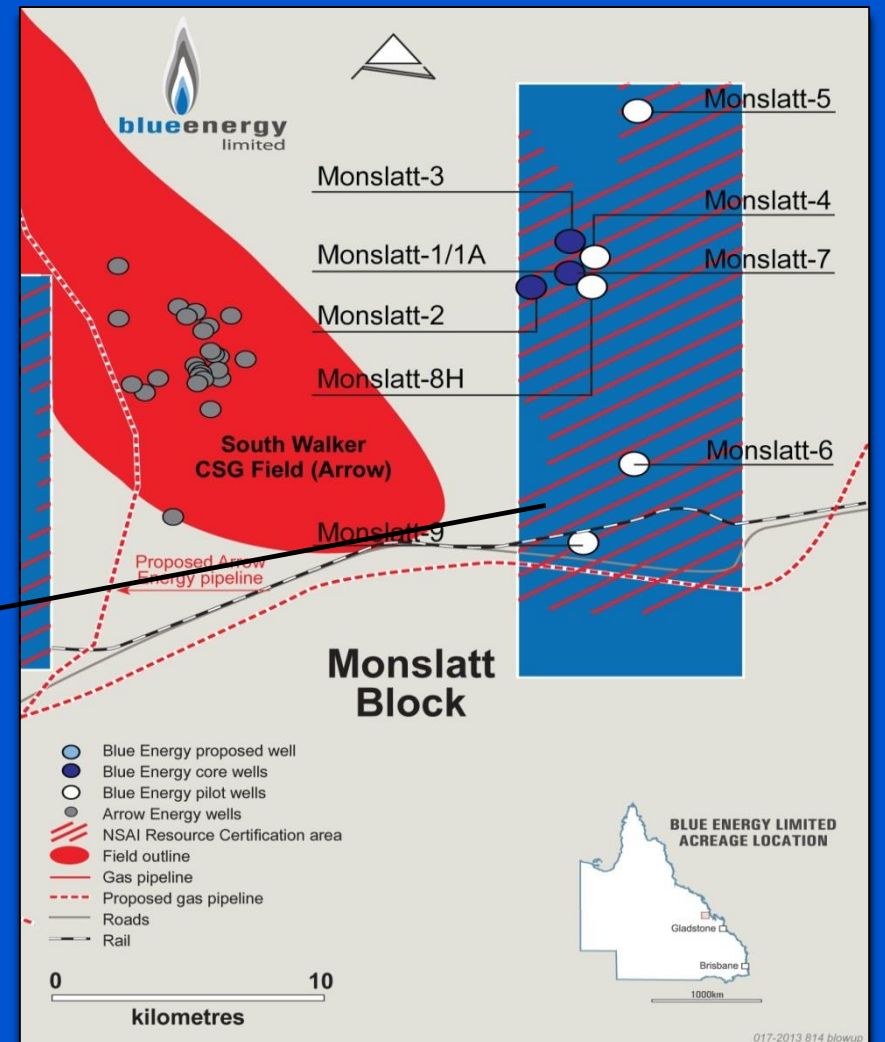
East Coast Gas

ATP814P - Bowen

- Large Contingent Resource base
- Adjacent to proposed gas gathering and export facilities of LNG feed gas project
- Shell/Petrochina need to get Gas to Gladstone to monetize asset

