

Cue Energy

NWR Resources Lunch Series

2 May 2023



CUE ENERGY RESOURCES LIMITED
ASX:CUE



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Various statements in this document may constitute statements relating to intentions, opinion, expectations, present and future operations, possible future events and future financial prospects. Such statements are not statements of fact, and are generally classified as forward looking statements that involve unknown risks, expectations, uncertainties, variables, changes and other important factors that could cause those future matters to differ from the way or manner in which they are expressly or impliedly portrayed in this document. Some of the more important of these risks, expectations, uncertainties, variables, changes and other factors are pricing and production levels from the properties in which the Company has interests, or will acquire interests, and the extent of the recoverable reserves at those properties. In addition, the Company has a number of exploration permits. Exploration for oil and gas is expensive, speculative and subject to a wide range of risks.

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Reference to “CUE” or “the Company” may be references to Cue Energy Resources Limited or its applicable subsidiaries.

Cover image:
PB field processing facility, Mahato PSC



Company Overview

Oil and Gas production from a diverse portfolio of revenue producing projects

- **Existing Australian and Indonesian assets that offer production upside and exploration potential**
 - Scale change in FY22 through organic growth and acquisition (3QFY23 Total Production of 155.2 kboe)
 - Strong cash generation (\$13.2m cash receipts and \$3.6mn increase in cash in 3QFY23) and profitability with low unit cost (average cash cost of \$23/boe in FY22)
- **Capacity to pursue a multi-pronged growth strategy to deliver shareholder value**
 - Target conventional oil and gas production in attractive markets
 - Balance sheet (net cash of \$11.4 million) and shareholder backing allows active new venture activity
- **Major shareholder backing is a significant advantage**
 - Strategic shareholders (NZOG/Ofer Global and SPC/PetroChina) are major global investors in traditional and new energy projects
- **Pipeline of development / exploration projects and news flow**
 - High activity levels with participation in up to 9 development wells and one exploration well in CY23
 - Continue to seek new high quality Energy investment opportunities
- **Experienced Board and Management committed to enhancing shareholder value**
 - Reviewing debt paydown and the optimum capital allocation of future cashflows
- **Low valuation multiples**
 - EV/2P of \$4.83/boe (Year-end FY22 reserves) and 1HFY23 EV/EBITDAX of 1.01x (EBITDAX annualized)

Leadership and Capital

Driving profitable production growth and improved financial performance for Cue



Alastair McGregor
Non-Executive Chairman
 BEng from Imperial College, London and an MSc from Cranfield University in the UK

Alastair McGregor has been actively involved in the oil and gas sector since 2003. He is currently chief executive of O.G. Energy, which holds Ofer Global's broader energy interests.



Matthew Boyall
CEO
 Bachelor degrees in Geomatics and Science and MBA from the University of Melbourne

Matthew Boyall has been CEO of Cue since 2017. Matthew has over 20 years' experience in energy and natural resources with companies including Schlumberger, WMC Resources, BHP, Nexus Energy and Cue.

Andrew Jefferies – Non-Executive Director (NED)

Managing director of New Zealand Oil & Gas. He started his career with Shell in Australia after graduating with a BE Hons (Mechanical) from the University of Sydney in 1991.

Peter Hood AO – Independent NED

Professional Engineer with over 50 years experience in resources and chemical. He began his career with WMC Ltd and then was chief executive officer of Coogee Chemicals Pty Ltd and Coogee Resources Ltd from 1998 to 2009.

Richard Malcolm – Independent NED

Richard Malcolm is a professional geoscientist with over 40 years of varied oil and gas experience within seven international markets including Australia/NZ/PNG, UK North Sea/West of Shetlands, Gulf of Mexico and the Middle East/ North Africa.

Rod Ritchie - Non-Executive Director

Rod Ritchie is a director of NZOG. Mr Ritchie joined the board of NZOG in 2013. He began his career as a petroleum engineer with Schlumberger for 28 Years and then joined OMV where he worked for a further 12 years.

Samuel Kellner– Non-Executive Director

Samuel Kellner has held a variety of senior executive positions with the Ofer Global Group since joining the Group in 1980. He has been deeply involved in various Ofer Global Group's business lines, with a particular emphasis on offshore oil and gas. As a member of the O.G. Energy Senior Management Committee, he helps drive the strategy for the Ofer Global Group's energy activities.

Marco Argentieri– Non-Executive Director

Mr Argentieri is a Director of New Zealand Oil and Gas Limited, Senior Vice President and General Counsel for O.G. Energy, and a member of the Board of Directors of both O.G. Energy and O.G. Oil & Gas.

Melanie Leydin – CFO & Company Secretary

Bachelor of Business majoring in Accounting and Corporate Law

Member of the Institute of Chartered Accountants, Fellow of the Governance Institute of Australia and is a Registered Company Auditor. Melanie has over 25 years' experience in the accounting profession and over 15 years' experience holding Board positions including Company Secretary of ASX listed entities.

