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Mahakam Hilir PSC presentation

Melbourne, Australia 2 April 2019: Cue Energy Resources Limited (ASX:CUE) (**CUE** or **Company**) is pleased to provide the attached presentation on Mahakam Hilir PSC which is being presented by Matthew Boyall at the SEAPEX Farmout Forum, Singapore 2 April 2019.

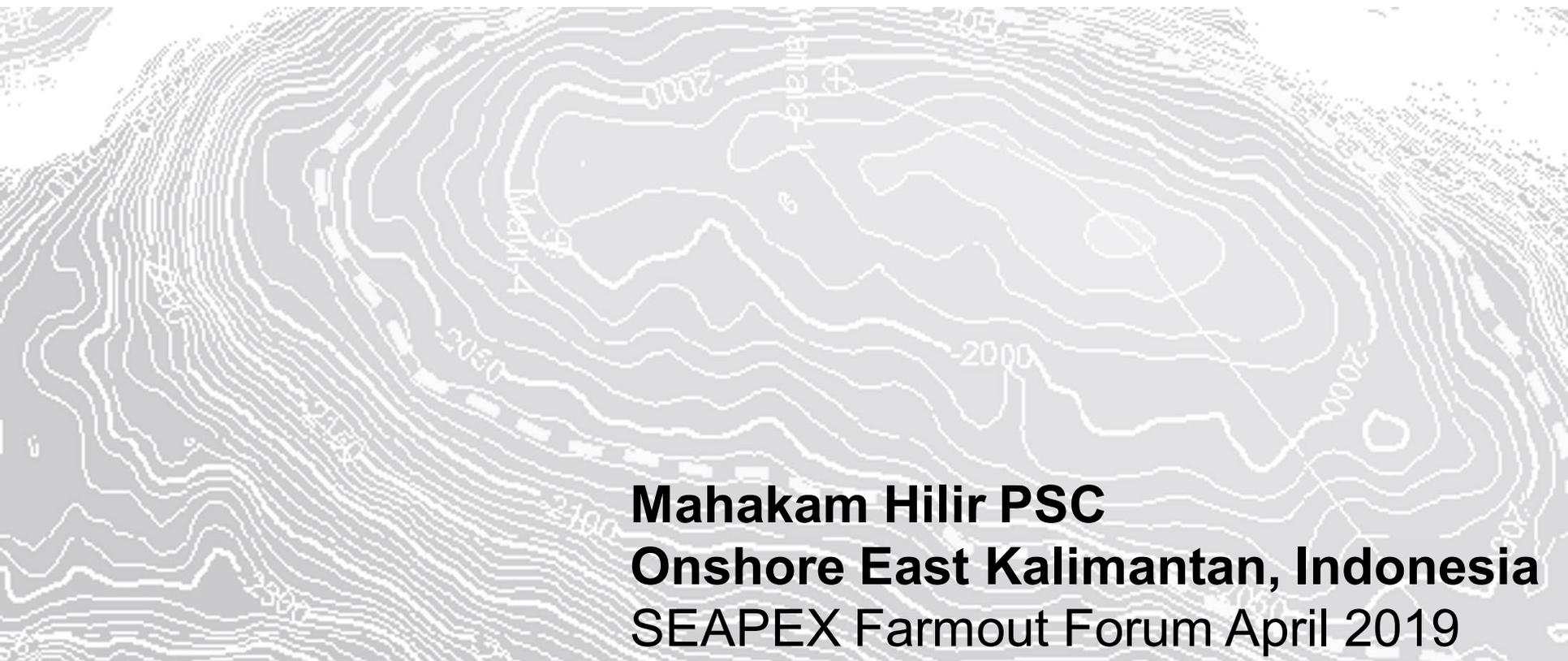
Any queries regarding the announcement should be directed to the Company on (03) 8610 4000 or email mail@cuenrg.com.au.

About Cue Energy

Cue Energy Resources Limited is an Australian Stock Exchange (ASX:CUE) listed oil and gas exploration and production company. Cue's FY18 revenue was A\$24million 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.



CUE ENERGY RESOURCES LIMITED



Mahakam Hilir PSC
Onshore East Kalimantan, Indonesia
SEAPEX Farmout Forum April 2019