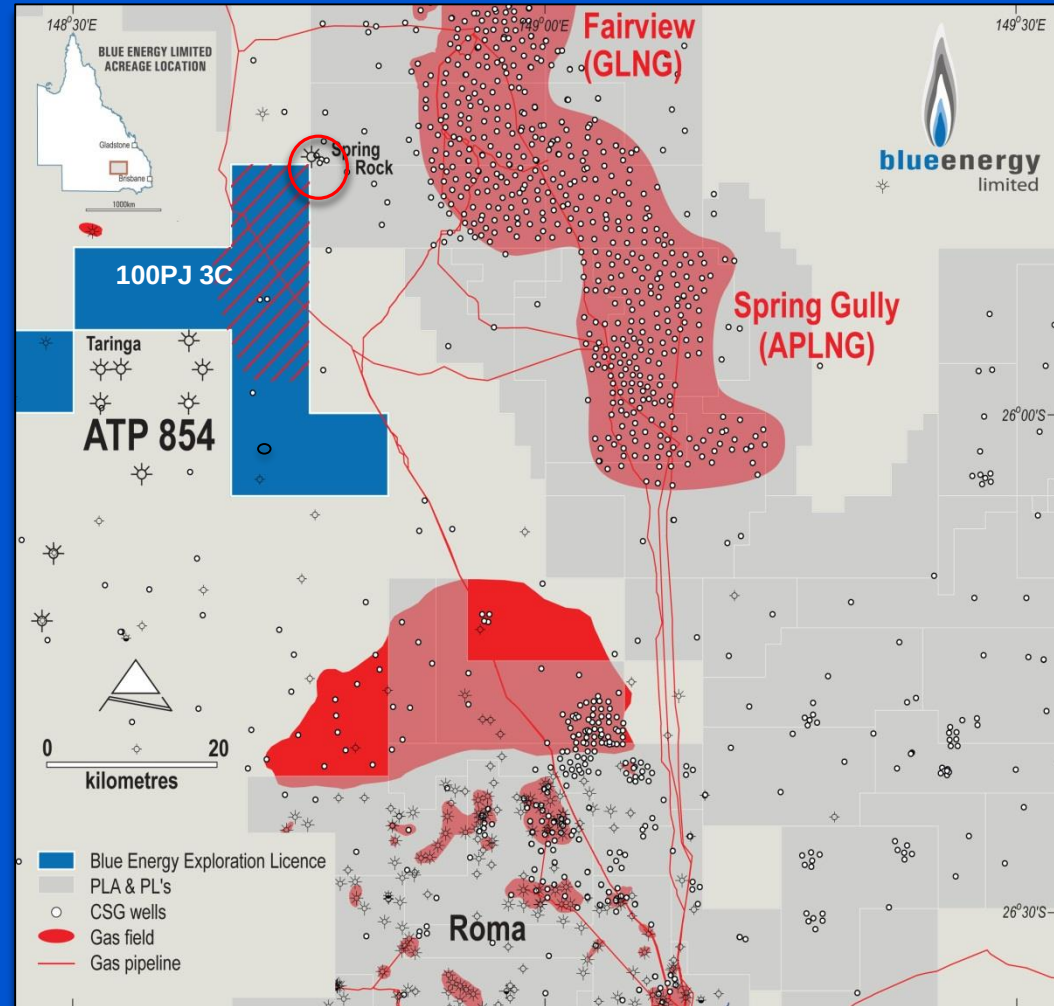


Gas processing facilities modified from Arrow's Draft EIS
11 March 2013 – blue areas are Blue Energy's ATP814P



