



INTERIM FINANCIAL REPORT
For the half-year ended 31 December 2024

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DIRECTORS' REPORT

For the half-year ended 31 December 2024

The Directors of Blue Energy Limited ("the Company") and its controlled entities ("the Group" or "Blue") submit herewith their report on the consolidated financial statements of the Company for the half-year ended 31 December 2024.

DIRECTORS

The names of the Directors who held office during or since the end of the half-year and to the date of this report:

John Ellice-Flint (Chairman)	(Appointed 5 April 2012)
John Phillips	(Appointed 28 June 2010)
Mark Hayward	(Appointed 16 February 2021)
John McCreery	(Appointed 1 December 2023)

REVIEW OF OPERATIONS

Blue is subject to continuous disclosure rules, and as such, anything materially affecting Blue and its exploration assets during the half-year and up to the date of this report has been disclosed to the market.

Reserve and Resource Position

Permit	Block	Date	Method	Certifier	1P (PJ)	1C (PJ)	2P (PJ)	2C (PJ)	3P (PJ)	3C (PJ)
ATP854P		25/01/2022	SPE/PRMS Det	NSAI	-	90	-	194	-	398
ATP814P	Sapphire	9/10/2023	SPE/PRMS Det	NSAI	-	171.2	90.7	251.7	287.0	256.0
ATP814P	Central	31/07/2023	SPE/PRMS Det	NSAI	-	39	-	111	-	469
ATP814P	Monslatt	8/12/2015	SPE/PRMS Det	NSAI	-	-	-	619	-	2,054
ATP814P	Lancewood	31/07/2023	SPE/PRMS Det	NSAI	-	203	-	232	-	573
ATP814P	Hillalong	27/02/2020	SPE/PRMS Det	NSAI	-	-	-	182	-	237
ATP814P	South	29/07/2013	SPE/PRMS Det	NSAI	-	15	-	27	6	30
Total (PJ)					-	518	91	1,617	293	4,017

Table 1: Blue Energy Gas Reserves and Contingent Resources (net) as at 31 December 2024.

These reserves are not yet developed, and there has been no commercial production of gas by the Group to deplete the reserves. All reserves and resources stated in the table are in respect of unconventional gas (Coal Seam Gas) and are undeveloped reserves and net to Blue.

These reserves remain undeveloped due to local market conditions and limited pipeline infrastructure within the North Bowen Basin region. It is the Group's intention to develop these reserves by facilitating appropriate commercial transactions to enable the provision of appropriate infrastructure. To this end Blue has entered into a nonbinding Heads of Agreement (HoA) to supply 100 PJ of gas over 10 years to EnergyAustralia and a similar agreement for 300 PJ of gas supply over 10 years to Origin Energy with both contract delivery points at Wallumbilla. In addition, Blue has executed a Memorandum of Understanding with Queensland Pacific Metals to supply up to 112 PJ of gas over 15 years to their proposed nickel refinery in Townsville. Blue continues to negotiate with other gas users to build the contracted volume and facilitate development of its North Bowen Basin gas resources. The reserves being ear-marked in this agreement are proximate to existing production but require appropriate infrastructure and commercial arrangements to be put in place for them to be brought to market.

*Listing Rule 5.42 Disclosure

The estimates of Reserves and Contingent Resources noted throughout this Directors' Report have been provided by Mr John Hattner of Netherland, Sewell and Associates Inc (NSAI) and were originally reported in the Company's market announcements of 25 January 2012, 26 February 2013, 19 March 2013, 8 December 2015, 28 February 2019, 22 January 2023, 14 July 2023 and 31 July 2023. 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 in the reports by Mr Hattner have been prepared in accordance with the definitions and guidelines set forth in the 2018 Petroleum and Resource Management System (PRMS) approved by the SPE, utilising 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 814 referred to in this report and that all the material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed.

++ Listing Rule 5.28.2 disclosure: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery

DIRECTORS' REPORT

For the half-year ended 31 December 2024

and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Bowen Basin

ATP814P (Blue 100% and Operator)

Blue's 100% ATP814P currently contains 91 PJ+ of 2P reserves and 293 PJ+ of 3P reserves (as independently certified by NSAI). Significant upside also exists within the constituent blocks comprising the permit, with a combined 3,619 PJ+ of Contingent Resources in all the area held by the Company's ATP 814 granted Potential Commercial Areas (PCAs) and PL applications, as also certified by NSAI.

