

31 October 2025

QUARTERLY ACTIVITIES REPORT to 30 September 2025

Blue Energy Limited (ASX: BLU, ‘Blue Energy’, ‘Blue’ or ‘the Company’) is pleased to report on activities during the quarter ended 30 September 2025 across its acreage in Queensland and the Northern Territory, in which the Company’s key gas and oil projects are located.

KEY HIGHLIGHTS

- PL 1034 Granted - The Department of Natural Resources, Mines, Manufacturing and Regional and Rural Development granted Petroleum Lease (PL) 1034 over the Sapphire Block on 5th September
- Capital Raise – 2 Tranche Placement and SPP –successfully conducted. Placements raised \$3.2 million (excl fees) and the SPP raised a further \$2.6 million – with all being very well supported
- Qld Government Energy Road map – more gas – more electricity generation – coal generation capacity to be maintained to 2040.

Blue Energy Granted PL 1034 by the Qld Government

The Department of Natural Resources, Mines, Manufacturing and Regional and Rural Development granted Petroleum Lease (PL) 1034 over the Sapphire Block to Eureka Petroleum (100% Blue Energy Subsidiary). The PL was awarded to Eureka Petroleum (a 100% Blue subsidiary) on 5th September 2025.

The grant of the PL follows the decision by the Qld Land Court to issue an Environmental Authority over the PL 1034 area after a two year court challenge over the initial issue of an Environmental Authority by the Queensland Department of Environment, Tourism Science and Innovation in early 2023. The Land Court’s decision was handed down on 3rd April 2025, which issued an amended Environmental Authority to Eureka Petroleum granting permission to drill up to 117 new wells in PL 1034 (Sapphire) over the 20 year life of the production licence. Blue is now undertaking the requisite environmental studies in compliance with the Court issued EA.

Capital Raise

On 29th August, the company announced its successful capital raising activity with a total of \$3.2 million secured through a two Tranche placement to institutional and sophisticated investors at the issue price of \$0.005 per new share. Tranche 1 raised \$1.39 million and was undertaken using the Company’s available Listing Rule 7.1 capacity, while Tranche 2, which secured the remaining \$1.81 million remained conditional upon securing shareholder approval. Shareholder approval for the issue of the Tranche 2 shares was secured at the General Meeting of shareholders held 14th October 2025 (subsequent to the end of the quarter). Shareholders strongly supported the resolutions put to the meeting and both ratified the issue of the Tranche 1 shares and approved the issue of the Tranche 2 shares.

In conjunction with the Placement, the Company also launched a Share Purchase Plan (SPP) in order to allow existing shareholders to take up new shares in the Company on the same terms as has been made available to participants in the Placement, to a maximum value of \$30,000 per each individual shareholding.

The SPP closed 20 October 2025 heavily oversubscribed after being very well supported by existing shareholders. In the circumstances the Board elected to upscale the SPP to raise \$2.6 million in order to allow as many of the existing retail shareholders to participate as possible.

Commenting on the results of the SPP, Blue Energy Chairman Mr John Ellice-Flint said “*The significant over subscription to our SPP offering by mainly smaller shareholders demonstrates their clear understanding of the state of the east coast gas market, the importance of natural gas to Australia’s manufacturing sector (and hence the country’s prosperity through preservation of existing jobs plus new jobs) and to the electricity generation sector, (even as the southern States continue to phase out their coal fired generation capacity). The recent release of the Queensland Government’s Energy Roadmap underscores the State Government’s appreciation of natural gas as a critical component for securing reliable, available and cost effective energy for Queenslanders.*

As the world and Australia embrace AI and big data, the need for continuously available low-cost reliable electricity is the perfect synergy for more natural gas fired power generation and if Queensland is to benefit from Data Centre new builds and AI infrastructure, it must have on demand low-cost reliable electricity – and gas is key.

Our shareholders clearly, also understand that as demand for natural gas increases, companies with uncontracted gas reserves and resources will become important in filling the gap in the supply of new gas. Blue has a large gas resource base of 4,000 Peta joules and also has 2P and 3P reserves in Central Queensland.

