

Activities Report

Quarter ending 30 September 2021

26 October 2021

HIGHLIGHTS

- Acquisition of Mereenie, Palm Valley and Dingo production assets in the Amadeus Basin, onshore Australia completed on 1 Oct 2021
- PB-06 development well completed in Mahato PSC with approximately 800 barrels of oil per day production rate
- Revenue of \$10.2 million attributable to Cue for the quarter, 33% higher than the previous quarter

PRODUCTION AND FINANCE SUMMARY

Revenue of \$10.2 million was attributable to Cue for the quarter, including \$8.1 million from existing assets and \$2.0 million credited to the working capital adjustment on completion of onshore Australia assets from Central Petroleum on 1 Oct 2021.

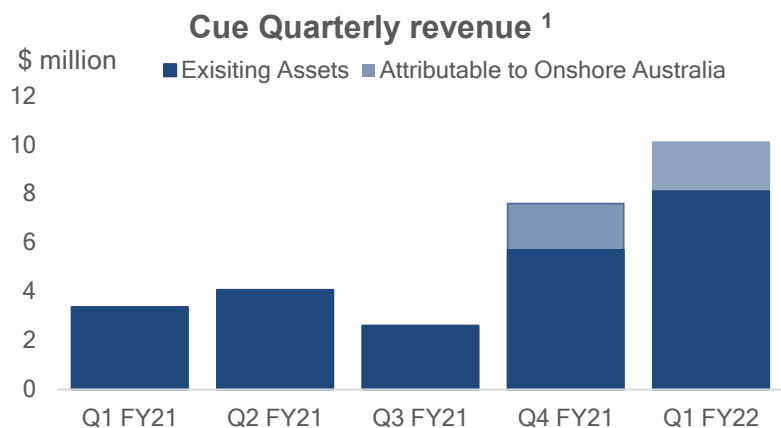
Revenue received from existing assets for the quarter was 43% higher than last quarter and a 139% increase on the same quarter last year.

The largest contribution to this increase was from Mahato, which is currently benefiting from increasing production, high oil prices and additional cost recovery revenue under the production sharing contract.

Production to Cue, including attributable onshore Australia production, averaged approximately 1970 boepd over the quarter with Mahato oil production increasing by 65% with a full quarter of production from 5 wells. Since the end of the quarter, PB-06 well has also commenced production, for a total of 4400 bopd from the PB field.

The average price received for all oil sales during the quarter was A\$98.7/bbl.

Cash balance at the end of the quarter was \$18.9 million, an increase of \$1.2m over the previous quarter. Expenditure of \$8.9 million was incurred on 1 Oct 2021 as payment to Central Petroleum on completion of the Amadeus Basin acquisition.



¹ Attributable revenue from Cue's acquisition of Amadeus Basin assets has been included in the chart from Q4 FY21, the quarter when the sales and purchase agreement was signed. The effective economic date of the acquisition was 1 July 2020 and revenue received to the completion date of 1 Oct 2021 was credited to a working capital adjustment. Cash revenue will be received from Q2 FY2022.

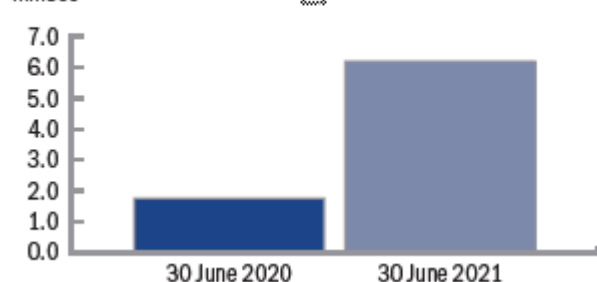
				Q1 FY2022	Q4 FY2021	
Australia*	Production	Gas	PJ	0.37	0.36	
		Oil	bbl	2,977	2,818	
	Revenue		\$ million	2.0	1.9	
Indonesia						
Sampang PSC	Production	Gas	mmcf	353	359	
		Oil	bbl	676	565	
	Revenue		\$ million	3.2	2.9	
Mahato PSC	Production	Oil	bbl	36,577	22,119	
	Revenue		\$ million	2.6	1.0	
New Zealand	Production	Oil	bbl	21,764	24,020	
	Revenue		\$ million	2.3	1.9	
			Closing Cash	\$ million	18.88	17.64

