



blueenergy
limited



POISED FOR GROWTH

16 June 2009

Australian listed Energy Company (BUL)

Brisbane Head Office

Shares on Issue 565.7m

Market Capitalisation \$130m*

Cash \$31.9m*

Major Shareholders

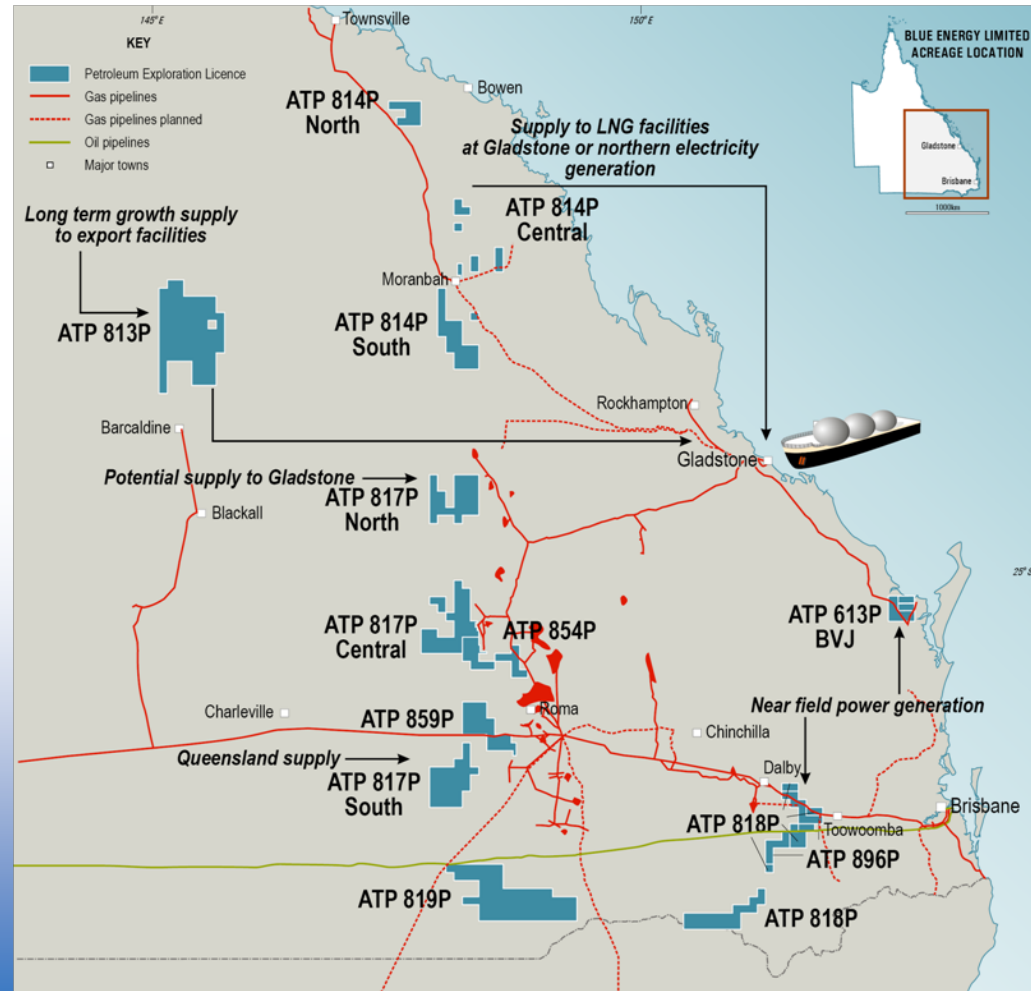
ANZ Nominees 20.3%

Stanwell 15.4%

Coal Seam Gas Acreage 27,577km²

Conventional Acreage 71,574km²

* as at 9 June 2009 post SPP



Blue Energy's Mission:

To be a profitable gas company within 3 years.

To achieve our Mission:

Blue Energy will conduct its activities with technical rigour combined with peer review of technical assumptions and findings.

Blue Energy's focused commercial objectives are:

- To have Certified Reserves within 18 months, and
- Revenue within 3 years.

Blue Energy will form alliances with new and existing partners to fulfil our work programs and achieve our Mission.

Blue Energy's strong financial and asset position allows the company to negotiate from a position of strength and maximise commercial and shareholder outcomes.

Board

- Peter Cockcroft - Executive Chairman
- Brian McGillivray - Director & Company Secretary
- Dr. Paul Massarotto - Non-Executive Director
- Stephen Harrison - Non-Executive Director
- Garry Button - Non-Executive Director
- Peter Flanagan - Non-Executive Director

Peter Cockcroft - Executive Chairman

Arguably the most experienced gas developer associated in the Australian Coal Seam Gas business, having managed successful commercial gas projects in Indonesia, Myanmar, Pakistan and Thailand, as well as working for some of the major LNG companies.

He has been a director of public companies in the USA, Middle East, Indonesia, India and Australia, as well as a Distinguished Lecturer on 'Risk' for the Society of Petroleum Engineers. He is a Life Fellow of the Royal Geographical Society, Certified Petroleum Geologist (AAPG), Fellow of the Association of Risk Management, and has written more than thirty publications in the oil and gas sector. Peter is a member of the Institute of Directors (UK) and the Australian Institute of Company Directors.

