

# Activities Report

Quarter ending 31 December 2020

28 January 2021

## HIGHLIGHTS

- Oil production commenced from the Mahato PSC
- Ironbark-1 drilled and plugged and abandoned
- \$25.6 million in cash and no debt

## PRODUCTION AND FINANCE SUMMARY

\$5.5 million in revenue was received during the quarter. Two Maari oil liftings were undertaken during the quarter, with revenue from a late December lifting not received during the quarter.

Closing cash was \$25.6 million, a reduction from previous quarter due to Ironbark-1 expenditure, timing of cash calls and \$1.8 million of negative foreign exchange effects. The remaining, Ironbark-1 costs, approximately \$7.5 million, are expected to be incurred during the current quarter.

Revenue from Mahato oil sales is expected to be received and incorporated into reporting next quarter.

			Q2 FY2021	Q1 FY2021	Change %
<b>Production</b>	Oil	bbl	23,752	18,027	32
	Gas	mmcf	404	439	(8)
<b>Sales</b>	Oil	bbl	24,699	692	>100
	Gas	mmcf	509	383	33
<b>Revenue</b> (cash basis)	Oil	\$ million	1.39	0.03	>100
	Gas	\$ million	4.07	3.37	21
<b>Expenditure</b>	Production and Development	\$ million	1.80	4.16	(57)
	Exploration	\$ million	2.38	0.38	>100
<b>Closing Cash</b>		\$ million	25.63	27.42	(7)

## PRODUCTION AND DEVELOPMENT

### NEW ZEALAND

#### PMP 38160

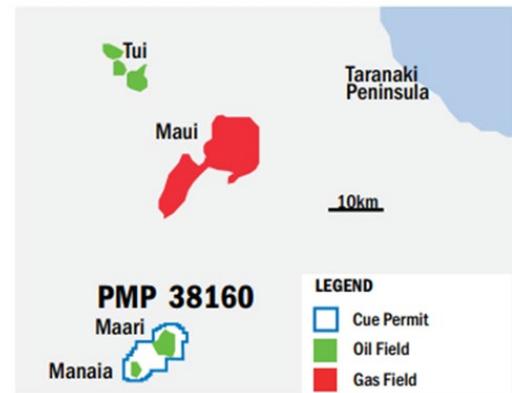
**Cue Interest:** 5% (Cue Taranaki Pty Ltd)

**Operator:** OMV New Zealand Limited

Oil production from Maari and Manaia fields was higher than the previous quarter due to wells returning to production after workovers and operator focus on production optimisation.

Planning for the repair of the MR6a well advanced during the quarter with operations planned for the first half of calendar year 2021.

TARANAKI PENINSULA LOCATION MAP - NEW ZEALAND



Jadestone Energy and OMV have amended the longstop date for Jadestone's acquisition of 69% operated working interest in Maari until April 30, 2021 to allow time for New Zealand regulatory approvals.

## INDONESIA

#### SAMPANG PSC

**Cue Interest:** 15% (Cue Sampang Pty Ltd)

**Operator:** Medco Energi Sampang Pty Ltd

Gas Production from the Sampang PSC continued to perform well although was 8% lower than the previous quarter due to variations in demand.

The joint venture is progressing early stages of the Front End Engineering and Design (FEED) phase for the Paus Biru development. Significant FEED activities and a Final Investment Decision (FID) for the development are expected to be delayed due to current COVID-19 demand changes affecting buyer's abilities to contract future gas.

SAMPANG PSC LOCATION MAP - INDONESIA



## MAHATO PSC

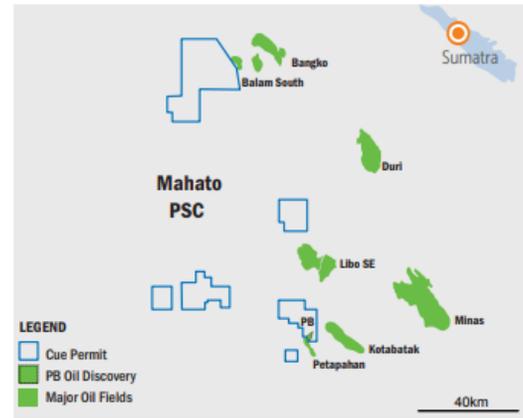
**Cue Interest:** 12.5% (Cue Mahato Pty Ltd)

**Operator:** Texcal Mahato EP Ltd

Commercial production of oil has commenced from the PB field in the Mahato PSC in Indonesia and the dispute between Cue and the Joint Venture partners has been settled.

