

# Activities Report

Quarter ending 31 March 2021

29 April 2021

## HIGHLIGHTS

- Mahato gross oil production 1500 barrels per day (bopd) from 2 wells at the end of the quarter. PB-5 drilled subsequent to quarter end and tested at 1000 bopd. PB-4 waiting completion
- 35% increase in net oil production for the quarter, totalling 78% increase over the last 2 quarters
- Maari MR6a well repairs currently being undertaken with production expected to resume during May

## PRODUCTION AND FINANCE SUMMARY

Oil production was 35% higher during the quarter due to strong production from Maari and the inclusion of Mahato oil production in reporting. \$4 million in revenue was received during the quarter from Sampang PSC and one Maari oil lifting. A second Maari lifting was completed during the quarter with revenue expected to be received during the current quarter. Revenue from Sampang was down from the previous quarter due to lower production and the timing of Wortel receipts.

First oil sales were recorded from Mahato PSC during the quarter with revenue expected to be received by Cue during the current period.

Closing cash was \$17.4 million, a reduction from previous quarter due to payments related to the Ironbark-1 well and timing of cash calls and revenue receipts. The remaining Ironbark-1 costs, approximately \$1.2 million, are expected to be incurred during the current quarter.

			Q3 FY2021	Q2 FY2021	Change %
<b>Production</b>	Oil	bbl	32,166	23,752	35
	Gas	mmcf	367	404	(9)
<b>Sales</b>	Oil	bbl	21,758	24,699	(12)
	Gas	mmcf	313	509	(38)
<b>Revenue</b> (cash basis)	Oil	\$ million	1.40	1.39	1
	Gas	\$ million	2.61	4.07	(36)
<b>Expenditure</b>	Production and Development	\$ million	2.22	1.80	23
	Exploration	\$ million	8.63	2.38	>100
<b>Closing Cash</b>		\$ million	17.40	25.63	(32)

# PRODUCTION AND DEVELOPMENT

## NEW ZEALAND

### PMP 38160

**Cue Interest:** 5% (Cue Taranaki Pty Ltd)

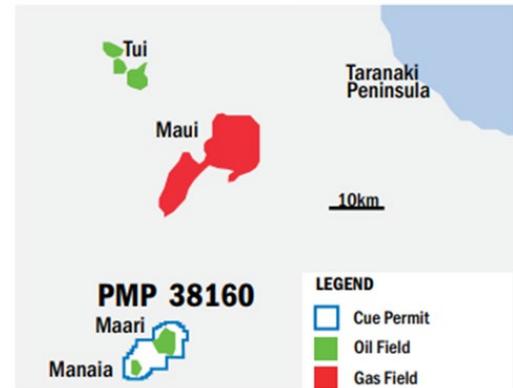
**Operator:** OMV New Zealand Limited

Oil production from Maari and Manaia fields was consistent with the previous quarter with all wells, other than MR6a, in production.

The repairs to the MR6a well were started post the end of the quarter and are expected to be completed and production restarted in May.

Jadestone Energy and OMV have amended the longstop date for Jadestone's acquisition of 69% operated working interest in Maari until June 30, 2021 to allow time for New Zealand regulatory approvals.

TARANAKI PENINSULA LOCATION MAP - NEW ZEALAND



## INDONESIA

### SAMPANG PSC

**Cue Interest:** 15% (Cue Sampang Pty Ltd)

**Operator:** Medco Energi Sampang Pty Ltd

Gas production from the Sampang PSC continued to perform well although was lower than the previous quarter due to variations in demand.

Paus Biru gas commercialization and preliminary FEED and permitting activities are ongoing. COVID 19 related market demand challenges have impacted finalising the gas sales agreement which is on the critical path to a Final Investment Decision (FID). The joint venture is targeting FID for early 2022.