Management Team

- Peter Cockcroft - Executive Chairman
- John Phillips - Chief Operating Officer
- Stuart Owen - Chief Financial Officer
- Dr. Michael Swift - Exploration Manager
- James van Rooyen - Drilling Manager
- Drew Speedy - Finance Manager

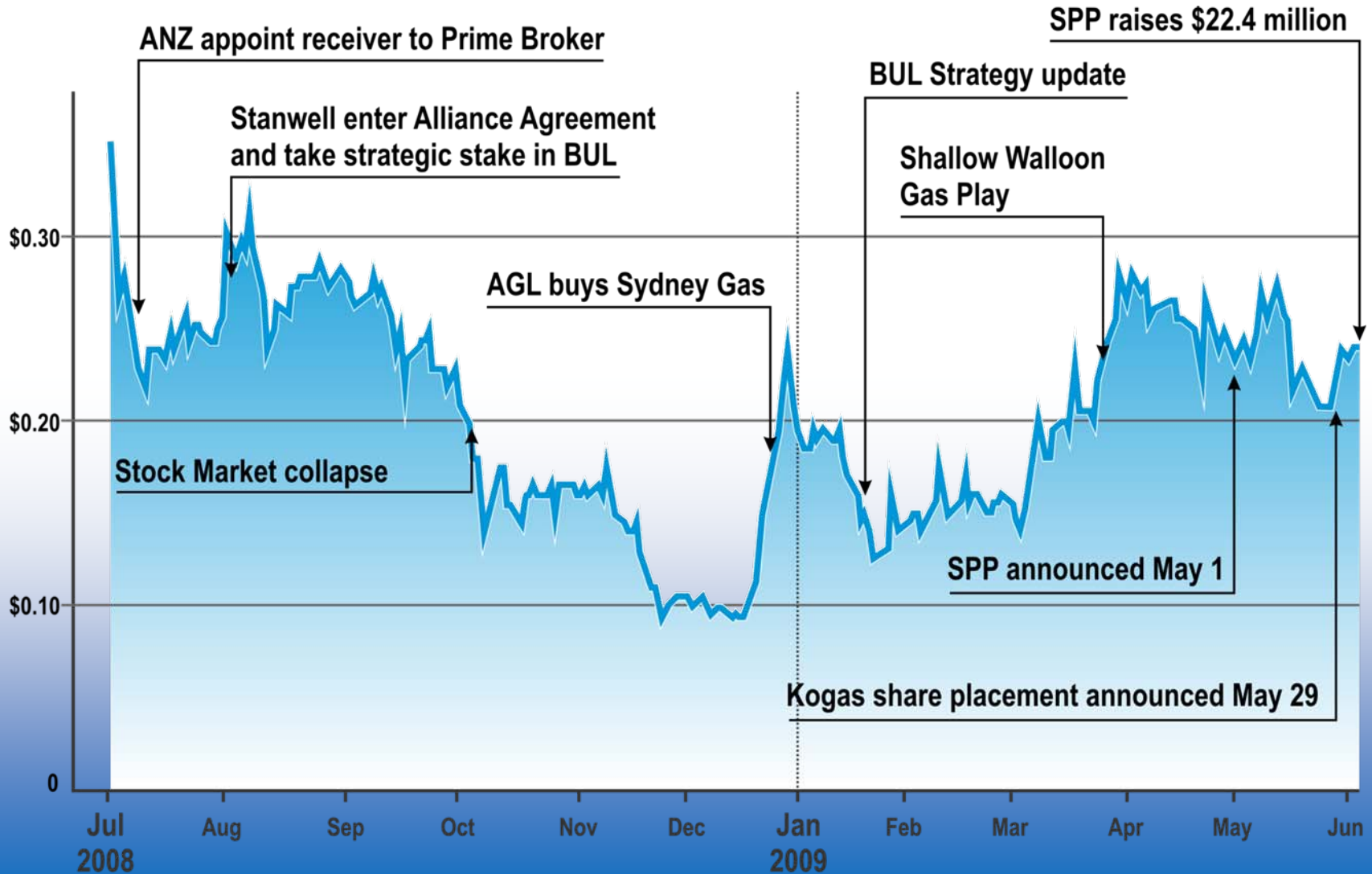
John Phillips - Chief Operating Officer

John's 25 years in the oil and gas industry has involved conventional O&G and CSG experience, in a variety of petroleum basins both domestically and internationally.

He has gained extensive operational experience through his involvement with Delhi Petroleum, Esso, Conoco, Petroz and Novus, culminating in his role as Chief Operating Officer with Sunshine Gas, where his role included taking a lead in initial studies for the SUN LNG Project with Sojitz Corp and the Reserves Certification process and FEED study for the Lacerta Development.