Market Capitalisation \$43.3 million
(27 April 2023)

Share price \$0.062
(27 April 2023)

Cash \$18.4 million
(31 March 2023)

Debt \$7 million

Enterprise Value (EV) \$31.9 million

EV/2P⁽¹⁾ \$4.83/boe

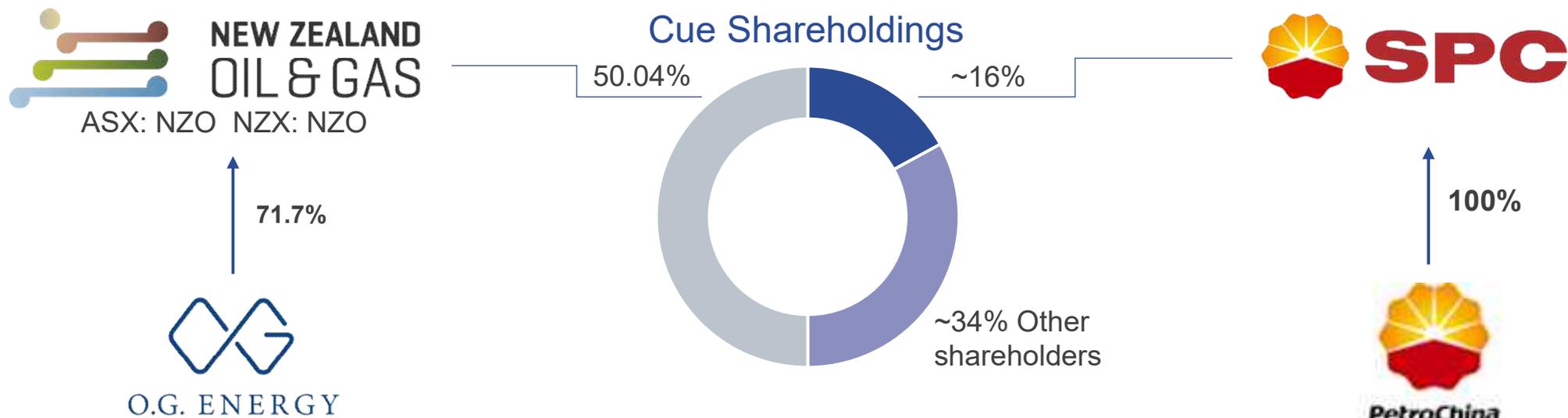
1H23 EV/ EBITDAX⁽²⁾ 1.01x

(1) Based on June 30 2022 published reserves. 2P Reserves at year end FY22 of 6.6 million barrels of oil equivalent post a reserves replacement ratio of 122% in FY22. 67% of reported 2P reserves are gas and 33% are oil.

(2) Earning before Interest, Tax, Depreciation Amortisation and Exploration based on 1HFY23 EBITDAX of \$15.7mn (annualized).

Major Shareholders Aligned for Success

Global investors in traditional and new energy projects



- O.G. Energy is the energy arm of Ofer Global, a private portfolio of international businesses with interests in energy, maritime shipping, real estate & hotels, technology, banking and investments.
- O.G. Energy has two divisions:
 - Omni Offshore, a leading provider of floating storage and processing solutions (FSOs and FPSOs) to the offshore oil and gas industry with more than thirty years of experience;
 - O.G. Oil & Gas, which holds non-operated interests in oil and gas assets in Australasia and the U.S. Gulf of Mexico. Amongst other interests, O.G. Oil & Gas is a partner in the Beach Energy-operated Otway gas project offshore Victoria and in the Oxy-operated K2 and Warrior fields in the U.S. Gulf of Mexico.
- PetroChina is one of the major oil and gas producers and distributors in China, as well as a significant player in the global oil and gas industry.
- They are engaged in a wide range of activities related to oil, gas and new energy, and sustainably provide energy and oil products for economic and social development.

Diversified Oil & Gas Production Base

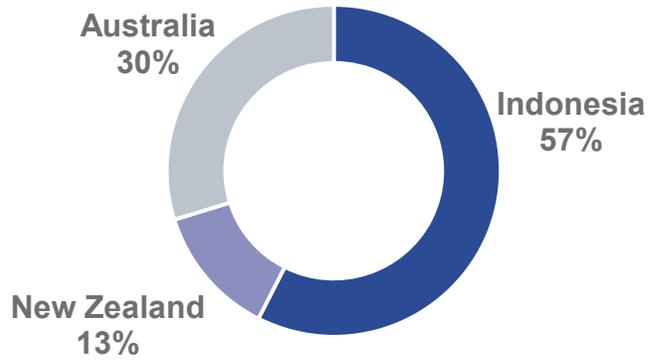
Existing Australian and Indonesian assets that offer production upside and exploration potential



