

31 July 2025

QUARTERLY ACTIVITIES REPORT to 30 June 2025

Blue Energy Limited (ASX: BLU, 'Blue Energy', 'Blue' or 'the Company') is pleased to report on activities during the quarter ended 30 June 2025 across its acreage in Queensland and the Northern Territory, in which the Company's key gas and oil projects are located.

KEY HIGHLIGHTS

- Blue Energy has been awarded PCA 336 & PCA 337 by the Queensland Government. These two PCA's are located in ATP 814 near Moranbah in Central Queensland (see Figure 1) and contain significant Contingent Gas Resources (a combined 1,042 PJ⁺ of recoverable gas in the Contingent Resource category)
- Blue Energy's management continues to work closely with Department of Natural Resources, Mines, Manufacturing and Regional and Rural Development to progress Petroleum Lease (PL) 1034 over the Sapphire Block to grant, following the decision by the Qld Land Court to issue an Environmental Authority over the PL 1034 area after a two year court challenge over the initial issue of an Environmental Authority by the Queensland Department of Environment, Tourism Science and Innovation in early 2023 .
- Sapphire 5 and 6 lateral pilot wells were shut in during the quarter due to a combination of issues with surface equipment issues and a downhole pump mechanical on the Vertical water pumping wells. It is expected that testing operations will recommence during the current quarter subject to satisfactory rectification of the issues.
- The Research and Development tax rebate for the 2024-2025 operational expenditure on the Sapphire Pilot project covering the Sapphire Pilot production activities, will be lodged in the coming quarter.

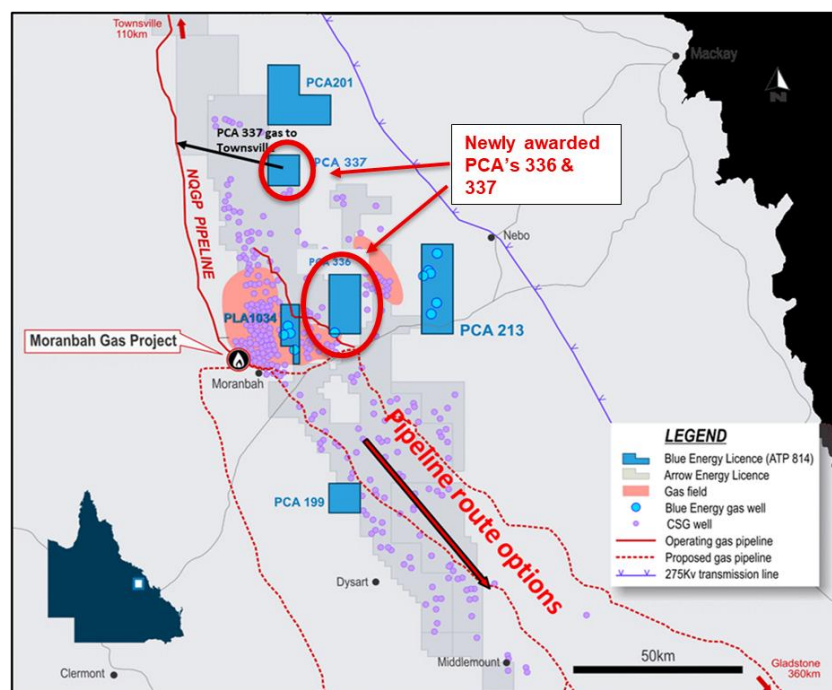


Figure 1: Location of PCA's 336 & 337 as part of ATP 814

Blue Energy Grante PCA 336 and 337 by the Qld Government

The Queensland Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development (“the Department”) has awarded two Potential Commercial Areas (PCA 336 and PCA 337) to Blue Energy’s wholly owned subsidiary Eureka Petroleum Limited. In addition, the Department has also renewed the underlying exploration permit, ATP 814, for a further term.

PCA 336 and 337 represent the Lancewood and Central Blocks respectively within ATP 814 (see Figure 1 and Table 1) and have been previously independently assessed by Netherland Sewell and Associates Inc of Dallas to contain recoverable gas of 573 PJ and 469 PJ of Continent (gas) Resource⁺ respectively. These are significant gas resources which will be appraised by the Company in due course with a view to converting the gas resources into gas reserves.