- **Nov 2004:** Blue Energy commenced as a private petroleum exploration company with assets in several producing Australian Basins.
- **Feb 2006:** Energy Investments Ltd (EIV) invested in Blue Energy and gained control.
- **May 2007:** EIV changes name to Blue Energy Ltd.
- **Jul 2007:** CVC becomes cornerstone investor with the acquisition of 87.3 million shares (19.9%).
- **Sept 2007:** Successful A\$34.6 million capital raising.
- **Jul 2008:** ANZ Bank appointed Receiver to Primebroker Securities took control of 113million Blue Energy Shares under margin lending security. The Receiver is working with Blue Energy on orderly sale of share block and has nominated a Board representative.
- **Aug 2008:** Stanwell acquired a 19.9% stake in the company from CVC and gained Board representation and executed Alliance Agreement to facilitate Gas Sale Agreement.
- **Sep 2008:** Peter Cockcroft appointed Chairman and embarked on a strategic review and cash preservation project.
- **Nov 2008:** New Corporate mission developed.
- **Nov 2008:** Application made (APPL 330) in PNG for inshore acreage adjacent to existing PPL's.
- **Mar 2009:** John Phillips joined the company to initially restart a reserve certification program.
- **Mar 2009:** Extension of \$3.0m 25 cent convertible notes to 31 March 2010.
- **May 2009:** Drilling rig contracted to drill 3 core wells in ATP854P to commence Q309.
- **May 2009:** Share Purchase Plan raises \$22.3 million and adds 1685 new shareholders to the register.
- **June 2009:** Blue executes HOA with KOGAS for placement of Blue shares to KOGAS for a 10% stake in Blue Energy and an option to farm in to ATP 813 and 814P.

Rank	Name	Address	Units	% of Units
1.	ANZ NOMINEES LIMITED <CASH INCOME A/C>		114,909,702	20.31
2.	STANWELL CORPORATION LIMITED		87,359,198	15.44
3.	ASPAC MINING LIMITED		20,275,198	3.58
4.	NATIONAL NOMINEES LIMITED		14,249,987	2.52
5.	JASMAH INVESTMENTS PTY LTD <JASMAH INVESTMENT A/C>		12,000,000	2.12
6.	FARJOY PTY LTD		10,079,198	1.78
7.	BLUSEAS INVESTMENTS PTY LTD <ASEAN SUPER FUND A/C>		6,000,000	1.06
8.	MR ANDREW BRUCE + MRS WENDY BRUCE <BRUCE FAMILY S/F A/C>		4,508,141	0.80
9.	BOND STREET CUSTODIANS LIMITED <HTT - V13317 A/C>		4,004,198	0.71
10.	REXBURY NOMINEES PTY LTD		3,880,651	0.69
11.	COMSEC NOMINEES PTY LIMITED		3,681,599	0.65
12.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED		3,338,000	0.59
13.	JP MORGAN NOMINEES AUSTRALIA LIMITED		2,800,000	0.49
14.	FORTY TRADERS LIMITED		2,079,198	0.37
15.	MR BRIAN LESLEIGH WILLIAMS + MRS VALERIE RUBY DAWN WILLIAMS <WILLIAMS S/F A/C>		2,054,465	0.36
16.	PEPLON NOMINEES PTY LTD		1,798,268	0.32
17.	AGENTS BUILDING CO (NORTH SYDNEY) PTY LTD		1,779,198	0.31
18.	PATICOA NOMINEES PTY LTD <SETTLEMENT A/C>		1,641,853	0.29
19.	LATERAL NOMINEES PTY LTD <STRATEGIC INVESTMENT A/C>		1,616,521	0.29
20.	MR TIMOTHY ALLEN KENNEDY + MRS GLENDA KAY KENNEDY <TA & GK KENNEDY SUPER A/C>		1,580,198	0.28
Totals: Top 20 Holders of ORDINARY FULLY PAID SHARES (TOTAL)			299,635,573	52.97
Total Remaining Holders Balance			266,064,547	47.03



SHARE PURCHASE PLAN (SPP) RESULTS

- Attracted 1685 new shareholders added to register using a variable record date.
- Maximum share parcel of \$15,000 per shareholder.
- 48% of all shareholders took up the offer (34% of pre-existing shareholders & 73% of new shareholders).
- Average parcel size = \$9,942 per application.
- **SPP raised \$22.394 million.**
- Allocated approximately 118.2 million new shares.
- Issue Price = \$0.1894

The SPP was extremely well supported by shareholders with returns exceeding expectations. This indicates very strong support for the strategy and direction that Blue's Board and Management has embarked upon.