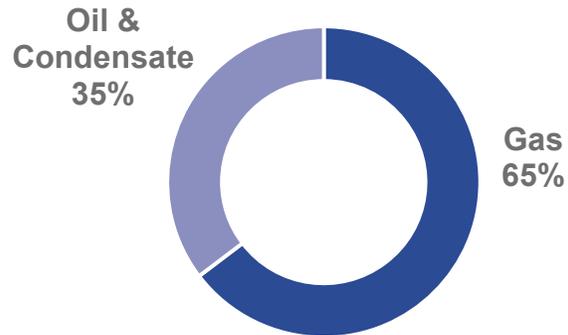
Poised for Continued Production Growth

Cue's transformation and growth in FY22

FY22 Production by Country

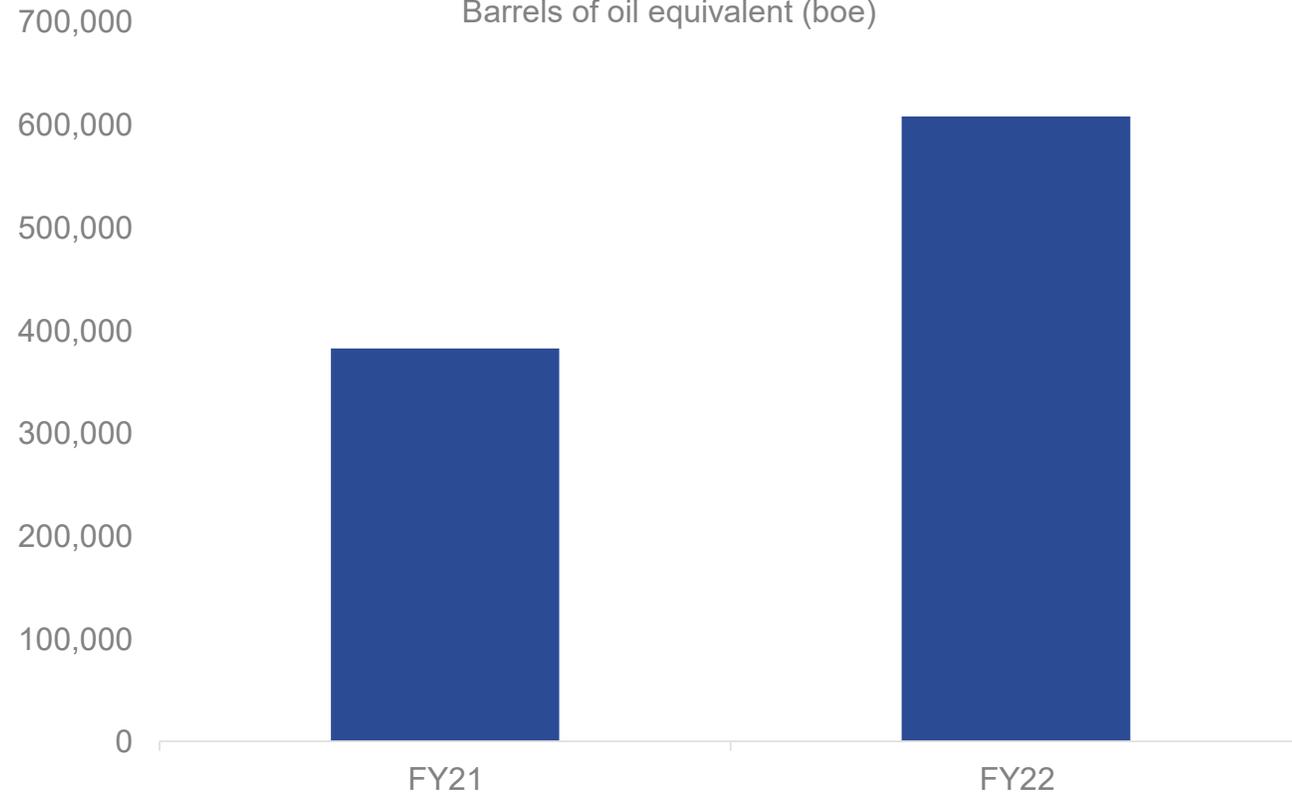


FY22 Production by Product



Net Production

Barrels of oil equivalent (boe)



