

Activities Report

Quarter ending 30 June 2023



25 July 2023

HIGHLIGHTS

- Two oil production wells completed in the Mahato PSC, contributing to a 32% increase in Mahato net production
- Maari oil production increased by 18% with the MN1 oil production well back online and currently producing over 1000 barrels of oil per day
- \$3 million repayment of outstanding loan as part of Capital Management program
- Government support received for Sampang PSC changes and term extension, advancing Paus Biru development planning
- Expected drilling of exploration well BA-01 in Mahato PSC in the fourth week of July

COMMENTS FROM CEO, MATTHEW BOYALL

"We are pleased to report another positive quarter from Cue, with our portfolio of production assets performing strongly. Additionally our new venture activity is gathering pace, with plans to drill the high impact BA-01 exploration well in the Mahato PSC this coming quarter and development planning for Paus Biru advancing. A successful outcome for either asset, would have a material positive impact for Cue and our shareholders.

The completion of two oil production wells at the Mahato PSC, added an extra 1300 bopd of gross production and boosted our net output by an impressive 32%. Production drilling is continuing and expected to further add to production rates. Additionally, the reinstatement of the MN1 oil production well has resulted in an 18% rise in Maari oil production, with a current output of over 1000 barrels of oil per day.

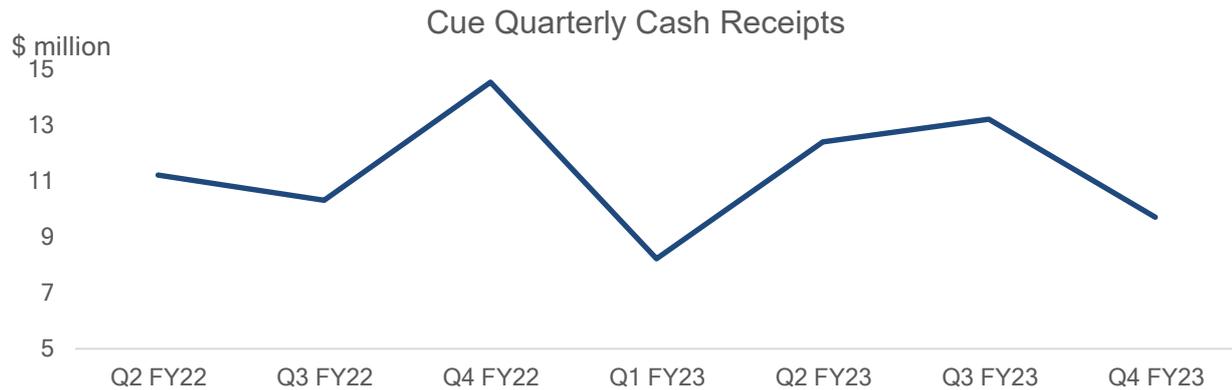
As part of our ongoing Capital Management program, we have successfully repaid \$3 million of an outstanding loan. Cue's Board and Management are committed to utilising our strong cash flow generation to maximise returns for shareholders.

We expect the coming quarters to be equally as exciting for Cue, with continued strong performance from our existing portfolio of developed assets and also potential new development and exploration activity. We are grateful for the government's support in facilitating the Sampang PSC changes and term extension, which has accelerated the planning for the Paus Biru development. Looking ahead, we are also preparing to commence drilling of the BA-01 exploration well in the Mahato PSC in the fourth week of July after receiving final environmental clearances. These outcomes reflect our dedication to enhancing production rates from our existing assets while continuing to identify attractive future prospects."

PRODUCTION AND FINANCIAL RESULTS SUMMARY

During the quarter, **Cue's production experienced a 5% increase**, primarily driven by a 32% increase in Mahato oil production.

Cash receipts of \$9.7 million were lower than the previous quarter primarily due to the timing of a Maari oil sale in June, with over \$3 million in receipts received after the end of the quarter.



Mahato receipts were 5% lower compared to the previous quarter, attributable to the inclusion of an extra month's cash receipts received in Q3 and a lower average oil price in Q4. The increased production during the quarter is anticipated to be reflected in cash receipts during Q1 FY24.

Maari oil continued to attract a significant premium over the Brent benchmark price. During the quarter, one cargo consisting of 25,777 barrels net to Cue was sold, with receipts of over \$3 million received after the end of the quarter.

