

Reserves and Resources

NET TO CUE ENERGY RESOURCES LIMITED AS AT 30 JUNE 2020

RESERVES	CUE INTEREST	PROVED (1P)				PROVED & PROBABLE (2P)			
		DEVELOPED		UNDEVELOPED		DEVELOPED		UNDEVELOPED	
		OIL & CONDENSATE	GAS	OIL & CONDENSATE	GAS	OIL & CONDENSATE	GAS	OIL & CONDENSATE	GAS
		MMBBL	BCF	MMBBL	BCF	MMBBL	BCF	MMBBL	BCF
NEW ZEALAND									
Maari	5%	0.24	-	-	-	0.55	-	-	-
INDONESIA ⁽¹⁾									
Oyong	15%	-	1.47	-	-	-	2.63	-	-
Wortel	15%	0.01	2.25	-	-	0.02	3.64	-	-
Total Reserves ⁽²⁾		0.24	3.72	-	-	0.57	6.27	-	-
CONTINGENT RESOURCES ⁽³⁾									
FIELD (LICENCE)	CUE INTEREST	OIL & CONDENSATE		GAS					
		MMBBL	BCF	MMBBL	BCF				
INDONESIA									
Paus Biru (Samang PSC) ⁽⁴⁾	15%	-	-	-	6.7				
Jeruk (Sampang PSC)	8%	1.24	-	-	-				
Total Contingent Resources ⁽⁵⁾		1.24	-	-	6.7				

(1) Cue Indonesian Reserves are net of Indonesian Government share of production

(2) Reserves for all fields are based on an independent technical review conducted by New Zealand Oil & Gas Limited (NZOG) and calculated using NZOG's technical recoverable quantities and Cue's cost and oil price assumptions. Deterministic methods were used for reserves. Totals may vary due to rounding

(3) Contingent resources are quantities of petroleum estimated to be potentially recoverable through development of known accumulations but which are not currently considered to be commercially recoverable due to one or more contingencies. The term 2C refers to a best estimate scenario of contingent resources. A 'best estimate' is the most realistic assessment of recoverable quantities if only a single result were reported. If probabilistic methods are used, there should be at least a 50% probability (P50) that the quantities actually recovered will equal or exceed the best estimate

(4) Paus Biru Contingent Resources have been sub-classified as "Development Unclarified" under the PRMS, 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

(5) Mahato PSC PB field Contingent resources have not been included due to ongoing assessment of available data

Prospective Resource Estimates Cautionary Statement

With respect to the Prospective Resource estimates contained in this report, it should be noted that the estimated quantities of petroleum that may potentially be recoverable by the application of a future development project(s) may 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.

GOVERNANCE ARRANGEMENTS AND INTERNAL CONTROLS

Cue estimates and reports its petroleum reserves and resources in accordance with the definitions and guidelines of the Petroleum Resources Management System 2007 (SPE-PRMS), published by the Society of Petroleum Engineers (SPE).

All estimates of petroleum reserves reported by Cue are prepared by, or under the supervision of, a qualified petroleum reserves and resources evaluator.

Cue has engaged the services of New Zealand Oil & Gas Limited (NZOG) to independently assess the Maari, Oyong and Wortel reserves.

Cue reviews and updates its oil and reserves position on an annual basis, or as frequently as required by the magnitude of the petroleum reserves and changes indicated by new data and reports the updated estimates as of 30 June each year as a minimum.

QUALIFIED PETROLEUM RESERVES AND RESOURCES EVALUATOR STATEMENT

This resources statement is approved by, based on, and fairly represents information and supporting documentation prepared by New Zealand Oil & Gas Engineering & Assets Manager Daniel Leeman. Daniel is a Chartered Professional Engineer with Engineering New Zealand and holds Masters degrees in Petroleum and Mechanical Engineering as well as a Diploma in Business Management and has over 10 years of experience. Daniel is also an active professional member of the Society of Petroleum Engineers and the Royal Society of New Zealand.

Reserves are quantities of petroleum anticipated to be commercially recoverable from known accumulations from a given date forward; that are judged to be discovered, recoverable, commercial and remaining. Probable (2P) reserves have a 50 per cent chance or better of being technically and economically producible. Proven (1P) reserves are those with a 90 per cent chance or higher and Possible (3P) are those with a 10 per cent chance or lower of being technically and economically producible. Developed reserves are expected to be recovered from existing wells and facilities. Undeveloped reserves are quantities expected to be recovered through future investments (e.g. new wells, compressors, and other facilities). Total reserves are the sum of developed and undeveloped reserves at a given level of certainty. Oil and gas reserves reported in this statement are as at 1 July 2020.

