



CUE ENERGY RESOURCES LIMITED

ASX:CUE



**General Meeting of Shareholders
8 January 2019**

Disclaimer and Important Notice



This presentation is for the sole purpose of preliminary background information to enable recipients to review the business activities of Cue Energy Resources Limited (ASX: CUE). The material provided does not constitute an invitation, solicitation, recommendation or an offer to purchase or subscribe for securities.

Various statements in this document constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward looking statements and involve known 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 Cue Energy Resources Limited has interests, and the extent of the recoverable reserves at those properties. In addition, Cue Energy Resources Limited 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 Cue Energy Resources Limited.

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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.

General Meeting of Shareholders

Tuesday 8 January 2019



Resolution to be voted on:

CUE Exploration to sell 15% participating interest in WA-359-P and grant an option to acquire 5.36% participating interest in WA-409-P to NZOGIPL

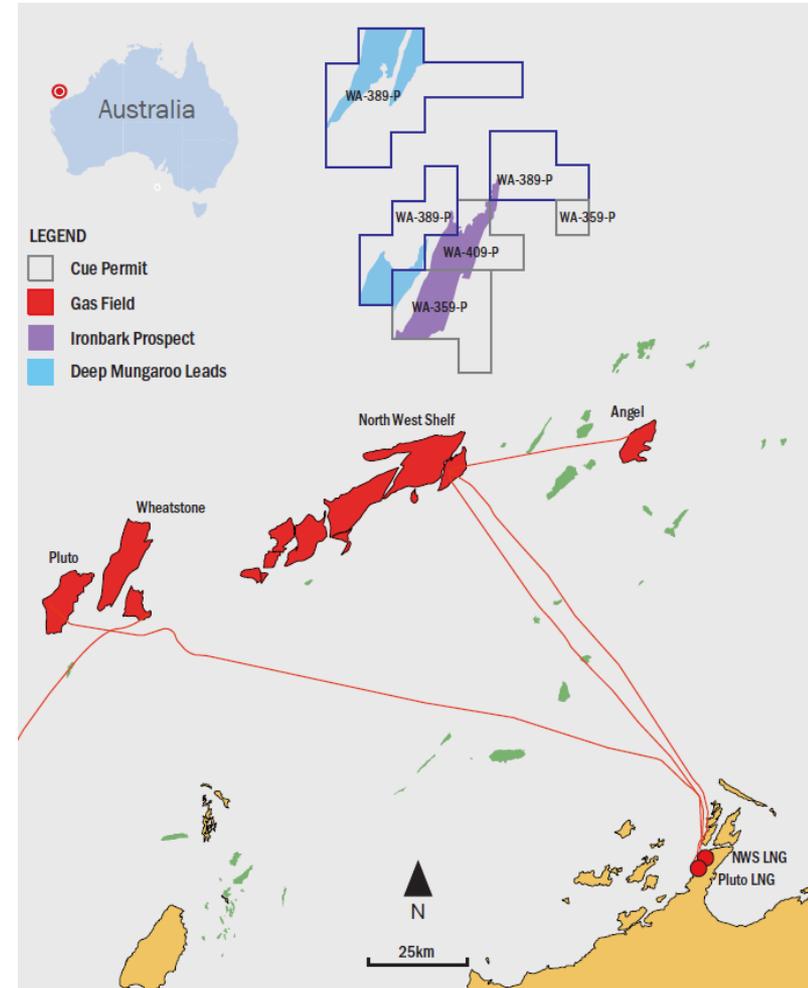
The Independent Directors of CUE unanimously recommend that Shareholders vote in favour of the Proposed Resolution.