The Sapphire Pilot is situated within the PL 1034 production licence application area, (part of ATP 814) which is located immediately adjacent to the Moranbah Gas Project (MGP) – See Figure 1. The MGP is a producing gas field which was recently acquired by Queensland Pacific Minerals Energy (QPME).

Blue Energy has an existing non-binding MoU to supply gas to QPME's proposed Nickel refinery in Townsville. With the acquisition of the MGP by QPME, there is alignment between QPME and Blue Energy for the Company to utilise MGP infrastructure to fulfil the supply agreement to the proposed QPME Townsville plant.

Reflecting this alignment, Blue and QPME executed a non-binding MoU to supply pilot gas to the MGP from the Sapphire Pilot via a proposed pipeline from Sapphire Pilot location to the Node 3 compressor station within the Moranbah Gas field (Figure 1).

As previously advised Blue was granted in 2023 a Site-Specific Environmental Authority (EA) for the PL 1034 application area by the Queensland Department of Environment, Science and Innovation (DESI) after submitting the appropriate environmental investigative studies required. The EA covers the proposed development of the PL 1034 gas resource and is a requirement for grant of the Production Licence, by the State.

As also previously reported to the market and as described in the section above, an appeal of the decision by DESI (now Department of Environment, Tourism, Science and Innovation – DETSI) to grant the EA was lodged against DESI in the Land Court by the Environmental Advocacy in Central Queensland Inc (EACQI). The EACQI is being represented by the Environmental Defenders Office in the Appeal. The Appeal is lodged against the Queensland State Government as the First Respondent with Blue Energy and its subsidiary Eureka Petroleum Pty Ltd, named as the Second and Third Respondents, respectively.



Figure 1 : Sapphire block of ATP814 in relation to the Moranbah Gas Project and the related gas producing wells. Also shown is the proposed pipeline connection from Sapphire to the MGP Node 3 connections and initial proposed Sapphire development.
Source : Blue Energy

DIRECTORS' REPORT

For the half-year ended 31 December 2024

Sapphire Pilot well production test program

Pilot production testing of the Sapphire 5 and 6 wells continued during the half-year. Consecutive surface equipment maintenance issues on each of the vertical water producing wells (5V & 6V generator sets) have resulted in an interruption to the production testing process. The aggregate gas and water rates of the pilot wells can be seen in Figure 2 and shows gas rate trends over time. Field staff are now dewatering the wells after these interruptions to testing, and the gas rate continues to trend upwards.



Figure 2: *Sapphire Pilot production aggregate rates for gas and water*
Source : Blue Energy

Environmental Authority ATP 814

During the half-year Blue continued to execute its defence of the Land Court Appeal against the grant of the Environmental Authority (EA) by the Queensland Department of Environment and Science (DES) for Blue's proposed Production Licence Application (PL1034) in ATP 814.

Following the grant of the EA by DES, the Environmental Advocacy in Central Queensland Inc (EACQI) lodged an appeal in the Qld Land Court regarding the decision by the Queensland Government (DES) to award the EA to Blue Energy. The Appeal is being conducted by the Environmental Defenders Office (EDO) on behalf of EACQI. The EDO receives part funding for its activities from the Queensland Government.

Notwithstanding that proper process and decision making was undertaken by DES and the extensive supporting materials that Blue submitted for that process were sufficient to grant a standard condition EA, Blue has been joined as a party to the appeal by the EACQI as Blue is an interested party being the beneficiary of the EA granted to it.

The current status of the Land Court Appeal is that the Land Court has issued orders that facilitate a process for the parties to approach the Court to seek jointly agreed orders to resolve the proceedings. Any orders to resolve the proceedings are subject to the satisfaction of the Court and it is intended that the parties will appear at a hearing on 25 March 2025 to make submissions in support of the jointly agreed orders.

Surat Basin, Queensland

ATP854P (Blue 100% and Operator)

Blue has lodged Potential Commercial Area (PCA) applications over this permit area to allow this tenure to progress toward assessing and developing the potential economic gas resources identified by Blue's exploration drilling work in the permit to date.

