



ABN 45 066 383 971

## Ironbark rig contract signed

- Ocean Apex drilling rig contracted to drill 15Tcf Ironbark prospect
- Funding secured, BP proceeding with environmental planning

**Melbourne, Australia 13 February 2019:** A rig contract has been signed for the drilling of the Ironbark prospect in exploration permit WA-359-P, offshore Western Australia.

The Ocean Apex semisubmersible drilling rig, operated by Diamond Drilling, has been contracted by BP Developments Australia Pty Ltd (BP), which is acting as operator on behalf of Cue Exploration Pty Ltd (Cue) under a co-ordination agreement.

Cue Energy CEO Matthew Boyall says Cue estimates the Ironbark prospect contains a best estimate of 15tcf of prospective recoverable gas resource<sup>(1)</sup>.

“Ironbark is a genuinely world-scale prospect in a highly prospective address. Cue’s 21.5 per cent participating interest provides a company-changing opportunity for Cue if the well is successful.

“Securing the Ocean Apex sets a clear path for drilling. The rig contract, escrow funding and shareholder approval for New Zealand Oil & Gas to farm in have all been satisfied. NOPTA approval of an extension to the permit term to allow the well to be drilled is a remaining condition and Cue expects to submit an application soon,” Matthew Boyall said.

WA-359-P is located in the Carnarvon Basin, offshore Western Australia. The Ironbark-1 well, expected to drill to 5500m, will be the first test of the Ironbark prospect. Drilling is expected to begin in late 2020, following completion of the Ocean Apex’s other commitments. BP has initiated environmental planning activities for a site survey of the well location and the drilling activities.

### **<sup>(1)</sup>Prospective Resource Estimates Cautionary Statement**

The estimated quantities of petroleum that may potentially be recoverable 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. Exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Cue, BP, Beach Energy and New Zealand Oil & Gas announced a co-ordination agreement on 26 October 2018 which provides for BP to act as operator on behalf of Cue in planning the Ironbark-1 well prior to title transfers and creation of a formal joint venture.

As required under the coordination agreement, Cue has contributed US\$8.08 million from its existing cash into an escrow account to secure the proportion of its costs that are not carried by other parties. Cue will receive interest on the escrowed amount until drawn, which is expected to be closer to the well commencement date.

With funding from the other parties on completion of the agreement, full funding for the Ironbark well is agreed.

The execution of the rig contract and Cue's funding of the escrow account satisfy two outstanding conditions to completion of the co-ordination agreement, BP Option agreement and farm-in agreements with Beach and New Zealand Oil & Gas. Regulatory approval of an extension to the WA-359-P permit to allow time to drill is also required. Cue is preparing an extension application for submission to the National Offshore Petroleum Titles Administrator (NOPTA).

If all conditions are satisfied and regulatory approvals received, the co-ordination agreement provides for BP to become operator. The participating interests in permit will then be:

BP (operator)	42.5%
Cue	21.5%
Beach Energy	21%
New Zealand Oil & Gas	15%

Any queries regarding this announcement should be directed to the Company on +613 8610 4000 or email [mail@cuenrg.com.au](mailto:mail@cuenrg.com.au).

**About Cue Energy:**

*Cue Energy Resources Limited is an Australian Stock Exchange (ASX:CUE) listed oil and gas exploration and production company. Cue's FY18 revenue was A\$24million from oil production in the Maari field, offshore New Zealand and oil and gas production in Sampang PSC, Indonesia. Cue has operated and non-operated interests in exploration permits in the Carnarvon Basin, offshore Western Australia and onshore Indonesia.*