- Ironbark has potential to add a step change in Cue's value if successful
- The proposed transactions represent the best option for Cue to fund an exploration well to test the Ironbark prospect
- The consideration to be received by Cue is equal to or greater than the agreements with BP and Beach Energy which set the benchmark for negotiation
- WA-359-P permit currently expires in April 2019 and a without a clear pathway to drilling Ironbark-1 an extension may not be granted by the Regulator

Ironbark - Company Changing Opportunity

Agreements provide a clear path to the drilling of Ironbark-1

- Ironbark provides a transformative opportunity for Cue
- 15 Tcf⁽¹⁾ prospective recoverable gas in the Carnarvon Basin (100%, unrisks)
- 50km from North West Shelf LNG infrastructure provides access to commercialization
- **October 2016** BP agreements
 - 42.5% option in WA-359-P
 - 80% farm in to WA-409-P
- **November 2017** Beach Energy Agreements
 - 21% farm-in to WA-359-P, conditional on BP
 - 7.5% option in WA-409-P
- **26 October 2018** agreements⁽²⁾ provide a clear path to drilling the Ironbark-1 exploration well
 - New Zealand Oil & Gas 15% WA-359-P farm in
 - New Zealand Oil and Gas 5.36% WA-409-P option
 - Cue , BP , Beach Energy, New Zealand Oil & Gas Coordination Agreement



1. Refer to the Prospective Resources Cautionary Statement on slide 2
2. See ASX announcements: 26 October 2018

New Zealand Oil & Gas Agreements



WA-359-P farm in and WA-409-P option

- New Zealand Oil & Gas agreements complete the well funding for Ironbark-1
- Terms for WA-359-P and WA-409-P agreements with NZOG are identical to Cue's agreements with Beach Energy November 2017, pro-rata for equity level
- WA-359-P Farm-in
 - 15% participating interest to be acquired by New Zealand Oil & Gas
 - 2.85% carry of Cue's costs for the Ironbark-1 well (capped at US\$2.56m)
 - \$642,600 in backcosts on completion
 - Conditions include Cue shareholder approval, regulatory approval of a WA-359-permit Suspension and Extension and Cue escrowing its share of estimated well costs
- WA-409-P Equity option
 - Option over 5.36% equity in WA-409-P
 - If exercised, Cue receives;
 - 5.36% carry on a well in WA-409-P
 - 10% revenue royalty on New Zealand Oil and Gas participating interest

WA-359-P Co-ordination Agreement



JV formed and Ironbark well conditionally fully funded

- Cue, BP, Beach Energy and New Zealand Oil & Gas Co-ordination Agreement executed 26th October 2018
- BP currently undertaking duties as operator with funding committed from all parties to commence well delivery processes for Ironbark-1 exploration well
 - Environmental Approvals for drilling
 - Drilling Rig tender and contracting
- Agreement completion and JV finalisation subject to certain conditions including:
 - Cue receiving shareholder approval for New Zealand Oil and Gas agreements
 - Regulatory approval of a Suspension and Extension to WA-359-P
- Cue retains 100% participating interest until conditions are met - expected Q2 2019
- Post completion participating interests:

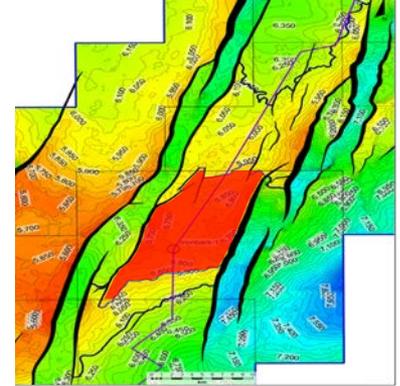
BP (operator)	42.5%
Cue	21.5%
Beach Energy	21%
New Zealand Oil and Gas	15%
- Cue to be funded up to US\$11.3m for the Ironbark-1 well, with Cue funding the remaining share of US\$8m from current cash, to be escrowed prior to completion

Ironbark Prospect

WA-359-P Australia - Cue 100%(1)