DIRECTORS' REPORT

For the half-year ended 31 December 2024

Blue is focussed on working with the new Queensland Government to secure the grants of these PCA's and bring new gas supply to the market in a timely manner. Blue has previously reported 398 PJ+ of Contingent Resources (recoverable gas) in ATP 854 as assessed by Netherland, Sewell and Associates Inc (NSAI). The gas resource is located near the heart of the CSG-LNG Surat Basin gas supply precinct and has gas pipeline infrastructure linking Wallumbilla to Gladstone running directly through the permit (Figure 3 below).

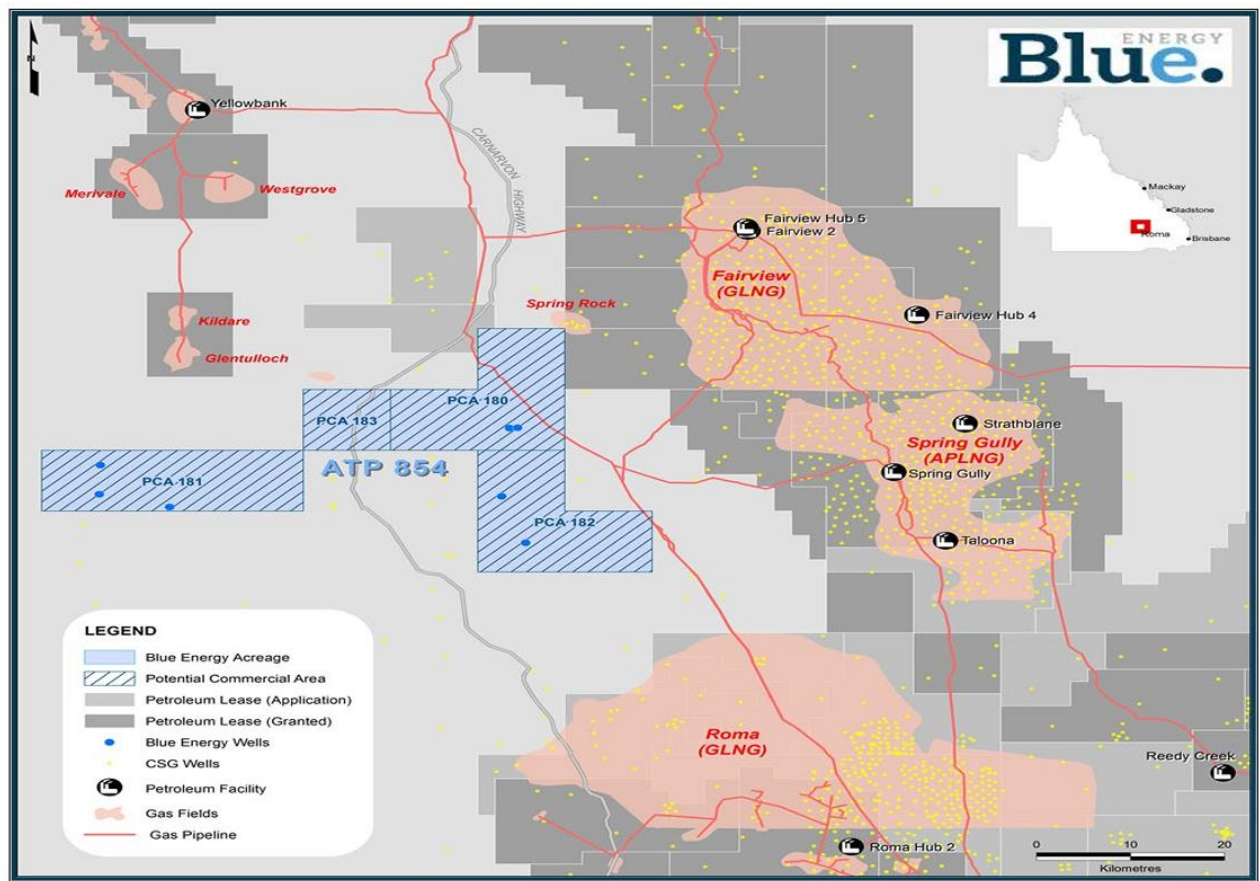


Figure 3 : Location of ATP 854 in relation to existing pipeline infrastructure and major gas fields.

