



06 September 2021

Mereenie Development Well WM28 Completion

The operator of the Mereenie joint venture, Central Petroleum Limited (ASX:CTP) ("Central") has advised that the WM28 development well, the second well in the Mereenie Development Programme, was completed on 06 September 2021.

Central's ASX release is attached to this announcement and contains the following key points:

- WM28 has been successfully completed as a dual zone production well with good flow test results and is expected to be tied-in to the gathering network by mid-September.
- Sustained flow rates were also encountered while drilling through the shallower Stairway Sandstone interval.

As announced on 25 May 2021, Cue has executed a sale and purchase agreement to acquire a 7.5% interest in the Mereenie gas and oil field (OL4 and OL5 production licences) in the Amadeus Basin, onshore Northern Territory, as well as a 15% interest in the Palm Valley and Dingo gas fields. Satisfaction of conditions to completion of the transaction is continuing.

Authorised by the 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.

About Cue Energy

Cue Energy Resources Limited is an Australian Securities Exchange (ASX:CUE) listed oil and gas production and exploration company. Cue's FY21 revenue was A\$22.5million from gas production offshore Indonesia and oil production offshore New Zealand and onshore Indonesia. Cue has operated and non-operated interests in exploration permits in the Carnarvon Basin, offshore Western Australia. In May 2021, Cue entered into transaction documents to acquire interests in the Mereenie gas and oil field, and the Palm Valley and Dingo gas fields, from Central Petroleum Limited.

Various statements in this document 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.

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.

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

6 September 2021**MEREENIE DEVELOPMENT WELL WM28 SUCCESSFULLY COMPLETED;
GOOD STAIRWAY GAS FLOWS**

Central Petroleum Limited (**ASX:CTP**) (“**Central**” or “**Company**”) advises that WM28, the second development well in the Mereenie Development Programme was completed on 6th September 2021.

Key points

- WM28 has been successfully completed as a dual zone production well (Pacoota-1 and Pacoota-3) with good flow test results and is expected to be tied-in to the gathering network by mid-September.
- Sustained flow rates were also encountered while drilling through the shallower Stairway Sandstone interval:
 - Increases confidence that extensive sections of the Stairway Sandstone could be productive at Mereenie.
 - Potential to double the Proved and Probable (2P) gas reserves at Mereenie if the existing 108 PJ of 2C contingent gas resources attributed to the Stairway Sandstone can be upgraded (54 PJ net to Central¹).

WM28 was successfully drilled to a depth of 1,332m and completed as a selective dual zone gas producer, accessing both the upper reservoir (Pacoota-1) and the lower reservoir (Pacoota-3) in a crestal location. The Pacoota-1 was air-drilled, cased and perforated whilst the Pacoota-3 was air-drilled and left open hole to maximise flowrates. Based on rig flow tests, the combined Pacoota-1 and Pacoota-3 gas flow rate once online is expected to be at the high end of the range anticipated.

In addition, virgin reservoir pressures and sustained flow rates were observed from a 34 metre vertical intersection of the Upper Stairway Sandstone during drilling (Figure 2). A rig flow test of the Upper Stairway maintained a production rate of 0.6 mmscfd over a period of 50 minutes with minimal decline observed. The well continued flowing at similar rates for 19 hours while drilling ahead before penetrating the next productive interval in the Pacoota-1. Whilst the Stairway is typically considered to be tight, the presence of natural fractures provides sufficient permeability which can be exploited through deviated or horizontal drilling techniques (as occurs in the Pacoota at Palm Valley).

The successful flow test in the Upper Stairway provides a good indication of the presence of open natural fractures at WM28. This is consistent with fracture modelling which indicates a

¹ Prior to completion of asset sale announced 25 May 2021

high likelihood of natural fractures (predominantly vertical) in the crestal region of the Mereenie field. Significant flows obtained while drilling through the Stairway have also been recorded in prior development wells, indicating there could be extensive portions of the Stairway amenable to commercial production with horizontal wells. Further Stairway appraisal would target those areas with evidence of good flows (such as WM28) to reduce the risk of encountering mineralised fractures, as was the case in the prior Lower Stairway appraisal well, WM26.

There is currently 108 PJ of 2C contingent resource booked in the Stairway (54 PJ net to Central²). Further appraisal of the Stairway using horizontal drilling techniques to better access the vertical fracture network could deliver significantly higher flow rates and convert this resource into reserves. The 2P reserves at Mereenie would approximately double if all the 2C resource currently attributed to the Stairway could be converted to 2P reserves, which would increase the field capacity, production plateau and economic life of the Mereenie field.

Given WM28's good Stairway results and the high-value associated with brownfield economics, Central intends to work with its Mereenie joint venture ("JV") partners to progress possible Stairway appraisal opportunities for this material resource.