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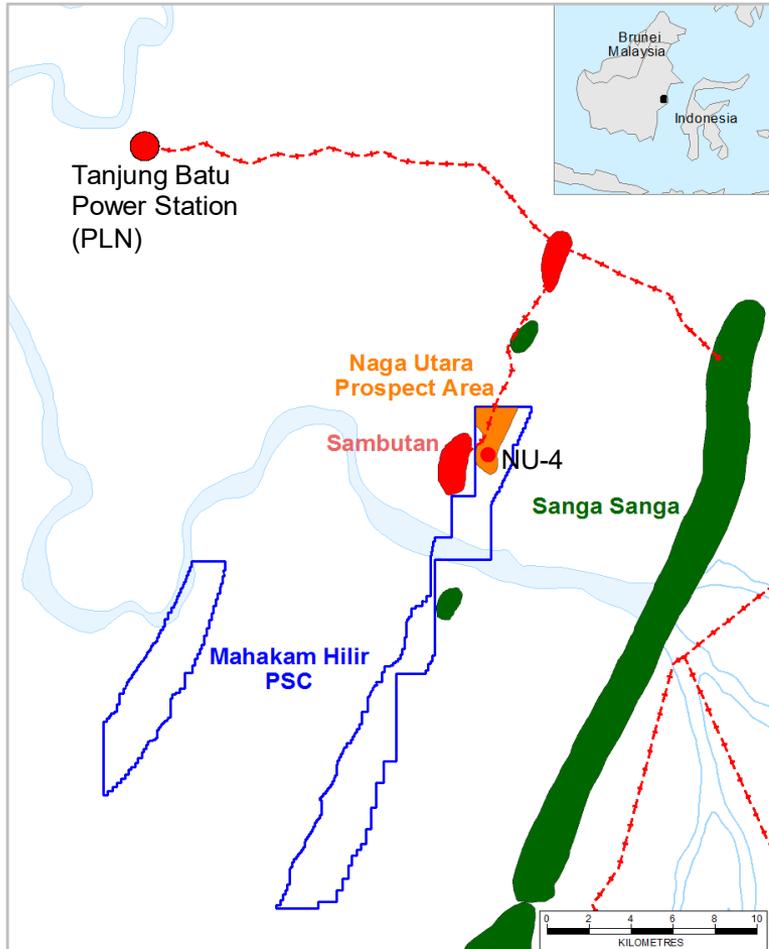
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Prospective Resource Estimates Cautionary Statement

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. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons

Qualified Petroleum Reserves and Resources Evaluator Statement

The Prospective Resources estimates in this release are based on, and fairly represent, information and supporting documents prepared by, or under the supervision of Mr Balakrishnan Kunjan, who is employed full-time by Cue Energy Resources Limited. He holds a BSc. Physics, majoring in Geophysics, has 40 years oil and Gas experience and has been an active member of the AAPG since 1980. Mr Kunjan is qualified in accordance with ASX listing rule 5.41 and has consented in writing to the inclusion of the information in the form and context in which it appears.

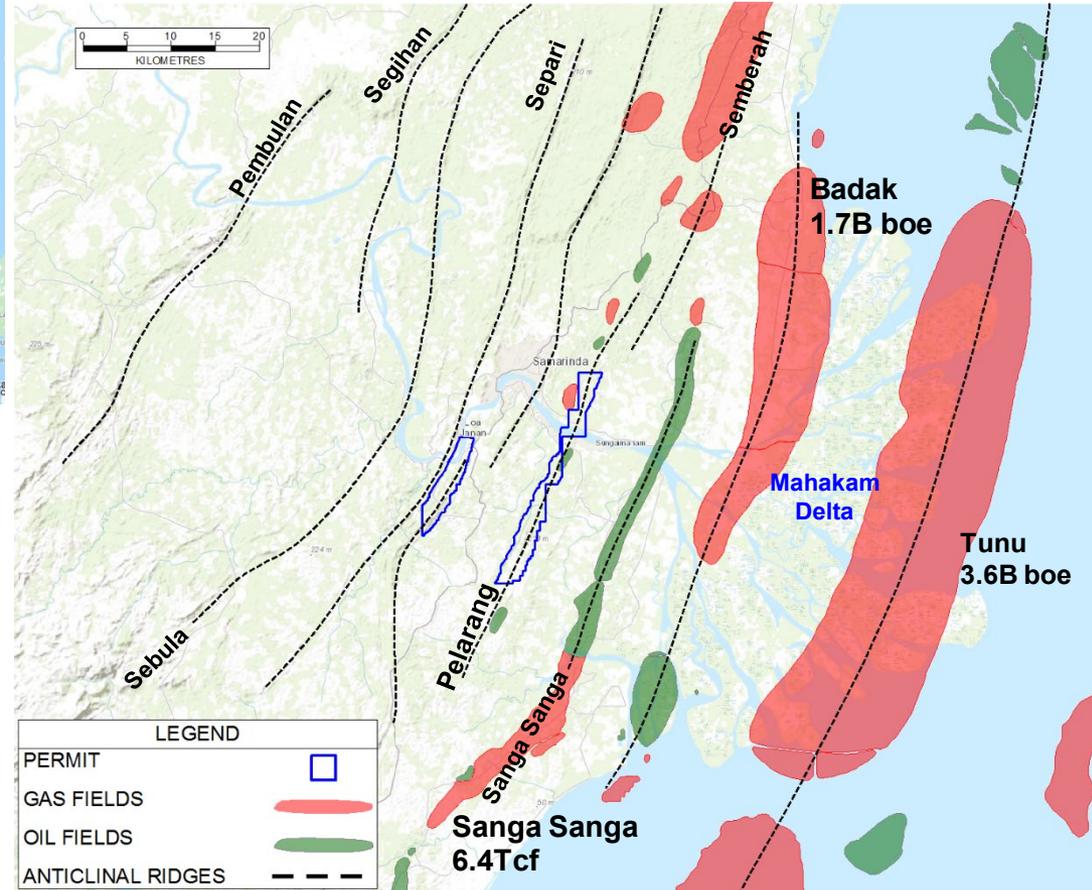


- Located onshore Kutei Basin, a proven petroliferous region
- Naga Utara prospect holds an estimate of up to 50 bcf⁽¹⁾ prospective resource
- Naga Utara-4 well is a low cost, drill ready appraisal opportunity
- Highly attractive small field economics driven by:
 - Rapid commercialisation
 - Availability and location of existing infrastructure and market
 - Large cost recovery pool
- Farm out process underway seeking partners