During the quarter, **the average price received for all oil sales was A\$118 per barrel, while the average price for all gas sales was \$9.3/ GJ.**

By the end of the quarter, Cue's cash balance decreased by \$3.2 million to \$15.2 million. This figure includes \$4.0 million in drawn loans, with \$3 million repaid under Cue's Capital Management program during the quarter. Based on continued strong cash generation from all production assets, the company plans to evaluate additional debt paydown and capital allocation for future cashflows.

				Q4 FY2023	Q3 FY2023	
Australia	Production	Gas	PJ	0.38	0.39	
		Oil	bbl	2,234	2,384	
	Cash Receipts			\$ million	2.9	2.9
Indonesia						
Sampang PSC	Production	Gas	PJ	0.26	0.27	
		Oil	bbl	369	435	
	Cash Receipts			\$ million	2.6	2.6
Mahato PSC	Production	Oil	bbl	37,709	28,594*	
	Cash Receipts			\$ million	4.2	4.4
New Zealand	Production	Oil	bbl	21,479	18,166	
	Cash Receipts			\$ million	0	3.2
Total Production			kboe	164.5	156.5	
Total Cash Receipts				\$ million	9.7	13.2
Closing Cash				\$ million	15.2	18.4

PJ - Petajoules, bbl - barrels, kboe - thousand barrels of oil equivalent

*Mahato Q3 production updated due to recalculation of contractor share of production

FY2024 ACTIVITIES

Cue Energy Key Activities FY2024		Q1			Q2			Q3			Q4		
		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Amadeus Basin	Mereenie Development Wells * 2 ⁽¹⁾						■	■	■	■			
	Further Infill wells ⁽¹⁾												■
	Potential Stairway Appraisal ⁽¹⁾										■	■	■
Mahato PSC	PB Development wells * 5	■	■	■	■	■	■	■	■	■	■	■	■
	BA-01 Exploration Well	■	■	■	■	■	■	■	■	■	■	■	■
Sampang PSC	Paus Biru FID ⁽¹⁾						■	■	■	■	■	■	■

⁽¹⁾ potential timing subject to joint venture approval ■ Approved ■ Subject to approval and confirmation

AUSTRALIA

Cue Interests

Mereenie [OL4 & OL5]: 7.5%

Palm Valley [OL3]: 15%

Dingo [L7]: 15%

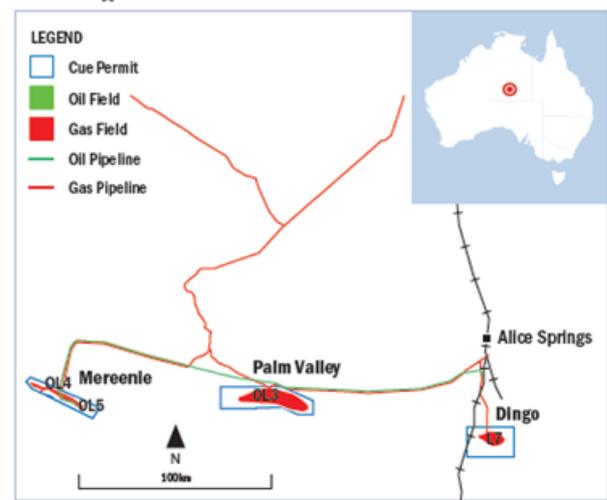
Operator: Central Petroleum Limited

Gas production from Mereenie was slightly up on last quarter with full availability of the Northern Gas Pipeline and the delivery of the planned recompletions campaign resulting in an additional 1.5 TJ/d initial gas rates.

Dingo gas sales were consistent with the prior quarter and Palm valley gas sales were lower due to expected field decline.

At Mereenie, planning continues as the Joint Venture considered future infill drilling in the field

AMADEUS BASIN LOCATION MAP - AUSTRALIA



INDONESIA

MAHATO PSC

Cue Interest: 12.5% (Cue Mahato Pty Ltd)

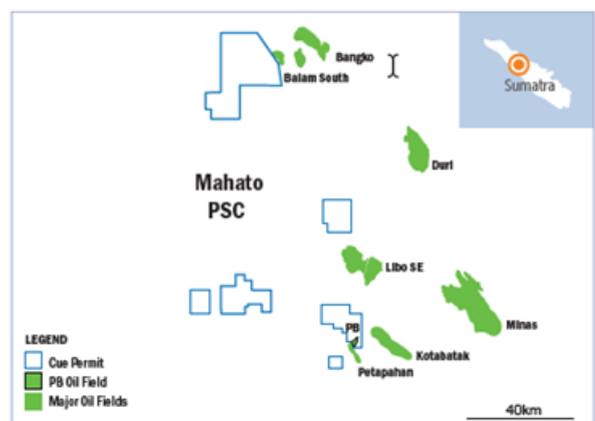
Operator: Texcal Mahato EP Ltd

Oil production net to Cue from the PB field increased by 32% during the quarter compared to the previous quarter due to continued successful development drilling.

