

Activities Report

Quarter ending 31 December 2022

30 January 2023

HIGHLIGHTS

- **Gas production commenced** from the PV-12 well in Palm Valley. Production from the well exceeded pre-drill expectation and is currently approximately 9.5TJ/d
- **Development drilling continued** in the PB field, Mahato PSC, with PB-19 well completed and producing approximately 800 barrels of oil per day (bopd). PB-11 drilling was completed during January and the well is currently undergoing production testing
- **Exploration well BA-01** in the Mahato PSC is expected to be drilled during the current quarter
- **A new Gas Supply Agreement** was signed with South32 for supply of gas from the Mereenie field for two years from 1 January 2023

COMMENTS FROM CEO, MATTHEW BOYALL

“We are glad to report that the operational and financial performance achieved in FY22 has continued into the first half of the new financial year, with cash receipts of \$12.4 million in the quarter, an increase of 51% versus the prior period. In Australia, gas production commenced from the PV-12 well in Palm Valley and exceeded pre-drill expectations. Production at Dingo continued as expected and planning is underway for development activities at Mereenie.

In Indonesia, positive results continued to be achieved from development drilling in the PB field. The PB-19 well was completed with production of approximately 800 bopd and the current well, PB-11 has been drilled and is being completed and tested. We are also pleased to report that the exploration well BA-01 in the Mahato PSC is expected to be drilled during the current quarter, potentially opening up a new area of the PSC.

Post the strong production and cash flow results reported in FY22, we are delighted with the start Cue has made to FY23 and look forward to our extensive development and exploration pipeline sustaining this performance over the remainder of the year”.

PRODUCTION AND FINANCIAL RESULTS SUMMARY

Cash receipts of \$12.4 million were 51% higher than the previous quarter.



Cue's Australian onshore gas production for the quarter were approximately 6% lower than the previous quarter as a result of a temporary closure of the Northern Gas Pipeline (NGP), which extends from the Northern Territory to Queensland, from September to mid-December. Sales were limited to the Northern Territory, causing lowering of field production rates. The NGP was reopened during December, enabling full production and sales to resume.

In December, Cue announced the signing of a new gas supply agreement with South32 Cannington to supply 0.16 PJ of gas from the Mereenie field over two years, commencing 1 January 2023. The GSA is for firm gas supply, with take-or-pay provisions and a fixed price.

During the Quarter, the Australian Government introduced price controls on gas producers, limiting new contracts sales to \$12/GJ. These measures do not have any effect on Cue's existing contracted gas sales.

The average price received for all oil sales during the quarter was A\$157.3/bbl.

Cue's Cash balance at the end of the quarter decreased to \$14.8 million, including \$7.0m in drawn loans, as expenditure continued on the PV-12 well, which included the payment of deferred consideration on Central Petroleum's share of costs, and development drilling in the Mahato PSC. PV-12 well costs have been material completed during the quarter.

				Q2 FY2023	Q1 FY2023	
Australia	Production	Gas	PJ	0.31	0.33	
		Oil	bbl	2,408	2,741	
	Cash Receipts			\$ million	1.9	2.9
Indonesia						
Sampang PSC	Production	Gas	PJ	0.27	0.25	
		Oil	bbl	517	469	
	Cash Receipts			\$ million	3.0	3.1
Mahato PSC	Production	Oil	bbl	25,420	25,359	
	Cash Receipts			\$ million	4.0	2.2
New Zealand	Production	Oil	bbl	18,698	17,377	
	Cash Receipts			\$ million	3.5	0
Total Production			kboe	141.0	140.4	
Total Cash Receipts				\$ million	12.4	8.2
Closing Cash				\$ million	14.8	17.5