The key to addressing the east coast shortage is to connect new gas supply to the markets and Blue continues to pursue construction of the multi-user open access Central Queensland Pipeline to alleviate the long term gas supply shortage facing the nation.”

Queensland Government Energy Roadmap

The Queensland Government released its Energy Roadmap on 10th October 2025.

Amongst other things, it recognised the importance of gas in the energy mix and that more gas was required. The summary position of the Energy Roadmap report on gas is explained as follows:

“Gas has emerged as a critical technology for system reliability and firming as the electricity generation mix changes over time. In 2025, there is around 3.5 GW of combined and open-cycle gas turbine capacity operational across Queensland’s energy system. By 2030, the system is expected to support up to 4.1 GW of gas-fired generation and by 2035, between 6.1 – 8.3 GW. The need for new gas capacity is universal across all market outlooks to de-risk the energy system as it transitions to renewables over time.”

As a result, Queensland Government Owned Generators have now been tasked with expanding their gas fired power generation capacity and therefore will become gas buyers in the marketplace.

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 is now pursuing those additional environmental requirements that were detailed in the Land Court approval of April 2025, to grant an amended Environmental Authority. In broad terms these revolve around baseline groundwater and fauna surveys ahead of any development of the field.

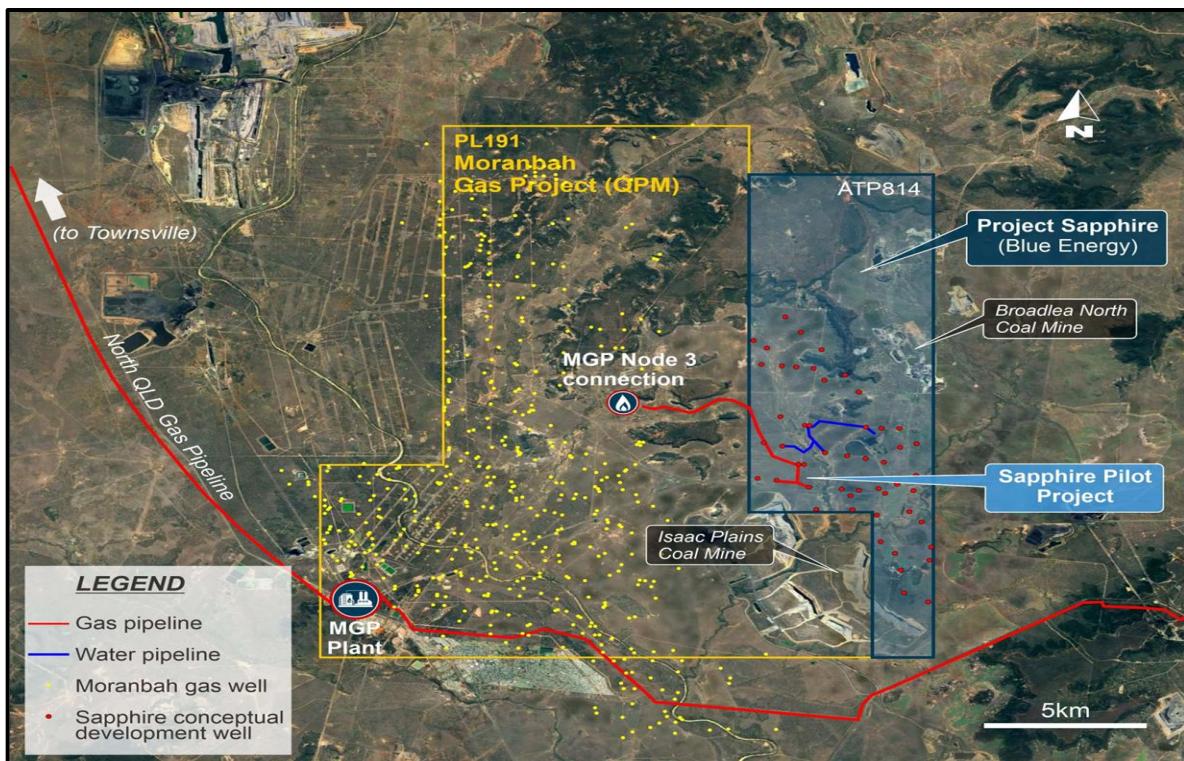


Figure 1: Sapphire block (PL 1034) of ATP 814 in relation to the Moranbah Gas Project and the related gas producing wells. Also shown is the proposed pipeline connection from Sapphire to the MGP Node 3 connection and initial proposed Sapphire development.