ACTIVITY IN PROVEN BASINS

Bowen Basin, Queensland: ATP 814 (Blue Energy 100% and Operator)

Sapphire 5V and 6V water production wells which have now been running continuously for some time, suffered mechanical failures during the quarter, with Sapphire 5V suffering a downhole pump blockage and Sapphire 6V encountering a surface pump unit oil cooling fan failure. Consequently, with the vertical water pumping wells on the Sapphire 5 and 6 pilots both out of action, gas production from the associated lateral pilot gas wells has been suspended, since that time. It is expected that the vertical well issues will be resolved during the coming quarter and gas production testing will resume accordingly.

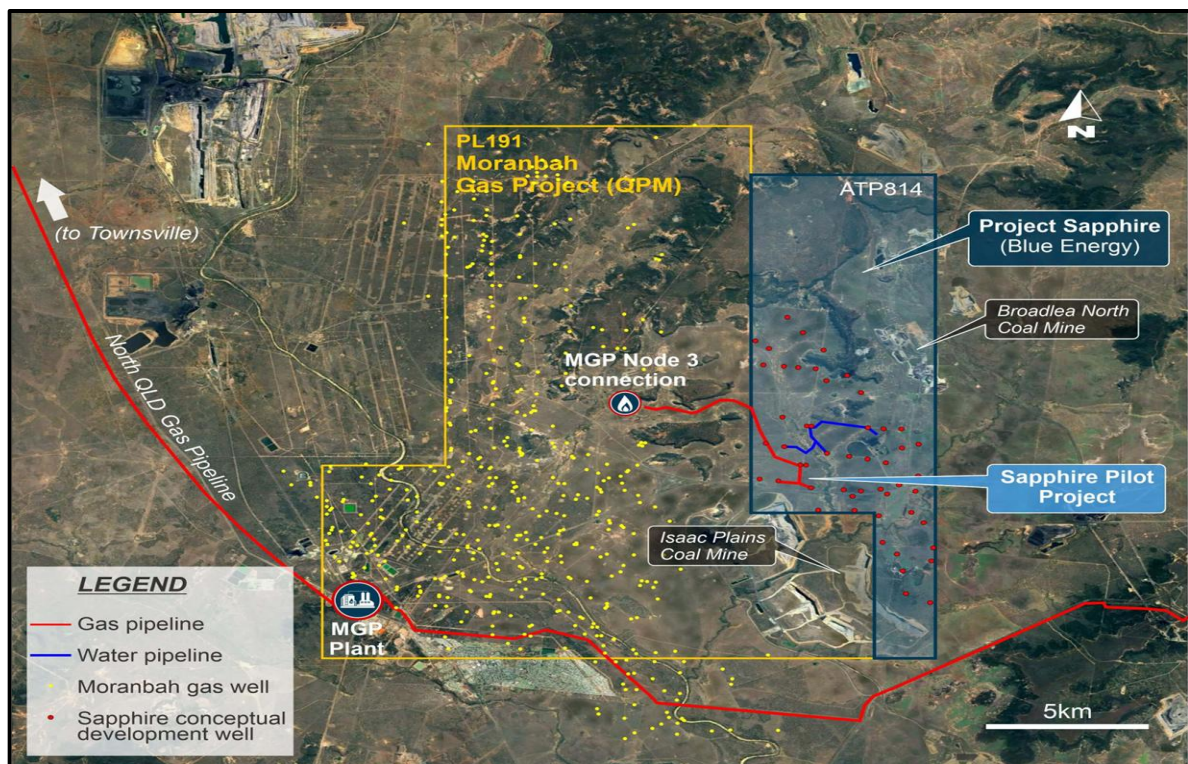


Figure 2: Sapphire block of ATP 814 in relation to the Moranbah Gas Project and the related gas producing wells. Also shown is the proposed pipeline connection from Sapphire to the MGP Node 3 connection and initial proposed Sapphire development.

