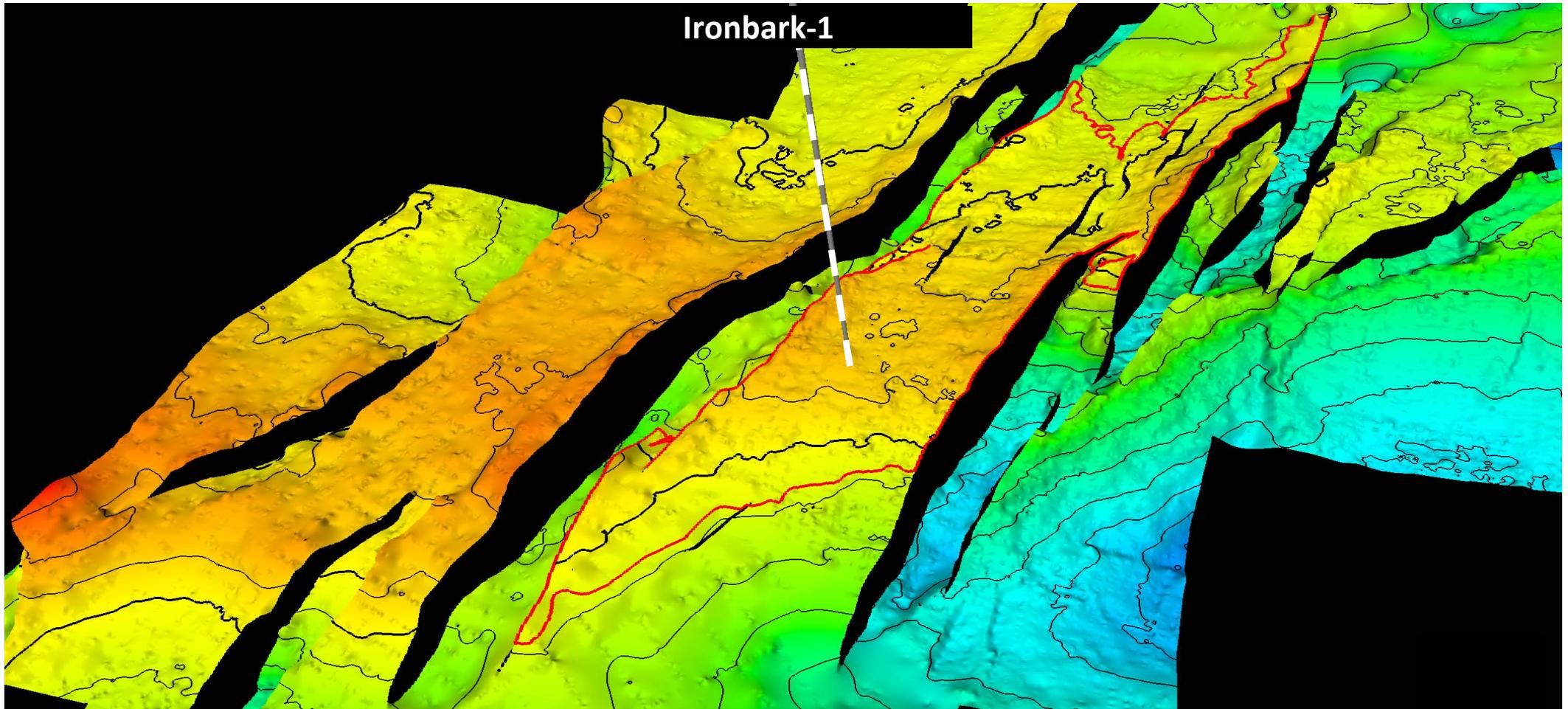




# CUE ENERGY RESOURCES LIMITED

ASX:CUE



Good Oil Conference  
Perth 13<sup>th</sup> September 2017

# Disclaimer and Important Notice



This presentation is for the sole purpose of preliminary background information to enable recipients to review the business activities of Cue Energy Resources Limited (ASX: CUE). The material provided does not constitute an invitation, solicitation, recommendation or an offer to purchase or subscribe for securities

Various statements in this document constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward looking statements and involve known 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 Cue Energy Resources Limited has interests, and the extent of the recoverable reserves at those properties. In addition, Cue Energy Resources Limited has a number of exploration permits. 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 Cue Energy Resources Limited.

