Blue. ENERGY
Level 10, 26 Wharf St,
Brisbane QLD 4000
t +61 (0)7 3270 8800
f +61 (0)7 3270 8899

*NATURAL GAS – Reliable, Dispatchable, Sustainable, ... ESSENTIAL*

30 October 2026

# QUARTERLY ACTIVITIES REPORT to 30 September 2026

**Blue Energy Limited** (ASX: BLU, 'Blue Energy', 'Blue' or 'the Company') is pleased to report on activities during the quarter ended 30 September 2026 across its acreage in Queensland and the Northern Territory, in which the Company's key gas and oil projects are located.

## HIGHLIGHTS

- Federal Government Gas Reservation Scheme Legislation introduced to Parliament.
  - Up to 20% of gas exported as LNG by LNG exporters will be required to be supplied to the domestic gas market
  - Australian Energy Regulator (AER) will administer and implement the scheme and will attach a levy on the industry to cover its administrative costs
  - All of Blue's gas is free from domestic reservation legislation (Federal and State) and is likely to be considered "additional gas" under the scheme and therefore able to be made contractually available to any LNG exporter for their domestic gas supply obligations
- Blue seeking potential Farm-in partners for ATP 854, located in close proximity to major gas transportation infrastructure and the Wallumbilla gas hub near Roma
- Blue working with Administrators/Receivers to QPME on the Moranbah Gas Project asset sale process
- Blue has 91 PJ of 2P Gas Reserves$^{+}$ and 1,617 PJ of 2C Gas Resources$^{+}$ (2P+2C = 1,708 PJ)
- Blue has at end of Qtr $3.2 million of cash (unaudited) and zero debt.
- Blue is actively assessing several cost reduction measures

**Federal Government Gas Reservation Scheme**

The Federal Governments "Gas Reservation Scheme was introduced to Federal Parliament on 14th October and has progressed to a second reading stage. In summary the legislation seeks to require LNG exporters holding an export licence (mainly Queensland based) to supply up to 20% of their LNG export volumes to the domestic gas market.

The Australian Energy Regulator (AER) will administer, monitor compliance and reporting through the scheme and determine the applicable domestic supply obligation using forecast demand, including a target supply buffer and will treat the east coast and west coast gas markets separately.
The scheme does not establish a general fixed price for reserved gas, but these would continue to be negotiated between the gas buyer and gas seller.

The cost of the implementation and ongoing administration of the scheme will be funded by a Levy on the export LNG sector

All of Blue Energy's current acreage is free from the existing Queensland Government's domestic gas reservation requirements and the new proposed federal restrictions are unlikely to directly affect Blue's gas reserves and resources. It will however have a secondary effect as it relates to Export LNG Operators needing to access additional gas to meet their domestic gas obligation.

The Gas that will be produced by Blue is likely to be considered "additional gas" under the proposed scheme and as such should be available to sell to Export LNG Operators.

## ACTIVITY IN PROVEN BASINS

### Bowen Basin, Queensland: ATP 814 (Blue Energy 100% and Operator)

With the grant of PL 1034 (Sapphire Project) by the Queensland Government, Blue continues to pursue the environmental requirements, detailed in the April 2025 Land Court approval for the amended Environmental Authority.