Two new development wells, PB-20 and PB-14, were successfully completed during the quarter with initial production rates of 800 barrels of oil per day (bopd) and 500 bopd respectively.

A further development well, PB-13, was drilled and logged but encountered technical issues with casing installation. As a result, the well has been temporarily suspended until equipment can be sourced. Meanwhile, the rig is currently drilling the next development well, PB-23.

MAHATO PSC LOCATION MAP - INDONESIA



Under the current development plans, twenty production wells and three injection wells are approved for the PB field. Including the recently completed wells, there are currently sixteen oil production wells and one water injection well in the field. Due to increased understanding of the field from recent drilling, the operator is seeking approval to replace the planned water injection wells with two additional production wells.

Rig mobilisation for the high impact BA-01 exploration well is almost complete, with the well expected to spud in the fourth week of July.

BA-01 is located in the northern section of the PSC, independent of the producing PB field. The well aims to test the presence of hydrocarbons in the BA prospect, with a primary target of the Miocene-age Telisa Formation sandstone reservoir at a depth of 900ft and a secondary target of the Menggala Formation, expected at approximately 2500ft. Both targets are producing reservoirs in the Central Sumatra Basin.

SAMPANG PSC

Cue Interest: 15% (Cue Sampang Pty Ltd)

Operator: Medco Energi Sampang Pty Ltd

Gas production from the Oyong and Wortel fields continued to perform to expectations during the quarter, with combined gross gas production consistent with last quarter.

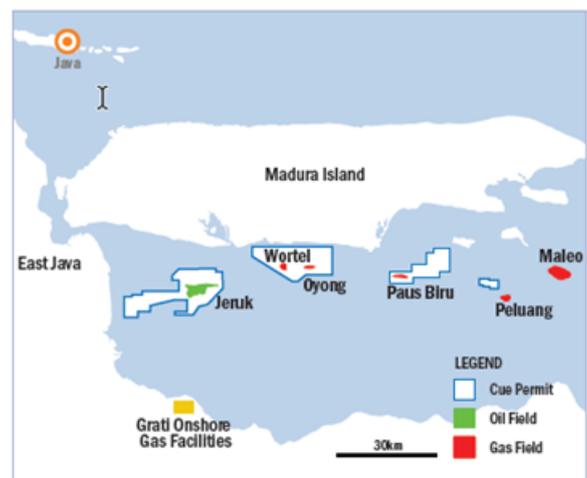
During the quarter, progress was made on the Paus Biru gas development, with the Indonesian Government approving various changes to the PSC terms, aimed to increase the economic benefit for the Joint Venture from Paus Biru. In addition, the government extended support for an extension application to the term of the Sampang PSC, which currently is set to expire in 2027.

The Sampang JV expects to apply for a 20 year permit extension. The PSC amendments and extension are key steps required for the JV to proceed with considering a Final Investment Decision (FID) on the project.

The Paus Biru development is planned to consist of a single well and wellhead platform at the Paus Biru gas field, with a 27km subsea pipeline connecting the well to existing infrastructure at the Oyong field. Subject to final approvals, gas production from Paus Biru is expected to commence by 2025 at a rate of 20-25 mmcf/d.

The Jeruk oil discovery continues to be assessed by the JV. A technical workshop was conducted to review the Operator's updated subsurface modelling and development concept plans during the quarter. Further work is being undertaken with the aim of defining an appraisal and development program within the next 6-12 months.

SAMPANG PSC LOCATION MAP - INDONESIA



Mahakam Hilir PSC

Cue Interest: 100% (Cue Mahakam Hilir Pty Ltd and Cue Kalimantan Pte Ltd)

Operator: Cue Kalimantan Pte Ltd

Processes are underway for surrendering the permit, which expired in April 2021. The timing of full relinquishment of the PSC is being defined by Indonesian Government administrative processes.

