



ABN 45 066 383 971

19 August 2020

Paus Biru Plan of Development Approval and Independent Resource Certification

- Paus Biru gas field Plan of Development approved by SKKMigas
- 44.9 Bcf gross 2C Contingent Resource independently certified

Cue Energy Resources Limited (**the Company**), through its subsidiary Cue Sampang Pty Ltd (**Cue**), has received notification of the approval of the Paus Biru Plan of Development and independent resource certification of the Paus Biru gas field in the Sampang PSC, Indonesia.

Cue holds a 15% participating interest in the Sampang PSC, which also contains the producing Oyong and Wortel gas fields.

Plan of Development Approval

The Plan of Development (POD) for the Paus Biru gas field, in the Sampang PSC has been approved by SKK Migas, the Indonesian upstream regulator. The field was discovered by the Paus Biru-1 exploration well and announced as a gas discovery in December 2018 (see *Cue ASX announcement "Gas Discovery at Paus Biru-1" 7 December 2018*).

The approved POD consists of a single horizontal development well with an unmanned wellhead platform (WHP), connected by a subsea pipeline to the existing WHP at the Oyong field, approximately 27km away.

From the Oyong WHP, gas from Paus Biru will be transported using the existing pipeline to the Grati Onshore Production Facility, which is operated by the Sampang PSC joint venture, where it will be processed.

The joint venture will now proceed into the Front End Engineering and Design (FEED) phase and negotiation of gas sales agreements. A Final Investment Decision (FID) for the development is expected to be taken by the joint venture mid 2021, with first gas expected late 2022.

Independent Resource Certification

As part of the POD documentation requirements, independent certification of the Paus Biru gas resource was undertaken.

The Resources Certification Report was prepared for Medco Energi Sampang Pty Ltd which was previously named Ophir Indonesia (Sampang) Pty Ltd, the Operator of the Sampang PSC joint venture, by *Pusat Penelitian dan Pengembangan Teknologi Minyak dan Gas Bumi “LEMIGAS” (PPPTMGB “LEMIGAS”)* or Research and Development Center of Oil and Gas Technology “LEMIGAS” (**Lemigas**).

Initial Gas in Place and Contingent Gas Resource certified by Lemigas in the report are provided in the tables below:

| Paus Biru Field | Initial Gas in Place (bcf) (100%) | Contingent Resource (bcf) (100%) |
|-----------------|--------------------------------------|-------------------------------------|
| 1C | 48.4 | 36.7 |
| 2C | 59.3 | 44.9 |
| 3C | 70.2 | 53.3 |

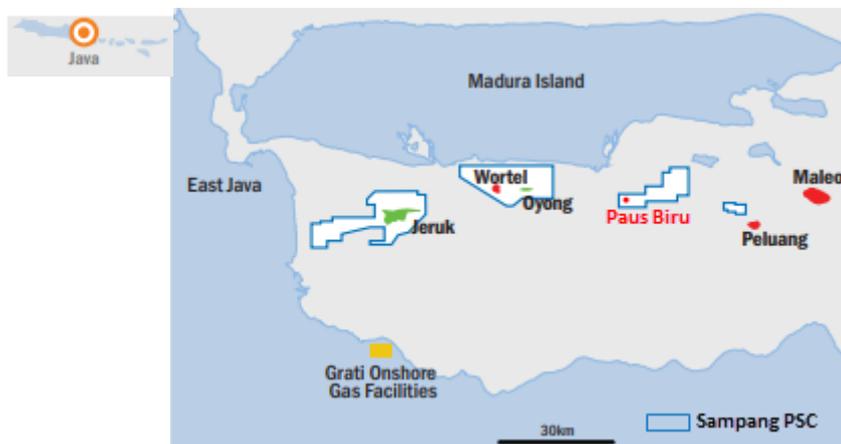
Gross (100%) Resource estimates as at 24 February 2020

| Paus Biru Field | Initial Gas in Place (bcf) (Cue Net 15%) | Contingent Resource (bcf) (Cue Net 15%) |
|-----------------|---|--|
| 1C | 7.3 | 5.5 |
| 2C | 8.9 | 6.7 |
| 3C | 10.5 | 8.0 |

Cue Net (15%) Resource estimates as at 24 February 2020

Notes

- Initial Gas in Place and Contingent resource estimates reported here are based on, and fairly represent, information and supporting documentation prepared by Lemigas.*
- Resource estimates have been made and classified in accordance with the Petroleum Resources Management System (PRMS), 2018*
- Net Initial Gas in Place and Contingent Resource attributable to Cue represent Cue’s 15% participating interest in the Sampang PSC and are inclusive of the Indonesian Government share of any resource developed under the PSC.*
- Contingent Resource PRMS Definition: Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies*
- Paus Biru Contingent Resources have been sub-classified as “Development Unclassified” under the PRMS by Lemigas, which represents a discovered accumulation where project activities are under evaluation and where justification as a commercial development is unknown based on available information and plans to develop are not yet considered near-term. As such, further work is required on the development and commercialisation options before bringing forward to reserves status.*
- The Contingent Resource figures are gross, full well-stream gas, including all non- hydrocarbon components and potential gas utilities for field operation. The gas composition is 97.02% methane.*
- A deterministic methodology was used to categorise the contingent resources.*
- The Paus Biru field is located in the Sampang Production Sharing contract (PSC) area, Indonesia. Cue holds a 15% participating interest in the PSC.*



Paus Biru Location. Sampang PSC, Indonesia.

The report was prepared in accordance with the Society of Petroleum Engineers (SPE) Petroleum Resources Management System (PRMS) 2018 guidelines and definitions, using a deterministic methodology based on structure and reservoir maps established after the Paus Biru-1 discovery well. Reservoir modelling included geological and geophysical analyses of 3D Seismic, well logs, Drill Stem Test, core analyses and PVT analysis data. Geological models for the reservoir properties were estimated through geo-cellular modelling, from which reservoir gross volumes were calculated.

The Company will include any updates in its reserves and resources statement as part of its FY20 Annual reporting.

**Authorised by the CEO, Matthew Boyall
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The resources information contained in this announcement is based on and fairly represents information and supporting documentation prepared by, PPPTMGB LEMIGAS in accordance with PRMS (2018). PPPTMGB LEMIGAS is a qualified petroleum reserves and resources evaluator recognized by the government of Indonesia and International institutions.

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 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.

About Cue Energy Resources

Cue Energy Resources Limited is an Australian Stock Exchange (ASX:CUE) listed oil and gas exploration and production company. Cue's FY19 revenue was A\$26million from oil production in the Maari field, offshore New Zealand and gas production in the Sampang PSC, offshore Indonesia. Cue has operated and non-operated interests in exploration permits in the Carnarvon Basin, offshore Western Australia and onshore Indonesia.