

# Activities Report

Quarter ending 30 September 2022

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28 October 2022

## HIGHLIGHTS

- Palm Valley 12 well (PV-12) in the Amadeus Basin, NT, well flow tested at 11.8 million standard cubic feet per day (mmscfd) of gas and is being completed for gas production
- Oil production from Mahato PSC, Indonesia, net to Cue increased by 22% during the quarter, with two new development wells completed and coming online at approximately 800 barrels of oil per day (bopd) and 500 bopd respectively.
- Next Mahato well, PB-10, commenced drilling in early October and is expected to be completed in early November.
- New Gas Supply Agreement signed with Shell Energy Australia for supply of 0.27PJ of gas from the Mereenie Field, NT, for one year from 1 Jan 2025.



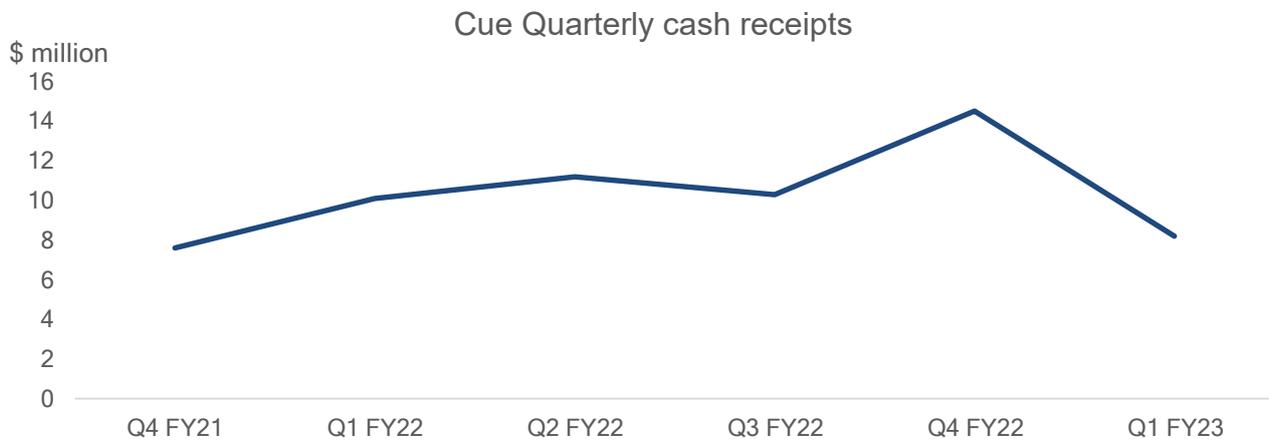
*PV-12 flare from Interim flow testing (see ASX announcement 3 October 2022)*

## PRODUCTION AND FINANCIAL RESULTS SUMMARY

Cash receipts of \$8.2 million were 43% lower than the previous quarter, due to the timing of Maari and Mahato receipts.

An oil lifting and sale of 21,400 bbl net to Cue from Maari field in New Zealand was undertaken in September, with \$3.6 million receipts received in October. Cue received a significant premium over Brent pricing for this Maari oil sale.

\$1.5 million in receipts from oil sales from the Mahato PSC, Indonesia was delayed from September and received by Cue after the end of the quarter, in early October.



Cue net production from the Mahato PB field was up 22% for the quarter. Net production from the Sampang PSC was down 21% due to demand and production variances and the effect of lower operating costs on Cue's share of production received under the Production Sharing Agreement (PSC).

As a result of a temporary closure of the Northern Gas Pipeline (NGP) which extends from the Northern Territory to Queensland, on 7 September, Cue's Australian onshore gas sales for the September quarter were approximately 2.5% lower than the previous quarter. This situation is ongoing and continues to affect production, however Cue anticipates recommencement of gas sales to east coast markets and resumption of full production during the December quarter.

In September, Cue announced the signing of a new gas supply agreement with Shell Energy Australia to supply 0.27 PJ of gas from the Mereenie field over one year, commencing 1 January 2025. The GSA is for firm gas supply, with take-or-pay provisions and a fixed price.

The average price received for all oil sales during the quarter was A\$156.2/bbl.