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 acquired and now operated by Queensland Pacific Minerals Energy (QPME).

Blue Energy has a current 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 also 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).

Blue Management is now working with the Queensland Department Natural Resources, Mines, Manufacturing and Regional and Rural Development to complete the award of PL 1034 and allow development of the Sapphire gas resource to proceed having regard for all environmental matters required from both the Qld Land Court and Federal legislative requirements.

Surat Basin, Queensland: ATP 854 (Blue Energy 100% and Operator)

As detailed in previous Quarterly reports Blue lodged Potential Commercial Area (PCA) applications over part of the ATP 854 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. Blue is 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 in earlier announcements 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).

⁺ see Listing Rule 5.42 Disclosure at page 9.

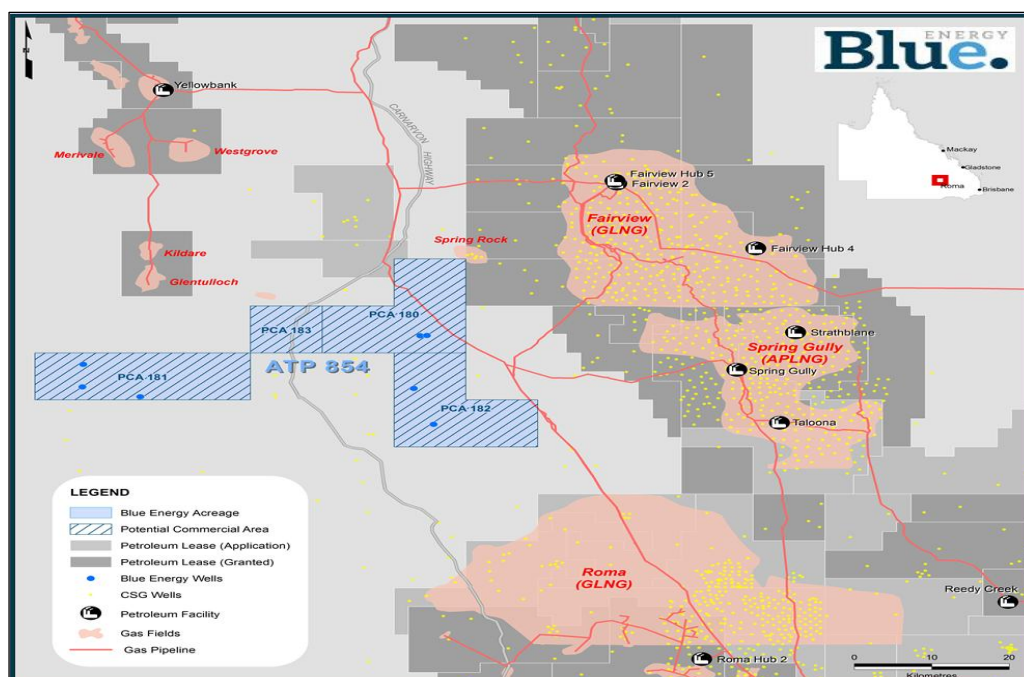


Figure 3: Location of ATP 854 in relation to existing pipeline infrastructure and major gas fields. Source: Blue Energy.

ACTIVITY IN EMERGING BASINS

Greater McArthur Basin, Northern Territory:

(Various permits and equity levels, Blue Energy Operator: see Table 2)

As previously reported (Quarterly report dated 30 April 2025), Blue Energy secured a further suspension of work program commitments and an extension of the tenure terms for EP's 200, 205 and 207, through to February 2026, from the NT Government.

In granting these Suspensions and Extensions for EP 200 and EP 207, the NT Government has confirmed that Blue has currently met its statutory work program obligations for EP 200 and EP 207 under the terms of grant of these two tenures

As also reported previously, Blue Energy is in the process of earning a greater interest in these awarded tenures (the post farm in interest) from our Joint Venture partner. Accordingly, as the first 4 years of the work commitment has been completed to the satisfaction of the Northern Territory Government, Blue is pursuing its post farm in 50% equity in EP's 200 & 205. The year 5 work commitment in these two tenures includes the drilling of a stratigraphic well in both permits, but which the Joint Venture Agreement contemplates being undertaken by a third-party farm-in party.