Cue Energy Resources Limited and its directors and representatives accepts no responsibility to update any person regarding any error or omission or change in the information in this presentation or any other information made available to a person or any obligation to furnish the person with further information.

## **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

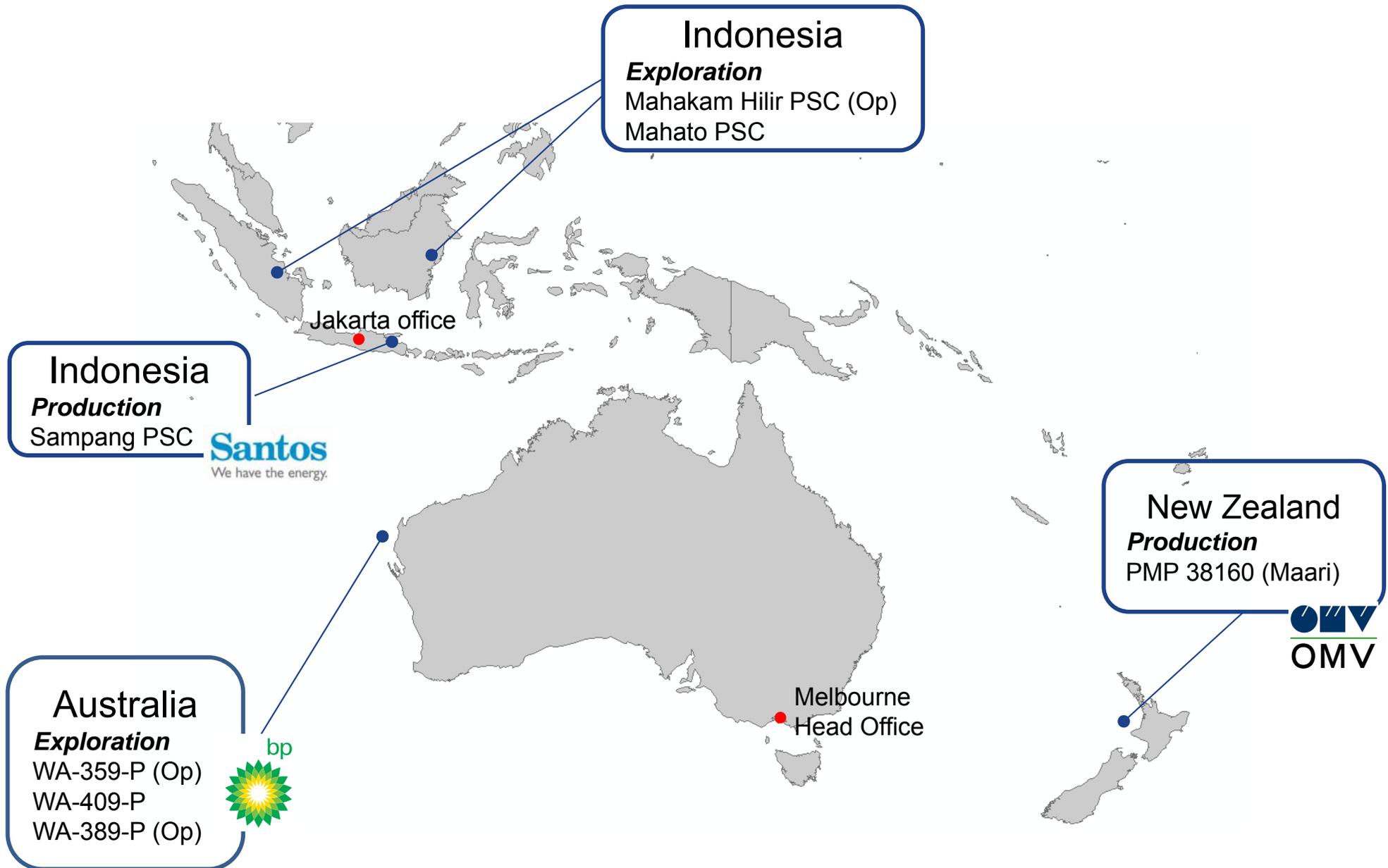
A **sustainable business**

Delivering **disciplined growth**

Pursuing **step change return** opportunities

Capital Structure		Major Shareholders	
Ordinary Shares (ASX:CUE)	698, 119,720	New Zealand Oil and Gas Offshore Ltd	50.04%
Market Capitalisation (at \$0.063 11/9/2017)	\$44m	Singapore Petroleum (Petrochina)	16.23%
Cash (at 30 June 2017)	\$12.4m		
Debt	Nil		