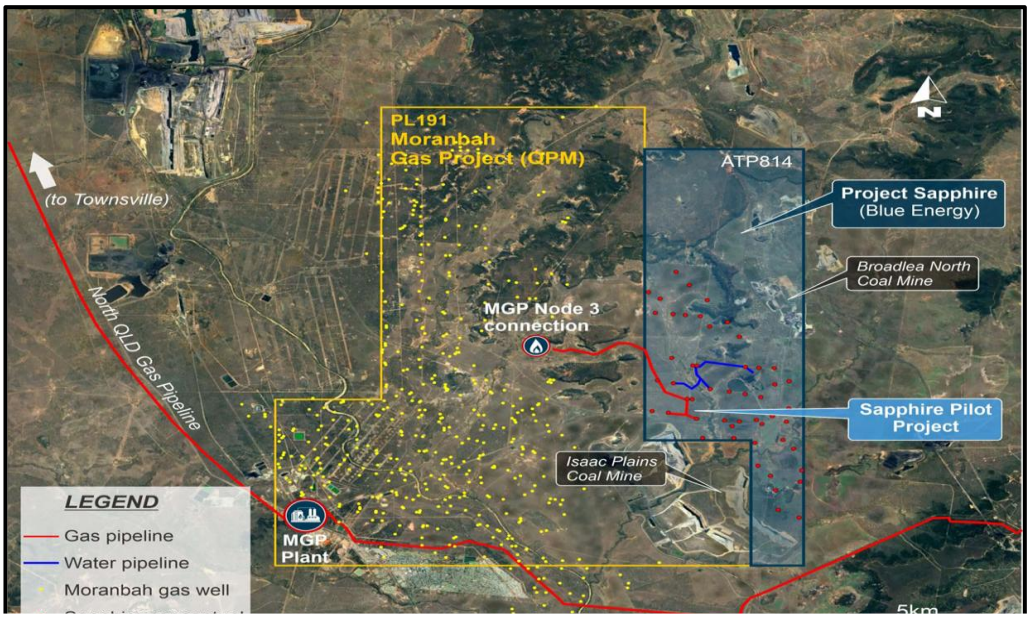



*Figure 1: Sapphire block (PL 1034) of ATP 814 in relation to the Moranbah Gas Project and the related gas producing wells. Also shown is the proposed pipeline connection from Sapphire to the MGP Node 3 connection and initial proposed Sapphire development.*

The existing Sapphire Pilot is situated within the PL 1034 production licence area, (previously part of ATP 814) which is located immediately adjacent to the Moranbah Gas Project (MGP)– See Figure 1. As mentioned in the highlights above, the owner of the MGP entered Voluntary Administration with Receivers and Managers being appointed in July this year. As a capital preservation measure Blue has also curtailed production testing at the Sapphire Pilot.

### Surat Basin, Queensland: ATP 854 (Blue Energy 100% and Operator)

As detailed in previous Quarterly Reports, the long-standing Potential Commercial Area (PCA) applications over the ATP 854 permit area have been awarded by the Queensland Government

Blue is in now proceeding with a farmout process to attract a suitable partner to undertake the respective work programs in the PCA's

Blue has in earlier announcements reported 398 $PJ^{+}$ of Contingent Resources (recoverable gas) in ATP 854 as assessed by Netherland, Sewell and Associates Inc (NSAI). This gas resource is located near the heart of the CSG–LNG Surat Basin gas supply precinct and has gas pipeline infrastructure linking Wallumbilla to Gladstone running directly through the permit (Figure 2 below).