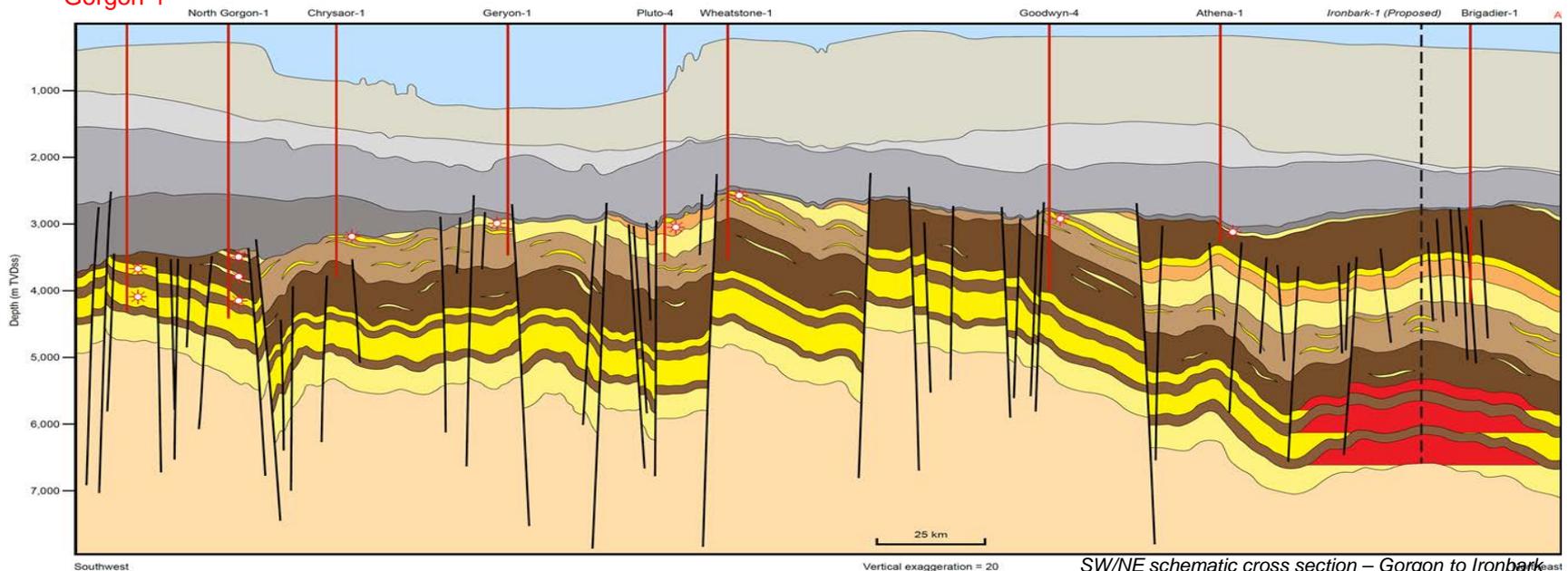
- Simple, Deep Mungaroo prospect with 15tcf⁽¹⁾ potential recoverable gas resource
- 400km² fault bounded horst structure with North/South dip closure
- Defined by high quality, recently reprocessed 3D seismic
- Deep Mungaroo reservoir interval, regionally continuous and well defined from Gorgon to Ironbark. 150-300m reservoir thickness at Ironbark
- Thick, regionally extensive Mungaroo shale top seal – 500m at Ironbark
- Triassic coal and carbonaceous shale source, proven in the area

TR17 structure map with Ironbark prospect



Gorgon-1

Ironbark-1



SW/NE schematic cross section – Gorgon to Ironbark

1. Current equity, prior to completion of BP, Beach and New Zealand Oil and Gas agreements
2. Refer to the Prospective Resources Cautionary Statement on slide 2

