

Blue Energy Begins CBM Seismic Survey in Queensland

Blue Energy has begun the first of two seismic surveys in its Surat and Bowen basin tenements, aimed at identifying suitable coal seam methane resources for further exploration and appraisal.

Following an announcement by Blue Energy that it was one of several companies interested in a merger or joint venture with troubled CSM producer Sydney Gas, Blue Energy said that ground preparations were underway for the Cobalt 2D seismic survey in Bowen Basin permit ATP 854P, east of the town of Injune in central Queensland.

Following this, Blue Energy will undertake the Indigo seismic survey in the Surat Basin's ATP 818P, east of the town of Goondiwindi, which lies on the Queensland side of the NSW-Queensland border. Both tenements are 100% owned by Blue Energy.



Chris Carty, Technical Director of JV partner, Great Artesian Oil & Gas Ltd, with Sharif Oussa, Managing Director of Blue Energy Ltd. Spinel 3D, Cooper Basin. March 2007

Sharif Oussa, Blue Energy's Managing Director said the 75 km Cobalt survey is designed to appraise the extent of an "encouraging" geological structure seen on existing seismic at the level of the Permian coal-bearing Bandanna Formation.

Blue Energy said the resulting data would direct exploration core drilling and eventual pilot development to appraise CSM potential of the Bandana coals on the Cobalt structure. Expected to take a week to complete, the Cobalt Survey will be followed by the Indigo survey, which would assess the Jurassic Walloon coal measures that are highly productive for CSM in other parts of the basin.

Similar to ATP 854P, the 75 km seismic survey results will be used to direct future exploration in the tenure, including core drilling and eventual pilot development.

Blue Energy holds, or has joint venture interest in, over 28,000 km² of Queensland exploration acreage, over 12 leases in the Bowen/Surat, Galilee, Clarence Moreton and Maryborough basins, considered prospective for CBM and conventional petroleum. ■