

Hon Dale Last MP  
Minister for Natural Resources and Mines

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Cc: Graham Fraine, Director-General, Department of Natural Resources and Mines

By Email: [dgdirect@resources.qld.gov.au](mailto:dgdirect@resources.qld.gov.au)

9 May 2025

Dear Minister and the Director General,

**RE: Blue Energy coal seam gas proposal – Petroleum Lease application (PL1034)**

We are writing to you regarding Blue Energy Ltd (and its wholly owned subsidiary Eureka Petroleum Pty Ltd) **(the Proponent)**'s proposed coal seam gas project **(the Project)** on the Sapphire Petroleum Lease **(PL1034)** in the in the Moranbah/Glenden region of Central Queensland.

By way of background, Environmental Advocacy in Central Queensland **(EnvA)** is a Central Queensland association concerned about the risks associated with coal mining, coal seam gas and climate change.

This Project was originally granted an Environmental Authority **(EA)** by the Queensland Department of Environment, Tourism, Science and Innovation **(DETSI)** on 23 March 2023 as part of a much larger project covering three Petroleum Lease areas. The approval was challenged by EnvA in the Queensland Land Court which resulted in an agreement that the Proponent limit the Project to the Sapphire Lease and withdraw from the Central and Lancewood Petroleum Lease areas **(PL 1038 and PL 1045)**. The Land Court handed down its decision on 3 April 2025<sup>1</sup> and therefore the Proponent now holds an EA under the *Queensland Environmental Protection Act 1994* over PL1034.

It is our view that this Project is required to be referred for assessment under the *Environment Protection and Biodiversity Protection Act 1999* **(EPBC Act)** as a controlled action as it would, if approved, impact on Matters of National Environmental Significance **(MNES)**, including but not limited to:

- Listed threatened species and communities (ss 18 and 18A), and
- Protection of water resources from coal seam gas development and large coal mining development (ss 24D and 24E).

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<sup>1</sup> [Environmental Advocacy in Central Queensland Inc v Department of Environment, Tourism, Science and Innovation & Ors \[2025\] QLC 7](#)



To progress this, EnvA wrote to the Federal Environment Minister and the EPBC referral team<sup>2</sup>, and received a response<sup>3</sup> advising that Blue Energy has been reminded of their responsibility to refer any project that may significantly impact on MNES. To date, the project has not been referred for assessment under the EPBC Act and hence there has been no determination on whether an EPBC approval is required.

In relation to your decision to approve or refuse a Petroleum Lease (PL) for this Project under the *Petroleum and Gas (Production and Safety) Act 2004 (P&G Act)*, we refer to section 134:

### **134 Criteria for decisions**

- (1) The matters that must be considered in deciding whether to grant a petroleum lease or its provisions include the development plan criteria, capability criteria and any special criteria.
- (2) The Minister may give the weight to each of the development plan, capability and special criteria that the Minister considers appropriate in the circumstances.

The development plan criteria are outlined in s 141 of the P&G Act:

- (a) the potential of the area of the proposed petroleum lease for petroleum production and related activities;
- (b) the nature and extent of the activities;
- (c) when and where the activities are proposed to be carried out;
- (d) whether petroleum production sought under the lease will be optimised in the best interests of the State, having regard to the public interest.

The capability criteria are outlined in s 121(3) of the P&G Act:

- (a) the Minister is of the opinion that the applicant is capable of carrying out authorised activities for the lease, having regard to the applicant's -
  - (i) financial and technical resources; and
  - (ii) ability to manage petroleum exploration and production.

### **In relation to section 141(d)**

We note that the section 2.3.1 of the revised supporting information<sup>4</sup> in relation to the application for an EA indicates that there is potential to optimise the number and location of wells to reduce environmental impacts. However, Blue Energy considered that this demonstrated their ability to reduce the disturbance area but still asked that their application be assessed at the original disturbance footprint. We consider that the optimised production would fulfil the requirement of meeting "the best interests of the State, having regard to the public interest".

We further note that the Proponent also indicated through the Land Court determination<sup>1</sup> that the export of gas to the international market was not currently feasible (refer para 26). This provides an opportunity to ensure that any approval of a PL includes a requirement that any gas production is solely for domestic supply.

We also note that there is currently no mechanism to provide gas from the Project to the domestic market without a purpose-built gas pipeline from the site to Townsville.

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<sup>2</sup> [Correspondence related to the requirement for EPBC referral assessment – 9 April 2025](#)

<sup>3</sup> [Response to the request for EPBC referral – 24 April 2025](#)

<sup>4</sup> [Blue Energy - Revised supporting information – 6 October 2022](#)

In relation to section 121(3)

We note that Blue has issued its latest quarterly report<sup>5</sup>. Blue Energy had a cash balance at the end of March of \$1.72 million – down from the previous quarter with a cash balance of \$1.99 million. It would have been a quarterly balance of just over \$1 million if they hadn't received \$605,000 from a Research and Development tax rebate for the 2024 expenditure on the Sapphire Pilot project from the ATO during the quarter. We understand that this is the last tax rebate that will be received.

This indicates that the Proponent (based on current expenditure) has less than 6 months of funds to continue to operate unless they receive a major investment input or can start selling some of their gas. This is an unlikely outcome given the lack of current infrastructure to transport the gas and the time delays of approvals and construction as to our knowledge, there has been no application made for gas pipeline approvals in this area.

We further note that the Land Court endorsed EA states at WS8<sup>1</sup> the Water Impact Monitoring Program prior to the carrying out of the activity a Water Impact Monitoring Program must be: (a) developed by an appropriately qualified person to detect potential impacts to groundwater caused by the activity; (b) be in place six months prior to activities commencing; and (c) implemented at all times. This means that there is no opportunity for saleable gas production for at least six months.

There are further conditions in relation to biodiversity assessments which must be met before production commences (refer to condition B3 of the endorsed EA conditions<sup>1</sup>).

For these reasons, EnvA is of the view that the Proponent does not have the financial resources to pursue this Project as required under section 121(3)(i).

Given the above comments, we respectfully request that you delay the provision of PL1034 for Eureka's Blue Energy coal seam gas project until:

- The project is referred for EPBC Act assessment,
- The Proponent addresses its compliance with section 134 of the P&G Act, and
- Financial assurances have been provided by the Proponent.

Kind regards,



Dr Coral Rowston  
Director  
Environmental Advocacy in Central Queensland Inc.

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<sup>5</sup> [Blue Energy March quarterly report](#)