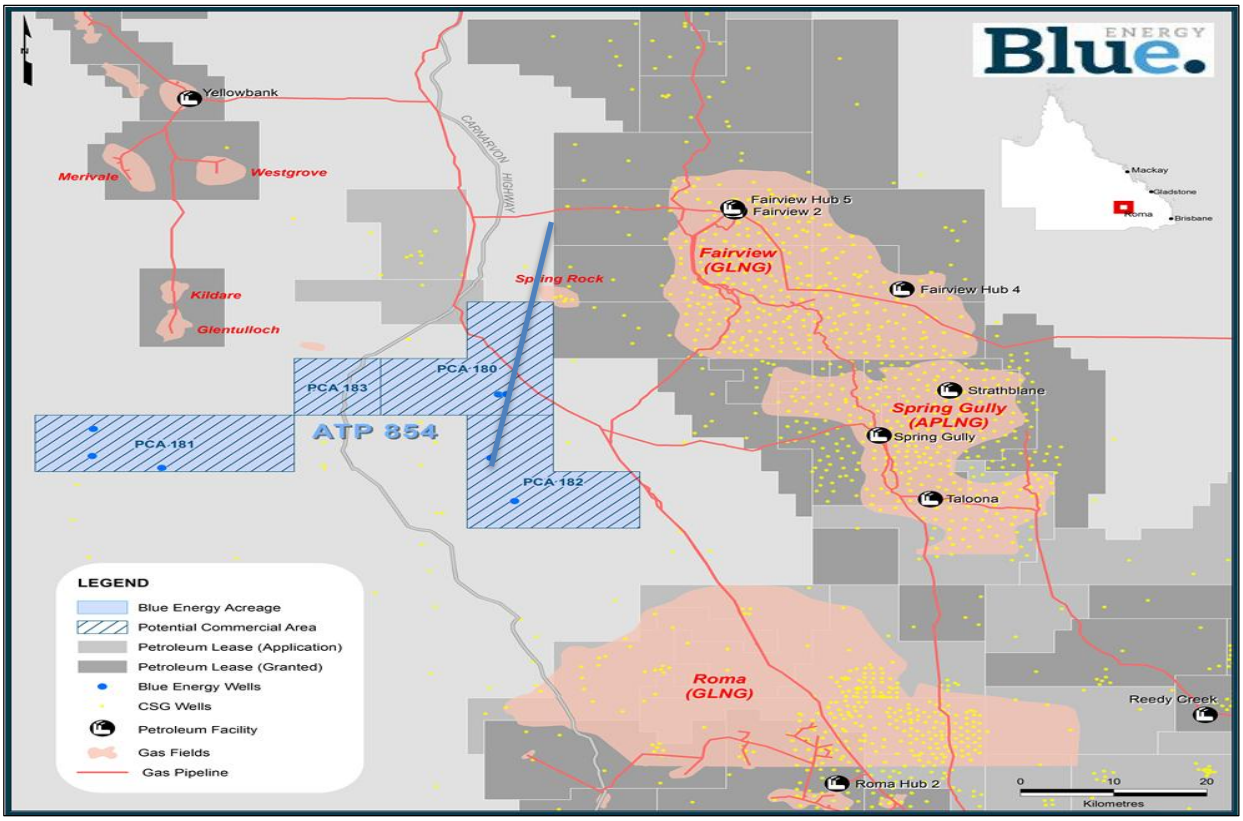



*Figure 2: Location of ATP 854 in relation to existing pipeline infrastructure and major gas fields. Source: Blue Energy.*

The Deep Permian Play being explored by other operators to the South of ATP 854 (see notes above) is present within the eastern portions of ATP 854. The current resource estimates for ATP 854 (conducted by NSAI) do not include any potential that may exist for the Deep Permian play in the Blue tenures (See Figure 3). Blue is closely monitoring drilling and testing activity in this play to the south of ATP 854. Blue is monitoring closely the results of adjacent operators who are currently pursuing this play.