KOGAS HOA

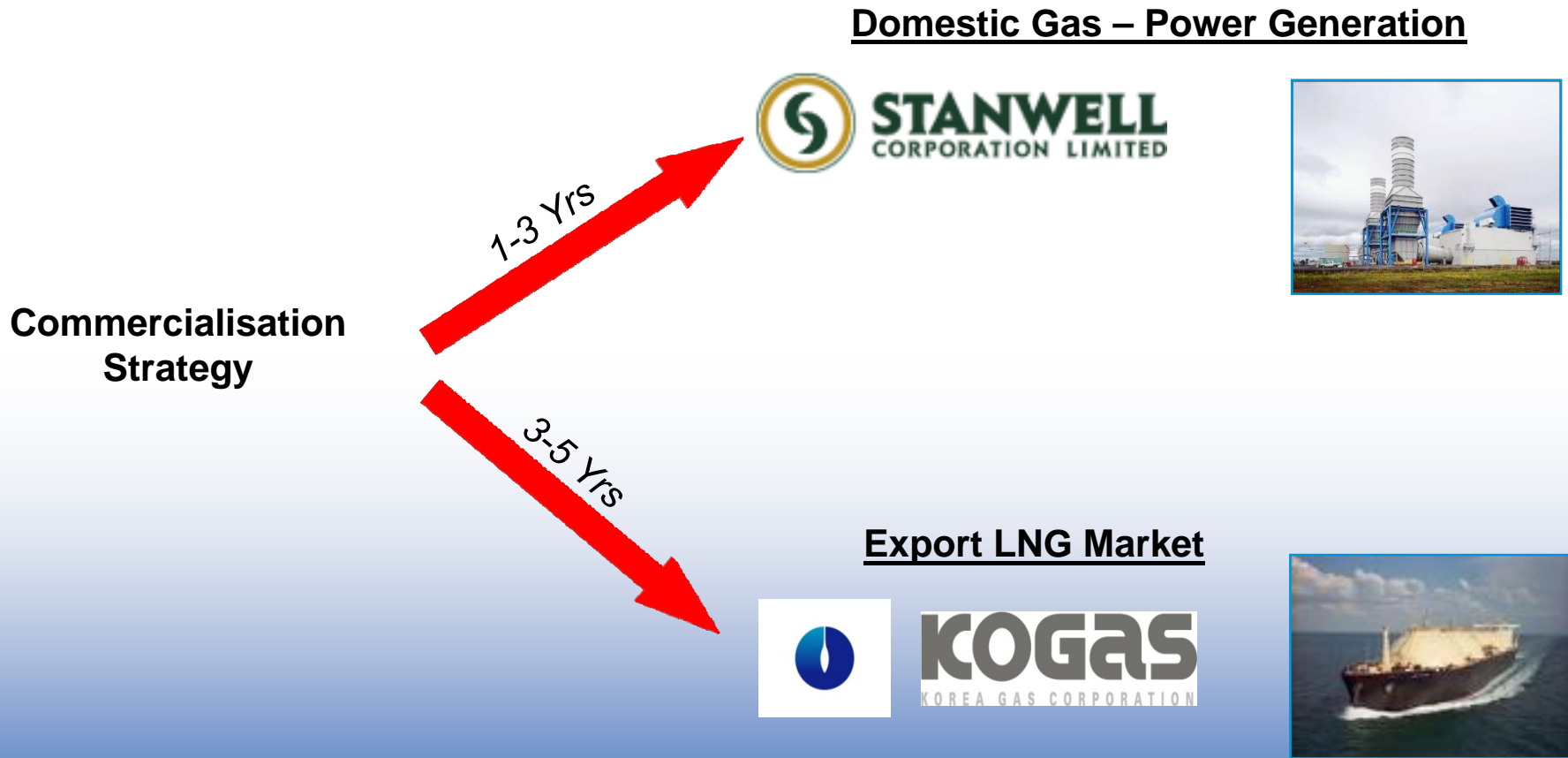
- Agreement reached between KOGAS and Blue Energy on 29th May 2009.
- Blue will make a private placement of Blue shares to KOGAS representing 10% of Blue Energy stock post SPP allotments.
- A Board position will be offered to KOGAS.
- The share placement agreement is subject to both KOGAS and Blue Board approvals.
- Once executed the SPA also gives KOGAS the option to farm into ATP 813 and 814P.
- KOGAS will require FIRB approval of the transaction.



Blue Energy Executive Chairman Peter Cockcroft and KOGAS Vice President LNG Procurement Mr Y S Park execute the HOA in Seoul

Stanwell Alliance

- Agreement reached between Stanwell and Blue Energy in August 2008.
- Blue Energy to supply 8.5 PJ per annum to Stanwell over 25 years for gas fired power project.
- Blue Energy's funding requirement is through to initial certification of reserves, with Stanwell funding development and production activities.
- In conjunction with the agreement to supply gas, Stanwell took an initial 19.9% equity stake in Blue Energy.
- Stanwell has a position on the Board of Blue Energy



SHORT TERM STRATEGY - DOMESTIC GAS (1 – 3 Years)

- Focus on shallow Walloon Coal Measures to supply to the expanding Southeast Queensland gas market with initial drilling / pilots in ATP 854P.
- Leverage the Stanwell Alliance Agreement in the reserve certification process.
- Assess the Walloon Coal Measures in ATP 818P and ATP 896P.
- Potential reserves in ATP 814P could be utilised either for power generation in the area around Moranbah or export.

MEDIUM TERM STRATEGY - EXPORT MARKET (3 – 5 Years)

- ATP 813P is potentially the “Company Maker” with large Gas In Place estimates.
- Aggressive core hole and pilot well program in ATP 813P in the Galilee Basin.
- Establish pilot production and export grade reserve base.
- Augment ATP 813P export volumes with concurrent exploration/appraisal and reserves growth program in ATP 814P targeting the Rangal, Fort Cooper and Moranbah sequences.