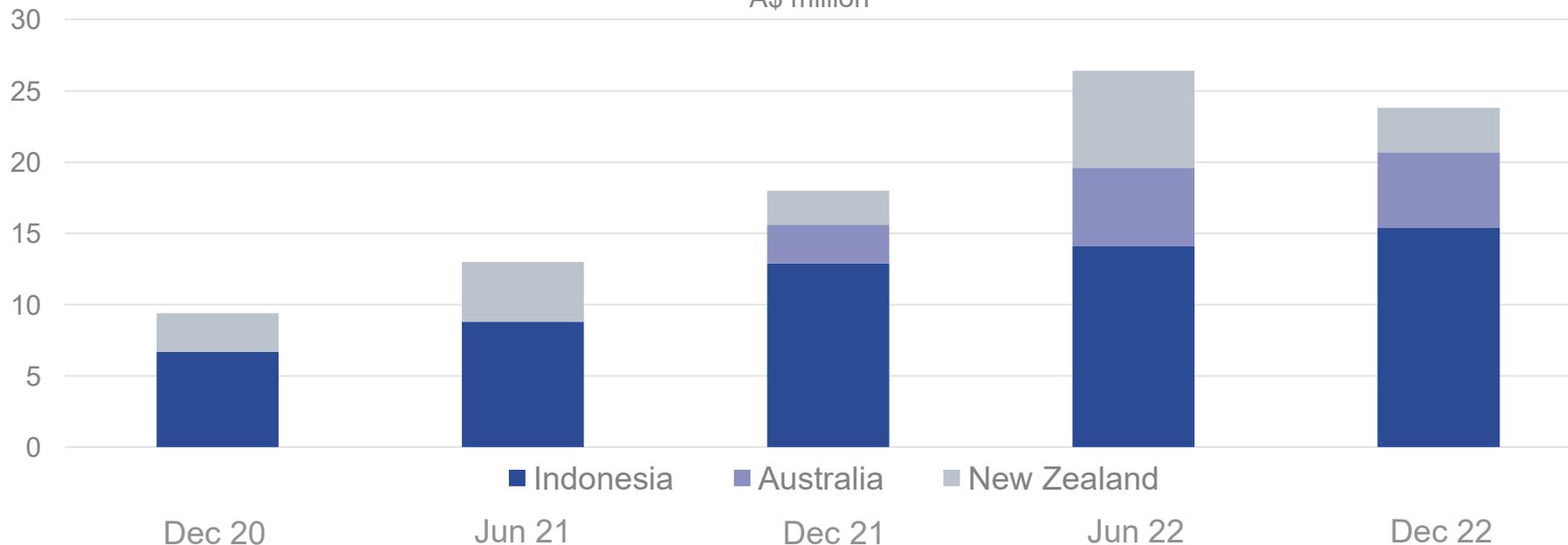
Continued Strong Operating Revenue and Cashflow

Attaining profitable growth through asset acquisition and development drilling

Strong 1H FY2023 Results		
Profit after Tax	Revenue	EBITDAX
\$6.8 million	\$24.1 million	\$15.7 million

Six Monthly Operating Revenue

A\$ million



Dec 2022 NZ revenue lower due to timing of Jan 2023 Maari oil lifting

Continued High Levels of Activity Projected for 2023

Participation in up to 9 development wells and one exploration well this year

High Activity levels planned to continue in 2023 to support production growth at three Cue assets:

- Participation in up to 9 development wells in Australia and Indonesia
- Minimum of one high-impact exploration well, namely BA-01 (with a Best Prospective Oil-In-Place Resource estimate of 93 million barrels gross)
- Paus Biru Final Investment Decision (FID) would target 2025 first gas (see Page 15 for further details)

Cue Energy Key Activities CY2023		Q1			Q2			Q3			Q4		
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Amadeus Basin	Mereenie Well Recompletions (up to 5)												
	Mereenie Development Well 1 ⁽¹⁾												
	Mereenie Development Well 2 ⁽¹⁾												
Mahato PSC	PB Development wells (7 production + 2 injection)												
	BA-01 Exploration Well												
Sampang PSC	Paus Biru FID ⁽²⁾												