⁽¹⁾ Refer to Prospective Resource Cautionary Statement on page 2

Location and Regional Setting

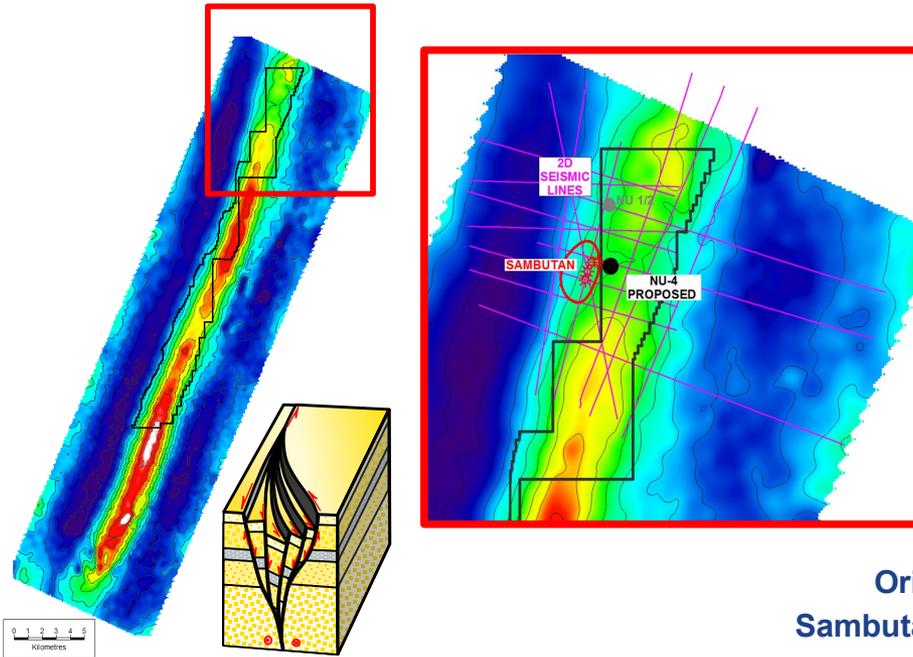
Onshore within basin containing Giant Oil and Gas Fields



- Kutei Basin location
- Samarinda area shows major anticlinal ridges
- Large to giant hydrocarbon fields occur within this fold belt

Gravity Gradiometry and PSDM processing

Increased understanding of Sambutan graben structure



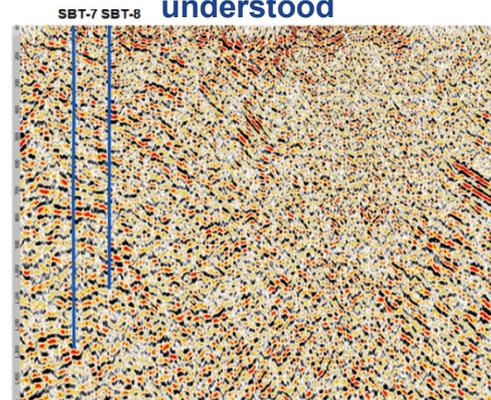
Gravity/Gradiometry

- Gravity/Gradiometry revealed a new graben system not seen on poor quality existing seismic or recognisable from surface modelling
- Modelling shows that the Sambutan producing field and the Naga Utara prospect are part of the same graben system

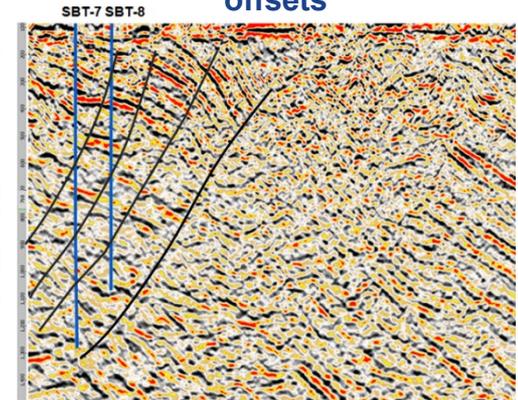
PSDM processing

- Sambutan field not previously understood due to poor quality seismic
- Additional 2D seismic data and PSDM processing enhanced imaging and confirms presence of normal fault offsets

