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

31 July 2026

QUARTERLY ACTIVITIES REPORT
to 30 June 2026

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

HIGHLIGHTS

- Blue awarded four Potential Commercial Area tenures: PCA's 180, 181, 182 and 183 by the Queensland Government covering ATP 854 in the Surat Basin area of Queensland.
- Blue holds 100% equity in ATP 854 and the PCA's.
- Blue continues mapping out the Deep Permian potential of ATP 854 following the early-stage success of the play to the south in the Taroom Trough.
- PCA's 180, 181, 182 and 183 contain 398 PJ+ of Contingent Resources (recoverable gas resources) as estimated by tier one global gas experts Netherland, Sewell and Associates Inc of Dallas Texas (NSAI).
- 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
- Environmental (flora and fauna) field data acquisition to meet Environmental Authority requirements for PL 1034 (Sapphire) development has been completed and data now being compiled.
- Blue notes that the owner and operator of the Moranbah Gas Project (MGP) entered voluntarily administration post quarter end. Blue is monitoring the Administrators/Receivers activity and its intentions with respect to QPM's assets, noting that gas production from the MGP has not been interrupted. Until such time as some certainty on the ownership of the MGP becomes clearer, Blue has decided to curtail the production testing on the Sapphire Pilot.
- To preserve capital, Blue has curtailed production testing at the Sapphire pilot installation noting that gas was still flowing but at rates not considered commercial due to the formation damage sustained during the original drilling phase.
- Activity in the Northern Territory Beetaloo Basin is ramping up with gas flow testing results reported by Beetaloo Energy Australia Limited and Tamboran Resources Corporation together with Government approval of a 12 well appraisal program by Santos.
- The Northern Territory Government has backed plans for a $40 billion Data Centre Industry to be developed south of Darwin and powered by local gas from the Beetaloo Basin.
- Blue maintains 91 PJ of 2P Gas Reserves+ and 1,617 PJ of 2C Gas Resources+ (2P+2C = 1,708 PJ)
- Blue has $3.62 million of cash (unaudited) and zero debt
- Blue received an R&D tax refund of $464,908 post quarter's end (which is not included in the Appendix 5B cash balance)

ATP 854 PCA decisions

As has been previously announced, Blue lodged PCA Applications for four separate areas from within ATP 854 in the (geographic) Surat Basin area of Queensland.

Blue has in earlier announcements reported 398 PJ$^+$ of Contingent Resources (of recoverable gas) in ATP 854 as independently assessed by 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. (See Figure 1)

It is also noteworthy to mention, which has previously been referred to in earlier Quarterly Operations Reports that the eastern area of ATP854 has a deep tight gas potential from Early Permian sediments in a similar geological resource play as is now being appraised in the Taroom Trough which is located to the south of Blue's ATP 854 permit.

Progression of PL 1034 - Sapphire Block

Environmental (flora and fauna) field data acquisition has been completed as per the requirements of the amended Environmental Authority. Following the owner and operator of the Moranbah Gas Project (MGP) entering administration (plus a Receiver being appointed by the primary security holder), Blue is seeking clarity on the future of the MGP from the Administrator and Receivers. Accordingly, Blue will be redesigning activities on the Pilot testing on Sapphire pending the decision concerning the MGP.

Northern Territory activity round- up

The Northern Territory Government (NTG) has backed the development of a $40 billion Data Centre industry development in the top end with several hyper-scale AI campuses to be built some 30 km south of Darwin. The NTG is proposing that power for these developments will come from local gas sourced from the Beetaloo Basin.

Beetaloo Energy Australia Limited has announced production testing results (30day flow testing – IP 30) from its Carpentaria -5H well of 6.9 million standard cubic feet per day (mmscfd) whilst Tamboran Resources Corporation similarly announced a flow rate of 10 3 mmscfd rate from a 20-day flow test of their Shendandoah South 6H.

Separately Santos has announced that it has gained NTG approval for a 12 well appraisal program in its EP 161 Joint venture.

