

31 October 2017

Director Resignation

Blue Energy Limited ((ASX: "BUL") "Blue Energy") advises that the Nominee Director of KOGAS Australia Pty Ltd to the Blue Energy Board, Mr Seungsoo Han and his Alternate Director, Mr Insu Woo, have resigned from the Blue Energy Board effective as of today.

In his letter to Blue Energy, Mr Han advised the following: "KOGAS Australia has formed the view that as Blue progresses toward commercialisation of its gas assets in Eastern Australia, it has become increasingly difficult for KOGAS' nominee Directors to participate in this phase of Blue's activities, given KOGAS' equity position in the GLNG Joint Venture and accordingly, KOGAS will not seek to replace its nominee Director at this time."

Commenting on Mr Han's resignation, Blue Energy's Executive Chairman Mr John Ellice-Flint said: "KOGAS has applied best practice corporate governance to avoid potential commercial conflicts between its role on the Blue Energy Board and its continuing representation in the GLNG Joint Venture (in which KOGAS is a participant), given Blue Energy's gas commercialisation strategy"

"The Blue Energy Board thanks Mr Han and Mr Woo for their service to the Company and we look forward to KOGAS continuing its support as a significant Blue Energy shareholder," Mr Ellice-Flint said.

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John Phillips

Managing Director

Blue Energy Limited