

ASX/Media Release

Monslatt Resource Upgrade - ATP814P

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

Monslatt Resource Upgrade

As reported previously, the drilling of the Monslatt 9 appraisal well in the southern part of the Monslatt Block of ATP814P (Figure 1) resulted in an extension to the previous limit of the Monslatt gas resource.

Netherland and Sewell and Associates (NSAI) have now completed the assessment of the well data from Monslatt 9 and have increased the Contingent Resources (3C) in the Monslatt Block by 156PJ (recoverable) as a direct result of the Monslatt 9 well. On a Gas in Place basis, the Monslatt 9 well has increased the Monslatt Block gas resource by 448PJ.

Table 1: ATP814P Resource Estimate

Permit/Block	Gas in Place	3P Reserves	3C Contingent Resource
ATP814P	Gas in Place	Recoverable	Recoverable
Sapphire Block	1,174PJ	39PJ	284PJ
Central Block	2,669PJ		457PJ
Monslatt Block	3,591PJ		1,451PJ
Total ATP814P	7,434PJ	39PJ	2,192PJ

Well data from the recent Sapphire 4 Core/Pilot well are still being assessed by NSAI.

The estimates of gas resources for the Monslatt Block were prepared by Mr John Hattner of Netherland, Sewell and Associates in accordance with the internationally accepted methodology set forth in the 2007 Petroleum Resources Management System (PRMS) approved by the Society of Petroleum Engineers (SPE). Mr Hattner is a qualified person as defined in the ASX Listing Rules and has given his consent for the use of the reserve and resource figures in this announcement.

Current Field Operations

Monslatt 6P

The Monslatt 6P well was drilled in 2010, but due to the extensive flooding in the area had been inaccessible until July this year. Workover and completion operations have now been undertaken and the well has been stimulated (using nitrogen) in the P Seam and surface facilities are now being put in place for the well to go on production test. The well flowed gas during the clean-up phase of the stimulation and as reported at the time of drilling recorded a gas flow rate of up to 15,000 standard cubic feet per day on short term flow test.

Monslatt 7/8H

The workover rig is currently cleaning out the vertical Monslatt 7 and its in-seam Monslatt 8H wells. These wells will be back on production test in the next few days

Monslatt 4

On completion of the Monslatt 7 clean out, the workover rig will move to the Monslatt 4 well to retrieve long term pressure monitoring gauges, and place the well on production test in the P seam.

Monslatt 5P

Following Monslatt 4 completion, the workover rig will conduct a water shut-off operation and upgrade of the pump on the Monslatt 5P well.

At the end of the workover rig program, there will be 4 Monslatt wells on production test. The Monslatt 9 and Sapphire 4 wells will be completed in the New Year.

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Figure 1: ATP814P Location Map