Original Seismic
Sambutan structure poorly understood



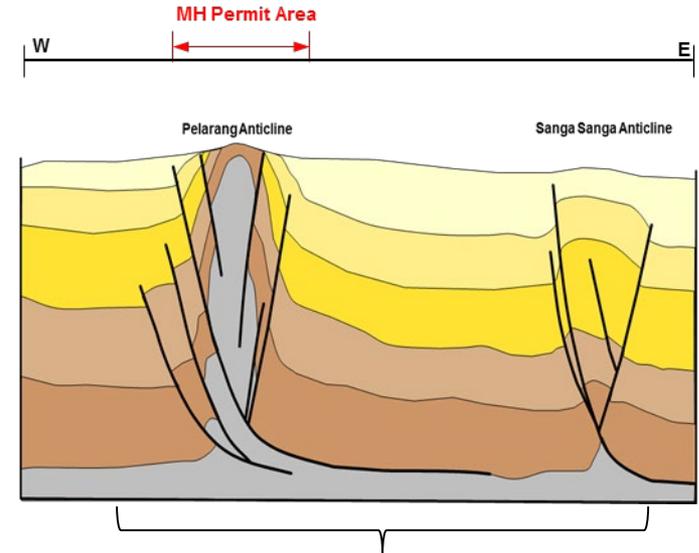
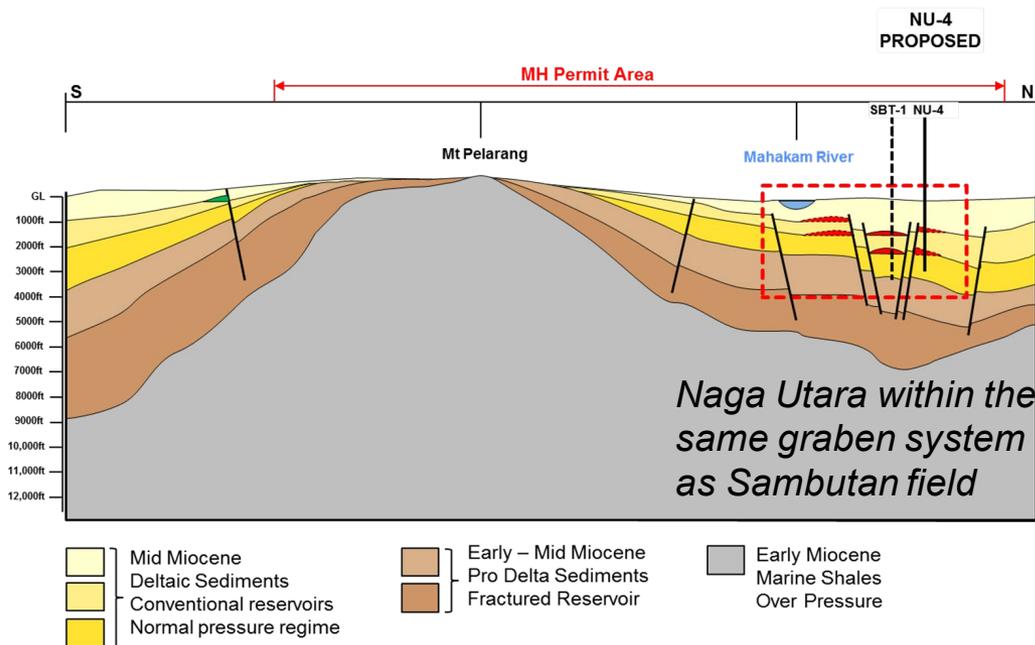
Enhanced imaging confirms presence of normal fault offsets