Taroom Trough Deep Permian play activity in Queensland

The Queensland Government has implemented the Taroom Trough Development Plan through the Office of Coordinator General's to lead initiatives to streamline approvals processes, to plan and coordinate infrastructure and basin development. This signals the importance of the Taroom Trough deep Permian play to the State and the importance of the Government's in rapidly assessing the key processes to fast-track development of this potentially significant hydrocarbon resource.

Separately, Omega Oil and Gas Limited has announced that they are ready to commence drilling activity at their Canyon 3 well in the eastern portion of the Taroom Trough, whilst Elixir Energy Limited recently reported a flow of 3 mmscfd from their Lorelle 3H on the western flank of the Trough.

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 additional environmental requirements, detailed in the April 2025 Land Court approval for the amended Environmental Authority. In broad terms these revolve around baseline groundwater and flora/fauna surveys ahead of any development of the field.

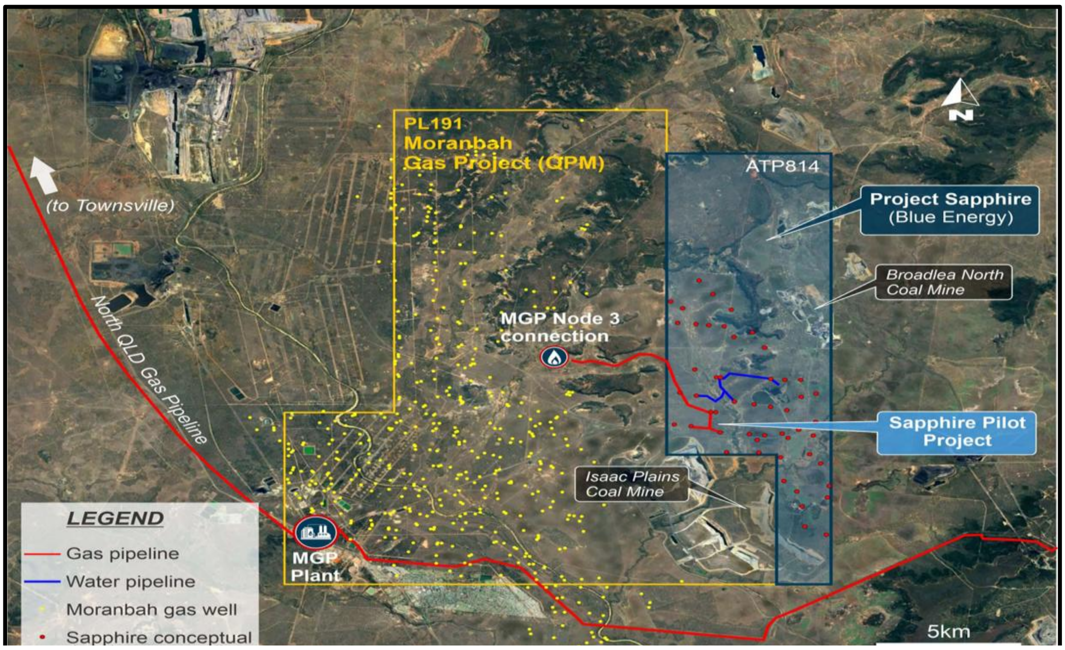

Figure 1: Sapphire block (PL 1034) of ATP 814 in relation to the Moranbah Gas Project and the related gas producing wells. Also shown is the proposed pipeline connection from Sapphire to the MGP Node 3 connection and initial proposed Sapphire development.

The existing Sapphire Pilot is situated within the PL 1034 production licence 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 entering voluntary Administration and Receivers being appointed. 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, 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 is in now in receipt (received during the quarter) of signed Instruments of grant for PCA's 180, 181, 182 and 183 by the respective Delegated Authority of the Queensland Minister for Natural Resources, Mines, Manufacturing, Regional and Rural Development (DNRMMRRD).

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).