*Australian Assets: Completion of Australian Assets occurred 1 Oct 2021. Revenue and production from these assets has been included from Q4 FY21, when the sales and purchase agreement was signed. The effective economic date of the acquisition was 1 July 2020 and revenue received to the completion date of 1 Oct 2021 was credited to a working capital adjustment. Cash revenue will be received from Q2 FY2022.

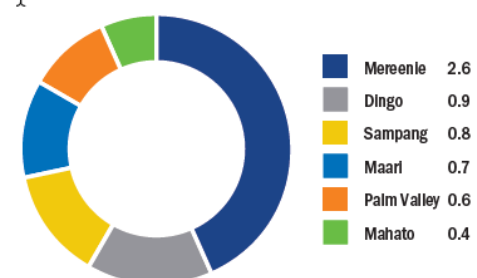
RESERVES²

As part of its Annual Shareholder report released on 27 September 2021, the company reported 6.0 million barrels of oil equivalent (mmboe) 2P reserves as at 30 June 2021, a 275% increase in 2P reserves over the FY21 financial year. 80% of reported 2P reserves are gas and 20% oil.

2P Reserves
mmboe



2P Reserves by Asset (mmboe)



² Full details of Reserves and Resources are available in the 2021 Cue Annual Shareholder Report which was lodged with ASX on 27 September 2021. The Company is not aware of any new information or data that materially affects the Reserves included in the Annual Report and that all the material assumptions and technical parameters underpinning the estimates in the Annual Report continue to apply and have not materially changed.

PRODUCTION AND DEVELOPMENT

AUSTRALIA

Cue Interests

Mereenie [OL4 & OL5]: 7.5%

Palm Valley [OL3]: 15%

Dingo [L7]: 15%

Operator: Central Petroleum Limited

At Mereenie, the planned program of developments concluded successfully, ending a program of four recompletions and two new drills. Production from the wells continues to be brought online with performance broadly in-line with expectations across the wells.

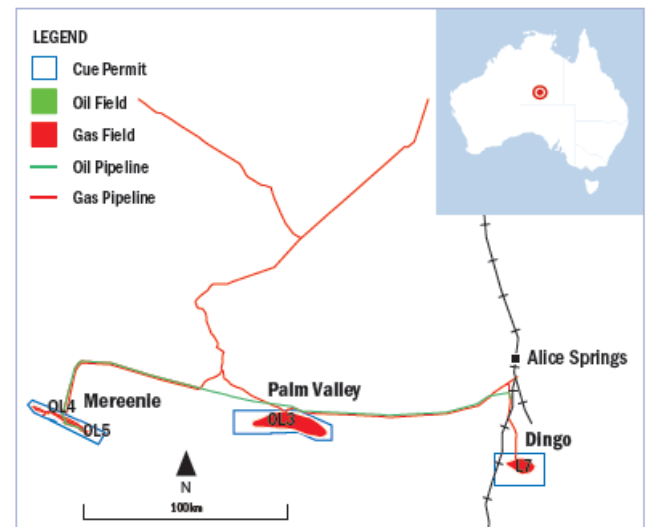
Long term performance is still undergoing review

The Mereenie and Palm Valley fields produce at close to capacity through the quarter, only limited by market demand fluctuations, and nominations for Dingo also remained strong.

Preparation for the potential exploration and appraisal drilling at the Palm Valley and Dingo fields in FY22 continues.