(1) subject to joint venture approval

(2) potential timing, subject to joint venture approval

PROJECT OVERVIEW MAHATO PSC



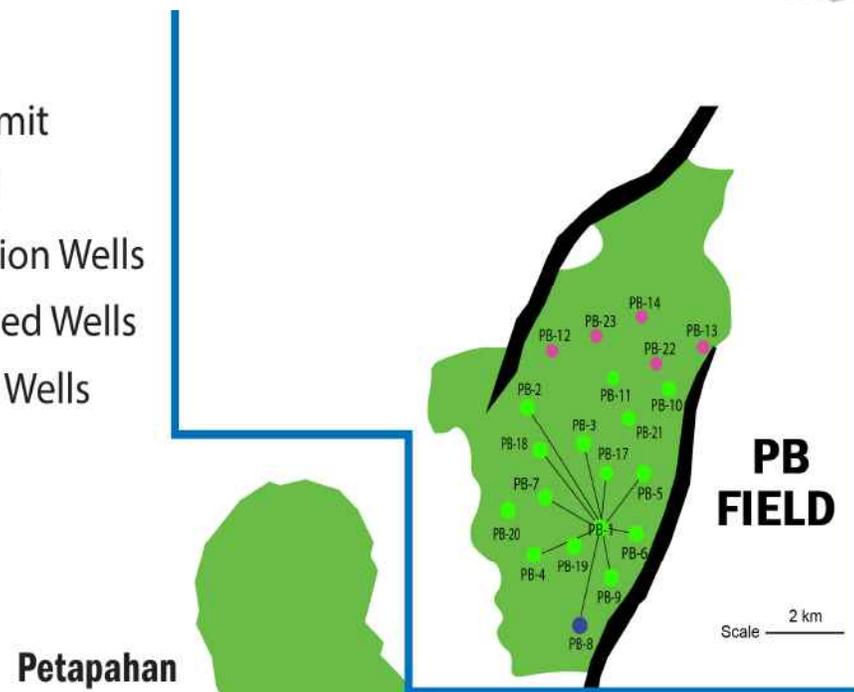
Mahato PSC, Indonesia

Onshore oil production with high cashflow generation

- Low cost, onshore oil production in Central Sumatra, Indonesia
- Discovered in 2019 by PB-01 exploration well
- Large resource with estimated 92.8 million barrels of Oil in Place and 20.9 million barrels of gross recoverable oil ⁽¹⁾
- Current Production: Approximately 5,500 Barrels of Oil per Day from 15 Wells
- Ongoing Development Drilling: 5 More Production Wells in Current Program
- Revenue growth from Mahato: \$14.8 Million in FY22, \$9.5 Million in H1 FY23. Cash Receipts of \$4.4 million for 3QFY23
- Planned BA-01 Exploration Well planned for June Quarter

LEGEND

-  Cue Permit
-  Oil Field
-  Production Wells
-  Scheduled Wells
-  Injector Wells



Cue Energy Key Activities CY2023		Q1			Q2			Q3			Q4		
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Mahato PSC	PB Development wells (7 production + 2 injection)	[Active throughout the year]											
	BA-01 Exploration Well						[Active]						

1) Refer to Cue ASX announcement on 29 March 2022 and 2022 annual report for full details and disclosures. The company is not aware of any circumstances since these releases which would have a material impact on the reserves reported

BA-01 Exploration Well

Upcoming high-impact exploration

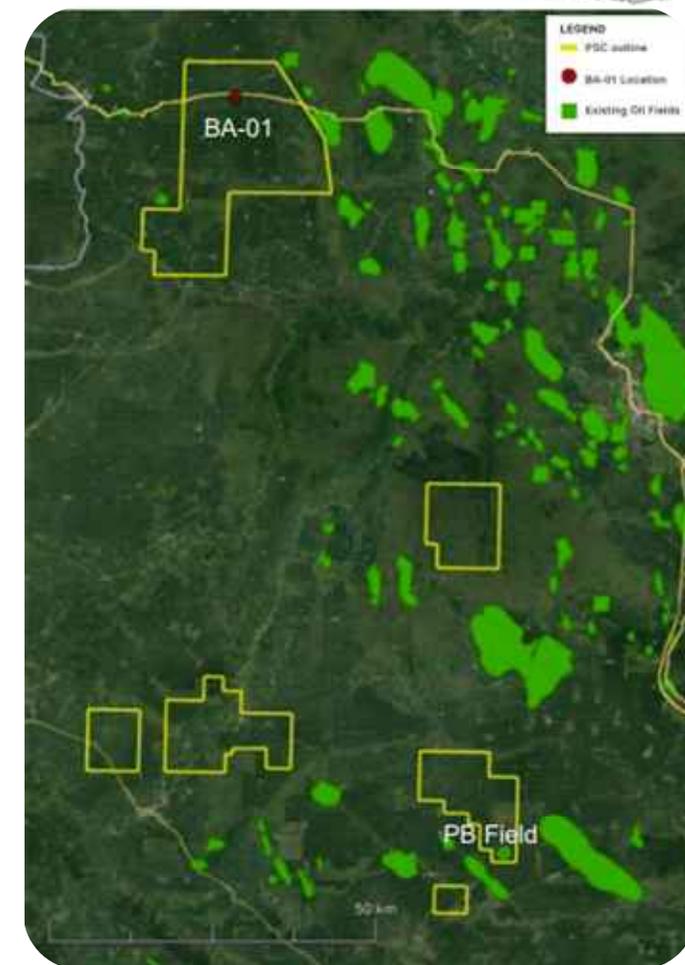
- Mahato PSC covers a large area and sits in a very rich oil region, with multiple drilling targets identified
- BA-01 exploration well is expected to commence during the current quarter, subject to final environmental clearances
- 2,800ft total planned depth, aimed to test the presence of hydrocarbons in two targets:
 - Primary target: Telisa Sandstone 900 ft
 - Secondary target: Mengalla formation 2,500ft
- Operator Prospective Resource estimates for the BA prospect combined primary and secondary target:

	Low	Best	High
BA Prospect: Prospective Oil in Place Resource Estimate*	67 million barrels	93 million barrels	172 million barrels

Refer also to Cue ASX release "Exploration drilling in the Mahato PSC" dated 27 January 2023

*Prospective Resources Cautionary Statement

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. <https://www.spe.org/en/industry/petroleum-resources-classification-system-definitions/>



PROJECT OVERVIEW

SAMPANG PSC



Grati Gas Processing plant - Sampang PSC

Sampang PSC, Indonesia

Offshore gas production powering East Java



- Oyong and Wortel: Two offshore gas fields generating \$2.6 million cash receipts in 3QFY23
- Sale of produced gas on long-term fixed price contract to Indonesia Power for Grati Combined-Cycle Power Plant
- Sampang gas reduces dependence on coal, supporting Indonesia's growing energy demand and East Java's industrial and economic development