The PB-1 well is producing at approximately 600 barrels of oil per day, with the oil processed and exported through existing third party facilities. A workover of exploration well PB-2 to bring it into production and the drilling of three further development wells is expected to commence during the current quarter. The PB-1 and PB-2 wells were drilled as exploration wells in late 2019 and early 2020.

MAHATO PSC LOCATION MAP - INDONESIA



Cue and the Mahato PSC joint venture partners have agreed on a settlement to the dispute relating to the PB-1 and PB-2 wells. As part of the settlement, Cue paid a cash call of approximately US\$300,000 related to the PB-2 exploration well. Additionally, Cue paid US\$380,000 to the joint venture. Of that amount, US\$111,000 was paid from Cue's cash reserves, with the remainder paid from Cue's share of the PSC performance bond, which was being held by the Operator.

Cue has previously paid for its participating interest in the field infrastructure, the PB-2 well workover and three upcoming development wells.

## EXPLORATION

### AUSTRALIA

#### WA-359-P

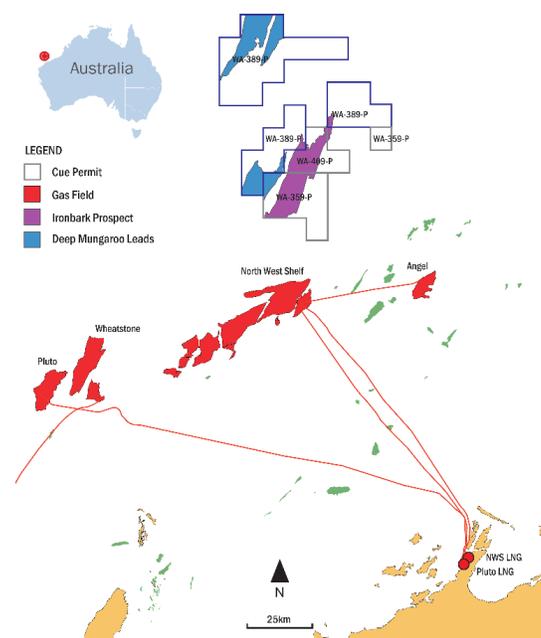
**Cue Interest:** 21.5% (Cue Exploration Pty Ltd)

**Operator:** BP Developments Australia Pty Ltd

The Ironbark-1 exploration well in WA-359-P in the Carnarvon Basin, offshore Western Australia, commenced on 31 October 2020 and drilled to a total depth of 5618m. The primary target interval was intersected at a depth of 5275 metres, with no significant hydrocarbon shows encountered in any of the target sands.

The well was plugged and abandoned, and the Ocean Apex rig departed the well location on 11 January 2021.

Analysis of the well data and results will be undertaken to understand the implications for the Deep Mungaroo play.



### **WA-409-P**

**Cue Interest:** 20% (Cue Exploration Pty Ltd)

**Operator:** BP Developments Australia Pty Ltd

The joint venture is assessing the prospectivity of the permit following the Ironbark-1 well results.

### **WA-389-P**

**Cue Interest:** 100% (Cue Exploration Pty Ltd)

**Operator:** Cue Exploration Pty Ltd

Cue is assessing the prospectivity of the permit following the Ironbark-1 well results.

## **INDONESIA**

### **Mahakam Hilir PSC**

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

**Operator:** Cue Kalimantan Pte Ltd

The exploration period of the PSC is due to end in April 2021. Under the current permit terms, title transfers are not permitted.

Cue is assessing the impact of this restriction and current COVID-19 restrictions on any future activities in the PSC.

## **CORPORATE**

Cue is taking necessary precautions to look after the wellbeing of staff during the COVID-19 outbreak, with all staff in Melbourne and Jakarta offices continuing to work remotely.

**-Ends-**

### **For and on behalf of the Board**

Matthew Boyall

CEO

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Any queries regarding this announcement should be directed to the Company on +613 8610 4000 or email [mail@cuenrg.com.au](mailto: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 has a large 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 Company.

<p><b>DIRECTORS</b>  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><b>CHIEF EXECUTIVE OFFICER</b>  Matthew Boyall</p> <p><b>COMPANY SECRETARY/CHIEF FINANCIAL OFFICER</b>  Melanie Leydin</p>	<p><b>REGISTERED OFFICE</b>  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><b>AUDITOR</b>  KPMG  Tower Two, Collins Square  727 Collins Street  MELBOURNE VIC 3008</p>	<p><b>SECURITIES EXCHANGE LISTING</b>  ASX: CUE</p> <p><b>SHARE REGISTER</b>  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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