AUSTRALIA

Cue Interests

Mereenie [OL4 & OL5]: 7.5%

Palm Valley [OL3]: 15%

Dingo [L7]: 15%

Operator: Central Petroleum Limited

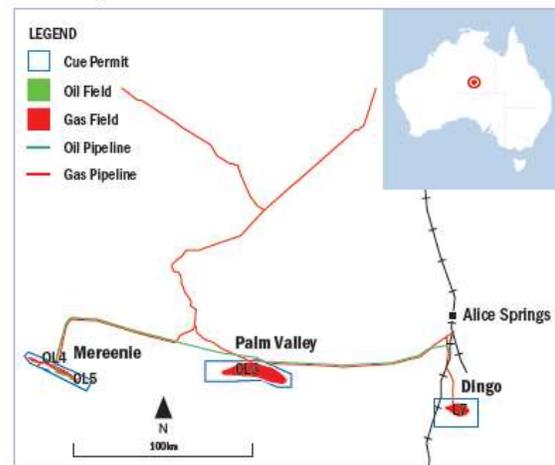
PV-12 well in the Palm Valley field was successfully tied-in to production facilities during December. At quarter end, PV-12 was producing approximately 9.5TJ/d, increasing the Palm Valley field capacity to 14TJ/d.

Cue's Australian onshore gas sales for the quarter were approximately 6% lower than the previous quarter as a result of a temporary closure of the Northern Gas Pipeline (NGP) which extends from the Northern Territory to Queensland, from September to mid December. Sales were limited to the Northern Territory, causing the lowering of field production rates. The NGP was reopened during December, enabling full production and sales to resume.

Production at Dingo continued as expected, with fluctuations in line with seasonal demand.

Planning is underway for the re-completion of up to 6 Mereenie wells to increase gas production which is expected to be undertaken in Q4 FY23. The Mereenie joint venture is also planning to drill two new Mereenie development wells, which are currently scheduled for Q1 FY24. Both these work programs are subject to JV approval.

AMADEUS BASIN LOCATION MAP - AUSTRALIA



INDONESIA

MAHATO PSC

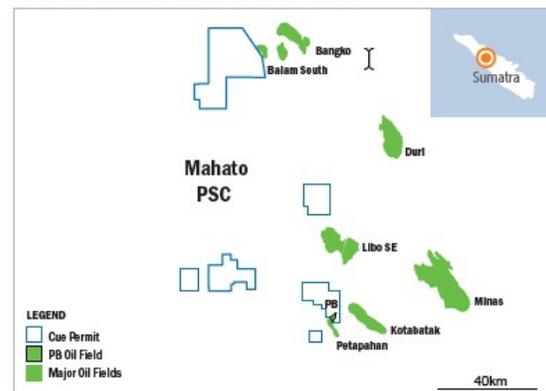
Cue Interest: 12.5% (Cue Mahato Pty Ltd)

Operator: Texcal Mahato EP Ltd

Oil production net to Cue from the PB field during the quarter was consistent with the previous quarter.

Two new development wells, PB-10 and PB-19 were completed during the quarter. PB-19 achieved an initial production rate of 800 barrels of oil per day. The PB-10 development well was successfully drilled prior to PB-19. Production from the well has not performed as expected and a workover is planned to improved oil production levels.

MAHATO PSC LOCATION MAP - INDONESIA



Drilling has been completed at the current well, PB-11, with completion and production testing underway.

The PB-03 production well remains shut-in for downhole equipment repairs and maintenance.

Under the current development plans, 20 production wells and three injection wells are approved for the PB field. Including the recently completed PB-11, there are currently 13 oil production wells and one water injection well in the field. The remaining 9 wells are expected to be drilled at a rate of approximately one per month over the next year.

Exploration in the Mahato PSC is preparing to recommence with exploration well BA-01 expected to be drilled during the current quarter, subject to environmental clearances. BA-01 is located in the northern section of the PSC, independent of the producing PB field. The well aims to test the presence of hydrocarbons in the BA prospect, with a primary target of the Miocene-age Telisa Formation sandstone reservoir at a depth of 900ft and a secondary target of the Menggala Formation, expected at approximately 2500ft. Both targets are producing reservoirs in the Central Sumatra Basin.

Cash receipts of \$4.0 million for the quarter were higher than the previous quarter. Revenue is typically received two months after production. Mahato oil is sold monthly on a Brent price basis with an average \$1-\$2/bbl discount.