Sampang PSC Growth

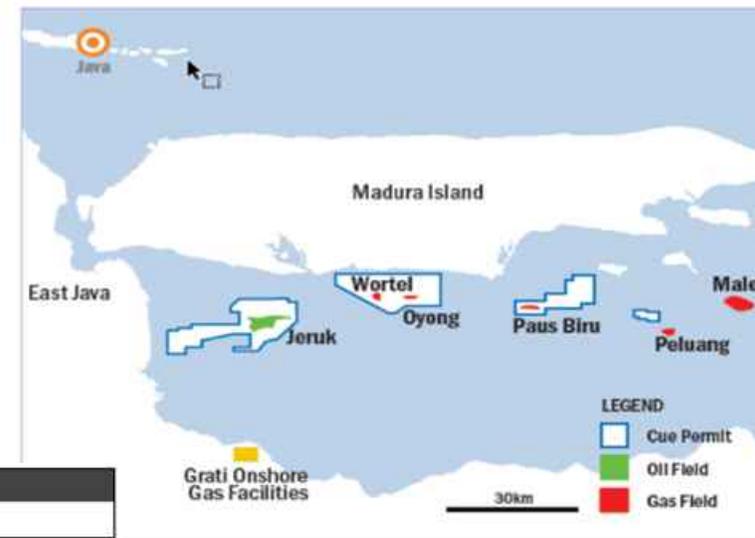
Expected 2025 new gas production

Paus Biru gas field

- Paus Biru gas field was discovered December 2018 by the Paus Biru-1 exploration well
- 45 billion cubic feet (bcf) gas gross Contingent Resource (6.7 bcf net to Cue¹)
- Plan of Development (POD) approved by the Indonesian Government in 2020
- Government commercial approvals, including a field life extension past 2027 are nearing completion, with Final Investment Decision (FID) expected during the September quarter
- Planned 2025 first gas production at 20-25 million cubic feet per day (mmcf/d)

Jeruk oil field

- Jeruk oilfield was discovered by Santos in 2004, with development not considered feasible at the time
- Technology and commerciality of oil developments has progressed since discovery and the JV is reviewing new development concepts



Cue Energy Key Activities CY2023		Q1	Q2	Q3	Q4
Sampang PSC	Paus Biru FID ⁽²⁾				

⁽²⁾ potential timing, subject to joint venture approval

1) Refer to Cue ASX announcement on 19 August 2020 and 2022 annual report for full details and disclosures. The company is not aware of any circumstances since these releases which would have a material impact on the reserves reported

PROJECT OVERVIEW AMADEUS BASIN

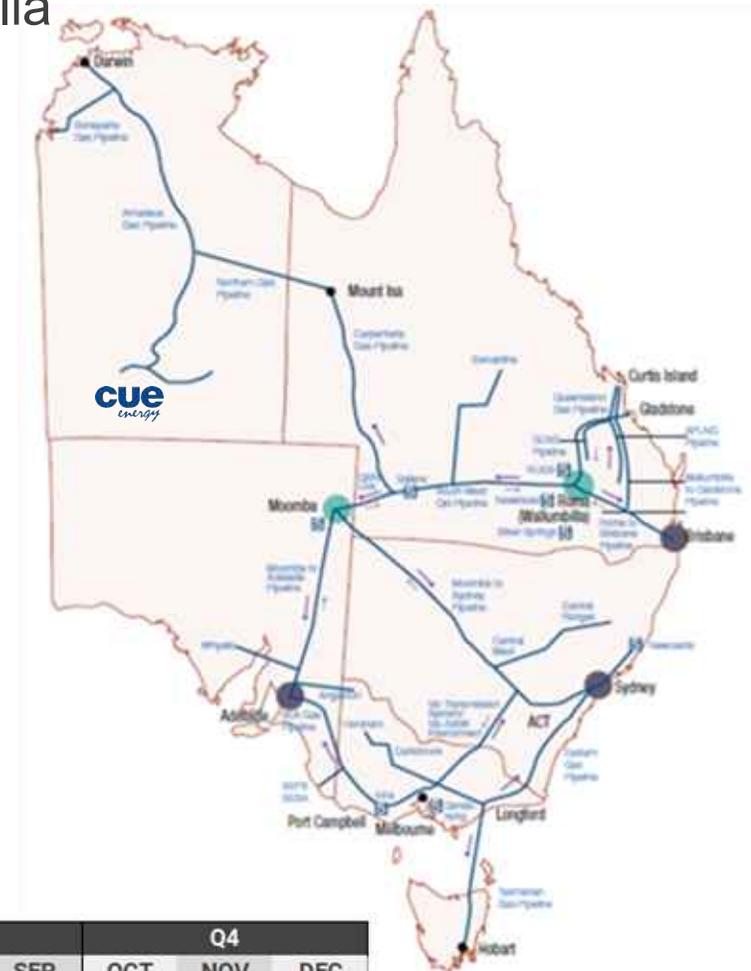


PV-12 drilling – Amadeus Basin

Mereenie, Palm Valley and Dingo gas fields

Gas Production for the Northern Territory and Eastern Australia

- Northern Territory's only onshore gas production fields
- Current production stands at ~45 Tj/d (100%) with long field lives
- Supporting Australian energy requirements through a mix of fixed term contracts and short term sales into the NT and Eastern Australia
- Upside development potential demonstrated by the PV-12 well (2022), currently producing ~9 Tj/d, the largest production well onshore NT
- Joint Ventures focussed on increasing gas production and market supply with well recompletions and new wells planned in the Mereenie field during 2023
- As a small producer, Cue will be exempt from the proposed \$12/GJ price cap mechanism from 2024