# Production and Exploration Operations



## Stable Revenue

- \$35 million FY2017 revenue
- ~1600 boepd FY2017 average production
- Diversified revenue with fixed price gas and Brent linked oil sales

## Reduction of Non-core Assets

- New Zealand exploration withdrawal
- USA Pine Mills asset sale

## Lower Cost Focus

- Administration costs reduced to approximately \$2 million per annum
- Staff levels aligned with operations
- Relocation of Melbourne office
- Reduction in Board fees
- Cleared legacy liabilities

# Disciplined Production Growth Maari, New Zealand

---



FY2017 Production Average ~420 bopd

## Incremental Production Increases Planned

- Low cost workovers of existing wells
- Wellhead Platform (WHP) compression installation to reduce production pressure
- Sidetrack drilling from WHP being assessed for CY2018

## Wellhead Platform Repairs Complete

- WHP permanent repairs completed during August 2017
- Mooring upgrade and production riser repairs completed late 2016
- Insurance claims in preparation

## Manaia Moki Development

- Appraisal and development of Manaia Moki reservoir under review by Joint Venture
- Operator initial tollgate completed
- Potential for standalone development or integration into Maari

# Disciplined Production Growth

## Sampang PSC, Indonesia

---



FY2017 Gas Production Average ~6.5mmcf/d

### Sampang Field Life Extension

- High cost oil production ceased June 2017
- Oyong conversion to gas only production to be complete by December
- Onshore compression installation at Grati
- 50% reduction in operating costs
- Production extension beyond 2020

### Additional Reservoir Potential

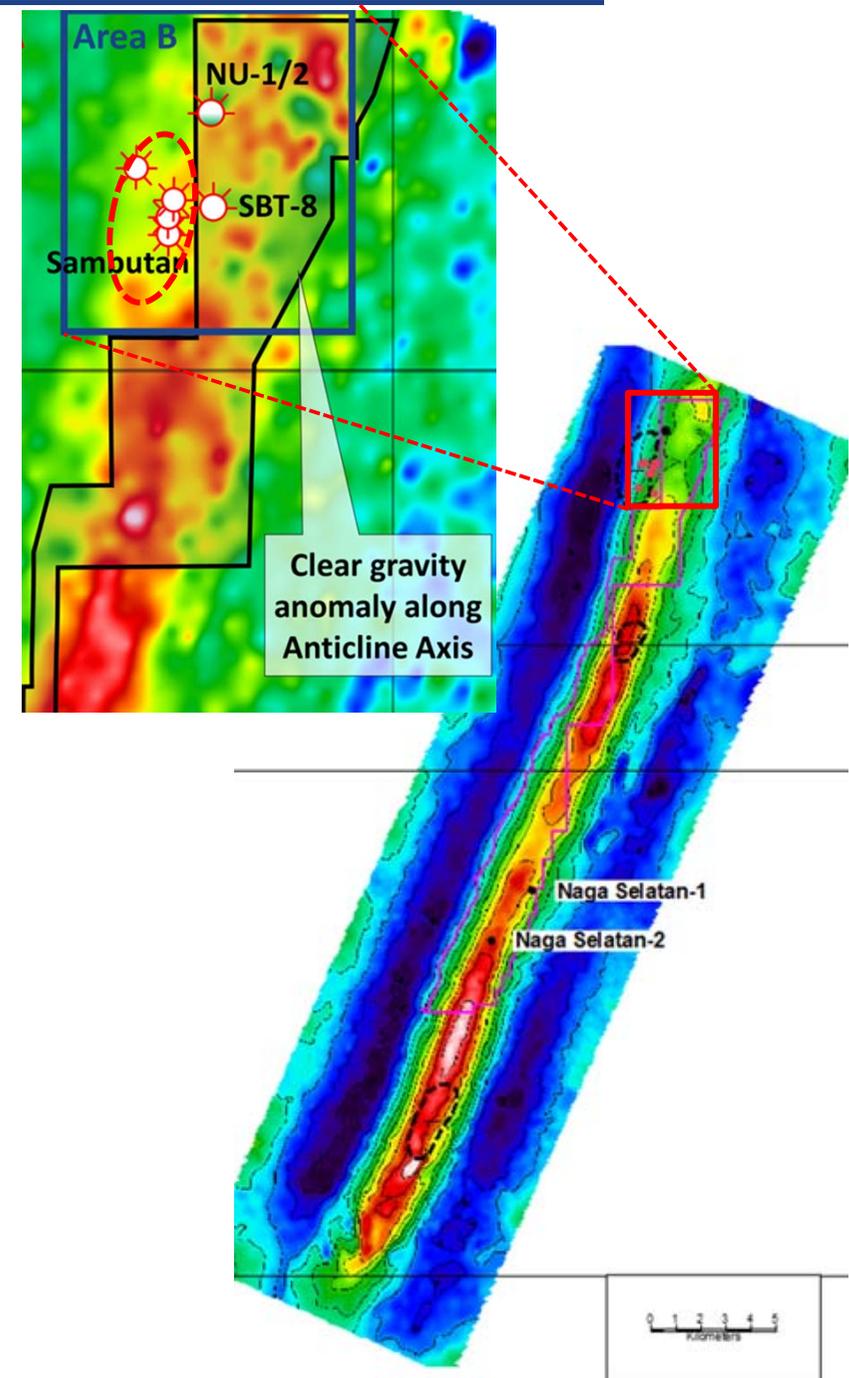
- Perforations planned to test other reservoir zones in existing wells