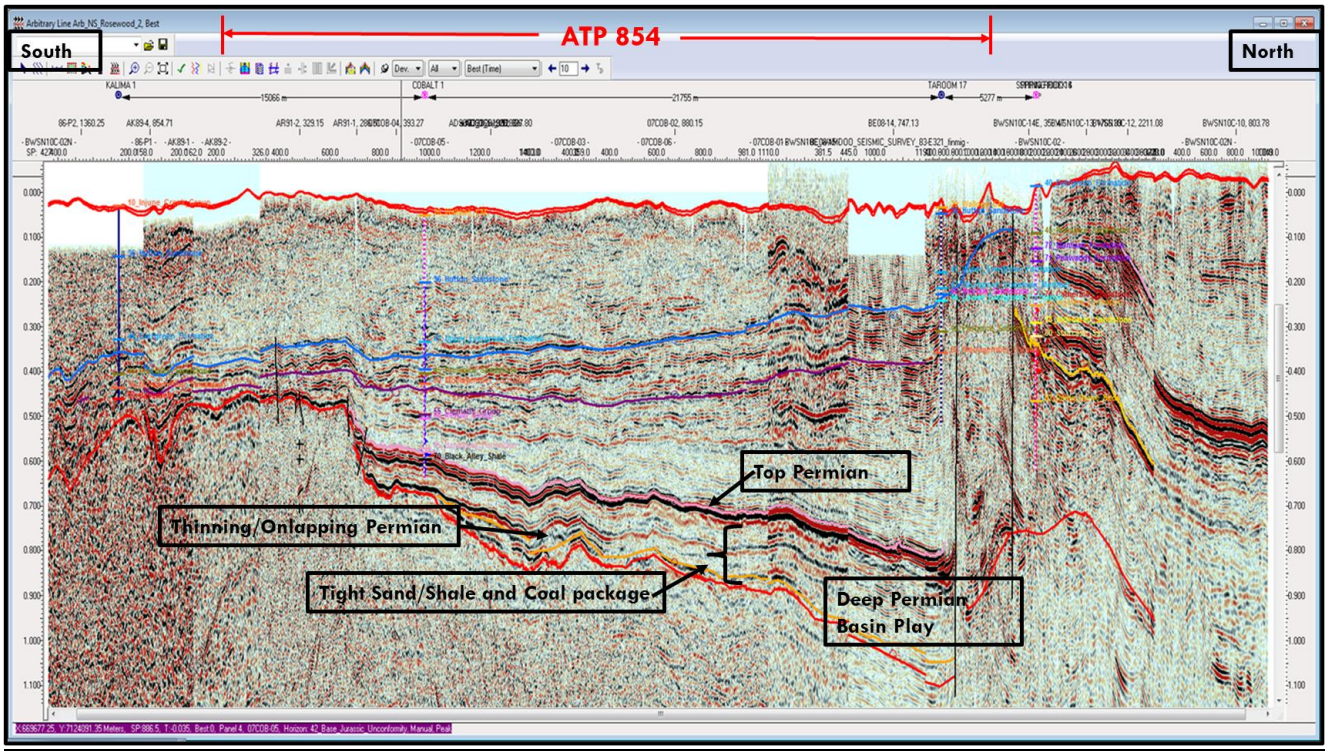



*Figure 3; Depiction from Seismic cross section of the Deep Permian play across the eastern portion of ATP 814.*

## ACTIVITY IN EMERGING BASINS

**Greater McArthur Basin, Northern Territory:**
**(Various permits and equity levels, Blue Energy Operator: see Table 2)**

The suspensions granted for the work program and extensions of the tenure terms for EP's 200, 205 and 207 remain in force until mid-February 2027. Blue is finalising the Land Access agreements to facilitate furthering the work programs, whilst noting the gas flows recorded from other operators to the east of the Blue operated tenures.

**December Quarter Exploration Expenditure Summary**

During the Quarter, and as noted in Section 2.1 (d) of the Appendix 5B Form (appended to this Quarterly Activity report), the company expended $0.539 million on exploration and evaluation activities.

This total is comprised of general exploration expenditure (Tenement access, Tenure administration and rental and Tenure management) together with Sapphire Pilot well activities (equipment hire, fuel, consumables, labour hire), resource assessment costs, legal defence costs plus labour and overhead costs charged to the Sapphire Project

## CORPORATE

**Cash position**

Cash on hand (at 30 September 2026) was A$3.2 million. As recorded in the previous quarterly report, the tax refund for R&D expenditure on the Sapphire pilot testing was received after the end of that Quarter. This totalled $446,908. The Company maintains zero debt.