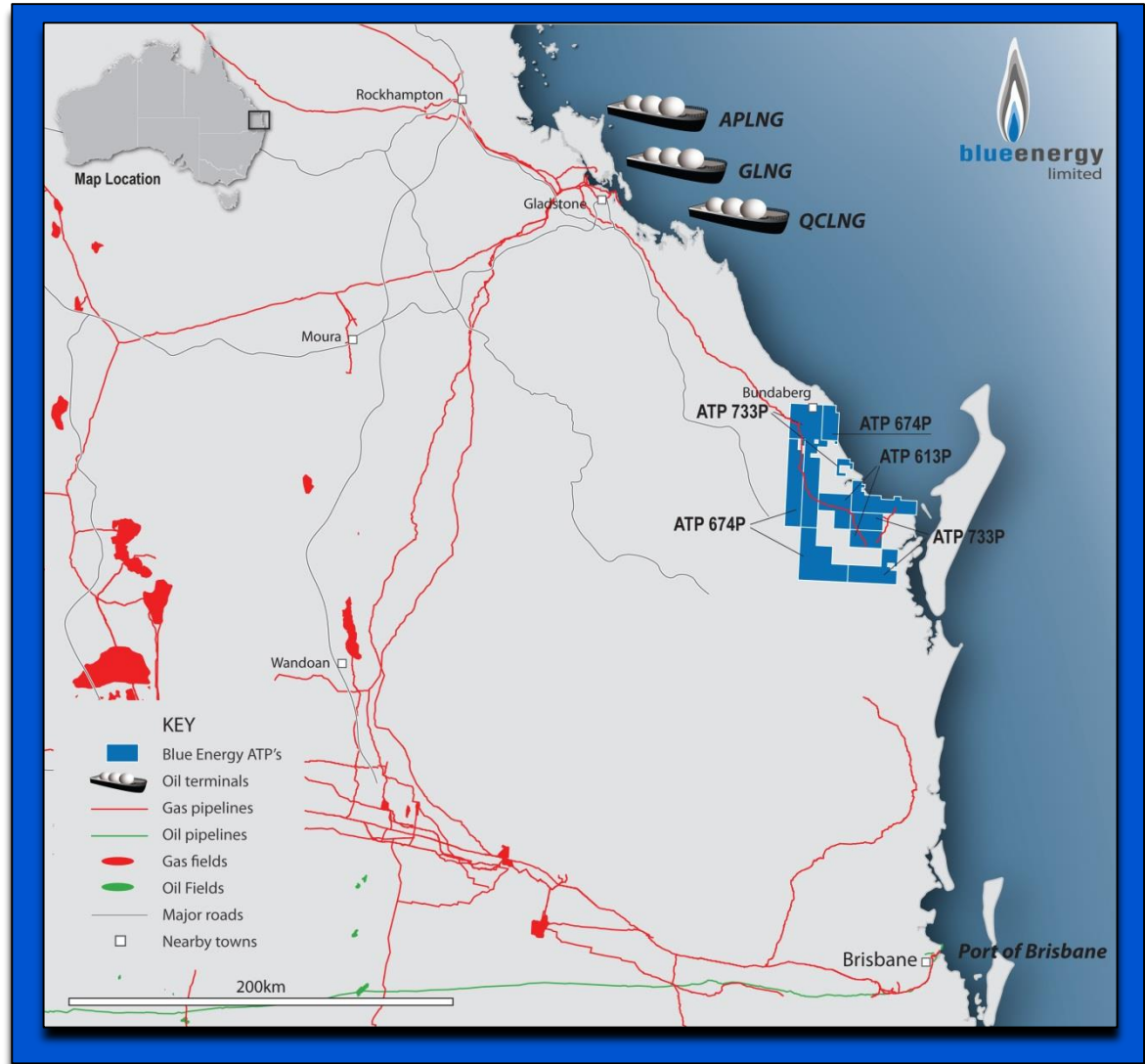
East Coast Gas Surat-Bowen

- Adjacent to major LNG feed gas supply locations - Fairview and Spring Gully
- 100PJ 3C Contingent Resource (NSAI)
- Export infrastructure to Gladstone passes through block
- LNG operators have exploration acreage adjacent



Emerging Gas Province Maryborough Basin

- 100% Blue Energy
- Petroleum system identified
 - Clastic reservoirs
 - Shale
 - Coal seam Gas
- Strategic location
 - Supply for SE Qld
 - 150km from LNG demand in Gladstone



Oil Portfolio

- Producing basin

Cooper: 5,357km²

Surat: 854km²

Total 6,211km²

(1.53 million acres)

