



ABN 45 066 383 971

FY19 Full Year Results

- \$8.5 million Full Year Profit
- \$12.8 million Net Cashflow from Operations
- Cash position increased by 54% to \$26.2 million

22nd August 2019

Cue Energy Resources Ltd (ASX:CUE): Cue Energy Resources Limited (Cue) has released its 2019 Full Year financial results, reporting \$25.7 million revenue from ordinary activities, \$8.5 million after tax profit and the completion of agreements securing the drilling of the Ironbark-1 exploration well, offshore Western Australia, in late 2020.

Cue continued to be a strong cash flow positive business and reported exploration success with the Paus Biru-1 Gas discovery in Indonesia.

Cue reported a net profit after tax of \$8.5 million for the financial year, an increase of \$0.8 million over the previous year. Net cashflow from operations increased by 88% to \$12.8 million, resulting in an increase in cash of \$9.2 million to \$26.2 million.

Production from both the Maari field in New Zealand and Sampang PSC in Indonesia contributed to the results, with strong Maari oil production in the second half of the year and reduced Sampang production costs.

Completion of agreements with BP, Beach Energy and New Zealand Oil & Gas was a major achievement during the year and confirmed the funding and timing of the Ironbark-1 exploration well in exploration permit WA-359-P, which is due to be drilled in late 2020.

Summary of Results for the Year ending 30 June 2019

		2019	2018
		\$'000	\$ '000
Revenues from ordinary activities	Up 4.8% to	25,730	24,547
Profit/(Loss) from ordinary activities after tax attributable to the owners of Cue Energy Resources Limited	Up 10.5% to	8,549	7,739
Profit/(Loss) for the year attributable to the owners of Cue Energy Resources Limited	Up 10.5% to	8,549	7,739

Revenue of \$25.7 million was a 4.8% increase on the previous year, due to higher average oil price received and increased production from the Maari field in the second half of the year offsetting some reduced first half production. The Sampang PSC sustainability project, initiated in 2017, to convert the Oyong field to gas only production has delivered stable gas production from the Oyong and Wortel fields with significantly reduced production costs.

Cue's reported production costs of \$12.1 million were 27% lower than the previous year.



Cash Position

Cue reported a 54% increase in cash position of \$9.2 million over the year. The current cash position of \$26.2 million includes \$11.5 million held in escrow to fund Cue's un-carried portion of the Ironbark-1 well in WA-359-P.

The company has no debt.

	2019	2018
	\$ '000	\$ '000
Cash Position at 30 June 2019	26,194	16,983

FY20 Outlook

Detailed planning will continue through the year for the Ironbark-1 exploration well, in preparation for expected drilling in late calendar year 2020 by the Ocean Apex drilling rig. The well site survey is expected to begin shortly and preparations for the well Environment Plan are well advanced.

Production from the Maari field is expected to be supplemented by the planned electric submersible pump (ESP) replacement in MR3 and restart of the well, and installation of increased capacity ESP equipment in MR6a.

In Indonesia, the Paus Biru gas discovery will progress through regulatory and joint venture requirements for the Plan of Development during the year and a further exploration well in the Sampang PSC is being reviewed by the joint venture for potential drilling this financial year.

Exploration in the Mahato PSC has resumed in FY20, with well site preparation near completion for the PB-1 exploration well and drilling currently expected in November 2019. A second well within the PSC is also being planned for this year.

Cue Chief Executive Officer Matthew Boyall commented on the results and FY20 outlook:

"FY19 was a successful year for Cue. We reported strong financial results with \$25.7 million of revenue from our production assets providing \$8.5 million after tax profit and a \$9.2 million increase in cash."

"In addition to the strong financial results reported for the year, Cue successfully farmed out and funded the Ironbark-1 exploration well in WA-359-P and reported a gas discovery from the Paus Biru-1 exploration well in the Sampang PSC. Ironbark-1 detailed preparation is proceeding with BP as operator and drilling is planned for late in calendar year 2020. The well is fully funded and if successful could be company changing event for Cue."

"In Indonesia, after several years of planning, we are pleased to see that drilling in the Mahato PSC is now imminent with well pad preparation in progress for the first well, PB-1."

"FY20 will be another exciting year for Cue, as our production assets provide strong revenue, we continue to explore in Indonesia and the Ironbark-1 well proceeds with final planning."

Further details of the results can be reviewed in the Appendix 4E and Annual Report to 30 June 2019 released today.