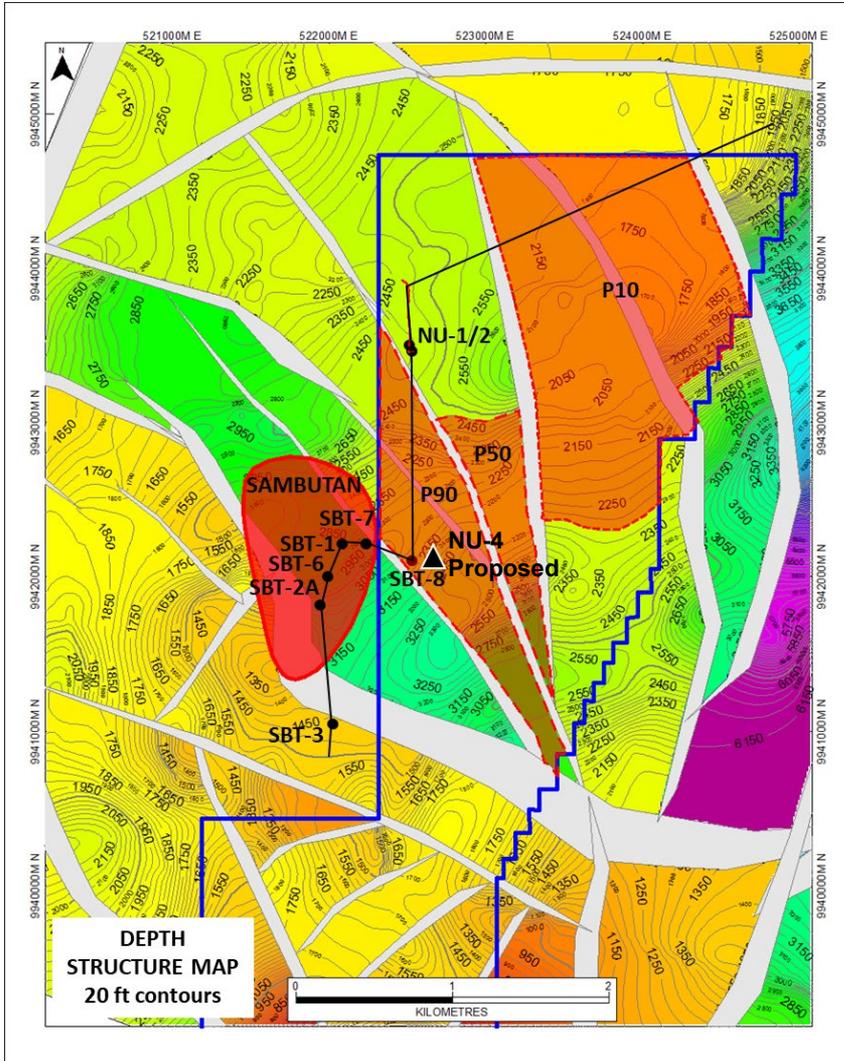
Pelarang anticline structural setting

Sang Sanga analog with greater compression

- The Pelarang anticline is located 10km west of Sanga Sanga anticline (6.4 Tcf produced)
- Naga Utara prospect is within the same structural setting as the proven Sambutan gas field
- Deltaic reservoirs similar to Sanga Sanga fields



Pelarang anticline within the same petroleum system as Sanga Sanga



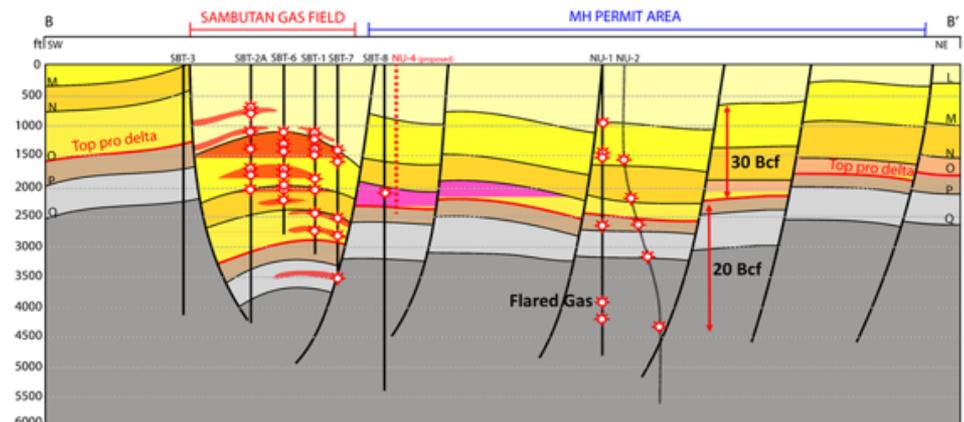
Primary Target

- Proven, good quality deltaic sands <3000ft
- Normally pressured reservoirs
- 4-5sq km closure in separate fault blocks
- Tested within permit by Sambutan 8 and Naga Utara 1 and 2 wells
- Prospective recoverable resource⁽²⁾ estimates:

Low Estimate	Best Estimate	High estimate
10 Bcf	13 Bcf	34 Bcf

Secondary target

- Deeper potential – lesser quality pro delta sands
- Best estimate 20 bcf recoverable resource⁽³⁾



(2,3) Refer to Prospective Resource Cautionary Statement on page 2

Existing well logs show tested and untested gas reservoirs

- Sambutan-7 tested flow rates of 11mmcf/d from 5 zones
- Sambutan-8, to be twinned by NU-4 appraisal, log analysis shows potential 100m gross interval gas pay. Non tested due to lack of gas interest in the 1930s
- Petrophysical analysis on these wells and current Sambutan wells concluded that SBT-8 logged moveable hydrocarbons