Source : Blue Energy

Greater McArthur Basin, Northern Territory

EP199A, 200, 205, 206A, 207, 208A, 209A, 210A, 211A (Blue farming in and Operator)

During the half-year, Blue completed the interpretation of the 2D seismic data acquired in the Birrindudu Basin as part of Geoscience Australia's "Exploring for the Future" program.

Seismic data outside of Blue's EP 200 and 207 permit areas (from the same survey) was also acquired, processed and incorporated into Blue's assessment to gain a better understanding of the regional context of the prospective section that might be identified. In addition, pre-existing mineral exploration data (borehole data) has been utilised to understand the likely stratigraphy of the sedimentary section identified by the new seismic data, and to that end, there is evidence that the lateral equivalent of the McArthur Group (and specifically the lateral equivalent of the gas bearing Barney Creek Formation), has been identified in those mineral borehole intersections within EP 200.

The Barney Creek Formation has previously flowed gas in the McArthur Basin in the eastern parts of the Northern Territory (Glyde discovery) and which carries Prospective and Contingent Resources category gas resources as presented in various Northern Territory Government public presentations.

Importantly, the seismic processing and interpretation undertaken by Blue has shown, (in conjunction with Lines PB 13-13 and PB 13-20 acquired by Pangaea in 2013 in the adjacent EP 198) that sedimentary sequences of the McArthur Group and potentially younger are likely to be present within Blue Energy's EP 208, 209, 210 and 211 Application areas. This therefore identifies a (to date unknown but) vast area of potentially gas prospective sedimentary basin, and which has very little subsurface geological data.

Blue has been granted a Suspension and Extension of the EP 200, 205 and 207 tenures and their associated work programs to reflect the delays in the EMP approval process for the 2D seismic acquisition proposed for these tenures. These extensions will be valid until February 2026.