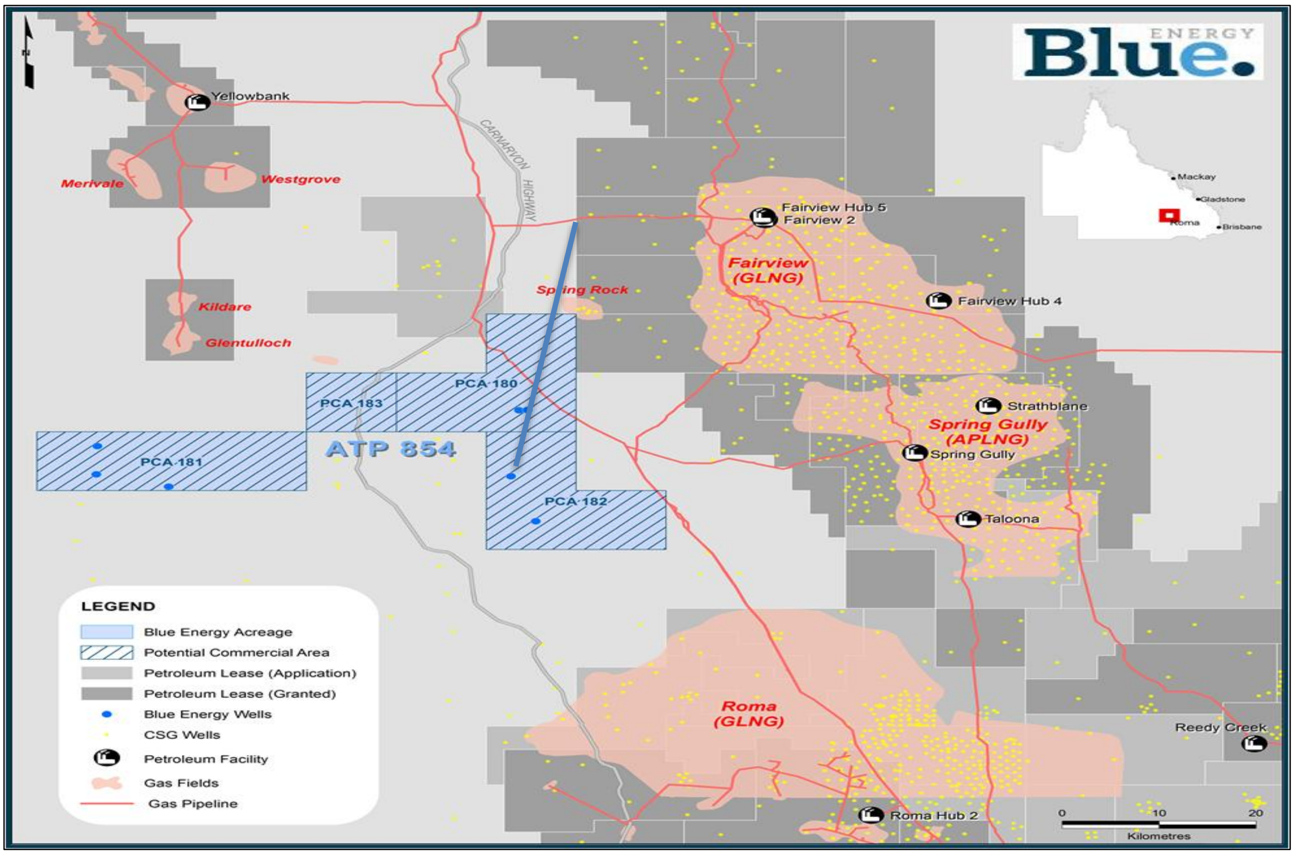

Figure 2: Location of ATP 854 in relation to existing pipeline infrastructure and major gas fields. Source: Blue Energy.