The transaction to acquire interests in the Mereenie, Palm Valley and Dingo fields from Central Petroleum completed on 1 October 2021

AMADEUS BASIN LOCATION MAP - AUSTRALIA



INDONESIA

SAMPANG PSC

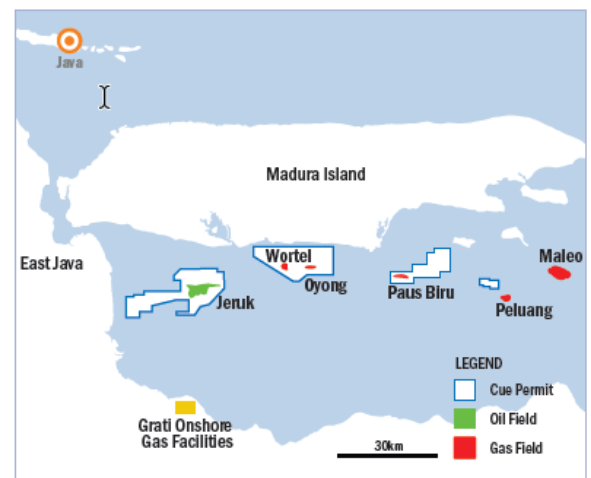
Cue Interest: 15% (Cue Sampang Pty Ltd)

Operator: Medco Energi Sampang Pty Ltd

Gas production from the Sampang PSC continued to perform well, in line with the previous quarter.

The joint venture operator, Medco Energi, is continuing to progress commercial terms for a Gas Sales Agreement to progress a Final Investment Decision on the Paus Biru gas development.

SAMPANG PSC LOCATION MAP - INDONESIA



Due to the delays in the commercial processes, which involve both the Government of Indonesia and gas customers, FEED activities for 2022 will remain limited. Final investment decision for the development is now not expected to be before late 2022.

The joint venture continues to review other opportunities within the PSC, including the historical Jeruk oil discovery.

MAHATO PSC

Cue Interest: 12.5% (Cue Mahato Pty Ltd)

Operator: Texcal Mahato EP Ltd

PB field oil production averaged 3600 bopd over the quarter from 5 producing wells PB-1, PB-2, PB-3, PB-4 and PB-5, increasing to approximately 4400 bopd during October.

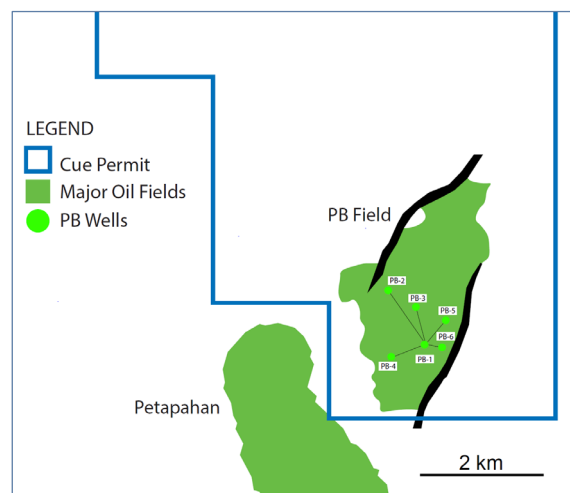
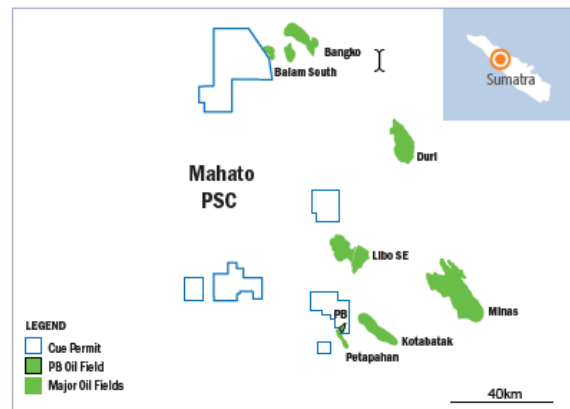
Cue's revenue received during the quarter was \$2.6 million from oil sales in May, June and July and benefitted from current high cost recovery under the PSC.

On 17 July 2021, the PBE-1 well commenced in the PB field, targeting a structure away from the main PB field. The well did not encounter any hydrocarbons and was plugged and abandoned in early September.

Development well PB-6 which commenced drilling on 11 September 2021, was successfully completed in the Bekasap C sand with reported flow rates of 800 bopd. Two more development wells, PB-7 and PB-8 are planned to be drilled following PB-6.