DIRECTORS' REPORT

For the half-year ended 31 December 2024

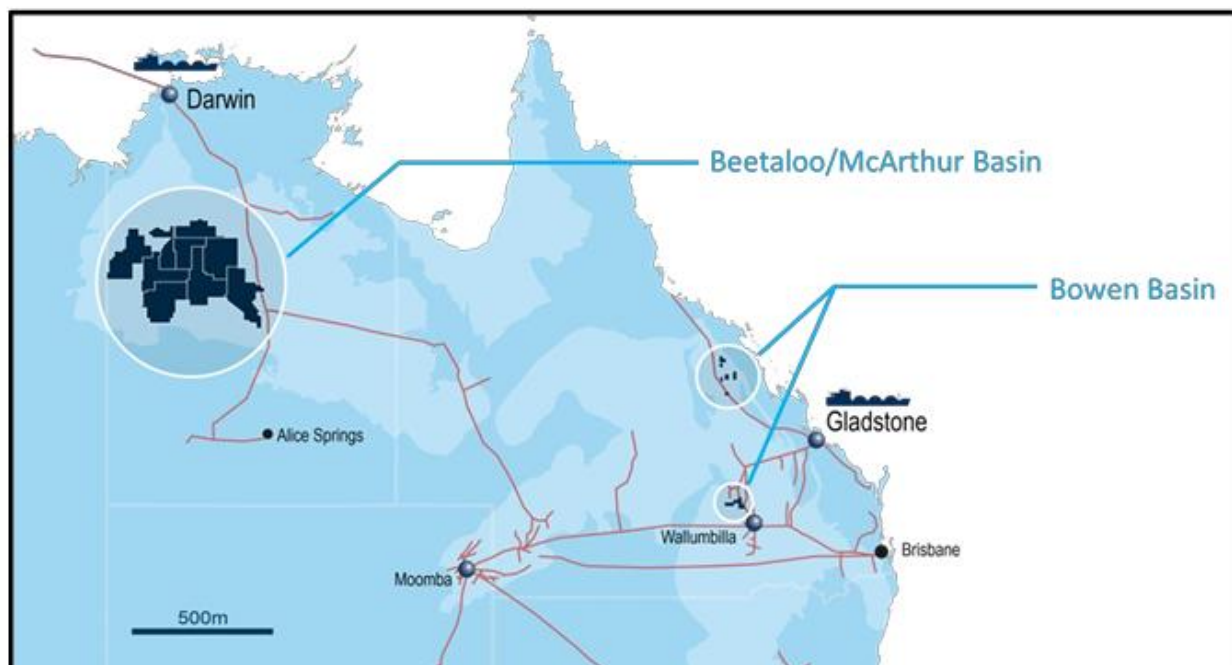


Figure 4 – The Blue Energy exploration asset portfolio

CORPORATE

Financial Position

The net assets of the Group have decreased by \$676 thousand from 30 June 2024 to 31 December 2024 to \$73,120 thousand reflecting the loss after income tax for the period of \$676 thousand (31 December 2023: \$739 thousand). The loss was primarily due to corporate expenses incurred during the half-year.

Cash expenditure on exploration and evaluation for the period was \$1,439 thousand (31 December 2023: \$2,015 thousand) with the Sapphire production testing program accounting for the majority of that expenditure.

Share & Option Issues

During the half year the Company issued nil fully paid ordinary shares.

Nil incentive performance rights were granted during the period under the current Employee Incentive Rights Plan.

SUBSEQUENT EVENTS

Except for the matters noted below, there has not been any matter or circumstance, other than those referred to above and in the financial statements or notes thereto, that has arisen, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods:

- On 27 February 2025, the Company received a Research & Development Tax Incentive Rebate of \$605,110. The rebate will be accounted for as a reduction in capitalised exploration and evaluation expenditure.

AUDITOR'S DECLARATION

The auditor's independence declaration under section 307C of the Corporations Act 2001, for the half-year ended 31 December 2024, is set out on page 7.

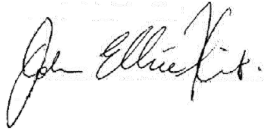
ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report and financial report. Amounts in the Directors' Report and the financial report are presented in Australian dollars, and all values are rounded to the nearest thousand (\$000 or thousand), except when otherwise indicated.

DIRECTORS' REPORT

For the half-year ended 31 December 2024

This report is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'John Ellice-Flint', is positioned above the printed name.

John Ellice-Flint
Non-Executive Chairman
Blue Energy Limited

Dated this 13th day of March 2025
Brisbane, Queensland

Level 38, 345 Queen Street
Brisbane, QLD 4000

Postal address
GPO Box 1144
Brisbane, QLD 4001

+61 7 3222 8444

pitcher.com.au

The Directors
Blue Energy Limited
Level 10, 26 Wharf Street
Brisbane QLD 4000

Auditor's Independence Declaration

In relation to the independent auditor's review for the half-year ended 31 December 2024, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Blue Energy Limited and the entities it controlled during the period.

Pitcher Partners
PITCHER PARTNERS



JASON EVANS

Partner

Brisbane, Queensland
13 March 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half-year ended 31 December 2024

(

	Note	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Financial income	2	67	22
Other income	2	14	14
Total income		81	36
Operating and administration expenses	3	(757)	(817)
Exploration and evaluation expenditure written off	5	-	(12,168)
(Loss) before income tax		(757)	(12,949)
Income tax benefit		-	-
(Loss) for the half-year attributable to the owners of the parent		(676)	(12,949)
Other comprehensive income		-	-
Total comprehensive (loss) for the half-year attributable to the owners of the parent		(676)	(12,949)
Earnings per share (cents per share):			
- basic		(0.04)	(0.70)
- diluted		(0.04)	(0.70)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	31 Dec 2024 \$'000	30 June 2024 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	13	1,990	4,430
Trade and other receivables	4	165	133
Total Current Assets		2,155	4,563
Non-Current Assets			
Property, plant, and equipment		133	152
Right of use assets		88	111
Trade and other receivables		73	73
Exploration and evaluation expenditure	5	71,889	70,651
Total Non-Current Assets		72,183	70,987
TOTAL ASSETS		74,338	75,550
LIABILITIES			
Current Liabilities			
Trade and other payables		291	507
Lease liability		46	38
Provisions		285	542
Borrowings	6	-	34
Total Current Liabilities		622	1,121
Non-Current Liabilities			
Lease liability		46	71
Provisions		550	563
Total Non-Current Liabilities		596	634
TOTAL LIABILITIES		1,218	1,755
NET ASSETS		73,120	73,795
EQUITY			
Issued capital	7	168,687	168,687
Reserves	8	8,874	8,873
Accumulated losses		(104,441)	(103,765)
TOTAL EQUITY		73,120	73,795