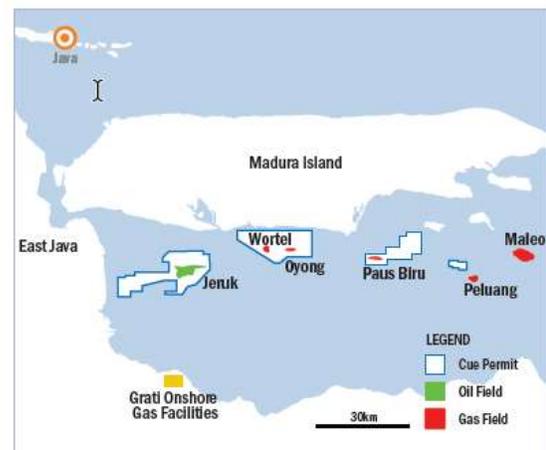
SAMPANG PSC

Cue Interest: 15% (Cue Sampang Pty Ltd)
Operator: Medco Energi Sampang Pty Ltd

Gas production from the Oyong and Wortel fields continued to perform to expectations during the quarter, with combined gross gas production slightly higher than last quarter due to demand fluctuations. Revenue received was consistent with the previous quarter.

The Paus Biru development Final Investment Decision (FID) by the joint venture is still pending government approval of the commercial terms of the gas sales and other incentives requested by the joint venture.

SAMPANG PSC LOCATION MAP - INDONESIA



The Paus Biru development is planned to consist of a single well and wellhead platform at the Paus Biru gas field, with a 27km subsea pipeline connecting the well to existing infrastructure at the Oyong field. Subject to final approvals, gas production from Paus Biru is expected to commence by 2025 at a rate of 20-25 mmcfd.

Mahakam Hilir PSC

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

Processes are underway for surrendering the permit, which expired in April 2021. The timing of full relinquishment of the PSC is being defined by Indonesian Government administrative processes.

NEW ZEALAND

PMP 38160

Cue Interest: 5% (Cue Taranaki Pty Ltd)

Operator: OMV New Zealand Limited

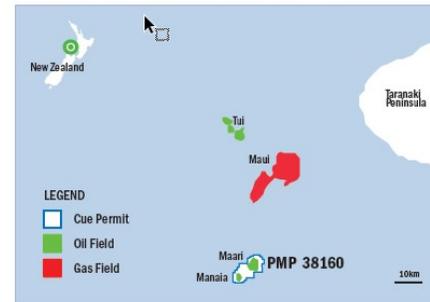
Gross oil production for the quarter averaged 4,065 bopd, higher than the previous quarter due to the continued good performance of producing wells and the water injection system.

The MN1 production well remains shut-in. Workover operations continued during the quarter, and the well successfully started, before a downhole fault stopped the well in late December. Troubleshooting to find the issue is currently being undertaken.

MR6a remained offline, with further well intervention work being planned.

The next scheduled oil sale from Maari is due to take place in late January. Maari oil continues to attract a high premium over the Brent oil price.

TARANAKI PENINSULA LOCATION MAP - NEW ZEALAND



CORPORATE

Annual General Meeting

CUE held its Annual General Meeting on 27 October 2022. The following resolutions passed on a poll:

1. Remuneration Report
2. Re-election of Alastair McGregor as Director
3. Re-election of Andrew Jefferies as Director
4. Renewal of Employee Share Option Plan
5. Approval of 10% Placement Facility.

For and on behalf of the Cue Energy 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.

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 is involved in oil and gas exploration and appraisal. 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>DIRECTORS 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>CHIEF EXECUTIVE OFFICER Matthew Boyall</p> <p>COMPANY SECRETARY/CHIEF FINANCIAL OFFICER Melanie Leydin</p>	<p>REGISTERED OFFICE Level 3 10-16 Queen Street MELBOURNE VIC 3000</p> <p>Phone: +613 8610 4000 Fax: +613 9614 2142 Email: mail@cuenrg.com.au Web: www.cuenrg.com.au</p> <p>AUDITOR KPMG Tower Two, Collins Square 727 Collins Street MELBOURNE VIC 3008</p>	<p>SECURITIES EXCHANGE LISTING ASX: CUE</p> <p>SHARE REGISTER Computershare Investor Services Pty Ltd Telephone: 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) Email: web.queries@computershare.com.au Website: www.computershare.com.au</p>
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