

10 January 2013



## ASX ANNOUNCEMENT

### Award of Exploration Acreage in the Maryborough Basin

**Blue Energy Limited (ASX: BUL)** in conjunction with its Joint Venture partner Beach Energy Limited (Beach) (ASX: BPT) is pleased to announce the grant of two exploration tenements, ATP674P and ATP733P, in Queensland's Maryborough Basin. The permits cover some 2,584km<sup>2</sup> and lie adjacent to the previously awarded ATP613P, bringing the total covered by the Joint Venture to 2,984km<sup>2</sup>. Blue Energy is farming into the three Maryborough Basin permits and holds, subject to completing the farm-in work program, a 75% interest and is operator of the farmin work program. With the grant of these two permits the Joint Venture partners are in a dominant acreage position in the basin.

These permits lie within the Maryborough Basin which is located in the Maryborough – Bundaberg region of Queensland and is approximately 150km south of the developing Gladstone export LNG hub and 200km north of Brisbane. The area is relatively un-explored for hydrocarbons with only five exploration wells drilled in the basin to date, and with some of those wells dating back to 1953 when conventional gas exploration wells were drilled on several large structural features which were identified by field mapping. Parts of the basin have a long coal mining history with several mines (notably at Howard and Torbanlea) being worked from early last century through to the 1970's. These mines were targeting the Burrum Coal Measures in the Burrum Syncline.

The importance of confirming a commercial gas resource in the Maryborough Basin cannot be overstated. Significant gas discovered in this region could provide a viable alternate supply of energy for the Maryborough region and also supply natural gas for the South East Queensland region, including Brisbane. This would then reduce the pressure on existing domestic gas supplies whilst also offering the potential to supply the export market. The economic input to the local economy could also be substantial.

The Joint Venture parties believe the Maryborough Basin is prospective for natural gas, and the grant of these two permits will initiate the exploration process in search of commercial quantities of gas. Previous exploration has identified the gas potential of the basin with gas flows recorded from some of the early wells. Importantly, there are several different potential types of gas resources that may be confirmed by the exploration process undertaken by the Joint Venture. These different exploration plays include gas that may be reservoirised in sandstones, or in shales or coals. Whilst it is currently unclear as to the potential size of any gas resource within the Maryborough Basin, the principle elements of a significant shale gas resource have been independently recognised. The US Energy Information Agency (EIA) has judged that the Maryborough Basin contains the necessary components to host a valid shale gas source and identified a risked recoverable resource of 23 Trillion Cubic Feet (TCF).

Prior to any on ground activity (seismic acquisition or drilling) being undertaken, Blue Energy will conduct the required environmental surveys and consult with relevant stakeholders who may be impacted by early exploration activities. In addition the Joint Venture will liaise with both local and state government authorities with respect to the regional plan for the area and exploration activities authorised by the grant of these permits.

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### Maryborough Basin Permit Locations