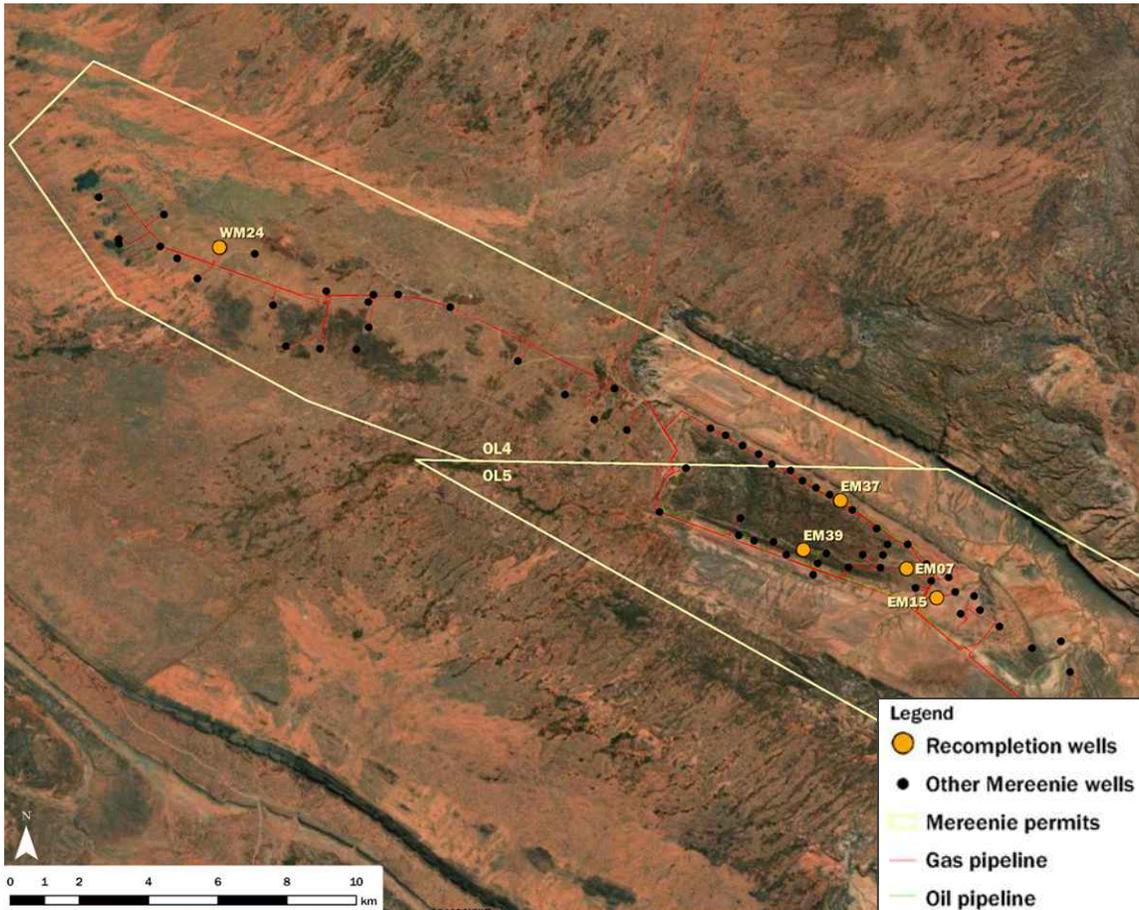


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Amadeus Basin	Mereenie Well Recompletions (up to 5)												
	Mereenie Development Well 1 ⁽¹⁾												
	Mereenie Development Well 2 ⁽¹⁾												

⁽¹⁾ subject to joint venture approval

Mereenie Field Development

5 Well Recompletions and 2 New Development Wells to increase gas production



Production well recompletions

- A 5 well recompletion campaign started late April, expected to take approximately 6 weeks
- Aim is to perforate existing wells in the known Pacoota P1 gas productive reservoir to increase gas production
- Pipeline and processing capacity is already in place for commercialisation of new gas

Development wells

- 2 new Mereenie development wells targeting gas production are planned for late 2023
- Conditional upon joint venture approval and availability of rig/services



RARC
KONRO
IMO 7913971

PROJECT OVERVIEW MAARI

Maari Oilfield, New Zealand

Value adding production optimisation and cost reduction projects under JV assessment