Ironbark Upside Potential

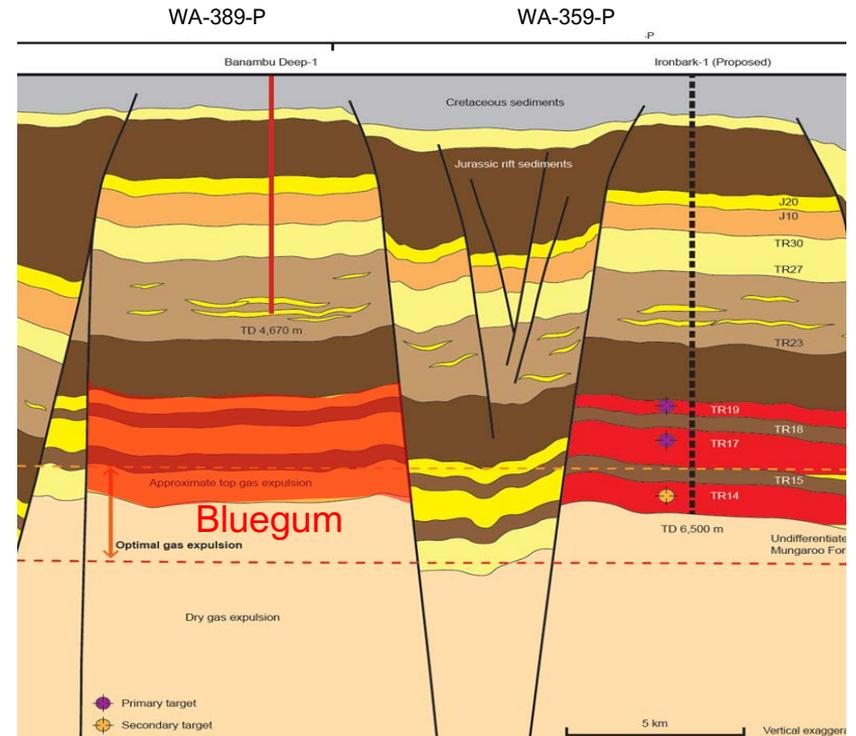
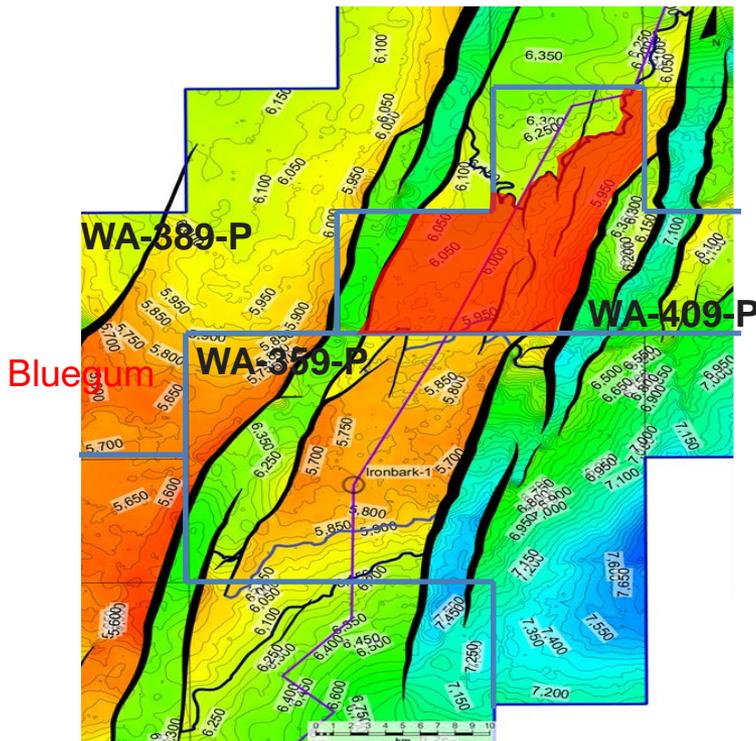
WA-409-P and WA-389-P

WA-409-P

- Adjoining permit north of WA-359-P
- Contains Ironbark high case
- BP (Operator) 80%; Cue 20%*

