

29 June 2010



## ASX/Media Release

### Activity Update

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

#### **ATP814P Bowen Basin (BUL 100%):**

**Sapphire 3 corehole well:** The Sapphire 3 corehole spudded on 19 June 2010 and as of this morning was at a depth of 454 metres and coring ahead in the Late Permian aged Rangal Coal Measures. Sapphire 3 is designed to assess the Moranbah, Fort Cooper and Rangal Coal Measures immediately adjacent to Arrow Energy's Moranbah Gas Project. The well is located approximately 25 kilometres north east of Moranbah.

**Monslatt 6 Pilot Production well:** The Monslatt 6 well spudded on 19 June 2010 and as of this morning was at a depth of 380 metres and drilling ahead in the Moranbah Coal Measures. The well is located in the southern part of the Monslatt Block and approximately 11 kilometres south of the Monslatt 4 well and 15 kilometres south west of the township of Nebo. The well is designed to obtain both permeability and production test data from the Moranbah Coal Measure coals and will assist in conversion of the 3,532PJ Contingent Resource Estimate obtained from NSAI to 2P and 3P Reserves.

**END**

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Figure 1: ATP814P Drilling Program Location Map