The existing Sapphire Pilot is situated within the PL 1034 production licence, (previously part of ATP 814) which is located immediately adjacent to the Moranbah Gas Project (MGP)— See Figure 1. The Sapphire 6 pilot wells continue to flow gas, whilst Sapphire 5 pilot is awaiting down hole pump replacement. The MGP is a producing gas field owned and operated by Queensland Pacific Minerals Energy (QPME).

Blue Energy has a current non-binding MoU to supply gas to QPME's proposed Nickel refinery in Townsville. With the acquisition of the MGP by QPME, there is alignment between QPME and Blue Energy for the Company to utilise MGP infrastructure to fulfil the supply agreement to the proposed QPME Townsville plant.

Reflecting this alignment, Blue and QPME also executed a non-binding MoU to supply pilot gas to the MGP from the Sapphire Pilot via a proposed pipeline connection from the Sapphire Pilot location to the Node 3 compressor station within the Moranbah Gas field (Figure 1).

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

As detailed in previous Quarterly Reports, Blue has long-standing Potential Commercial Area (PCA) applications over parts of the ATP 854 permit area seeking the tenure upgrade (from ATP to PCA) to facilitate this tenure to progress toward developing of potential new economic gas resource, identified by Blue's exploration drilling work in the permit to date.

Blue has submitted additional information requested by the Department that will be input into their decision on these PCA's Government to secure the grants of these PCA's and bring new gas supply to the market in a timely manner.

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). The 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).