### Paus Exploration Well

- Mundu reservoir (Oyong production) is the primary objective
- Final reviews targeting JV decision early 2018 with drilling 2019
- Tie back through Sampang infrastructure further extends field life at Oyong and Wortel

# Disciplined Exploration Growth Mahakam Hilir PSC, Indonesia

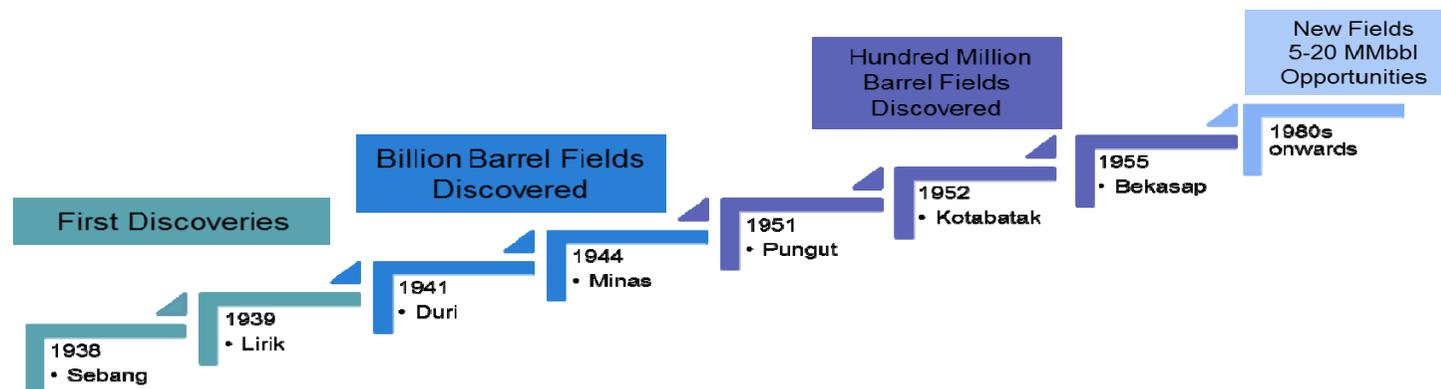
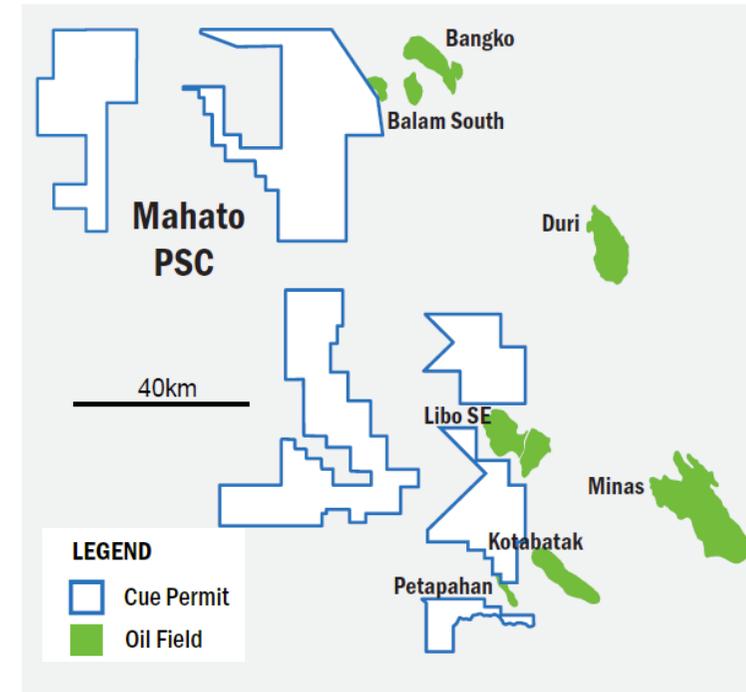
- Appraisal drilling opportunity under review
- Gravity gradiometry survey imaged the Pelarang anticline with unprecedented precision compared to existing seismic
- A low gravity anomaly was recognised along the axis of the anticline corresponding with the Sambutan gas field
- Sambutan-8 (SBT-8) well on permit logged 100m of interpreted hydrocarbon sands
- Seismic reprocessing and new well data available
- Appraisal well would test Sambutan-8
- Established infrastructure and gas market
- Cue 100%. Farmout initiated to seek partner(s)