- Frontier basin

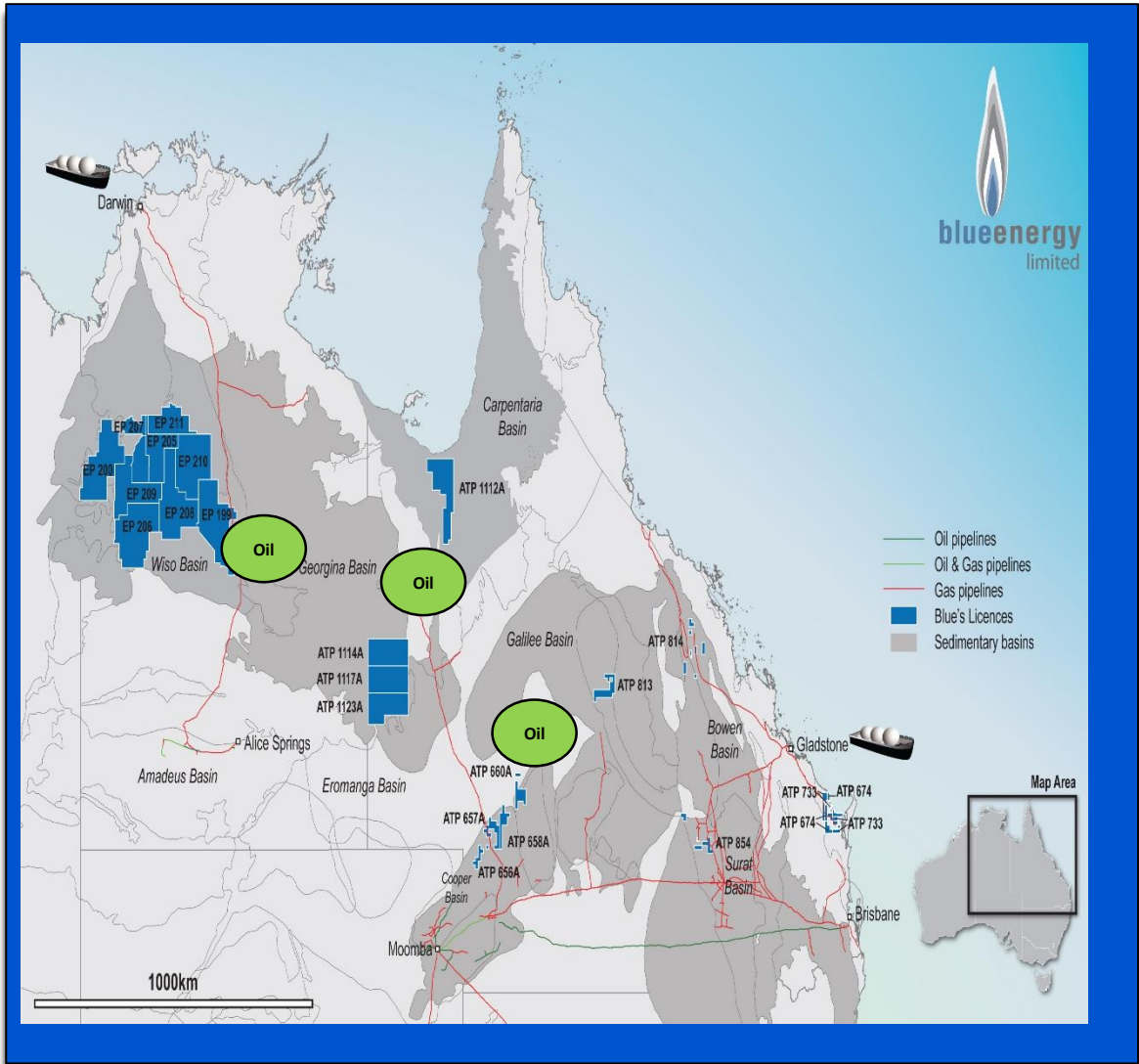
Georgina: 21,300km²

Carpentaria: 8,161km²

Wiso: 48,332km²

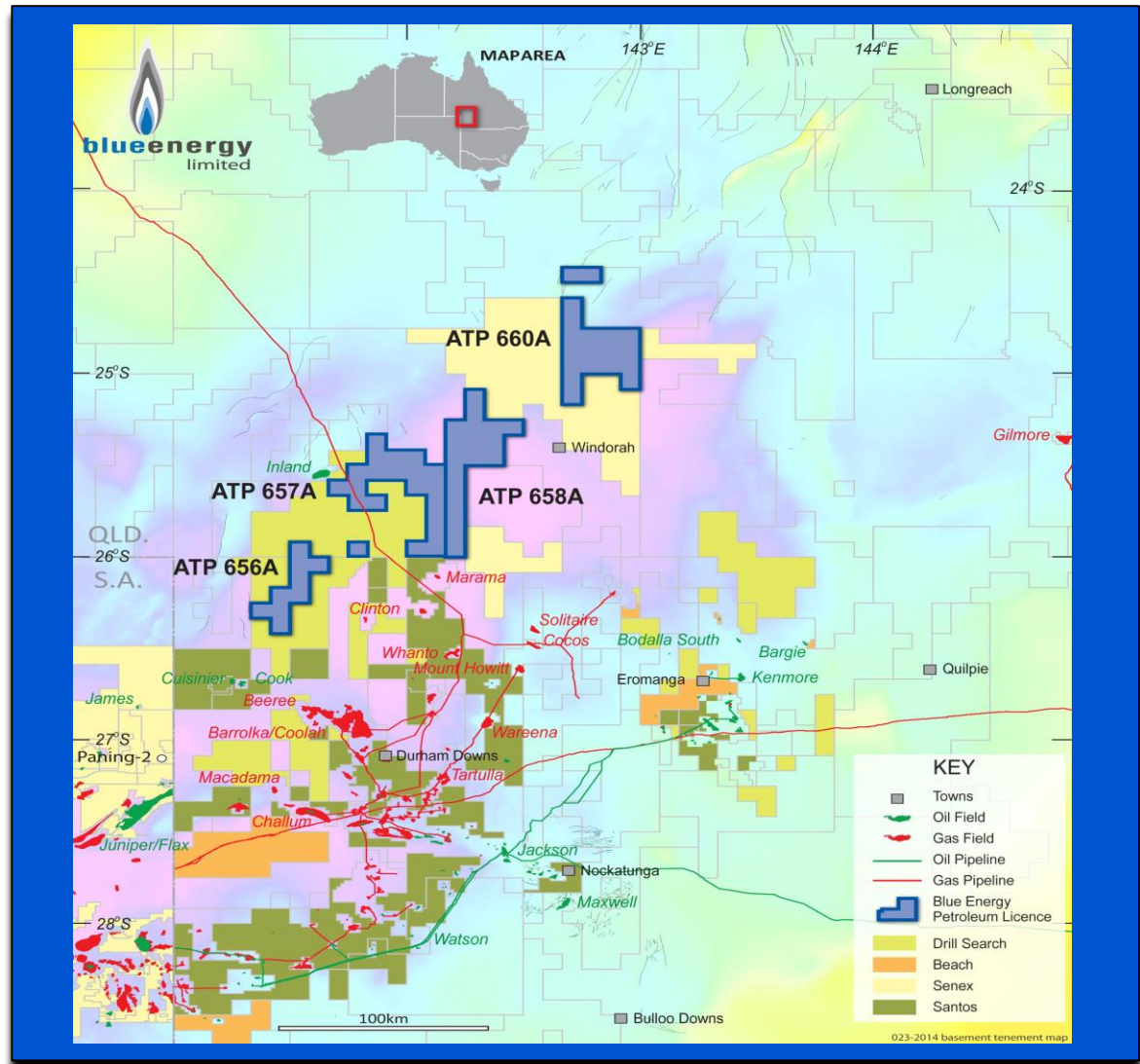
Total 84,004km²

(20.7 million acres)