The results of the 6 wells drilled to date indicate further development potential in the field, which is currently under review.

MAHATO PSC LOCATION MAP - INDONESIA



NEW ZEALAND

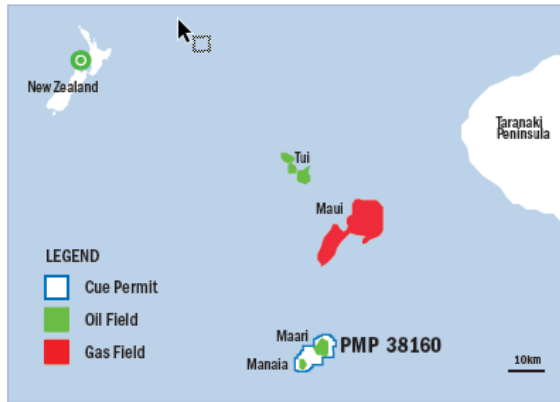
PMP 38160

Cue Interest: 5% (Cue Taranaki Pty Ltd)

Operator: OMV New Zealand Limited

Oil production from Maari and Manaia fields averaged approximately 4700 bopd during the quarter, lower than the previous quarter due to no production from the MR8 well for most of the quarter.

TARANAKI PENINSULA LOCATION MAP – NEW ZEALAND



MR6a remained shut in for the quarter as the operator is progressed plans for the installation of temporary desanding equipment to allow the well to flow and assess the cause of the detected sand.

MR8 was shut-in in early August due to electric submersible pump failure. Workover repairs to replace the ESP commenced mid-October.

Jadestone Energy and OMV have amended the longstop date for Jadestone’s acquisition of 69% operated working interest in Maari until 31 December 2021.

EXPLORATION

AUSTRALIA

WA-409-P

Cue Interest: 20% (Cue Exploration Pty Ltd)
Operator: BP Developments Australia Pty Ltd

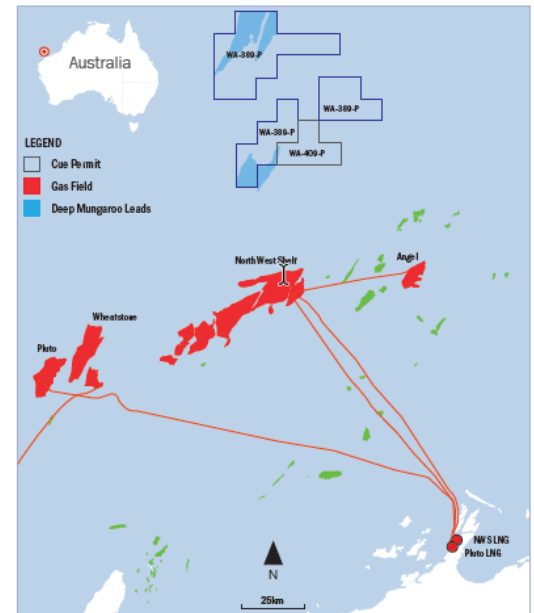
During the quarter an application to surrender the WA-409-P exploration permit was submitted with all work commitments to the surrender date complete.

WA-389-P

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

Cue is continuing prospectivity assessment of the permit incorporating data from the Ironbark-1 well.

CARNARVON BASIN LOCATION MAP – AUSTRALIA



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. These processes could take until the end of the calendar year.

CORPORATE

Cue released its Annual Shareholder report during the quarter. As part of Cue’s commitment to sustainability, Cue has published a Climate Change policy and reported against the Task Force on Climate related Financial Disclosures (TCFD) recommendations.

The Annual General Meeting of Cue Energy Resources will be held virtually via a webinar conferencing facility at 10.00am (AEDT) on 28 October 2021. The Notice of meeting is available on the company’s website (www.cuenrg.com).

Due to the continuing COVID regulations in Indonesia, Jakarta based staff continue to work remotely. Melbourne office staff are working flexibly in line with Victorian government directives.

-Ends-

For and on behalf of the 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 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>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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