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at 31 December 2024

	Issued Capital \$'000	Accumulated losses \$'000	Reserves \$'000	Total \$'000
Balance at 1 July 2023	168,687	(90,116)	8,875	87,446
Total comprehensive loss				
(Loss) for the half-year		(12,949)		(12,949)
Total comprehensive loss for the half-year		(12,949)		(12,949)
Transaction with owners in their capacity as owners				
Issue of new shares	-	-	-	-
Capital raising costs	-	-	-	-
Share-based payments	-	-	(12)	(12)
Total transactions with owners	-	-	(12)	(12)
Balance at 31 December 2023	168,687	(103,065)	8,863	74,485
 Balance at 1 July 2024	 168,687	 (103,765)	 8,873	 73,795
Total comprehensive loss				
(Loss) for the half-year		(676)		(676)
Total comprehensive loss for the half-year		(676)		(676)
Transaction with owners in their capacity as owners				
Issue of new shares	-	-	-	-
Capital raising costs	-	-	-	-
Share-based payments	-	-	1	1
Total transactions with owners	-	-	1	1
Balance at 31 December 2024	168,687	(104,441)	8,874	73,120

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2024

	Note	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Cash flows from operating activities			
Receipts of refunds for GST		163	174
Payments to suppliers and employees		(1,224)	(1,045)
Interest received		94	22
Net cash used in operating activities		(967)	(849)
Cash flows from investing activities			
Funds used in exploration and evaluation		(1,439)	(2,015)
Research and development tax incentive received		-	275
Funds used to acquire property, plant, and equipment		-	(62)
Net cash used in investing activities		(1,439)	(1,802)
Cash flows from financing activities			
Proceeds from share issue		-	-
Capital raising costs		-	-
Proceeds from borrowings		-	2,012
Repayment of borrowings		(34)	(45)
Net cash flows provided by financing activities		(34)	1,967
Net increase / (decrease) in cash and cash equivalents held		(2,440)	(684)
Cash and cash equivalents at beginning of half-year		4,430	2,400
Cash and cash equivalents at end of half-year	13	1,990	1,716

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. BASIS OF PREPARATION

The half-year consolidated financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards AASB 134: Interim Financial Reporting.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2024 and any public announcements made by the Company and its controlled entities, during the half-year, in accordance with the continuous disclosure requirements arising under the Corporations Act 2001.

The Company and its controlled entities are of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/91, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and Financial Report. Amounts are rounded off to the nearest thousand dollars unless otherwise stated

The half-year report does not include full disclosures of the type normally included in annual condensed financial statements.

The half-year consolidated financial report was authorised for issue by the Board of Directors on 13 March 2025.

Reporting Basis and Conventions

The interim financial report has been prepared on an accruals basis and is based on historical cost modified by the revaluation of selected non-current assets, financial assets, and financial liabilities for which the fair value basis of accounting has been applied.

New standards, interpretations, and amendments thereof, adopted by Blue

The accounting policies adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the financial report for the financial year ended 30 June 2024.

Going concern

As the Group's operations are in the exploration and evaluation phase, Blue Energy Limited is currently non-revenue generating. As such, a major focus of the Board and management is on ongoing cash flow forecasting and management of cash flows to ensure that the Group has sufficient funds to cover its planned activities and any ongoing obligations.

At 31 December 2024, the Group had \$1,990 thousand in cash and cash equivalents, which includes \$413 thousand of restricted cash.