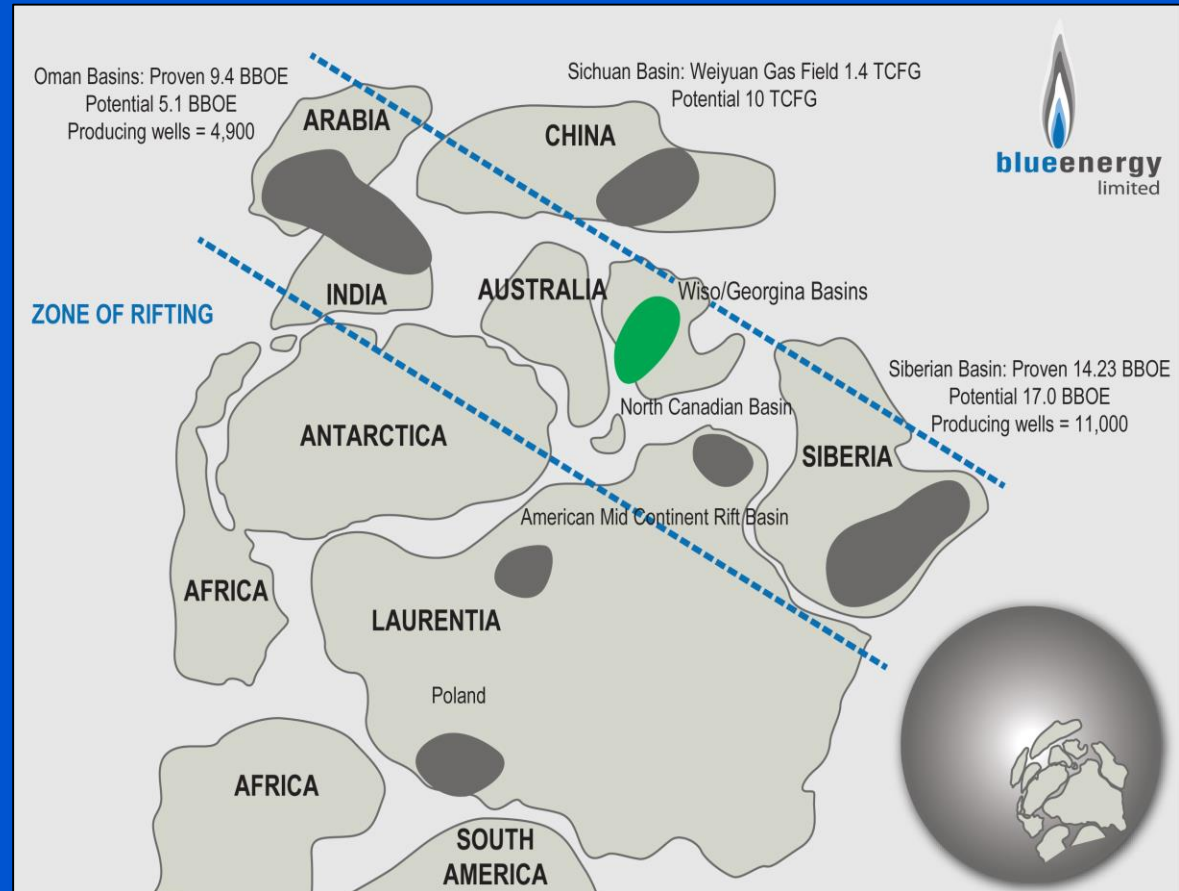
Oil Portfolio - Cooper Basin

- Giant proven natural gas basin; Proven liquids basin
- Northern flank plays mirror western flank in SA
- Active Operators
 - STO; SXY; DLS; BPT
- Multiple Plays/targets
 - Permian Gas and Shale play
 - Jurassic Oil and shale



New Frontiers

- Old Australian Basins
 - Georgina
 - Wiso
 - McArthur
 - Officer
 - Amadeus
- Rodinia supercontinent affinities
- Production analogies with Oman and eastern Siberia