Sambutan 7

Total tested flow potential 10.6 MMscf/d

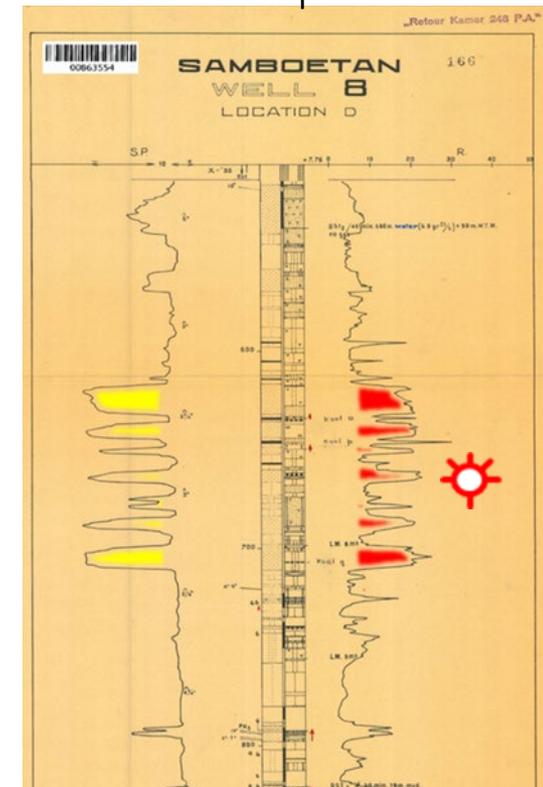
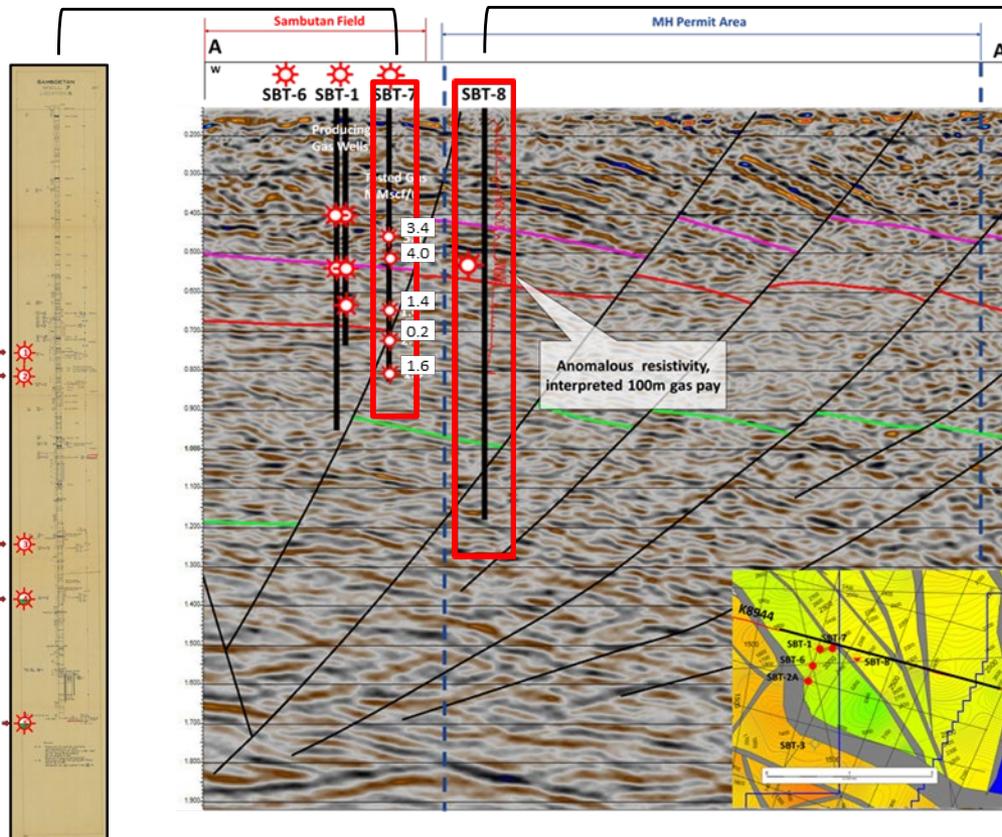
Established a stabilised flow rate of 3.4 MMscf/d dry gas on test

Established a stabilised flow rate of 4 MMscf/d and 25bbls/d water on test

Established a stabilised flow rate of 1.4 MMscf/d on test

Established a stabilised flow rate of 0.2 MMscf/d on test

Established a stabilised flow rate of 1.6 MMscf/d on test

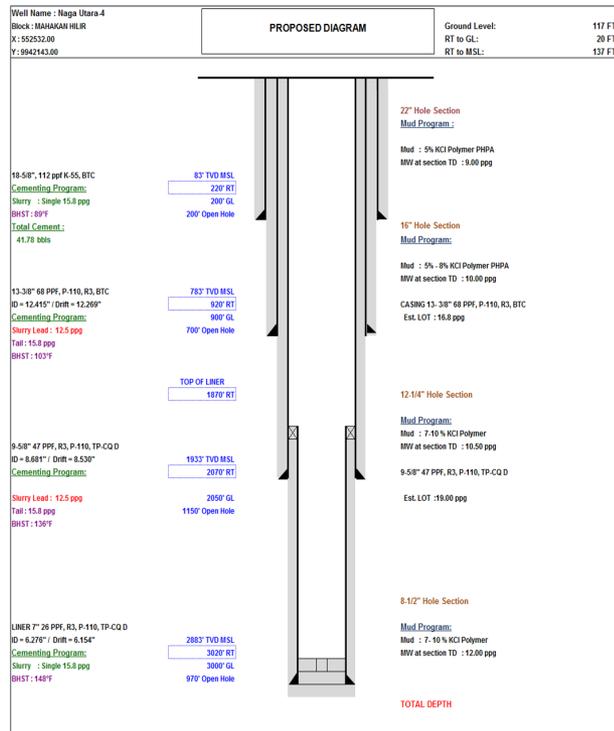


Naga Utara-4 Appraisal Well

US\$2m well with 50% CoS

	Chance of presence
Source	90%
Reservoir	90%
Trap	60%
NU-4 Chance of Success (CoS)	~50%