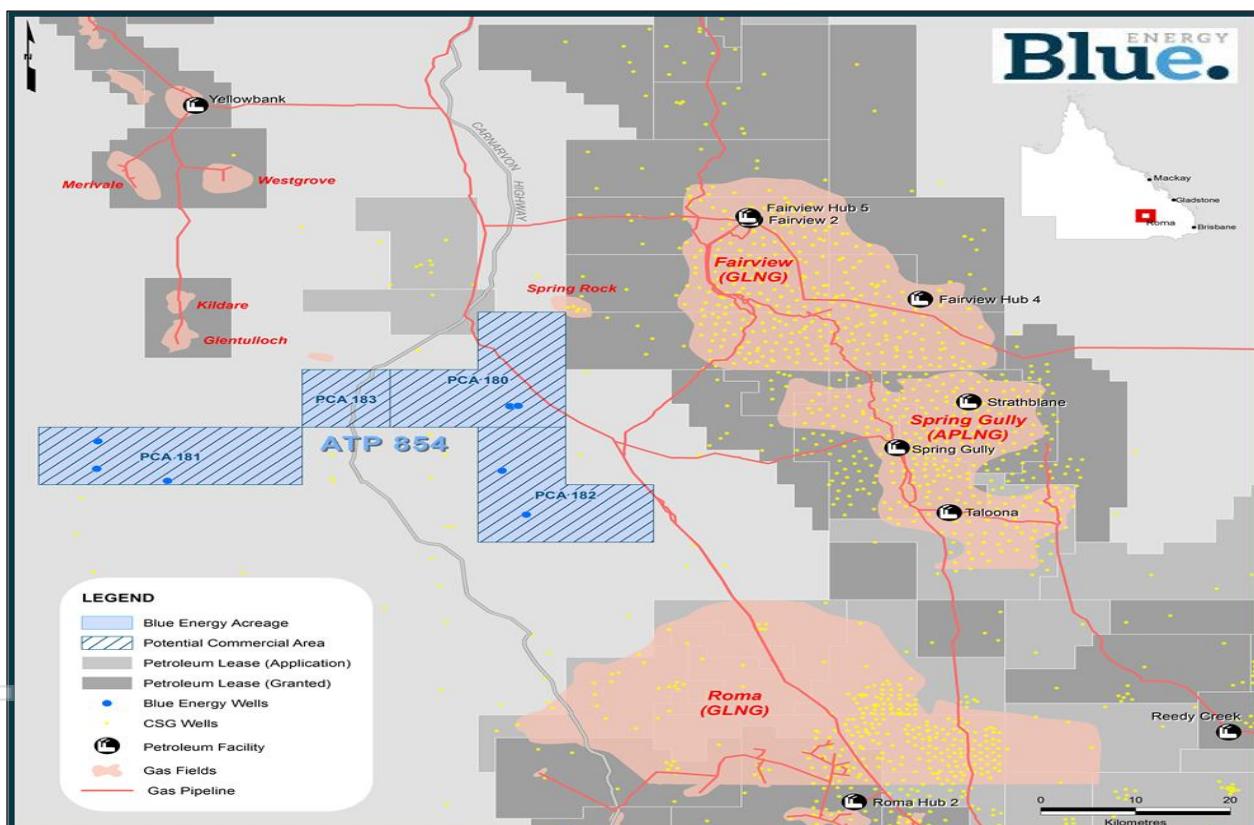


Figure 2: Location of ATP 854 in relation to existing pipeline infrastructure and major gas fields. Source: Blue Energy.

ACTIVITY IN EMERGING BASINS

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

As previously reported (Quarterly report dated 30 April 2025), Blue Energy's work program is under suspension and an extension of the tenure terms for EP's 200, 205 and 207is in force through to February 2026, from the NT Government.

⁺ see Listing Rule 5.42 Disclosure at page 9.

The NT Government has confirmed that Blue has currently met its statutory work program obligations for EP 200 and EP 207 under the terms of grant of these two tenures

As also reported previously, Blue Energy is in the process of earning a greater interest in these awarded tenures (the post farm in interest) from our Joint Venture partner. Accordingly, as the first 4 years of the work commitment has been completed to the satisfaction of the Northern Territory Government, Blue is pursuing its post farm in 50% equity in EP's 200 & 205.