DOMESTIC GAS MARKET

Demand

- Current estimated Eastern Australian Gas demand is approximately 670 PJ per annum (1,835 TJ/day).
- Demand has shown strong increase in 2007 largely due to drought related issues (hydro generation decline), but this is expected to level out as the drought eases.
- New contracts totaling 2,000PJ of supply have been signed over the last 12 months.
- Growth in domestic gas use will be driven by Government mandated gas use in power generation plus the Carbon Pollution Reduction Scheme .
- Committed gas fired generating plant will require a further 100PJ per annum by 2012.

Supply

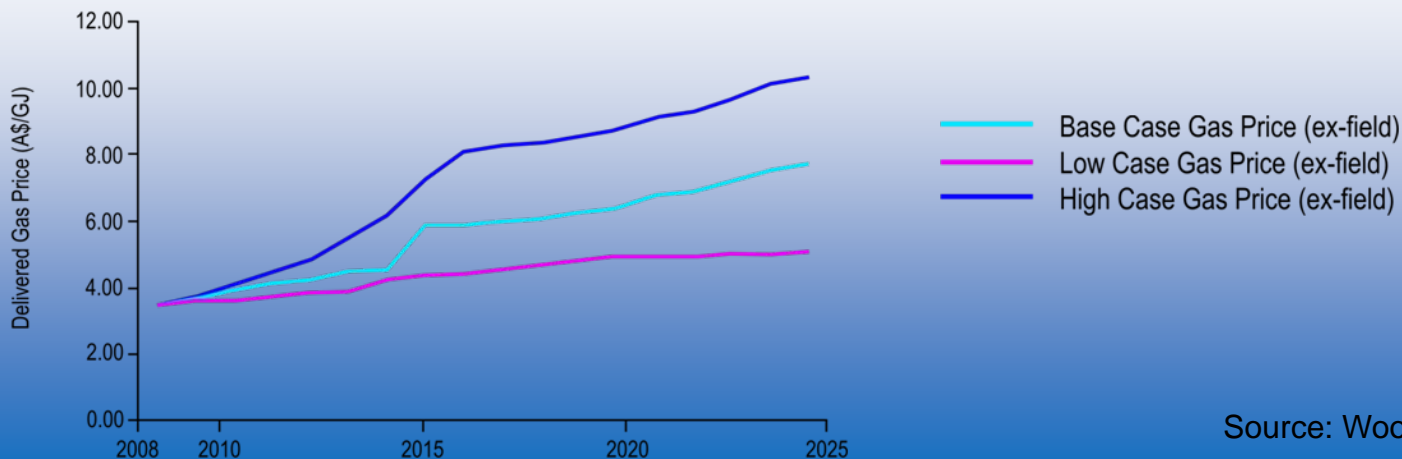
- Coal Seam Gas production as at 31 Dec 2008 was 167 PJ per annum (458 TJ/day).
- 162 PJ per annum of that is coming from Queensland (443 TJ/day) – approximately 24% of total Eastern Australian demand.
- Gas presently contributes a relatively small percentage of the generation mix (6%) – this will grow under an ETS.

DOMESTIC GAS MARKET

Price

- Successful development of an export LNG project in Gladstone will put upward pressure on gas prices.
- Rebound in oil price will impact LNG prices and CSG netback. This will affect domestic gas prices (high side case).
- Rationalisation of CSG players locking up more CSG by LNG proponents.
- Medium term tightening of supply is expected due to CSG producers building reserves ahead for export – may have short term impact on domestic gas prices.
- Carbon pricing impact – a modest pricing of carbon will not have a large impact on gas prices (low side case).

GAS PRICE OUTLOOK (2008-2025)