SAMPANG PSC LOCATION MAP - INDONESIA



## MAHATO PSC

**Cue Interest:** 12.5% (Cue Mahato Pty Ltd)

**Operator:** Texcal Mahato EP Ltd

Production and development progressed well during and subsequent to the quarter with first oil sales achieved, PB-2 well production workover completed, PB-5 drilled and production tested at approximately 1000 barrels of oil per day and PB-4 drilled and ready for completion.

At the end of the quarter, PB1 and PB-2 wells were in production with a gross rate of approximately 1500 barrels of oil per day.

During April, the PB-5 development well was drilled to a depth of 5873 ftMD. Wireline logging results showed that the same oil bearing Bekasap A, B and C reservoirs were encountered in the well that are present in the PB-1 and PB-2 production wells. A production test of the Bekasap C reservoir produced approximately 1000 barrels of oil per day. The well is currently on production.

During the quarter, production from PB-2 was successfully started after a workover to perforate reservoirs zones and convert the well from an exploration well to a production well.

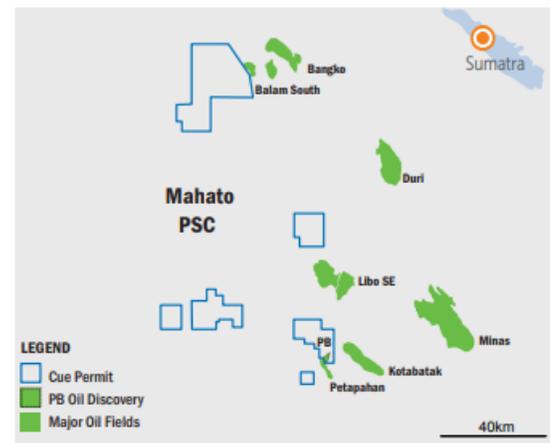
PB-4 development well was drilled to a depth of 6178 ftMD. Wireline logging results indicate that the same oil bearing Bekasap A, B and C reservoirs are present in the well that are present in other wells in the PB field. Due to operational issues, the PB-4 well could not be completed at the time of drilling and the operator made the decision to move to the next well, PB-5, while extra equipment was mobilized. The rig will now return to PB-4 to undertake testing and completion activities, which are expected to be completed during the first half of May.

The final well in this program will be the PB-3 development well, which will be started after PB-4. All wells are being drilled from the same well pad, with limited rig movement required between wells.

An independent reserves assessment of the PB field is expected to be released by Cue shortly, after approvals are received from the Indonesian regulator.

Cue is expecting to receive first revenue from the field during the current quarter.

MAHATO PSC LOCATION MAP - INDONESIA



## EXPLORATION

### AUSTRALIA

#### WA-359-P

**Cue Interest:** 21.5% (Cue Exploration Pty Ltd)  
**Operator:** BP Developments Australia Pty Ltd

As previously announced, the Ironbark-1 Exploration well was plugged and abandoned, and the Ocean Apex rig departed the well location on 11 Jan 2021.

Based on the well results a decision has been made not to renew the permit after expiry on 25 April 2021.

#### WA-409-P

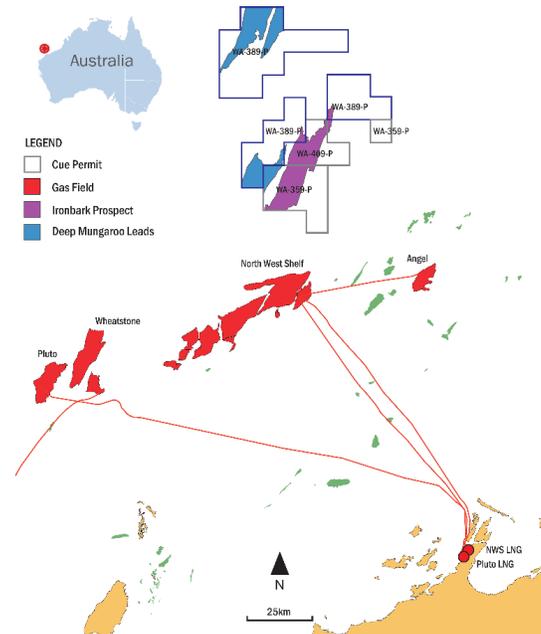
**Cue Interest:** 20% (Cue Exploration Pty Ltd)  
**Operator:** BP Developments Australia Pty Ltd

The joint venture is assessing the prospectivity of the permit following the Ironbark-1 well results.