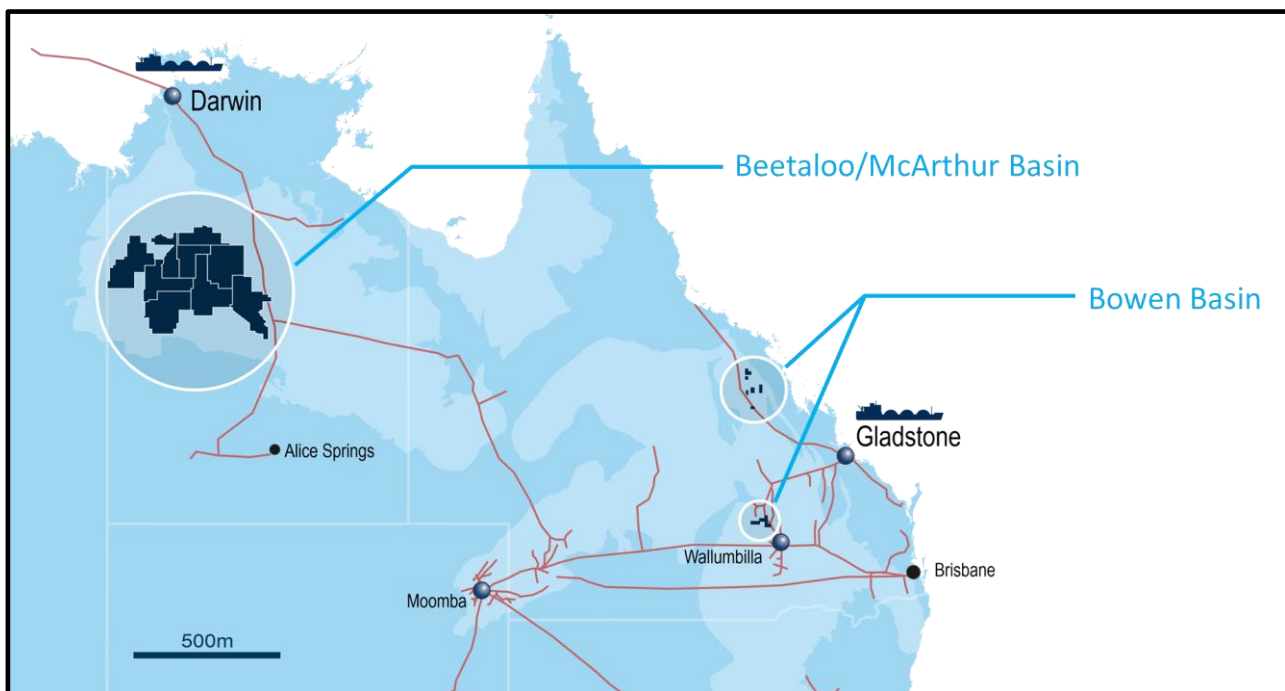


Figure 4: The Blue Energy exploration asset portfolio Source: Blue Energy.

June Quarter Exploration Expenditure Summary

During the Quarter, and as noted in Section 2.1 (d) of the Appendix 5B Form (appended to this Quarterly Activity report), the company expended \$0.427 million on exploration and evaluation activities.

This total is comprised of general exploration expenditure (Tenement access, Tenure administration and Tenure management) together with Sapphire Pilot well activities (equipment hire, fuel,

consumables, labour hire), resource assessment costs, legal defence costs plus labour and overhead costs charged to the Sapphire Project

CORPORATE

Cash position

Cash on hand (at 30 June 2025) was A\$0.913 million. The Company has zero debt.

Blue's accompanying Appendix 5B (Quarterly Cashflow Report) includes an amount in Item 6.1 which constitutes Non-executive Directors' fees for the quarter. The aggregate amount of payments to related parties and their associates for the December quarter (shown in Items 6.1 and 6.2 of the attached Quarterly Cashflow Report) relates to cash fees paid to all Directors (including fees paid to the Chairman and Managing Director).