# Disciplined Exploration Growth

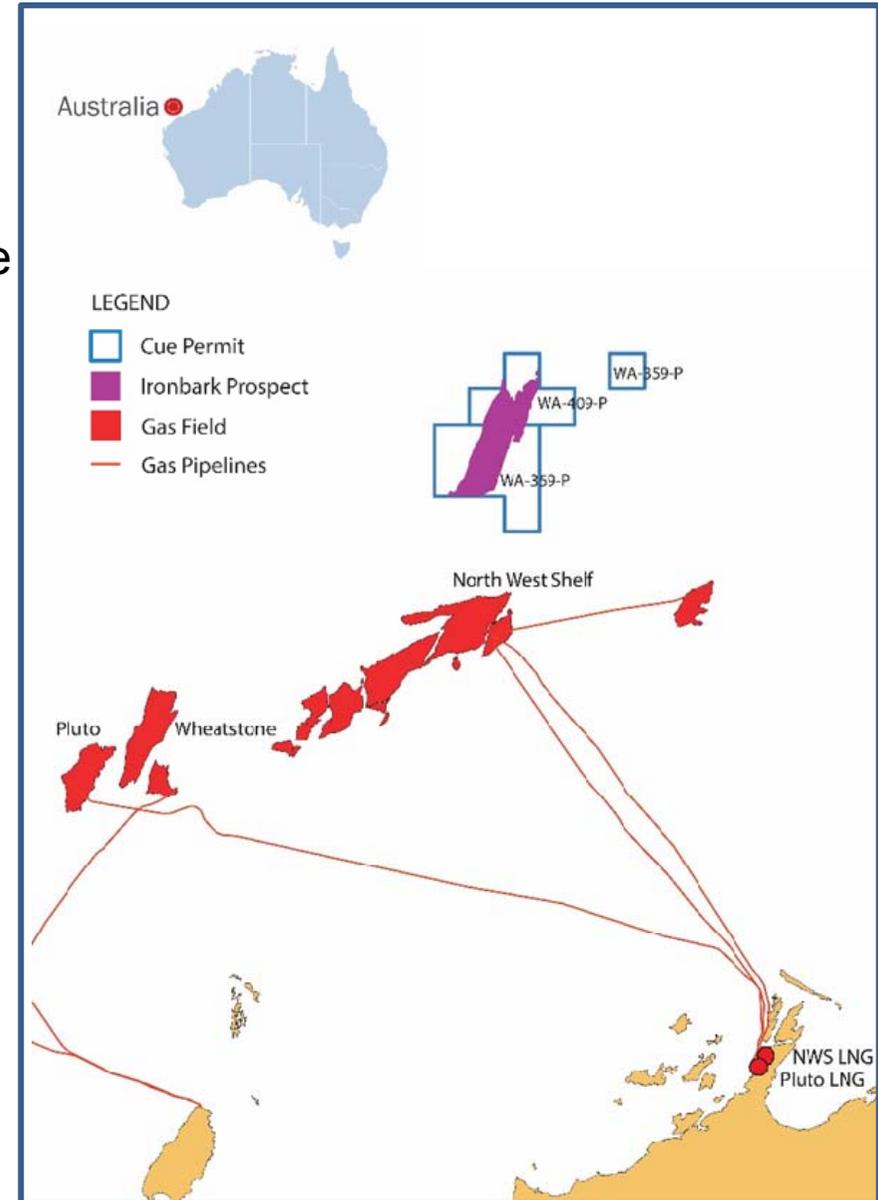
## Mahato PSC, Indonesia

- High potential permit in Central Sumatra
- Multi-billion barrel area, underexplored for 5-20 million barrel opportunities
- Drill ready prospect near Chevron Petapahan field