Cue's Cash balance at the end of the quarter decreased to \$17.46 million, including \$7.0m in drawn loans, primarily reflecting the costs paid by Cue for the PV-12 well, which included a payment of deferred consideration on Central Petroleum's share of costs, and development drilling in the Mahato PSC. Expenditure on the PV-12 well is expected to decrease this quarter as drilling has completed.

				Q1 FY2023	Q4 FY2022
<b>Australia</b>	Production	Gas	PJ	0.33	0.34
		Oil	bbl	2,741	2,763
	Cash Receipts		\$ million	2.9	2.8
<b>Indonesia</b>					
Sampang PSC	Production	Gas	PJ	0.25	0.32
		Oil	bbl	469	636
	Cash Receipts		\$ million	3.1	3.1
Mahato PSC	Production	Oil	bbl	25,359	20,744
	Cash Receipts		\$ million	2.2	4.5
<b>New Zealand</b>	Production	Oil	bbl	17,377	18,468
	Cash Receipts		\$ million	0.0	4.1
<b>Total Production</b>			kboe	140.4	149.1
<b>Total Cash Receipts</b>			\$ million	8.2	14.5
<b>Closing Cash</b>			\$ million	17.46	23.22

## AUSTRALIA

### Cue Interests

**Mereenie** [OL4 & OL5]: 7.5%

**Palm Valley** [OL3]: 15%

**Dingo** [L7]: 15%

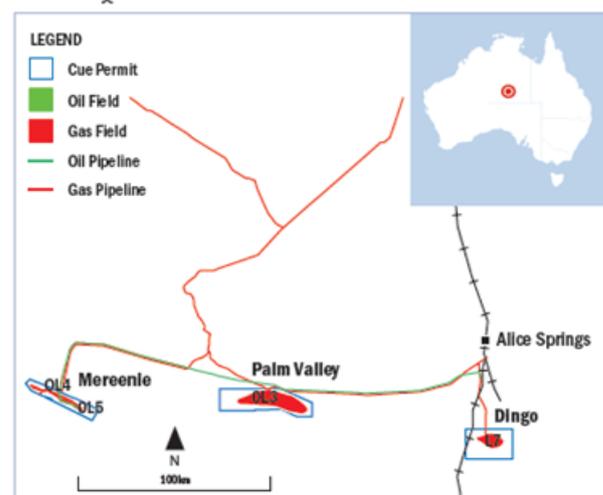
**Operator:** Central Petroleum Limited

Production from Mereenie and Palm Valley continued in line with expectations but as a result of the temporary closure of the Northern Gas Pipeline (NGP), between the Northern Territory and Queensland on 7 September, gas sales for September quarter were down by 2.5% on the previous quarter.

The Joint Venture continues to monitor the evolving NGP situation, which is due to circumstances external to the JV, and anticipates recommencing full production and sales to the East Coast gas markets during the December quarter.

Production at Dingo remained strong, with fluctuations in line with seasonal demand.

AMADEUS BASIN LOCATION MAP - AUSTRALIA



Successful gas flow tests were conducted from the Palm Valley 12 (PV-12) sidetrack 2 (ST2) post the end of the quarter. On 18 October, Cue announced the well was being completed as a gas producer after flowing gas at approximately 11.8 million standard cubic feet per day (mmcf). Drilling operations are now complete and the rig is being demobilized.

The PV-12 ST2 was drilled in the Pacoota P1 interval, which is the currently producing interval in the Palm Valley field, and reached a total measured depth (MD) of 3039m on 8 October 2022.

Earlier in the quarter, another sidetrack (ST1) was drilled into the Pacoota P2 and P3 formations and recovered formation water from the wellbore. As a result of this water and the absence of significant gas shows while drilling, the ST1 lateral was plugged and abandoned.