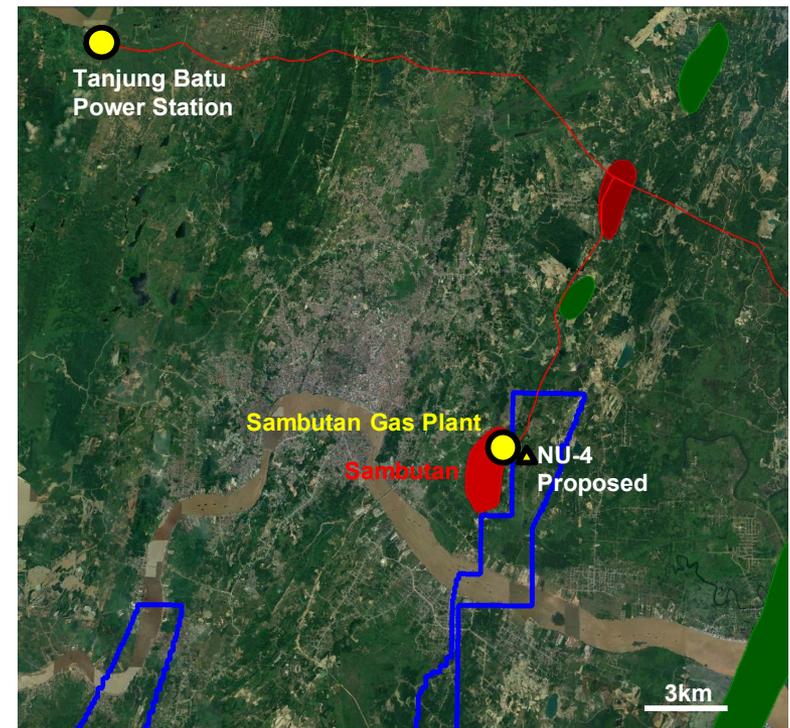
- Twinning of Sambutan-8 well which showed 100m of interpreted logged gas pay
- 3000ft planned TD
 - Top delta sediment, normally pressured drilling
 - TD @ 3000ft prior to known overpressure
- 17 days drilling
- well cost ~US\$2m DH + \$1m T&C, utilising existing PSC drilling material inventory
- 50% Chance of Success
 - Source and reservoir certainty from existing logs
 - Trap uncertainty due to poor seismic and fault seal risk
- Current status – planning, pre-tender



Direct Access to Infrastructure and Market

Underutilised gas plant and powergen demand

- Sambutan gas plant (Pertamina) 500m from NU-4 well location
- Currently underutilised at <1mmcf/d with capacity available
- Existing export pipeline capacity available from Sambutan to Tanjung Batu Power Station
- Tanjung Batu power plant (PLN) – 98.5 MW gas and diesel, currently using diesel
- 2*100MW under construction
- Contracting all available gas, including small volumes



Phased Commercialisation Strategy

Attractive economics and early cash generation fund ongoing low risk exploration

Phase 1 – Drill Naga Utara-4 appraisal well

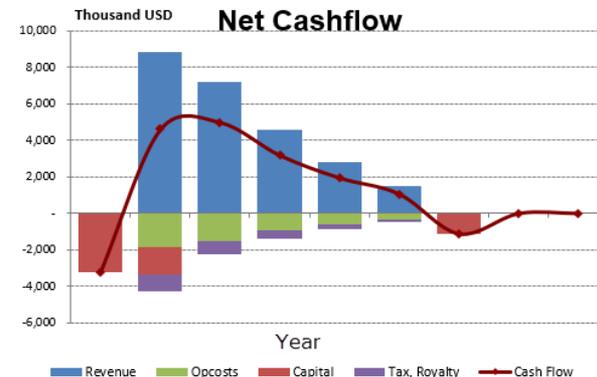
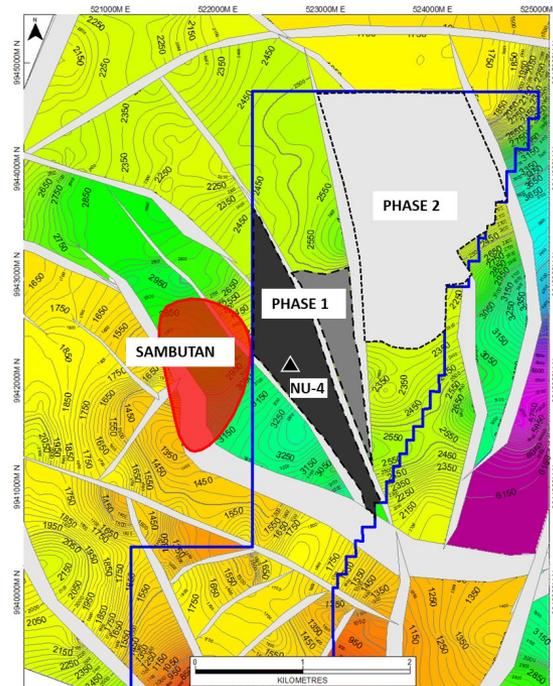
- US\$2m DHC + test and complete \$1m
- 5-10 bcf estimated recoverable
- Low cost infrastructure connection
- Single well Put on Production (PoP)
- Sambutan gas processing plant and export pipeline available to high demand market
- Payback within first production year

