

6 October 2011



## ASX ANNOUNCEMENT

### Operations Update – ATP814P Bowen Basin

**Blue Energy Limited (ASX: BUL)** provides the following update on drilling activities in the ATP814P permit.

#### **Monslatt 9**

The Monslatt 9 Coal Seam Gas well has successfully confirmed coals with gas contents in the southern portion of the Monslatt Block, where little data existed. The well has been cased and suspended, and is now pending completion as a pilot test well. A major advantage of Monslatt 9 is that it is located in close proximity to an all weather sealed main road. The attached map shows the location of the well.

Well results report high gas content (up to 25m<sup>3</sup>/tonne), and thick (up to 4 metres) coal seams. The coal seams correlate with the nearest wells, Monslatt 6C and 6P. In addition, core samples from the carbonaceous shales within the lower Moranbah Coal Measures show potential, and are currently being tested and assessed for gas content and other parameters.

Whilst final core analysis is still to be obtained, interpretation of the preliminary data suggests that this well will add to the current gas in place and contingent resources for the block by extending the southern limit. Pilot production testing is still required to convert this resource into reserves in this area.

These results further reinforce the potential of the Monslatt Block as a significant gas resource and one which will play an integral part in Blue Energy's vision to have 3,000PJ of 3P gas reserves by year end 2014. With this Monslatt 9 well, Blue plans to expand from 3 to 6 Monslatt pilot production test wells by year end 2011.

The drilling rig is now moving to the Sapphire 4 core and pilot well in the Sapphire Block of ATP814P which spudded at midnight yesterday.

#### **For further information please contact:**

John Phillips  
Chief Executive Officer / Managing Director  
Blue Energy Limited  
Tel: +61 7 3270 8800

**Figure 1**  
**ATP 814P Location Map**