## 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 increased by 22%.

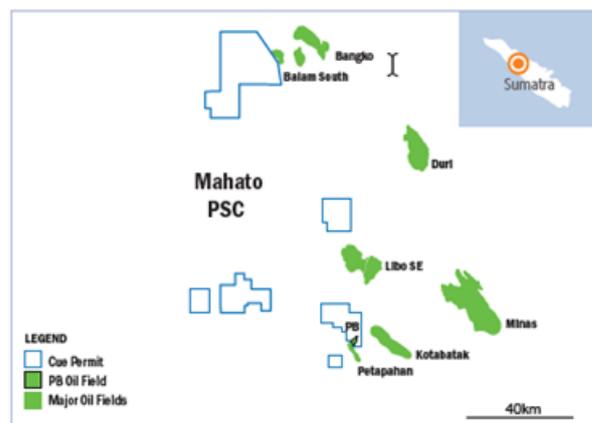
Two new development wells, PB-17 and PB-21 were completed during the quarter, coming online at production rates of approximately 800 bopd and 500 bopd respectively. The next well in the current development campaign, PB-10, commenced drilling in early October and is expected to be completed in early November.

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-17, there are currently 10 oil production wells and one water injection well in the field. The remaining 12 wells are expected to be drilled at a rate of approximately one per month over the next year.

Cash receipts received for the quarter were lower than the previous quarter, due to timing, with September receipts received in early October. 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.

MAHATO PSC LOCATION MAP - INDONESIA



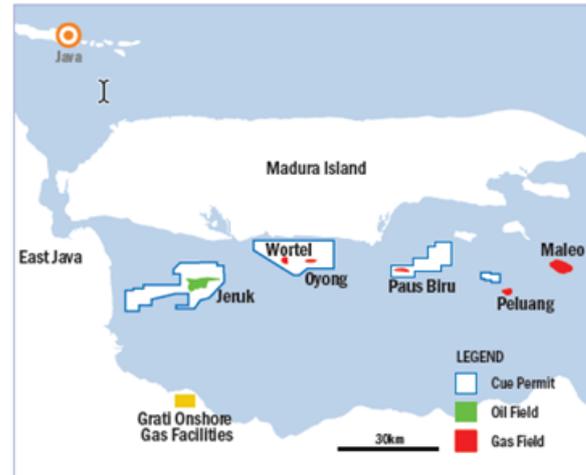
## SAMPANG PSC

**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 8% lower than last quarter due to demand and production variances.

Cue share of gas production was 21% lower than the previous quarter due to this lower production and lower operating costs resulting in reduced production allocation under the Production Sharing Contract (PSC).

SAMPANG PSC LOCATION MAP - INDONESIA



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.

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 mmcf/d.

## 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. During the quarter, the Indonesian government completed an audit of drilling equipment held by Cue. Disposal of this equipment by the government is a key step in the relinquishment process and is expected to be completed by the end of calendar year 2022.

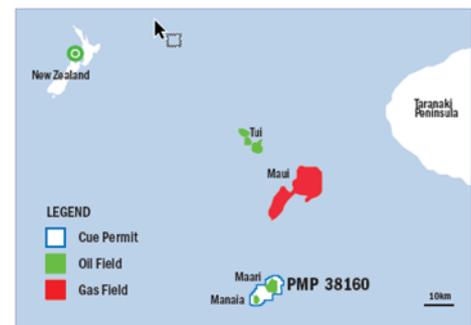
## NEW ZEALAND

### PMP 38160

**Cue Interest:** 5% (Cue Taranaki Pty Ltd)  
**Operator:** OMV New Zealand Limited

Production from the Maari field was 6% lower than the previous quarter. MR9 production well suffered a failure of its electric submersible pump (ESP) during the quarter, however a workover to replace the ESP was conducted and the well was back in production by early October.

TARANAKI PENINSULA LOCATION MAP - NEW ZEALAND



The MN1 production well remains shut in. Workover operations to replace its ESP started during the quarter but ceased due to a technical issue and are expected to be restarted during November.

MR6a remained offline, with further well intervention work likely to occur during Q3FY23.

An oil lifting of 21,400 barrels net to Cue occurred during September, with receipts of \$3.6 million received during October. Cue received a significant premium over Brent pricing for this Maari oil sale.

On 27 October 2022, OMV and Jadestone Energy announced the termination of the sale and purchase agreement for Jadestone to acquire and operated 69% interest in Maari. OMV will remain the interest holder and Operator.

## 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](mailto:mail@cuenrg.com.au).

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

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<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>
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