#### WA-389-P

**Cue Interest:** 100% (Cue Exploration Pty Ltd)  
**Operator:** Cue Exploration Pty Ltd

An application for a 12 month suspension and extension to the permit term of WA-389-P was submitted to the National Offshore Petroleum Titles Administrator (NOPTA) during the quarter. A decision on the application is pending.



### INDONESIA

#### Mahakam Hilir PSC

**Cue Interest:** 100% (Cue Mahakam Hilir Pty Ltd and Cue Kalimantan Pte Ltd)  
**Operator:** Cue Kalimantan Pte Ltd

Cue has informed the Indonesian regulator that it intends to relinquish the Mahakam Hilir PSC when the permit expires during April 2021.

## CORPORATE

In line with government COVID regulations, staff in Melbourne office have returned to working in the Cue office. Staff in Jakarta remain working remotely.

Cue Energy Resources FY21 Half Yearly results were released on 24 February 2021.

**-Ends-**

### For and on behalf of the Board

Matthew Boyall  
CEO

Any queries regarding this announcement should be directed to the Company on +61 3 8610 4000 or email [mail@cuenrg.com.au](mailto:mail@cuenrg.com.au).

All references to dollars, cents or \$ in this announcement are to Australian currency, unless otherwise stated.

*Various statements in this report constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward looking statements and involve unknown risks, expectations, uncertainties and other important factors that could cause those future acts, events and circumstances to differ from the way or manner in which they are expressly or impliedly portrayed herein.*

*Some of the more important of these risks, expectations and uncertainties are pricing and production levels from the properties in which the Company has interests and the extent of the recoverable reserves at those properties. In addition, the Company has a large number of exploration permits. Exploration for oil and gas is expensive, speculative and subject to a wide range of risks. Individual investors should consider these matters in light of their personal circumstances (including financial and taxation affairs) and seek professional advice from their accountant, lawyer or other professional adviser as to the suitability for them of an investment in the Company.*

<p><b>DIRECTORS</b> Alastair McGregor (Non Exec. Chairman) Andrew Jefferies (Non Exec. Director) Marco Argentieri (Non Exec. Director ) Peter Hood (Non Exec. Director) Richard Malcolm (Non Exec. Director) Roderick Ritchie (Non Exec. Director) Samuel Kellner (Non Exec. Director)</p> <p><b>CHIEF EXECUTIVE OFFICER</b> Matthew Boyall</p> <p><b>COMPANY SECRETARY/CHIEF FINANCIAL OFFICER</b> Melanie Leydin</p>	<p><b>REGISTERED OFFICE</b> Level 3 10-16 Queen Street MELBOURNE VIC 3000</p> <p>Phone: +613 8610 4000 Fax: +613 9614 2142 Email: <a href="mailto:mail@cuenrg.com.au">mail@cuenrg.com.au</a> Web: <a href="http://www.cuenrg.com.au">www.cuenrg.com.au</a></p> <p><b>AUDITOR</b> KPMG Tower Two, Collins Square 727 Collins Street MELBOURNE VIC 3008</p>	<p><b>SECURITIES EXCHANGE LISTING</b> ASX: CUE</p> <p><b>SHARE REGISTER</b> Computershare Investor Services Pty Ltd Telephone: 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) Email: <a href="mailto:web.queries@computershare.com.au">web.queries@computershare.com.au</a> Website: <a href="http://www.computershare.com.au">www.computershare.com.au</a></p>
--	---	---