



ABN 45 066 383 971

4 March 2016

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

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## Board changes

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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 & 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

- Paul Foley (Chairman)
- Stuart Brown
- Peter Hazledine
- Koh Ban Heng
- Brian Smith

## CUE ENERGY MANAGEMENT

- David Biggs (CEO)
- Andrew Knox (CFO)
- Jeffrey Schrull (Exp Man)

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ASX: CUE  
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## **RELEASE**

### **Board changes**

During recent months, the Cue Board has considered what actions it might take to achieve a step change in the Company's size and capability with the purpose of adding significant shareholder value. Drilling success at the Naga Selatan-2 well in Indonesia is a part of that, but additional work needs to be completed before the full scale of that discovery and the assessment of its commercial value can be determined. Necessarily that assessment is impacted by lower oil prices. Also the recent progress in generating a potential partner or partners who would support the drilling of an offshore well in our WA-359-P and WA-409-P permit is very positive, but there is still some time before the outcome of the farm-out process is known. If secured, the farm-out should deliver value to Cue as a result of the terms on which the proposed well would be drilled, with that drilling having the potential, if successful, to be a company changer.

In deciding how Cue must respond to the current climate of low oil prices the current directors have recognised the influence that our major shareholder New Zealand Oil and Gas Limited (NZOG) (48.1%) can have on the strategic direction of the Company.

As a result of NZOG's interest in this process, it has given notice to the Cue Board that NZOG wishes to see further changes to the Cue Board and has requested that Messrs Foley, Hazledine and Brown are replaced on the board by two new appointees, Mr Grant Worner and Mr Andrew Knight. Messrs Koh Ban Heng and Brian Smith will continue as directors of Cue.

Mr Knight is currently the CEO of NZOG. Mr Worner is an experienced oil and gas executive, who is currently Executive Director of Pan Pacific Petroleum and a Non-Executive Director of New Guinea Energy Ltd (CVs are attached).

These changes would normally be achieved by a shareholder vote but, as all existing directors believe that the process and cost of effecting the changes in such a manner is not warranted, the Cue Board has resolved that effective close of business 4 March 2016, Messrs Worner and Knight will be appointed as directors of Cue and Messrs Foley, Hazledine and Brown have advised that they will resign as directors effective from the same date.

Outgoing director Mr Brown said "as Cue's last remaining independently nominated, and currently longest serving Director, it has been a privilege to watch the evolution of Cue's Indonesian focussed exploration strategy come to fruition with the Naga Selatan-2 discovery. The acreage position, technical experience and operational capabilities which have been established over the last few years now provide multiple opportunities for future success and growth in shareholder value. Similarly the rationalisation of Cue's other Australasian interests will hopefully culminate in the successful farm-out of WA-359-P and WA-409-P which would also bring significant value to Cue shareholders. This said, the oil and gas industry faces unprecedented challenges in the current environment and I wish the new Board success in steering an appropriate course between the interests of Cue's major shareholders while protecting the interests of all other shareholders."



Mr Foley, the outgoing chairman said “I have been pleased to play a role with Cue over the last year. Like all companies in the sector, Cue has had its challenges but looking forward there is a potential good story for all shareholders. I wish the incoming directors well as they become part of assessing what is the best interests of the company and implementing the new Board’s decisions in that regard.”

Lastly, I would like to thank the management team for their support and efforts over the last year. The safe completion of our operated drilling in Indonesia was a highlight that the team should be proud of, and the team’s demonstrated capability has the potential to position Cue well as the company considers opportunities across its portfolio.”

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

A handwritten signature in blue ink that reads "Paul Foley". The signature is written in a cursive, flowing style.

Paul Foley  
Chairman

4 March 2016



### **Andrew Knight**

Mr Knight has been CEO of New Zealand Oil and Gas Limited since 2011 and was on their Board from January 2008 through to October 2015. He has previously held executive management roles with Vector and NGC and worked in New Zealand and Australia with The Australian Gas Light Company, Fletcher Challenge Energy and Coopers & Lybrand. Mr Knight is a director of the Petroleum Exploration and Production Association of New Zealand, Gas Industry Company Ltd, Taranaki Iwi Holdings Management Ltd, and Sea Group Holding Ltd. Mr Knight is a chartered accountant and graduate of Waikato University with a BMS (Hons) and is a member of Chartered Accountants Australia and New Zealand.

### **Grant Worner**

Mr Worner has more than 25 years' experience in the oil industry with more than 22 years working for BP in 3 continents. He has led teams and businesses in exploration, trading, refining, and marketing in Europe, the US, Papua New Guinea, New Zealand and Australia. He is a Non-Executive Director of New Guinea Energy Ltd, an executive Director of Pan Pacific Petroleum NL, and Managing Director of his own management consulting firm. Mr Worner holds a first class honors degree in Chemical Engineering, an MBA, and is a Graduate of the Australian Institute of Company Directors.