- Low cost development with existing commercialisation options
- Multiple independent exploration targets within the PSC
- Partner issues currently limiting progress



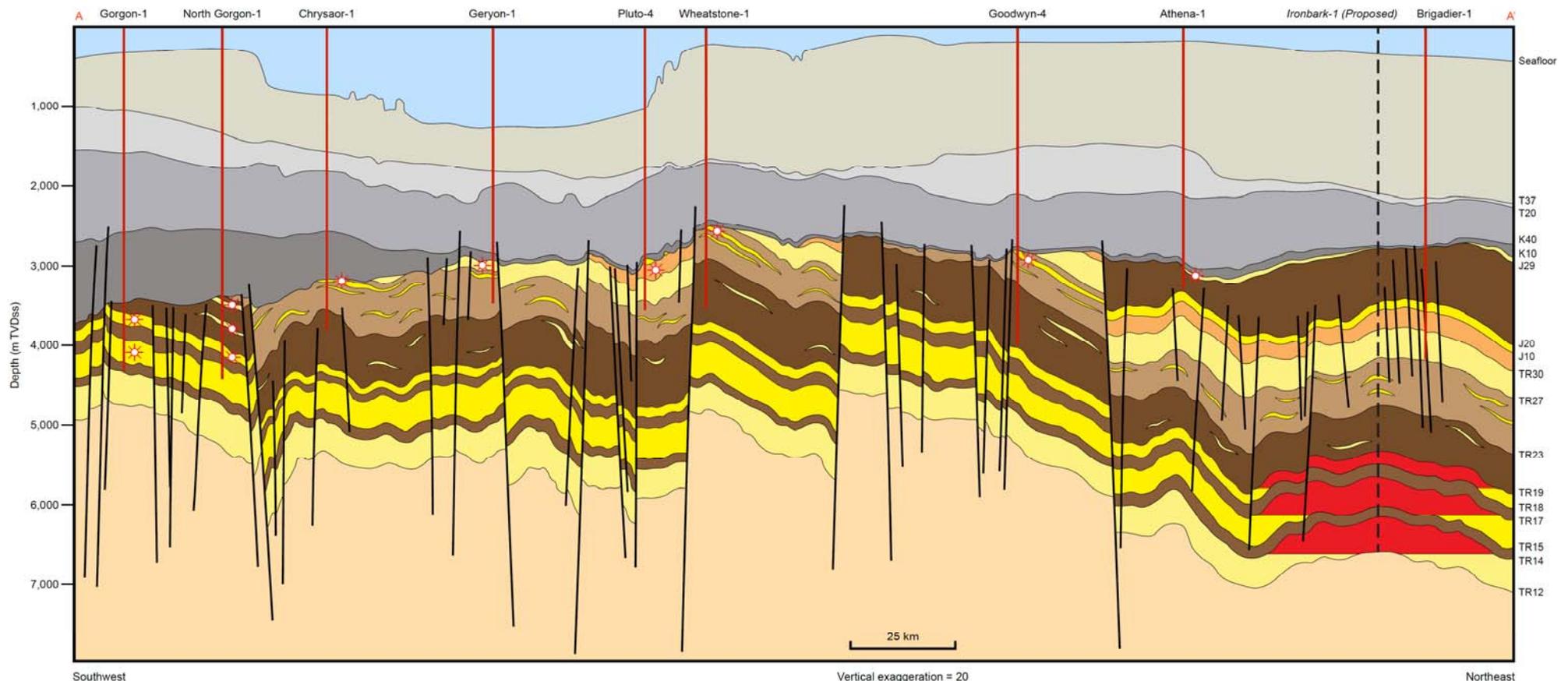
# Step Change Value Opportunity Ironbark Prospect, Western Australia