All reserves and resources reported refer to hydrocarbon volumes post-processing and immediately prior to point of sale. The volumes refer to standard conditions, defined as 14.7psia and 60°F. All reserves reported are net of equity and government take, where summation has been applied it has been conducted arithmetically, so some numbers presented in tables may not add due to rounding.

Daniel is currently an employee of New Zealand Oil & Gas Limited whom, at the time of this report, are a related party to Cue Energy. Daniel has been retained under a services contract by Cue Energy Resources Ltd (Cue) to prepare an independent report on the current status of the entity's reserves. As of the 17th January 2017 NZOG held an equity of 50.04% of Cue.

TABLE 1: OIL AND CONDENSATE RESERVES AND RESOURCES RECONCILIATION WITH 30 JUNE 2019

1P Proved Oil and Condensate Reserves (MMBBL)						
FIELD (LICENCE)	CUE INTEREST	30 JUNE 2019 RESERVES	PRODUCTION	DISCOVERIES/ EXTENSIONS/ REVISIONS	ACQUISITIONS/ DIVESTMENTS	30 JUNE 2020 RESERVES
INDONESIA						
Oyong (Sampang PSC)	15%	0.00	0.00	0.00	-	0.00
Wortel ⁽¹⁾ (Sampang PSC)	15%	0.01	-0.003	0.00	-	0.01
NEW ZEALAND						
Maari ⁽²⁾ (PMP 38160)	5%	0.30	-0.11	0.05	-	0.24
Total Proved Oil and Condensate Reserves		0.31	-0.11	0.05	0.00	0.25
2P Proved & Probable Oil and Condensate Reserves (MMBBL)						
FIELD (LICENCE)	CUE INTEREST	30 JUNE 2019 RESERVES	PRODUCTION	DISCOVERIES/ EXTENSIONS/ REVISIONS	ACQUISITIONS/ DIVESTMENTS	30 JUNE 2020 RESERVES
INDONESIA						
Oyong (Sampang PSC)	15%	0.00	0.00	0.00	0.00	0.00
Wortel ⁽¹⁾ (Sampang PSC)	15%	0.02	-0.003	0.00	0.00	0.02
NEW ZEALAND						
Maari ⁽²⁾ (PMP 38160)	5%	0.65	-0.11	0.01	0.00	0.55
Total Proved & Probable Oil and Condensate Reserves		0.67	-0.11	0.01	0.00	0.57
2C Contingent Oil and Condensate Resources (MMBBL)						
FIELD (LICENCE)	CUE INTEREST	30 JUNE 2019 CONTINGENT RESOURCES	PRODUCTION	DISCOVERIES/ EXTENSIONS/ REVISIONS	ACQUISITIONS/ DIVESTMENTS	30 JUNE 2020 CONTINGENT RESOURCES
INDONESIA						
Jeruk (Sampang PSC)	8%	1.24	-	-	-	1.24
Total Contingent Oil and Condensate Resources		1.24	-	0	-	1.24

TABLE 2: GAS RESERVES AND RESOURCES RECONCILIATION WITH 30 JUNE 2019

1P Proved Gas Reserves (BCF)						
FIELD (LICENCE)	CUE INTEREST	30 JUNE 2019 RESERVES	PRODUCTION	DISCOVERIES/ EXTENSIONS/ REVISIONS	ACQUISITIONS/ DIVESTMENTS	30 JUNE 2020 RESERVES
INDONESIA						
Oyong ⁽¹⁾ (Sampang PSC)	0.15	1.34	-0.56	0.69	-	1.47
Wortel ⁽¹⁾ (Sampang PSC)	0.15	2.66	-0.74	0.33	-	2.25
Total Proved Gas Reserves		4.00	-1.30	1.02	-	3.72
2P Proved & Probable Gas Reserves (BCF)						
FIELD (LICENCE)	CUE INTEREST	30 JUNE 2019 RESERVES	PRODUCTION	DISCOVERIES/ EXTENSIONS/ REVISIONS	ACQUISITIONS/ DIVESTMENTS	30 JUNE 2020 RESERVES
INDONESIA						
Oyong ⁽¹⁾ (Sampang PSC)	0.15	3.08	-0.56	0.11	-	2.63
Wortel ⁽¹⁾ (Sampang PSC)	0.15	4.11	-0.74	0.27	-	3.64
Total Proved & Probable Gas Reserves		7.19	-1.30	0.38	-	6.27
2C Contingent Gas Resources (BCF)						
FIELD (LICENCE)	CUE INTEREST	30 JUNE 2019 CONTINGENT RESOURCES	PRODUCTION	DISCOVERIES/ EXTENSIONS/ REVISIONS	ACQUISITIONS/ DIVESTMENTS	30 JUNE 2020 CONTINGENT RESOURCES
INDONESIA						
Paus Biru (Sampang PSC)	15%	-	-	6.7	-	6.7
Total Contingent Gas Resources		-	-	6.7	-	6.7