Blue's accompanying Appendix 5B (Quarterly Cashflow Report) includes an amount in Item 6.1 which constitutes Non-executive Directors' fees for the quarter. The aggregate amount of payments to related parties and their associates for the December quarter (shown in Items 6.1 and 6.2 of the attached Quarterly Cashflow Report) relates to cash fees paid to all Directors (including fees paid to the Chairman and Managing Director).

Retirement of Director

Mr Mark Hayward retired as a Non-executive Director of the Company on 30th September 2026. Mr. Hayward a former audit partner with EY, was appointed to the board in February 2021 and during his tenure provided valuable guidance and oversight of the Company's financial and risk profiles as the chair of the Risk and Audit Committee. The Company thanked him for this service and wished him every success.

**[+]Listing Rule 5.42 Disclosure**

The estimates of Reserves and Contingent Resources noted throughout this Quarterly Activities Report have been provided by Mr John Hattner of Netherland, Sewell and Associates Inc (NSAI) and were originally reported in the Company's market announcements of 25 January 2012, 26 February 2013, 19 March 2013, 8 December 2015, 28 February 2019, 22 January 2022, 14 July 2022, 11 July 2023 and 11 October 2023. NSAI independently regularly reviews the Company's Reserves and Contingent Resources.

Mr Hattner is a full-time employee of NSAI, has over 30 years of industry experience and 20 years of experience in reserve estimation, is a licensed geologist and a member of the Society of Petroleum Engineers (SPE), and has consented to the use of the information presented herein. The estimates in the reports by Mr Hattner have been prepared in accordance with the definitions and guidelines set forth in the 2018 Petroleum and Resource Management System (PRMS) approved by the SPE, utilising a deterministic methodology.

Blue Energy confirms that it is not aware of any new information or data that materially affects the information included in any of the announcements relating to ATP 814 or 854 referred to in this report and that all of the material assumptions and technical parameters underpinning the estimates in this Quarterly Activities Report continue to apply and have not materially changed.

[++] Listing Rule 5.28.2: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

***Table 1** Blue Energy gas reserves and resources (net) as at 30 June 2025[+]*

| Permit | Block | Date | Method | Certifier | 1P (PJ) | 1C (PJ) | 2P (PJ) | 2C (PJ) | 3P (PJ) | 3C (PJ) |
|---|---|---|---|---|---|---|---|---|---|---|
| ATP854P | | 25/01/2022 | SPE/PRMS Det | NSAI | - | 90 | - | 194 | - | 398 |
| ATP814P | Sapphire | 9/10/2023 | SPE/PRMS Det | NSAI | - | 171.2 | 90.7 | 251.7 | 287.0 | 256.0 |
| ATP814P | Central | 31/07/2023 | SPE/PRMS Det | NSAI | - | 39 | | 111 | | 469 |
| ATP814P | Monslatt | 8/12/2015 | SPE/PRMS Det | NSAI | - | - | - | 619 | - | 2,054 |
| ATP814P | Lancewood | 31/07/2023 | SPE/PRMS Det | NSAI | - | 203 | - | 232 | | 573 |
| ATP814P | Hillalong | 27/02/2020 | SPE/PRMS Det | NSAI | - | - | - | 182 | - | 237 |
| ATP814P | South | 29/07/2013 | SPE/PRMS Det | NSAI | - | 15 | - | 27 | 6 | 30 |
| **Total (PJ)** | | | | | **-** | **518** | **91** | **1,617** | **293** | **4,017** |

***Table 2:** Queensland petroleum tenements*

| Permit | Location | Interest Held Previous Quarter | Interest Held Current Quarter |
|---|---|---|---|
| ATP814 | Bowen Basin (Qld) | 100% | 100% |
| ATP854 | Surat Basin (Qld) | 100% | 100% |