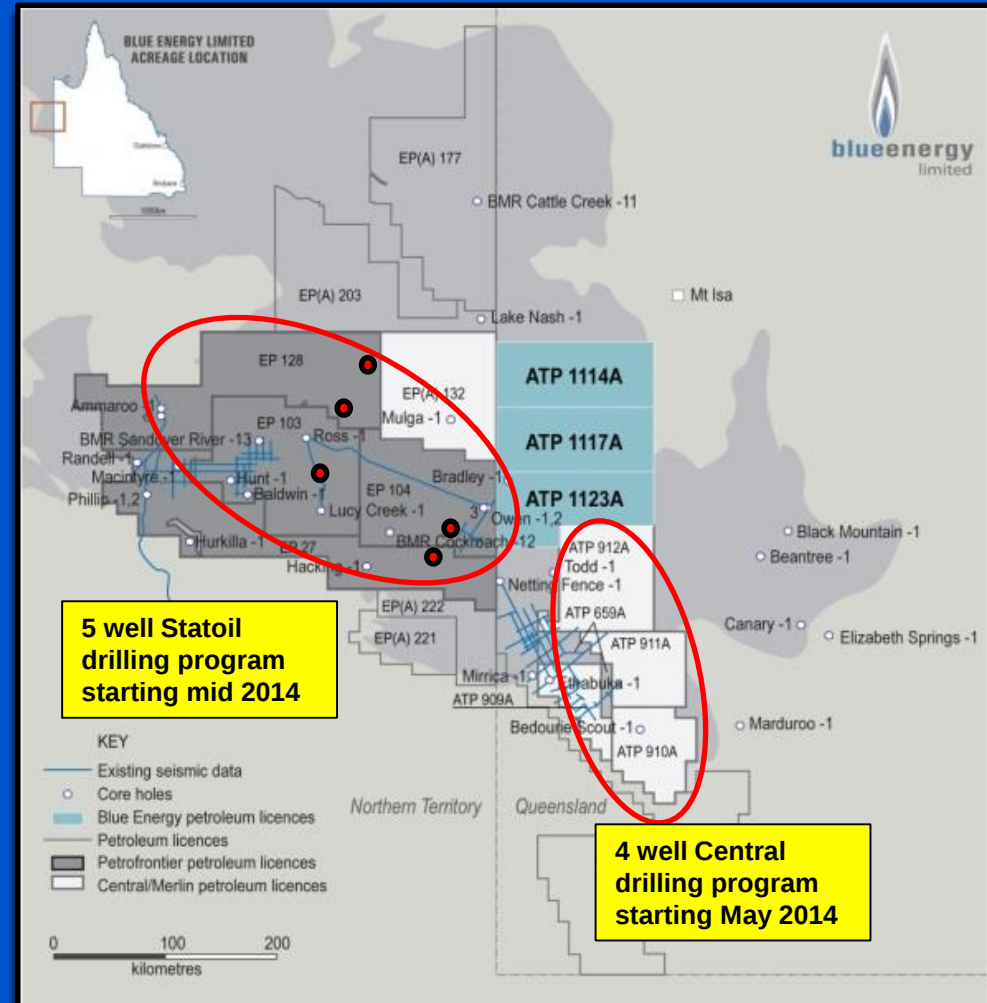
Source: Modified after USGS Bulletins 2201 C&F; 2146J & 2167.

Oil Portfolio - Southern Georgina Basin

- **Proven Petroleum Systems**
- **Both structural and low perm plays**
- **Independent Expert reports**
- **Activity**
 - **Statoil/Petrofrontier**
5 well program in NT sector
 - **Central/Total 974 km 2D shot;**
4 well drilling program
starting May 2014

