



ABN 45 066 383 971

22 September 2016

PAGES (including this page):3

ASX Market Announcements
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
Sydney NSW 2000

Sampang Field Life Extension

Attached please find Cue Energy Resources Limited's release with respect to the above mentioned.

Yours faithfully

Andrew M Knox
Chief Financial Officer

CUE ENERGY OVERVIEW

Cue is an Australian based oil and gas company with activities in Australia, New Zealand, Indonesia and the USA.

THE COMPANY HAS:

- Long life production
- A strong balance sheet
- An active exploration programme

CUE ENERGY DIRECTORS

- Grant Worner (Executive Chairman)
- Koh Ban Heng
- Duncan Saville
- Brian Smith

CUE ENERGY MANAGEMENT

- Andrew Knox (CFO)
- Jeffrey Schroll (Exp Man)

OFFICE

Level 19
357 Collins Street
Melbourne Vic 3000

CONTACT DETAILS

Tel: +613 8610 4000
Fax: +613 9614 2142

EMAIL

mail@cuenrg.com.au

WEBSITE

www.cuenrg.com.au

LISTINGS

ASX: CUE
ADR/OTC: CUEYY

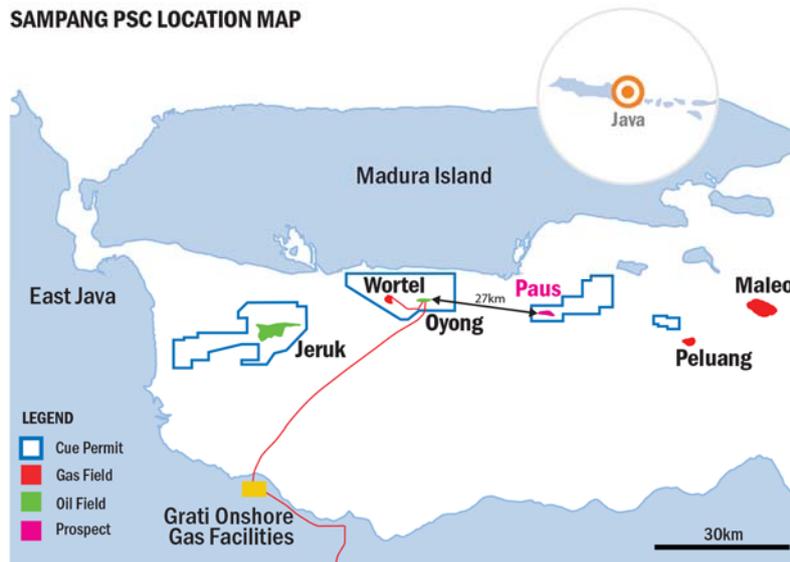
RELEASE

Sampang Field Life Extension

- **Sampang PSC Joint Venture approves proceeding with the Sampang Sustainability Project (SSP) to extend field life by at least 2 years to 2020 or beyond**
- **Project benefits include reduction in production costs by approximately 50% per annum, a 2P reserve increase of 37% (~17bcf), and margin increase of 34%**
- **Sampang has additional near term exploration potential**

Cue Energy Resources Ltd (ASX:CUE) is pleased to advise that as part of its strategy of delivering disciplined growth through attractive opportunities in Indonesia, and subject to final government approvals, the Sampang Joint Venture [Santos 45% (operator), Singapore Petroleum Company 40%, Cue 15%] has approved the SSP. This initiative will involve switching the Oyong and Wortel Fields to a gas only production system and ceasing uneconomic oil production. Operator production forecasts based on implementation of the SSP show an increase of 2P reserves of ~17 billion cubic feet (bcf) associated with the extended life of the Wortel and Oyong fields.

SAMPANG PSC LOCATION MAP



The current project schedule estimates switching to gas only operations in September 2017 allowing both the Floating Production Storage Offloading vessel, Seagood, and the Floating Storage Offloading vessel, Surya Putra Jaya, to be decommissioned in the fourth quarter of 2017. This should reduce total annual production costs from circa US\$50 million in 2016 to about US\$22 million by 2018.

The extension of low cost gas production from Sampang will provide Cue with continued, stable, positive non-oil linked cash flows which protect the Company from low oil prices.

Near Term Exploration Potential

The existing reservoirs for the Oyong and Wortel Fields are in structural and structural/stratigraphic trap closures in the Mundu Formation. The joint venture has reviewed other Mundu Formation prospects, including the Paus prospect, which is believed to be a low risk prospect and potentially a drilling candidate in 2018. The joint venture is yet to make a its decision to proceed with this near term exploration potential but if drilling is approved and is successful, Paus could be tied back through the Oyong facilities and further extend the gas production from the Sampang PSC for many years. Cue will keep the market informed of any developments.

Any queries regarding this announcement should be directed to the Company on +613 8610 4000 or email mail@cuenrg.com.au.



Grant Worner
Executive Chairman

22 September 2016