WA-389-P

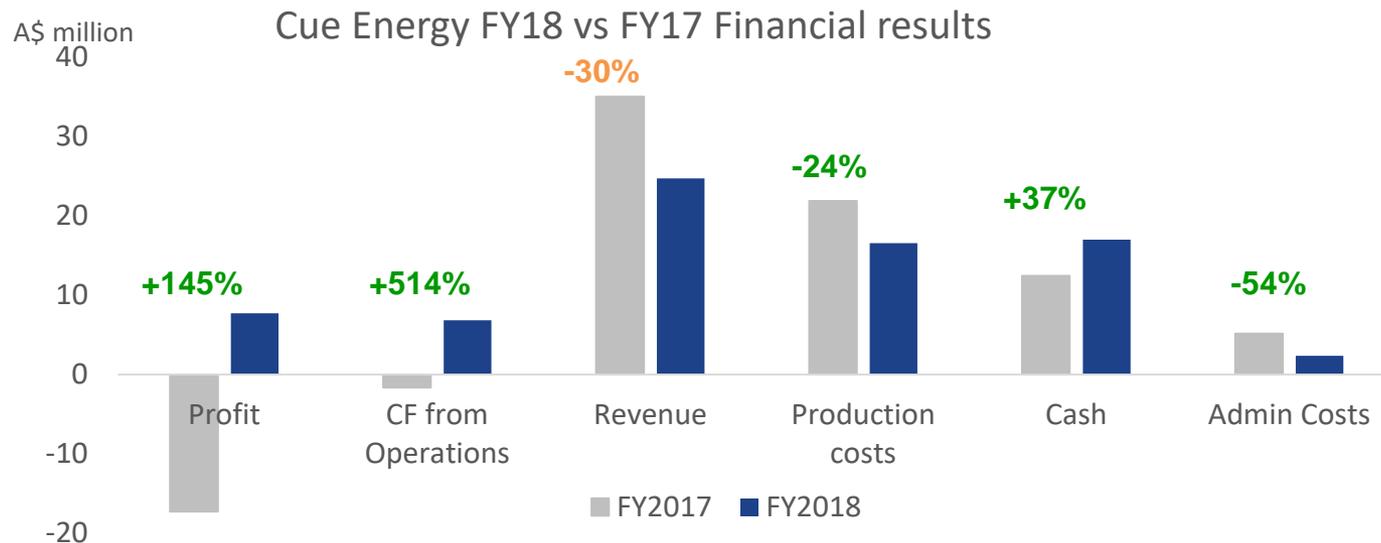
- Adjoining permit northwest of WA-359-P
- Bluegum lead within the Banamburu Horst is directly analogous and similar scale to Ironbark
- Cue 100%



*Subject to Beach Energy and New Zealand Oil & Gas options

Ironbark-1 well funding

- Cue cash position of \$21million as at 30 Sept 2018 with no debt has enabled 21.5% Participating Interest in WA-359-P to be retained
 - June 30 2018 \$17m, up 37% YoY
- US\$8m escrow to be funded from cash in ~Q1 2019 for Cue's expected Ironbark-1 well costs if Proposed Transactions are approved and other conditions met
- Cue carried for up to US\$11.3m of Ironbark-1 well costs
- Operating revenue forecast to be sufficient for unexpected well costs



- Ironbark has potential to add a step change in Cue's value if successful
- BP are currently undertaking planning the Ironbark-1 well on behalf of Cue under the Co-ordination Agreement between Cue, BP, Beach and NZOG
- Cue Shareholder approval of the Proposed Transactions with New Zealand Oil and Gas is a condition to the completion of all agreements with BP, Beach and New Zealand Oil and Gas
- On completion of agreements Cue will be carried for up to US\$11.3m of Ironbark-1 well costs with Cue's remaining share of US\$8m to be escrowed from cash
- Other conditions include regulatory approval of a Suspension and Extension to the WA-359-P permit
- 2020 Ironbark-1 estimated well timing if Proposed Transactions are approved and other conditions to completion of all agreements are satisfied

The Independent Directors of CUE unanimously recommend that Shareholders vote in favour of the Proposed Resolution.



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