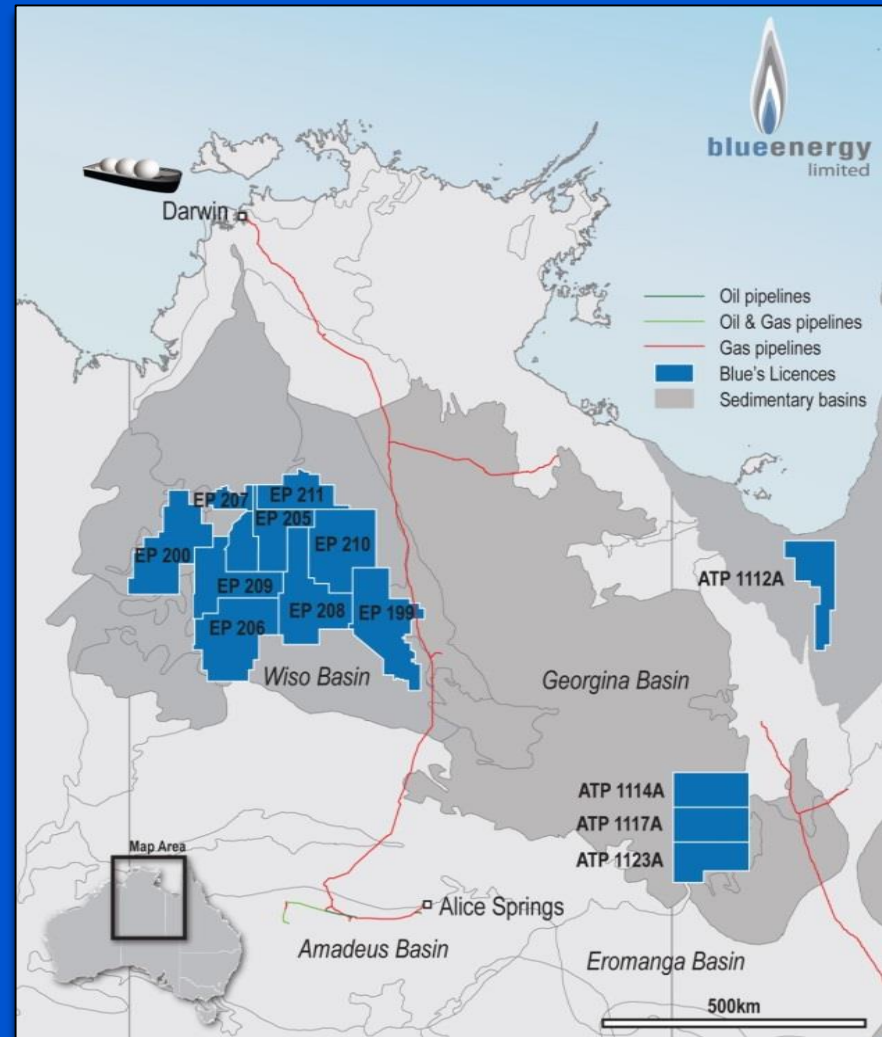


Oil stained
core
from Owen 3
(Courtesy
Petrofrontier)



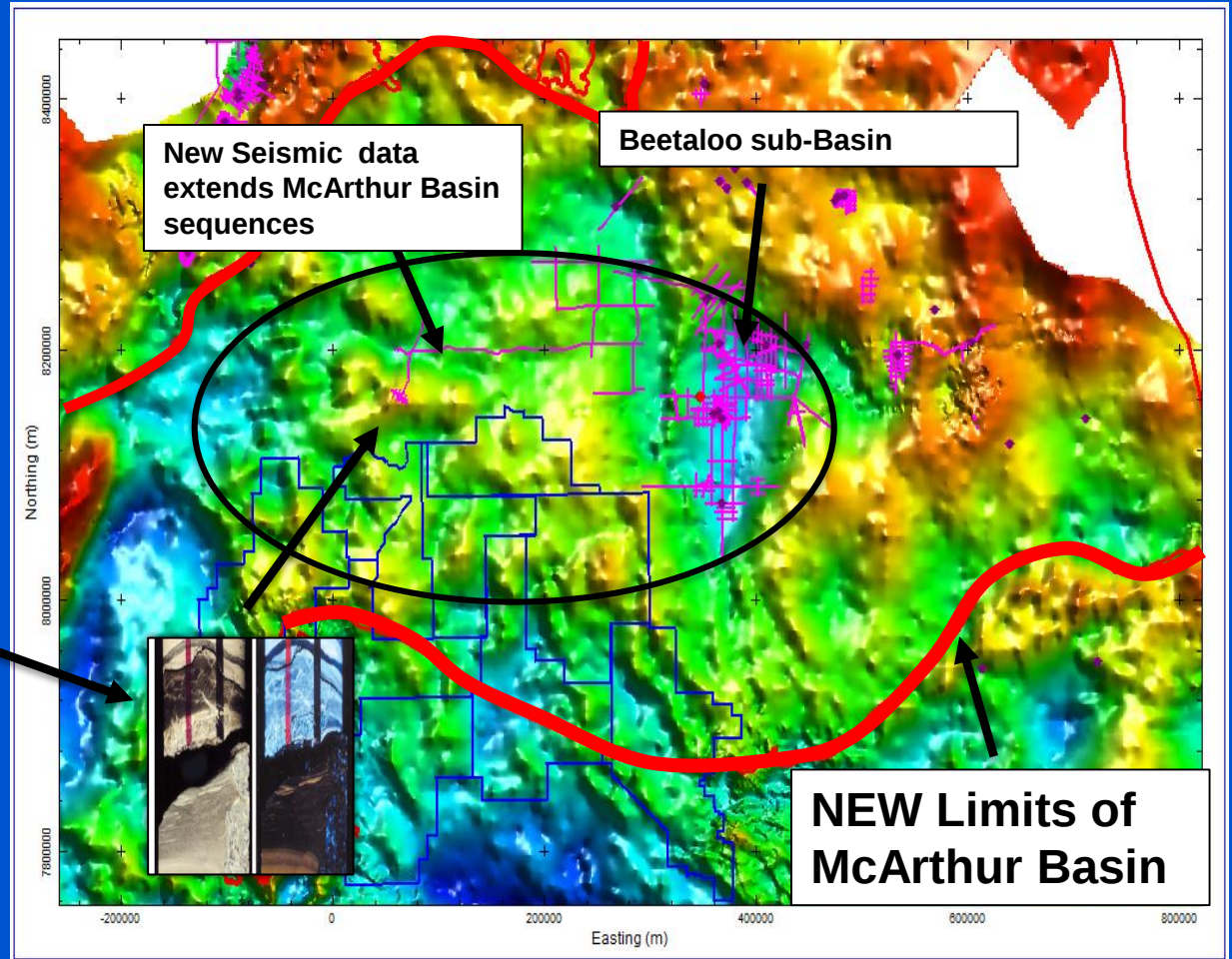
Oil Portfolio - Wiso Basin

- Un-explored Basin
- Cambrian and Proterozoic sequence – marine source
- McArthur Basin section confirmed to extend into northern parts of Wiso
- Oil and gas potential
- Blue is Operator
- Shale and structural plays
- 4 year Farm in work program
 - G&G studies
 - Aero mag and gravity
 - 2D seismic