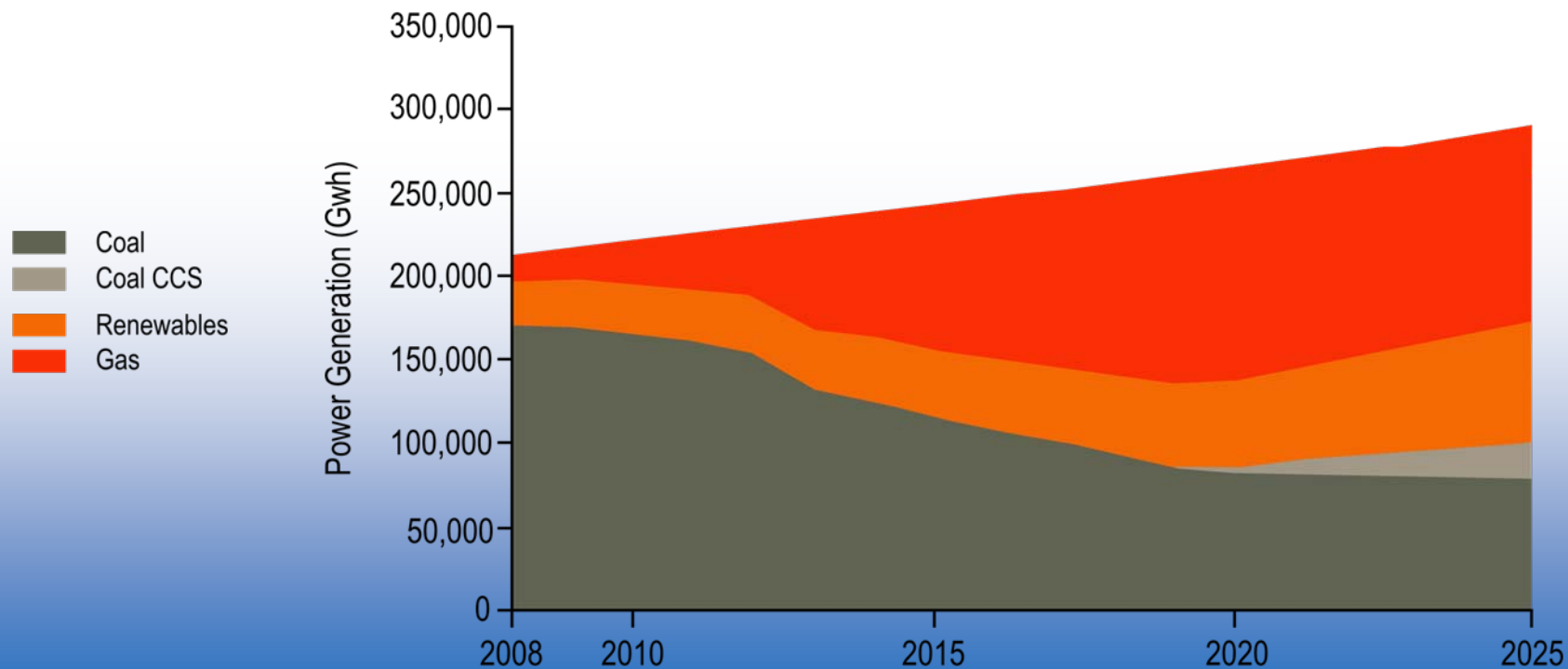


Source: Wood Mackenzie 2009

GAS IS THE FUEL OF THE FUTURE

- Eastern Australian generation growth forecast to be fuelled by gas.
- Decline in coal fired generation from CPRS.
- Renewable energy growth not forecast until 2018.

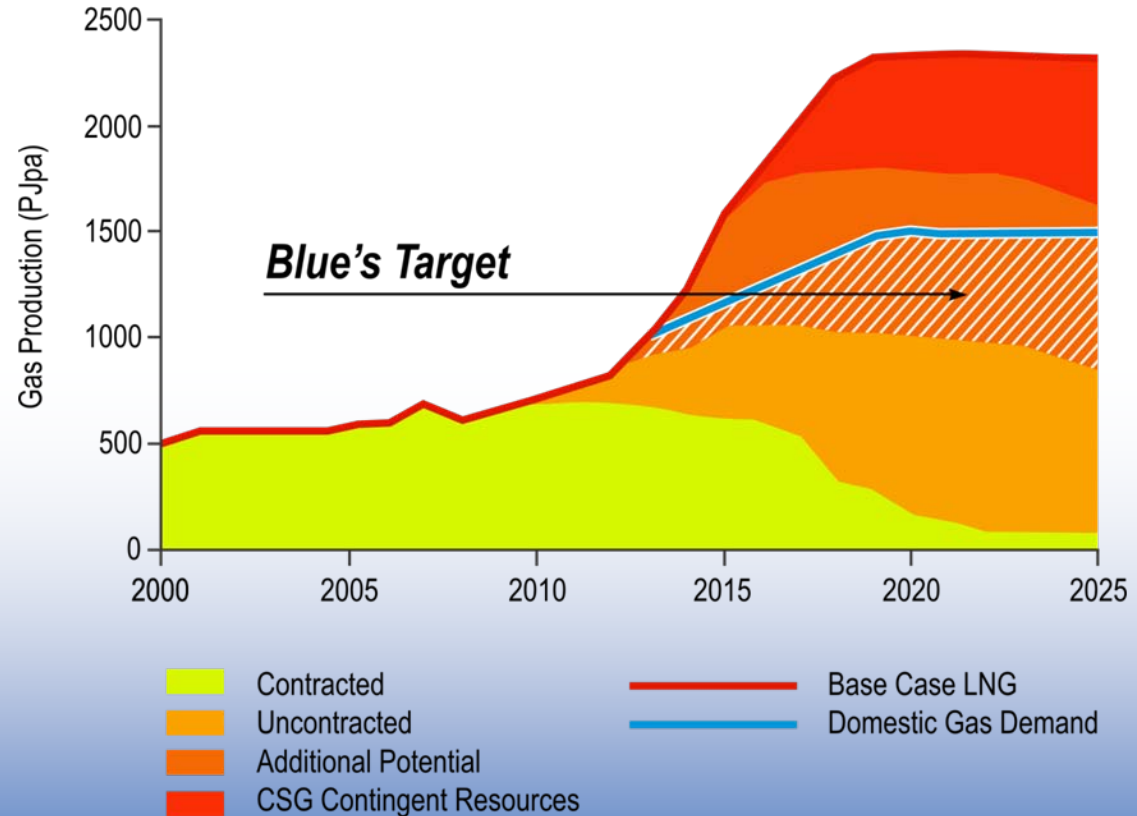
BASE CASE GENERATION OUTPUT BY FUEL (2008-2025)



Source: Wood Mackenzie 2009

With a base case LNG assumption, “additional potential” is required to meet the supply gap post 2016 given the contingent CSG resources are proved up.