***Table 3:** Northern Territory tenements*

| *Permit | Location | Interest Held Previous Quarter | Interest Held Current Quarter | Comment |
|---|---|---|---|---|
| EP199A* | Wiso Basin (NT) | 10% | 10% | See Note 1 |
| EP200* | Wiso Basin (NT) | 10% | 10% | See Note 1 |
| EP205* | Wiso Basin (NT) | 10% | 10% | See Note 1 |
| EP206A* | Wiso Basin (NT) | 10% | 10% | See Note 1 |
| EP207* | Wiso Basin (NT) | 10% | 10% | See Note 1 |
| EP208A* | Wiso Basin (NT) | 10% | 10% | See Note 1 |
| EP209A* | Wiso Basin (NT) | 10% | 10% | See Note 1 |
| EP210A* | Wiso Basin (NT) | 10% | 10% | See Note 1 |
| EP211A* | Wiso Basin (NT) | 10% | 10% | See Note 1 |

*Exploration blocks where Blue is Operator and farming into.
Note 1: Subject to Farm-in Agreement which, upon completion of the seismic work program, will result in Blue becoming a 50% equity participant.

Released by Authority of the Board per:

**John Phillips**
**Managing Director**
**Blue Energy Limited**

# Appendix 5B

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

**Blue Energy Limited**

| ABN | Quarter ended ("current quarter") |
|---|---|
| **14 054 800 378** | **30 September 2026** |

| **Consolidated statement of cash flows** | | **Current quarter $A'000** | **Year to date (3 months) $A'000** |
|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | - | - |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | (67) | (67) |
| | (e) administration and corporate costs | (263) | (263) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 19 | 19 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | 445 | 445 |
| 1.8 | Other (provide details if material) | 2 | 2 |
| **1.9** | **Net cash from / (used in) operating activities** | **136** | **136** |

| | | | |
|---|---|---|---|
| **2.** | **Cash flows from investing activities** | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) exploration & evaluation | (555) | (555) |
| | (e) investments | - | - |
| | (f) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (3 months) $A'000 |
|---|---|---|---|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| **2.6** | **Net cash from / (used in) investing activities** | **(555)** | **(555)** |

| **3.** | **Cash flows from financing activities** | | |
|---|---|---|---|
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | | |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| **3.10** | **Net cash from / (used in) financing activities** | **-** | **-** |

| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | | |
|---|---|---|---|
| 4.1 | Cash and cash equivalents at beginning of period | 3,621 | 3,621 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | 136 | 136 |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (555) | (555) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | - |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (3 months) $A'000 |
|---|---|---|---|
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| **4.6** | **Cash and cash equivalents at end of period** | **3,202** | **3,202** |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter $A'000 | Previous quarter $A'000 |
|---|---|---|---|
| 5.1 | Bank balances | 2,925 | 3,190 |
| 5.2 | Call deposits | 277 | 431 |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| **5.5** | **Cash and cash equivalents at end of quarter (should equal item 4.6 above)** | **3,202** | **3,621** |

| 6. | Payments to related parties of the entity and their associates | Current quarter $A'000 |
|---|---|---|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 141 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | 56 |

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

| 7. | **Financing facilities**<br>*Note: the term "facility' includes all forms of financing arrangements available to the entity.*<br>*Add notes as necessary for an understanding of the sources of finance available to the entity.* | **Total facility amount at quarter end $A'000** | **Amount drawn at quarter end $A'000** |
|---|---|---|---|
| 7.1 | Loan facilities | - | - |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (please specify) | - | - |
| 7.4 | **Total financing facilities** | **-** | **-** |

| | | |
|---|---|---|
| 7.5 | **Unused financing facilities available at quarter end** | - |

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Not applicable.

| 8. | **Estimated cash available for future operating activities** | **$A'000** |
|---|---|---|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | 136 |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (555) |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | **(419)** |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 3,202 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | **3,202** |
| 8.7 | **Estimated quarters of funding available (item 8.6 divided by item 8.3)** | **7.6** |

*Note: if the entity has reported positive relevant outgoings (i.e., a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.*

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: **30 October 2026**

Authorised by: **The Board of Blue Energy Limited**
(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.