Works are underway to connect WM28 to the gathering network, with the well expected to be online by mid-September. The rig will return to WM19 (previously recompleted) to attempt shut-off of water production believed to be sourced from a lower interval that is not contributing gas flow. After that, the rig is intended to return to WM27 to complete it as a Pacoota-1 producer. The JV has resolved not to proceed with the Pacoota-3 side-track due to concerns regarding localised hole instability encountered in the first attempt. Although WM27 will no longer be able to accelerate recovery from the Pacoota-3, the JV expects that the reservoir at this location will still be adequately drained by other wellbores over the field life. Based on test results to date, the recompletion and drilling program has already increased Mereenie wellhead capacity to over 40 TJ/d (100% JV), easily meeting economic hurdles for the investment.

Further updates will be provided as the programme progresses and at an investor presentation to be held shortly after the release of Central's 2021 Annual Report and financial results later this month. Details of the date and time of the presentation will be advised later this week.

² Prior to completion of asset sale announced 25 May 2021

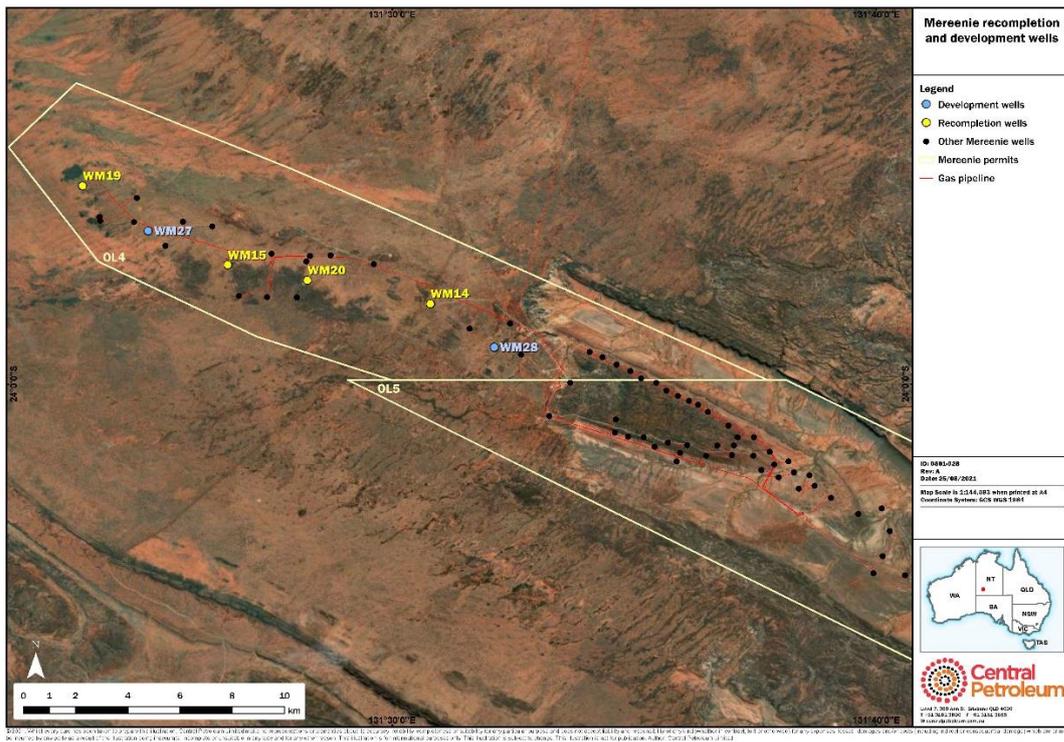


Figure 1: Location of Mereenie recompletion and new development wells



Figure 2: Upper Stairway flare while drilling

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This ASX announcement was approved and authorised for release by Leon Devaney, Managing Director and Chief Executive Officer.

Reserves and resources

2C contingent resources for the Mereenie Stairway were reported to the market on 24 July 2020.

Central confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed.

About Central Petroleum

Central Petroleum Limited (Central) is a well-established, and emerging ASX-listed Australian oil and gas producer (ASX: CTP). In our short history, Central has grown to become the largest onshore gas producer in the Northern Territory (NT), supplying industrial customers and senior gas distributors in NT and the wider Australian east coast market.

Central is positioned to become a significant domestic energy supplier, with exploration and development plans across 180,000 km² of tenements in Queensland and the Northern Territory, including some of Australia's largest known onshore conventional gas prospects. Central has also completed an MoU with Australian Gas Infrastructure Group (AGIG) to progress the proposed Amadeus to Moomba Gas Pipeline to a Final Investment Decision.

We are also seeking to develop the Range gas project, a new gas field located among proven CSG fields in the Surat Basin, Queensland with 135 PJ (net to Central) of development-pending 2C contingent resource.

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