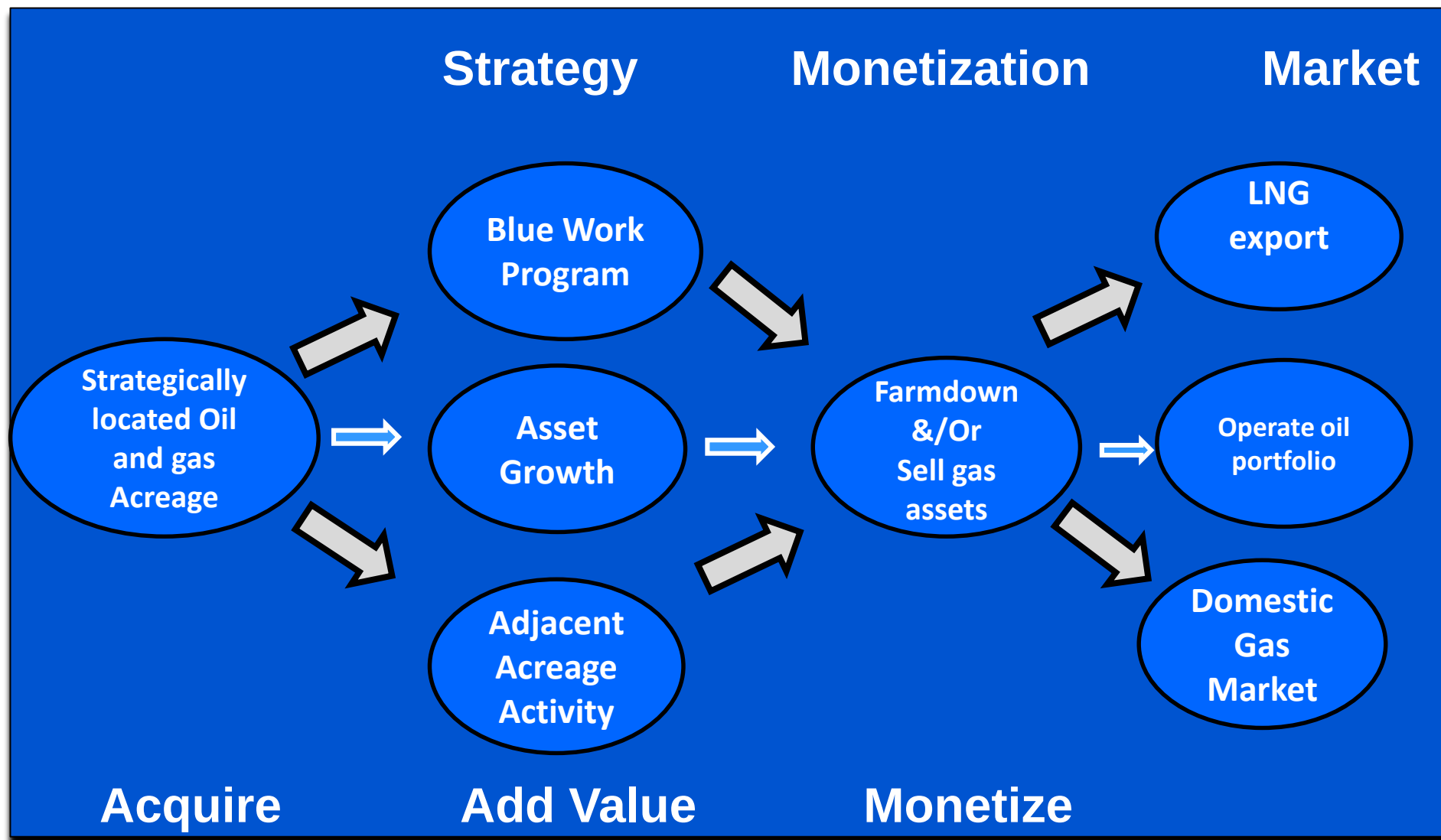


McArthur Basin Extended

- New seismic data in adjacent permits extends McArthur Basin limits into Blue Acreage
- McArthur Super-basin now covers 25% of NT and has huge potential petroleum
- Oil shows in old strat core
- Blue Energy Magnetic and Gravity modelling identifies depocentres



Vision & Strategy



Why Blue?

- **Near Term Value Drivers**
 - **Activity in frontier basins**
 - **Gas shortage on East coast and North coast – domestic and LNG**
 - **Uncontracted Gas Reserves on East Coast**
- **Focussed Strategy - Gas and Oil**
- **Strategic acreage position in hydrocarbon producing basins**
- **Exposure to frontier liquids basins**
- **Operatorship allows control**
- **Continuous cost efficiency drive**



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