- Current oil production of ~4,000 barrels of oil per day (bopd) from 6 wells
- Two wells currently offline
 - MN1 repairs almost complete. Oil production expected to resume during June quarter. Last recorded production was ~850 bopd (April 2022)
 - MR6a offline since 2020, with further well intervention work under consideration
- Oil sales conducted approximately quarterly via tanker. Price based on Brent benchmark with recent significant price premiums
- Mature field with value adding production optimisation and cost reduction projects under JV assessment
- Continued solid performance for Cue with \$3.2 million cash receipts in Q3FY2023

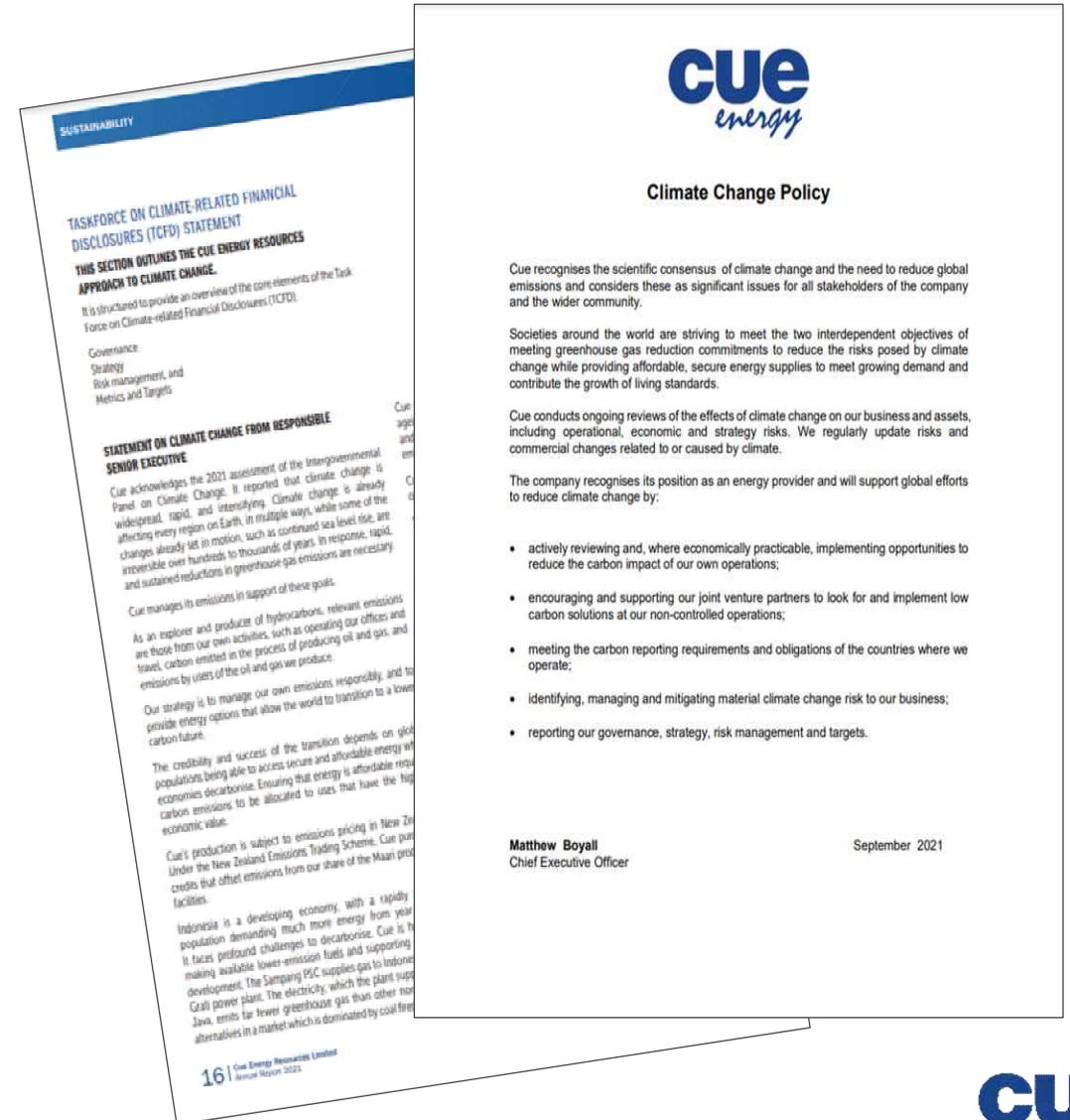


Sustainability

Cue Climate Change policy and Taskforce on Climate-related Financial Disclosure (TCFD) reporting available at www.cuenrg.com

Joint Venture operations are engaged in emissions reduction initiatives supported by Cue

Ensuring affordable and reliable energy is crucial to improve living standards and eliminate poverty



Investment Highlights

Production Growth, Free Cash Flow, & New Ventures with the backing of a skilled board and supportive shareholders



Existing Australian and Indonesian assets that offer production upside and exploration potential



Capacity to pursue a diversified growth strategy to create value for shareholders



Major shareholder backing is a significant advantage



Significant pipeline of development / exploration news flow



Experienced Board and Management committed to delivering shareholder value



Attractive valuation, with very low reserve and cash flow multiples



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