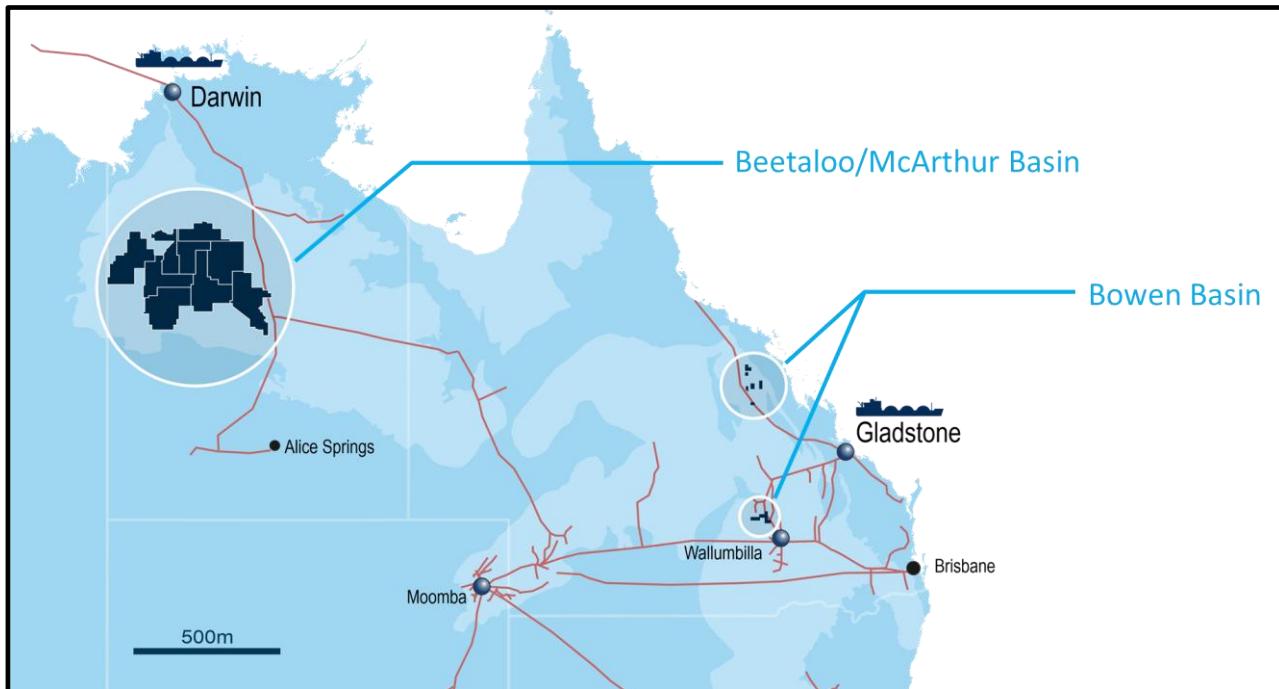


Figure 3: The Blue Energy exploration asset portfolio Source: Blue Energy.

June 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 \$0.434 million on exploration and evaluation activities.

This total is comprised of general exploration expenditure (Tenement access, Tenure administration 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 June 2025) was A\$1.465 million, noting also that after quarters' end, approximately a further \$4.4 million of cash was secured through the Tranche 2 Placement (\$1.8 million) and the Share Purchase Plan (\$2.6 million). The Company has 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).

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

+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 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

14 054 800 378

Quarter ended ("current quarter")

30 September 2025

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	(36)	(36)
(e) administration and corporate costs	(288)	(288)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	9
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(315)	(315)
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	(434)	(434)
(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	(434)	(434)
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	1,388	1,388
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	(88)	(88)
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	1,300	1,300
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	913	913
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(315)	(315)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(434)	(434)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,300	1,300

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	1,464	1,464
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	1,053	411
5.2 Call deposits	411	502
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)	1,464	913
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		95
6.2 Aggregate amount of payments to related parties and their associates included in item 2		21

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	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term 'facility' includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
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) – excluding government grants and tax incentives received at Item 1.7.		(315)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))		(434)
8.3 Total relevant outgoings (item 8.1 + item 8.2)		(749)
8.4 Cash and cash equivalents at quarter end (item 4.6)		1,464
8.5 Unused finance facilities available at quarter end (item 7.5)		-
8.6 Total available funding (item 8.4 + item 8.5)		1,464
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)		1.96
<i>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.</i>		
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: Yes. The Company's expenditure is largely discretionary, and efforts have been made to reduce corporate overhead costs. Further, the Company has undertaken successful capital raising efforts that will be further explained in 8.8.2.		

- 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: The Company announced a successful capital raising on 29 August 2025 that involved a placement to institutions and sophisticated investors in 2 tranches, in conjunction with a Share Purchase Plan (SPP), all of which were very well supported.

The Company received the funds for Tranche 1 of the Placement in early September 25, with the funds from Tranche 2 being received 20 October 2025 (post the Sept reporting period) and after the General Meeting of Shareholders held 14 Oct 2025 which secured the approvals for Tranche 2.

The SPP closed 20 October 2025 and was heavily oversubscribed raising approximately \$2.6 million in addition to the Placement which raised \$3.2 million before costs.

The results of these corporate actions have provided the Company more than sufficient monies to fund its operations.

- 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: The Company expects to be able to continue its operations and to meet its business objectives on the following basis:

- i. The Company's expenditure on exploration and evaluation expenditure is largely discretionary, and the Company has made efforts to reduce corporate overheads.
- ii. As noted in the response to item 8.8.2 the Company has also been successful in raising capital during September and October 2025 to fund the Company's operations.

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: **31 October 2025**

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.

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

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.