- 400km<sup>2</sup> Deep Mungaroo prospect covering permits WA-359-P and WA-409-P
- 15Tcf prospective recoverable gas resource
- 50km from North West Shelf LNG infrastructure with spare capacity from early 2020s
- BP deals show confidence in Cue's analysis
  - BP Farmin to WA-409-P
  - BP equity option in WA-359-P
- WA-359-P farmin discussions ongoing
- Success at Ironbark could provide significant value to Cue
- Potential follow up prospects in WA-389-P (100% Cue)



# Step Change Value Opportunity Ironbark

- Ironbark reservoirs correlate to gas producing reservoirs at Gorgon
- World class reservoirs not tested in the WA-359-P/WA-409-P area
- Thick, regional seal separates Ironbark target reservoirs from shallower, water wet sands
- Reservoir targets at Ironbark retain porosity and permeability at depth with an anticipated porosity range of 10-14% at ~5300mss
- Trap is a simple, large fault bounded horst which has not been disturbed since early Cretaceous



## Sustainable Business

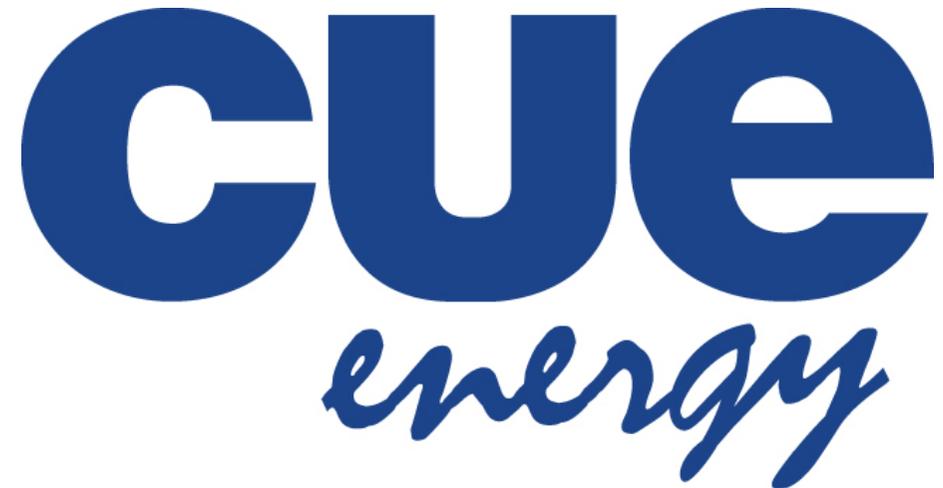
- Stable, diversified revenue
- Lower cost focus

## Delivering Disciplined Growth

- Maari low cost incremental production
- Sampang field life extension and Paus exploration
- Mahakam Hilir and Mahato potential wells

## Pursuing Step-change Opportunities

- WA-359-P Ironbark 15tcf prospective gas prospect
- Follow up in WA-409-P and WA-389-P



Level 3, 10 Queen Street, Melbourne

VICTORIA – AUSTRALIA 3000

P. (+61) 3 8610 4000

F. (+61) 3 9614 2142

E. [mail@cuenrg.com.au](mailto:mail@cuenrg.com.au)

W. [www.cuenrg.com.au](http://www.cuenrg.com.au)