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

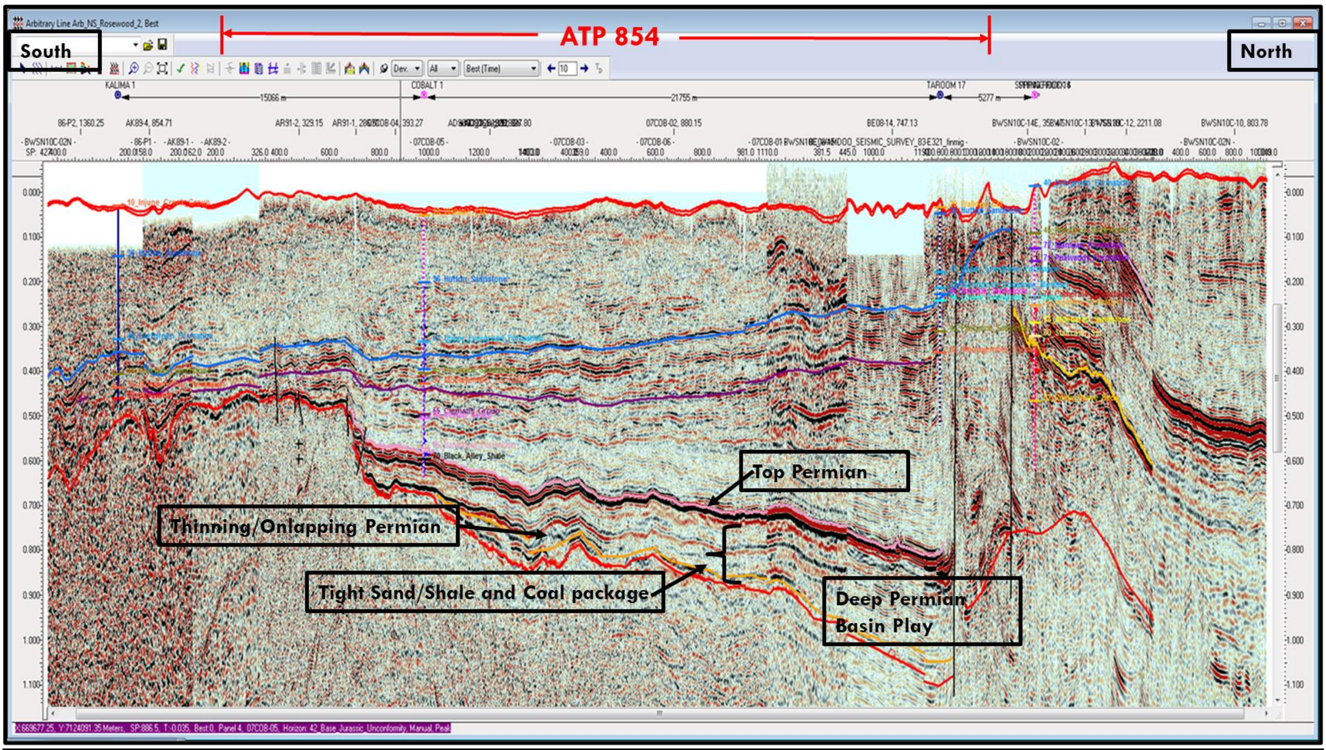

Figure 3; Depiction from Seismic cross section of the Deep Permian play across the eastern portion of ATP 814.

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 June 2026) was A$3.26 million. Post quarter's end a tax refund for R&D expenditure on the Sapphire pilot testing was received. This totalled $446,908. This amount is not included in the statutory cash position referenced in the accompanying Appendix 5B (Quarterly cashflow Report). 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).

+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%

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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 June 2026**

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (12 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	(53)	(208)
	(e) administration and corporate costs	(344)	(1,170)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	57	112
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**	**(340)**	**(1,266)**

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	(248)	(1,505)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 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**	**(248)**	**(1,505)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	5,805
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	-	(326)
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**	**-**	**5,479**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	4,209	913
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(340)	(1,266)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(248)	(1,505)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	5,479

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**3,621**	**3,621**

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	3,190	3,161
5.2	Call deposits	431	1,048
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)**	**3,621**	**4,209**

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	153
6.2	Aggregate amount of payments to related parties and their associates included in item 2	51

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** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *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) – **excluding government grants and tax incentives received at Item 1.7.**	(340)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(248)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	**(588)**
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,621
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	**3,621**
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	**6.1**

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: N/A

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: N/A

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: N/A

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 July 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.