The Board is satisfied that the Group will successfully meet its minimum expenditure commitment (including through negotiating deferral of minimum expenditure commitments until access and activity approvals are received). Furthermore, it is recognised that the Group's cash and cash equivalents at 31 December 2024 are not sufficient for it to meet its full exploration expenditure commitments for its various tenements over the full terms of all its exploration tenures or facilitate an expanded exploration program should the Group elect to do so. In addition, the Group's ability to realise the carrying amount of its capitalised exploration and evaluation expenditure asset in the ordinary course of business, is contingent on it maintaining tenure for various areas of interest and being able to access tenements to be able to advance exploration and evaluation efforts.

This being the case, the Group is:

- Managing all tenures, and their respective work programs to ensure all renewals and/or grant of higher tenure types (PLAs and PCAs) are completed;
- Considering options for reduction in or deferral of cash expenditure; and
- Considering all funding options including capital raising and the establishment of Joint Venture partnerships.

On the basis of the above and taking into consideration the success of the recently completed Sapphire drilling program, the receipt of a \$0.61 million Research and Development Tax Incentive Payment in February 2025, and the Company's successful history in raising additional funding, the Directors are of the opinion the Group will be able to meet its debts as and when they fall due and realise its assets and settle its liabilities in the ordinary course of business. Should the Directors not be able to manage these inherent uncertainties and successfully secure funding, there would be material uncertainty that may cast significant doubt as to whether the Group would be able to meet its debts as and when they fall due and therefore continue as a going concern. Accordingly, the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities may be necessary should the Group be unsuccessful in renegotiating or deferring its exploration expenditure commitments, attracting joint venture partners for the Group's exploration expenditure commitments and/or raising additional capital.

NOTES TO THE FINANCIAL STATEMENTS

2. INCOME

	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Financial income		
Interest received	67	22
	67	22
Other income		
Gain on sale of exploration tenement	-	-
Fuel tax credits received	14	14
	14	14
Total Income	81	36

3. PROFIT/(LOSS) FOR THE HALF YEAR

	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Operating and administration expenses include		
Employee benefit expenses	(26)	238
Superannuation	18	55
Depreciation and amortisation expense	42	27
Directors' fees	115	60
Share based payments expense / (income)	1	(12)
Finance costs	8	57

4. TRADE AND OTHER RECEIVABLES

	31 Dec 2024	30 June 2024
	\$'000	\$'000
Trade and other receivables	165	7,267

Trade and other receivables as at 31 December 2024 comprises primarily GST receivables.

Trade and other receivables at 31 December 2023 included a \$7,050 thousand Research and Development Tax Incentive for the year ended 30 June 2023 that was received by the Company on 10 January 2024 before repayment of \$1,951 thousand principal and interest under a loan facility for which the Research and Development Tax Incentive refund was pledged as security.

NOTES TO THE FINANCIAL STATEMENTS

5. EXPLORATION AND EVALUATION EXPENDITURE

	31 Dec 2024	30 June 2024
	\$'000	\$'000
Exploration and evaluation expenditure acquired and recognised on consolidation	13,648	13,648
Other exploration and evaluation expenditure	107,813	106,572
Restoration asset	789	792
Research and development tax incentive offset	(7,325)	(7,325)
Impairment and write off of exploration and evaluation expenditure asset	(43,036)	(43,036)
Total exploration and evaluation expenditure brought to account	71,889	70,651

The ultimate recoupment of capitalised exploration and development expenditure is dependent on the successful development and commercial exploitation, or alternatively sale, of the respective areas of interest.

6. BORROWINGS - CURRENT

	31 Dec 2024	30 June 2024
	\$'000	\$'000
Other borrowings	-	34
	-	34

Movements in borrowings

	31 Dec 2024
	\$'000
Opening balance	34
Principal amounts borrowed	-
Interest	1
Repayments	(35)
Closing balance	-

NOTES TO THE FINANCIAL STATEMENTS

7. ISSUED CAPITAL

	31 Dec 2024		30 June 2024	
	Shares	\$'000	Shares	\$'000
Ordinary shares:				
Issued and fully paid	1,850,973,596	168,687	1,850,973,596	168,687

There were no movements in ordinary shares during the period (2023: nil movements)

8. RESERVES

The option reserve is used to recognise the fair value of share options and employee incentive rights granted.