Phase 2 – Step out into greater Naga Utara prospect

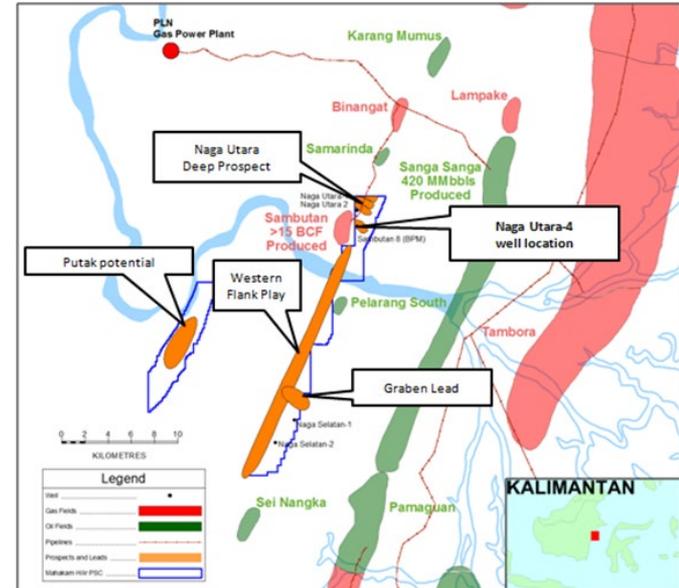
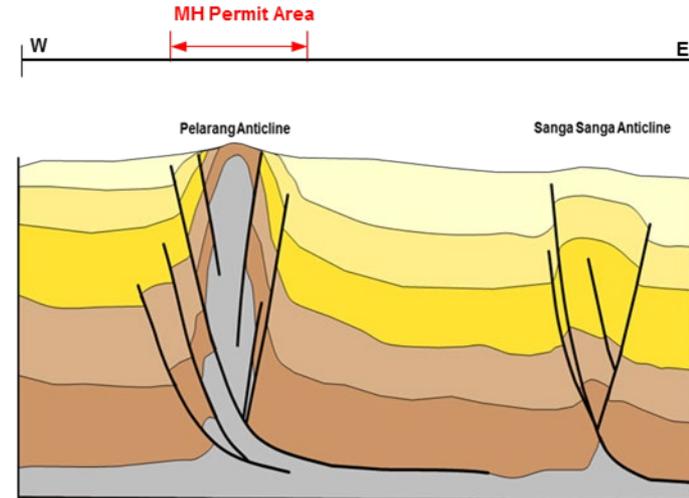
- low cost single or multi well campaigns funded from CF
- Phase 1 success significantly de-risks larger prospect
- Best Estimate 50 bcf total prospective resource

Attractive single well NU-4 economics

- US\$44m cost recovery balance available
- Single well 5 bcf @ 5mmcf/d IP modelled
- US\$1m development costs
- High contractor return



- Pelarang anticline Flank play
 - Proven petroliferous anticline
 - Expect trapped Hydrocarbons on flanks
 - Can be exploited by integrating gravity/gradiometry, seismic data, well data, surface mapping and structural modelling
 - Multiple well opportunities
- Putak Anticline
 - Underexplored western area of PSC
 - Same exploration methodology and approaches as Pelarang anticline
 - Gravity/Gradiometry
 - Existing seismic reprocessing
- Expect potential for 2-5 times Naga Utara reserves (100-250 Bcf) in the rest of Mahakam Hilir PSC



Investment Opportunity

Low cost gas appraisal with rapid commercialisation

- Mahakam Hilir PSC contains the Pelarang anticline, 10km from Sanga Sanga field in the proven Kutei basin
- Naga Utara-4 appraisal well is drill ready with a 50% CoS
 - Adjacent to Sambutan producing gas field
 - Twin of Sambutan-8 which logged 100m interpreted gross gas pay
- Single well economics are very attractive
 - Low cost well and development
 - Close proximity to infrastructure and high demand market
 - US\$44m cost recovery pool
- Greater Naga Utara prospect has potential for 50 bcf with exploration phased from cashflow
- Upside in Mahakam Hilir PSC estimated 100-250 bcf with further exploration
- Farmout Process underway