



ABN 45 066 383 971

WA-359-P Farmout and WA-409-P Option Agreements with Beach Energy

- Beach Energy to acquire equity in WA-359-P and an option over WA-409-P
- Beach to carry Cue well costs in WA-359-P and WA-409-P if option exercised
- 75% funding for the Ironbark-1 exploration well now conditionally secured

Melbourne, Australia 29th Nov 2017; Cue Energy Resources Ltd (ASX:CUE) is pleased to advise that through its 100% owned subsidiary, Cue Exploration Pty Ltd, it has executed agreements with Beach Energy Limited (Beach) for Beach, subject to conditions and approvals, to acquire equity in North West Shelf exploration permits WA-359-P and WA-409-P in the Carnarvon Basin, offshore Western Australia, which contain the giant Ironbark gas prospect.

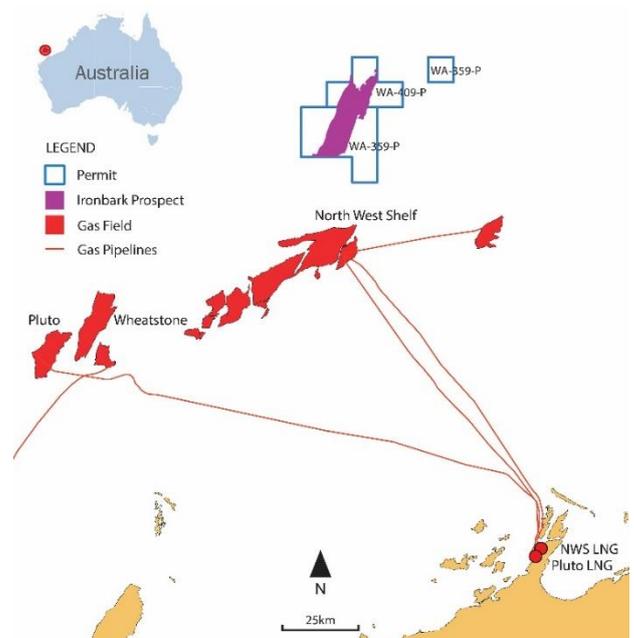
WA-359-P Farmout Agreement

Under the terms of the WA-359-P Farmout Agreement, Beach will acquire 21% equity and free carry Cue for 4% of the cost of drilling the Ironbark-1 exploration well in WA-359-P. Beach will also reimburse Cue \$900,000 for past costs.

The agreement is conditional on BP exercising its option to acquire 42.5% equity in the WA-359-P ⁽¹⁾, Cue obtaining an extension to the current permit end date and other customary approvals.

WA-409-P Equity Option

Cue has also granted Beach an option over 7.5% equity in exploration permit WA-409-P, adjoining WA-359-P. If Beach exercise this option, Beach will free carry Cue for 7.5% of the costs of drilling a well in WA-409-P. Cue will also receive a 10% royalty on all future revenue from Beach's 7.5% equity in the permit. The option may be exercised until July 2019.



Ironbark Prospect

Ironbark is a giant Mungaroo Formation prospect that is mapped with an area of up to 400km² and a best technical estimate of 15 Trillion cubic feet (Tcf) of prospective recoverable gas resource² based on an internal assessment performed by Cue.

Wood Mackenzie estimates that the North West Shelf LNG plant and infrastructure will have spare capacity from 2021. The Ironbark prospect is less than 50km from the North Rankin platform (North West Shelf LNG) and in close proximity to Pluto and Wheatstone LNG infrastructure, providing cost effective commercialisation options.

Cue CEO Matthew Boyall said:

“These agreements are another major step forward in securing partners and funding to drill the Ironbark well. They display the confidence that another major company has in Cue’s Ironbark prospect. Including the BP 42.5% option, Cue has now conditionally secured 75% of the funding for the Ironbark-1 well and retains potential long term value from any success in WA-409-P through a revenue royalty.

Cue currently retains 36.5% uncommitted equity in WA-359-P and we continue to talk to companies interested in forming a Joint Venture together with Beach and BP to share in this high impact opportunity.”

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



Matthew Boyall
Chief Executive Officer

⁽¹⁾See ASX announcements 13th October 2016, 26th May 2017, 4th October 2017

⁽²⁾**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

About Cue Energy:

Cue Energy Resources Limited is an Australian Stock Exchange (ASX:CUE) listed oil and gas exploration and production company. Cue’s FY17 revenue was A\$35million from oil production in the Maari field, offshore New Zealand and oil and gas production in Sampang PSC, Indonesia. Cue has operated and non-operated interests in exploration permits in the Carnarvon Basin, offshore Western Australia and onshore Indonesia.