	31 Dec 2024 \$'000	30 June 2024 \$'000
Reserves:		
Options Reserve opening balance	8,873	8,875
Share based payments expenses / (income)	1	(2)
Total Reserves	8,874	8,873

Rights over shares

During the year, the Group granted Nil incentive rights to executive directors pursuant to the Employee Incentive Rights Plan (2023: Nil incentive rights issued). A net income position arose during the current half year due to the reversal of previously expensed options where the vesting conditions were not met.

9. SEGMENT INFORMATION

The Group operates in a single operating segment, being the oil and gas exploration industry. The Groups activity is carried out in a single geographical segment, being Australia.

10. CONTINGENT LIABILITIES

Except as noted below, the Directors are not aware of any contingent liabilities or contingent assets at 31 December 2024, which are not otherwise disclosed in this report or in the annual financial report for the year ended 30 June 2024.

- During the half-year Blue continued to execute its defence of the Land Court Appeal against the grant of the Environmental Authority (EA) by the Queensland Department of Environment and Science (DES) for Blue's proposed Production Licence Application (PL1034) in ATP 814.
- Following the grant of the EA by DES, the Environmental Advocacy in Central Queensland Inc (EACQI) lodged an appeal in the Qld Land Court regarding the decision by the Queensland Government (DES) to award the EA to Blue Energy.
- The Appeal is being conducted by the Environmental Defenders Office (EDO) on behalf of EACQI. The EDO receives part funding for its activities from the Queensland Government. Notwithstanding that proper process and decision making was undertaken by DES and that extensive supporting materials that Blue submitted for that process were sufficient to grant a standard condition EA, Blue has been joined as a party to the appeal by the EACQI as Blue is an interested party being the beneficiary of the EA granted to it.
- The status of the Appeal is that the Land Court has issued orders that facilitate a process for the parties to approach the Court to seek jointly agreed orders to resolve the proceedings. Any orders to resolve the proceedings are subject to the satisfaction of the Court and it is intended that the parties will appear at a hearing on 25 March 2025 to make submissions in support of the jointly agreed orders

11. SUBSEQUENT EVENTS

Except for the matters noted below, there has not been any matter or circumstance, other than those referred to above and in the financial statements or notes thereto, that has arisen, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods:

- On 27 February 2025, the Company received a Research & Development Tax Incentive Rebate of \$605,110. The rebate will be accounted for as a reduction in capitalised exploration and evaluation expenditure.

12. DIVIDEND PAID OR PROVIDED FOR ON ORDINARY SHARES

There was no dividend paid or provided for at the reporting date (31 December 2023: \$nil).

13. CASH AND CASH EQUIVALENTS

At 31 December 2024, the Group had \$1,990 thousand (30 June 2024: \$4,430 thousand) in cash and cash equivalents, which includes \$408 thousand (30 June 2024: \$408 thousand) of restricted cash.

Restricted cash includes deposits secured against bank guarantees relating to financial assurances for ATPs.

14. FINANCIAL INSTRUMENTS

The financial assets and liabilities consist of trade and other receivables and trade and other payables. The financial assets and liabilities are carried at amortised cost, the carrying value is assumed to approximate their fair value due to their short term nature.

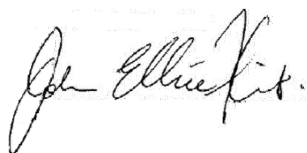
DIRECTORS' DECLARATION

DIRECTORS' DECLARATION

The directors of the Company declare that:

- (1) The financial statements and notes, as set out on pages 9 to 16, are in accordance with the Corporations Act 2001;
 - (a) comply with Accounting Standards and
 - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date.
- (2) In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'John Ellice-Flint', is written over a faint, dotted rectangular box.

John Ellice-Flint
Director

Dated 13 March 2025

Independent Auditor's Review Report to the Members of Blue Energy Limited**Report on the Half-Year Financial Report****Conclusion**

We have reviewed the half-year financial report of Blue Energy Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Blue Energy Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of Blue Energy Limited's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to note 1 in the financial report, which describes events and/or conditions which indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect to this matter.

Responsibility of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Pitcher Partners
PITCHER PARTNERS

J. Evans

JASON EVANS
Partner

Brisbane, Queensland
13 March 2025