EASTERN AUSTRALIA BASE CASE SUPPLY/DEMAND OUTLOOK (2008-2025)



Source: Wood Mackenzie 2009

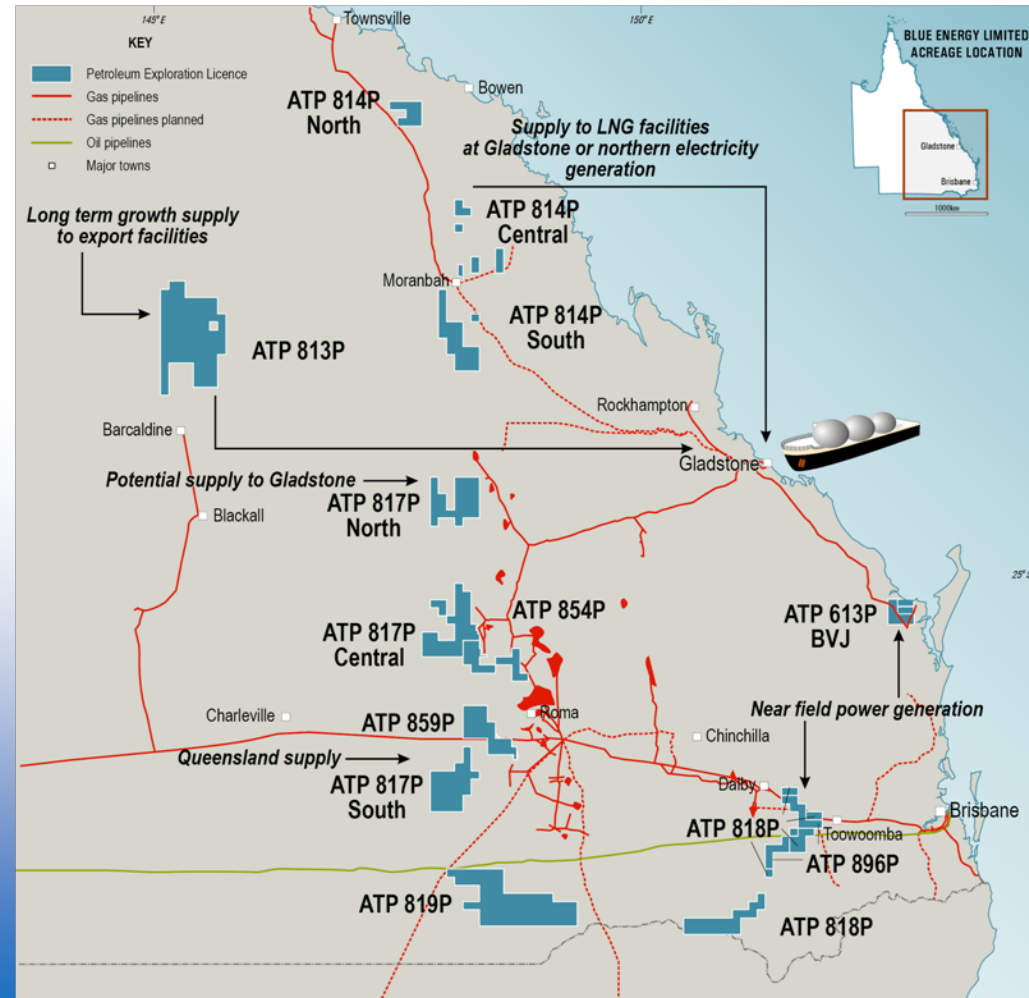
Blue Energy is currently initiating drilling programs to move current Prospective and Contingent Resource to Independently Certified Reserves to fast track the pathway to revenue:

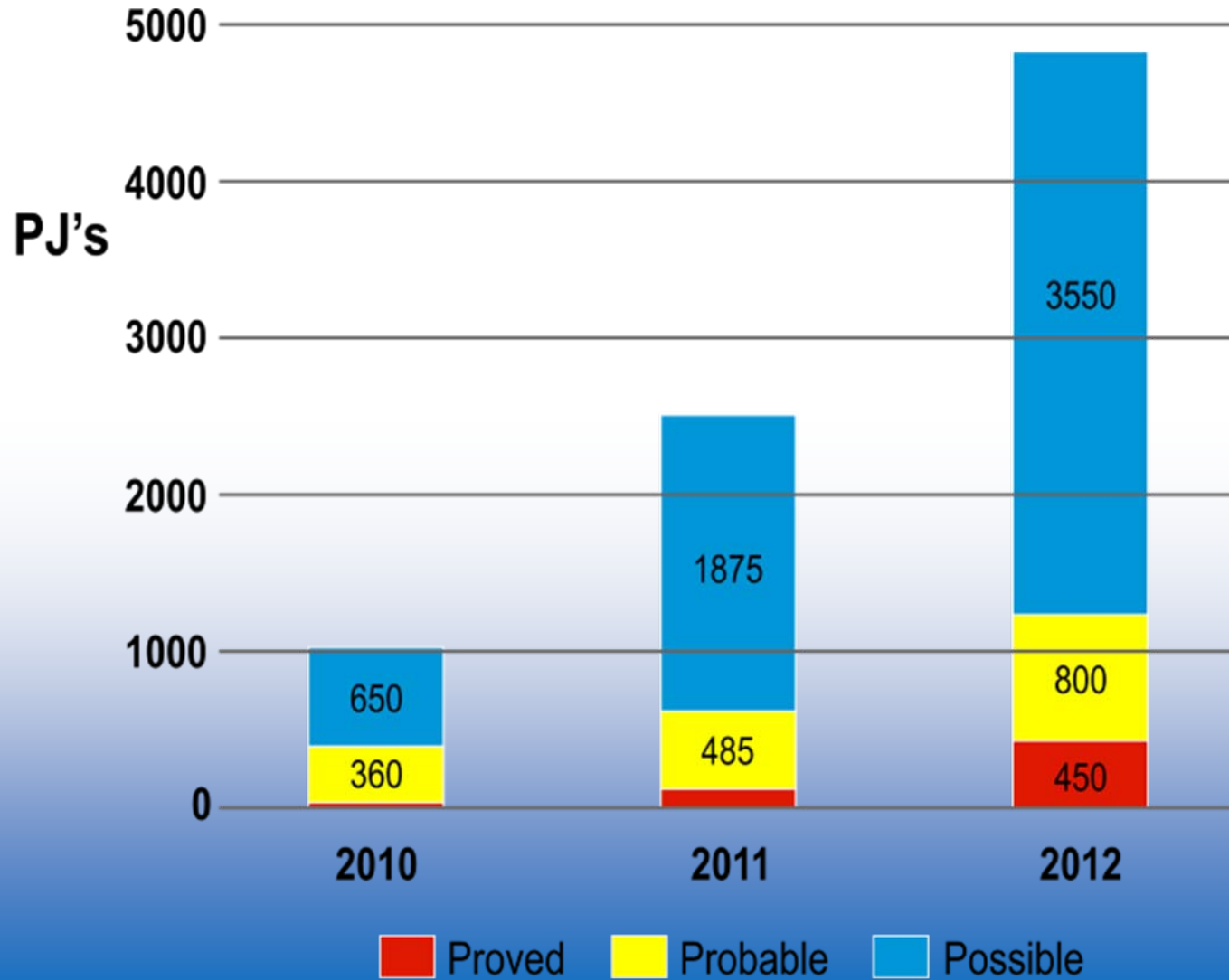
Domestic Gas (1 - 3 Years)

- **ATP 854P (BUL 100%)**
Targeting the Walloon Coal Measures
- **ATP 818P/896P (BUL 100%)**
Targeting the Walloon Coal Measures
- **ATP 814P (BUL 100%)**
Targeting the Fort Cooper, Rangals and Mooranbah Coal Measures

Export LNG (3 – 5 Years)

- **ATP 813P (BUL 100%)**
Targeting the Betts Creek Coal Measures
- **ATP 814P (BUL 100%)**
Targeting the Fort Cooper, Rangals and Mooranbah Coal Measures





Permit	Target 3P	Cost Estimate	Activity	2009		2010				2011			
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
ATP 854P Walloons	150PJ	\$1.5MM \$2.0MM	Coreholes (3) Pilot Certified Reserves GSA Development	■		■	■	●	■				
ATP 818 / ATP 896P Walloons	200PJ	\$2.0MM \$2.0MM	Coreholes (3-5) Pilot Certified Reserves GSA Development		■	■		●	■	■			
ATP 814P Permian	200PJ	\$3.0MM \$5.0MM	Coreholes (3) Pilot Certified Reserves GSA Development			■	■		●	■	■	■	■
ATP 813P Permian	500PJ	\$8.0MM \$7.0MM	Coreholes (10) Pilot Certified Reserves GSA Development			■	■	■		●	■	■	■



- Korean State owned gas company.
- World's largest LNG Importer (26.3 mt in 2008).
- 3 LNG Receiving terminals (2.7 mt storage).
- Large gas transmission network.
- Sales Gas volumes 1,350 PJ/annum.
- 2008 revenue = A\$24 billion.
- 10% equity in Blue Energy through private placement (expected to be completed by 31 July 2009 subject to Board and FIRB approval)
- Farm – in option in ATP 813/814P.



- Qld Government Owned Corporation.
- Generation capacity in excess of 1,500 MW of electricity.
- Both Hydro (4 sites) and thermal generation (3 sites) .
- 360 employees.
- \$540 million revenue 2007-08 FY.
- Blue Energy's 2nd largest shareholder and has a Board member.
- Alliance agreement on ATP 854/817 to supply 212 PJ of gas over 25 years.

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.



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