NEW ZEALAND

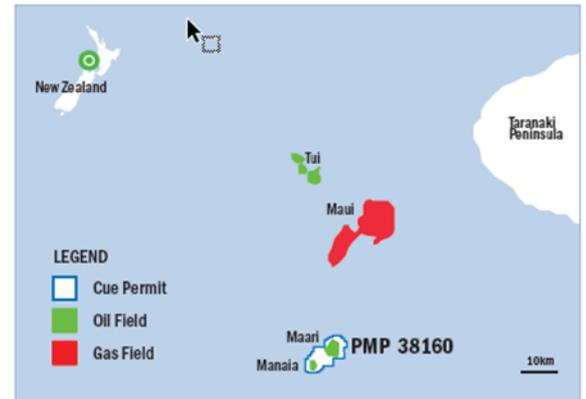
PMP 38160

Cue Interest: 5% (Cue Taranaki Pty Ltd)

Operator: OMV New Zealand Limited

Gross oil production for the quarter was 18% higher, averaging approximately 4,720 bopd, due to the re-start of production from the MN1 well. The current field production is approximately 5300 bopd. One lifting of 25,777 barrels of oil net to Cue was conducted in June, with Maari oil continuing to achieve a price premium over the Brent benchmark.

TARANAKI PENINSULA LOCATION MAP - NEW ZEALAND



During the quarter, the MN1 production underwent repairs and resumed production after being offline since May 2022. By the end of the quarter, MN1 was producing over 1,000 barrels of oil per day. MR6a remained offline, with further workover work being considered.

The Maari facilities completed regular inspections and aims to achieve certification until 2028.

The JV continues to assess and prioritise value adding projects, including potential production enhancement, cost reduction and CO₂ reduction opportunities.

CORPORATE

During the quarter, \$3 million of outstanding loans to New Zealand Oil & Gas was repaid. On 23 June 2022, Cue and NZOG entered into an unsecured loan agreement for \$7 million, which was fully utilised. The loan agreement permits early repayment without incurring any penalties. After repayment, Cue has \$4 million of drawn principal remaining.

For and on behalf of the Cue Energy Board

Matthew Boyall
CEO

Any queries regarding this announcement should be directed to the Company on +61 3 8610 4000 or email mail@cuenrg.com.au.

All references to dollars, cents or \$ in this announcement are to Australian currency, unless otherwise stated.

Various statements in this report constitute statements relating to intentions, future acts, and events. Such statements are generally classified as forward-looking statements and involve unknown risks, expectations, uncertainties, and other important factors that could cause those future acts, events and circumstances to differ from the way or manner in which they are expressly or impliedly portrayed herein.

Some of the more important of these risks, expectations and uncertainties are pricing and production levels from the properties in which the Company has interests and the extent of the recoverable reserves at those properties. In addition, the Company is involved in oil and gas exploration and appraisal. Exploration for oil and gas is expensive, speculative, and subject to a wide range of risks. Individual investors should consider these matters in light of their personal circumstances (including financial and taxation affairs) and seek professional advice from their accountant, lawyer, or other professional adviser as to the suitability for them of an investment in the Company.

<p>DIRECTORS Alastair McGregor (Non-Exec. Chairman) Andrew Jefferies (Non-Exec. Director) Marco Argentieri (Non-Exec. Director) Peter Hood (Non-Exec. Director) Richard Malcolm (Non-Exec. Director) Roderick Ritchie (Non-Exec. Director) Samuel Kellner (Non-Exec. Director)</p> <p>CHIEF EXECUTIVE OFFICER Matthew Boyall</p> <p>COMPANY SECRETARY/CHIEF FINANCIAL OFFICER Melanie Leydin</p>	<p>REGISTERED OFFICE Level 3 10-16 Queen Street MELBOURNE VIC 3000</p> <p>Phone: +613 8610 4000 Fax: +613 9614 2142 Email: mail@cuenrg.com.au Web: www.cuenrg.com.au</p> <p>AUDITOR KPMG Tower Two, Collins Square 727 Collins Street MELBOURNE VIC 3008</p>	<p>SECURITIES EXCHANGE LISTING ASX: CUE</p> <p>SHARE REGISTER Computershare Investor Services Pty Ltd Telephone: 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) Email: web.queries@computershare.com.au Website: www.computershare.com.au</p>
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