Table 1 Blue Energy gas reserves and resources (net) as at 31 December 2024⁺

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

*Listing Rule 5.42 Disclosure

The estimates of Reserves and Contingent Resources noted throughout this Quarterly Activities 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 2022, 14 July 2022, 11 July 2023 and 11 October 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 or 854 referred to in this report and that all of the material assumptions and technical parameters underpinning the estimates in this Quarterly Activities Report continue to apply and have not materially changed.

⁺⁺ Listing Rule 5.28.2: 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 and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Table 2: Queensland petroleum tenements

Permit	Location	Interest Held Previous Quarter	Interest Held Current Quarter
ATP814	Bowen Basin (Qld)	100%	100%
ATP854	Surat Basin (Qld)	100%	100%

Table 3: Northern Territory tenements

*Permit	Location	Interest Held Previous Quarter	Interest Held Current Quarter	Comment
EP199A*	Wiso Basin (NT)	10%	10%	See Note 1
EP200*	Wiso Basin (NT)	10%	10%	See Note 1
EP205*	Wiso Basin (NT)	10%	10%	See Note 1
EP206A*	Wiso Basin (NT)	10%	10%	See Note 1
EP207*	Wiso Basin (NT)	10%	10%	See Note 1
EP208A*	Wiso Basin (NT)	10%	10%	See Note 1
EP209A*	Wiso Basin (NT)	10%	10%	See Note 1
EP210A*	Wiso Basin (NT)	10%	10%	See Note 1
EP211A*	Wiso Basin (NT)	10%	10%	See Note 1

*Exploration blocks where Blue is Operator and farming into.

Note 1: Subject to Farm-in Agreement which, upon completion of the seismic work program, will result in Blue becoming a 50% equity participant.

Released by Authority of the Board per:

John Phillips
Managing Director
Blue Energy Limited

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Blue Energy Limited

ABN

14 054 800 378

Quarter ended ("current quarter")

30 June 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(46)	(393)
	(e) administration and corporate costs	(341)	(1,328)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	6	117
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	605
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(381)	(999)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(427)	(2,519)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(427)	(2,519)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,721	4,431
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(381)	(999)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(427)	(2,519)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	913	913

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	411	661
5.2	Call deposits	502	1,061
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	913	1,721

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	65
6.2	Aggregate amount of payments to related parties and their associates included in item 2	21
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	Not applicable.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9) – excluding government grants and tax incentives received at Item 1.7.	(381)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(427)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(808)
8.4	Cash and cash equivalents at quarter end (item 4.6)	913
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	913
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.13
<i>Note: if the entity has reported positive relevant outgoings (i.e., a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: The Company's expenditure on exploration and evaluation activities in the short term is largely discretionary in nature. The Company anticipates reduced exploration and evaluation activity in the September quarter whilst the Company assesses the results of the Sapphire pilot testing program and pending the Company completing a capital raising as noted in item 8.8.2. The Company has also agreed with its Directors and executive management to defer remuneration payment until the completion of a capital raising as noted in item 8.8.2.	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: Yes. The Company is currently exploring options to raise funds and having regard to its past record of raising funds as and when required the Company is confident that it will be successful in securing the funding necessary to fund its operations.	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The Company expects to be able to continue its operations and to meet its business objectives on the following basis:

- i. As noted in the response to item 8.8.1 the Company's expenditure on exploration and evaluation expenditure is largely discretionary and the Company anticipates a reduction in exploration and evaluation expenditure in the September 2025 quarter ending the Company raising additional capital.
- ii. As also noted in the response to item 8.8.1 the Company has agreed with Directors and executive management to defer payment of their remuneration pending the Company raising additional capital.
- iii. As noted in the response to item 8.8.2 the Company is presently exploring options with respect to the raising of capital and based on its previous success in doing so is confident that the capital raising will be successful in raising capital to fund the Company's operations.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: **31 July 2025**

Authorised by: **The Board of Blue Energy Limited**
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.