

SUMMARY OF ACTIVITIES

Highlights

- Ironbark-1 exploration well Environment Plan approved with drilling expected to commence in October 2020
- \$1.7m quarterly operating cashflow
- \$5.1m production revenue
- Production expenditure 46% lower than previous quarter
- \$31.9m in cash and no debt

Production & Financial Summary

- During the quarter, \$5.1 million in production revenue was received, resulting in operating cash flow of \$1.7 million. Production revenue received comprised of:
 - 29,322 bbls oil sales, at an average price of \$36.01/bbl (US\$24.07/bbl)
 - 360 mmcf gas sales at an average price of \$11.14 per thousand cubic feet (Mcf) (US\$7.28/Mcf)
- Revenue received was lower than the previous quarter due to lower Maari production, oil price and the timing of Maari oil liftings
- Production expenditure of \$1.34 million was 46% lower than the previous quarter due to operator focus on cost reductions at both Maari and Sampang
- Payments to related parties was \$69,586 for the quarter for director's fees and reimbursement of expenses
- Closing cash for the quarter was \$31.9 million, a reduction from the previous quarter due to \$3.1 million of negative foreign exchange effects
- US\$8.26 million is retained in escrow for Cue's uncarried share of the Ironbark-1 expected well cost

KEY PERFORMANCE METRICS

		Jun Quarter Q4 FY20	Mar Quarter Q3 FY20	Change %
Oil Production (net to Cue)	Bbl	21,348	29,448	(28)
Gas Production (net to Cue)	mmcf	355	329	8
Oil Liftings (net to Cue receipts)	Bbl	29,322	32,949	(11)
Gas Liftings (net to Cue receipts)	mmcf	360	226	60
Total Revenue Receipts	\$m	5.07	5.94	(15)
Production Expenditure	\$m	1.34	2.50	(46)
Closing Cash Position	\$m	31.94	33.68	(5)

PRODUCTION - NEW ZEALAND

PMP 38160

Cue Interest: 5% (Cue Taranaki Pty Ltd)

Operator: OMV New Zealand Limited

Maari and Manaia Fields

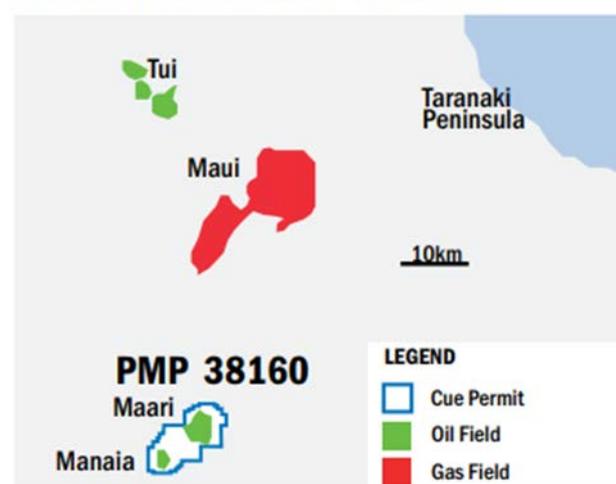
Net Oil Production	Bbl	20,712
Oil Liftings (net to Cue receipts)	Bbl	28,670
Revenue Receipts	\$m	1.03

Oil production from Maari and Manaia fields was lower than the previous quarter due to production disruptions in several wells. As a consequence of this low production, low global oil prices and timing of liftings, revenue for the quarter was lower than the previous quarter.

Although production continued through the nationwide COVID-19 lockdown which took effect in New Zealand at midnight on 25 March 2020, the MR6A and MR2 wells have been offline since March due to technical issues. Neither of these wells was in production during the quarter, with the joint venture still planning the repair for MR6A, which is likely to be completed towards the end of the year.

Two further production wells, MR9 and MR7 had production disrupted during the quarter due to electric submersible pump (ESP) failures. Replacement of the ESPs is being planned and is expected to be conducted during the current quarter. COVID-19 restrictions and entry processes for technicians into New Zealand is likely to result in minor cost increases and time delays.

TARANAKI PENINSULA LOCATION MAP - NEW ZEALAND



PRODUCTION - INDONESIA

Sampang PSC

Cue Interest: 15% (Cue Sampang Pty Ltd)

Operator: Medco Energi Sampang Pty.Ltd.

Oyong and Wortel Fields

		Oyong	Wortel
Net Condensate Production	Bbl	5	631
Net Condensate Sales	Bbl	5	647
Revenue Receipts (Condensate)	\$	165	22,036
Net Gas Production	mmcf	154	201
Net Gas Sales	mmcf	159	201
Revenue Receipts (Gas)	\$m	1.79	2.23

Gas Production from the Sampang PSC has not been affected by COVID-19 restrictions in Indonesia. Production for the quarter was 8% higher than the previous quarter, with a full quarter of production after completion of the Grati pressure lowering project.

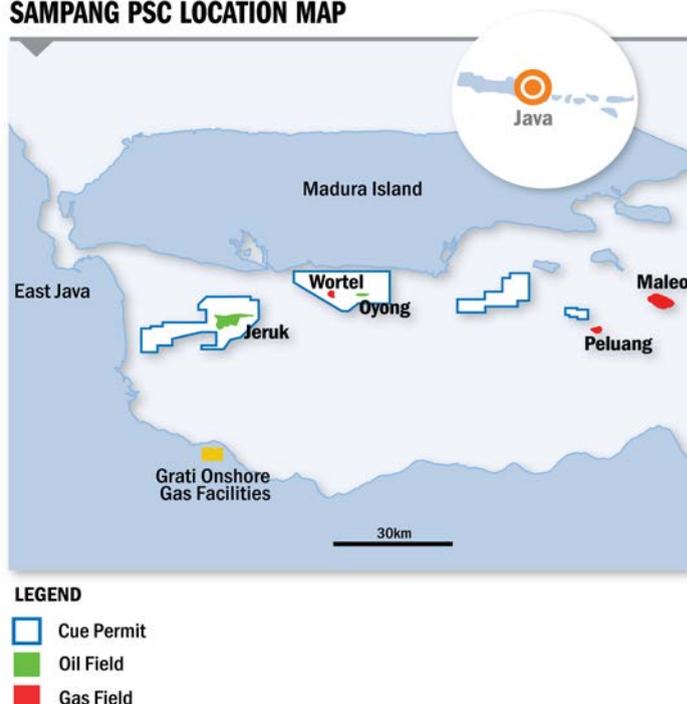
Paus Biru development planning is continuing with pre-FEED activities completed. A Plan of Development (POD) is expected to be submitted to the Indonesian regulator for approval shortly. The POD is based on a single horizontal development well Paus Biru-2, with 1 Tripod Wellhead platform (WHP) and a 27km subsea pipeline to be tied in to the existing Oyong WHP.

Post POD approval, Gas Sales Agreements will be finalized before a Final Investment decision by the Joint Venture, which is expected mid 2021. First gas is currently estimated for late 2022.

During the quarter, the Indonesian Government introduced regulations to cap the price of gas sold by upstream producers to power generators and industrial users in Indonesia. The regulations include provisions that any loss of sales revenue to producers from lower sales price will be provided from the Government share of PSC revenue, so that producer revenue is not affected overall.

These regulations are being implemented for all gas producers and will apply to a portion of Sampang production. No effect to Cue revenue is expected from these new regulations. New developments, including Paus Biru, are not included in the Government pricing regulations.

SAMPANG PSC LOCATION MAP



EXPLORATION - AUSTRALIA

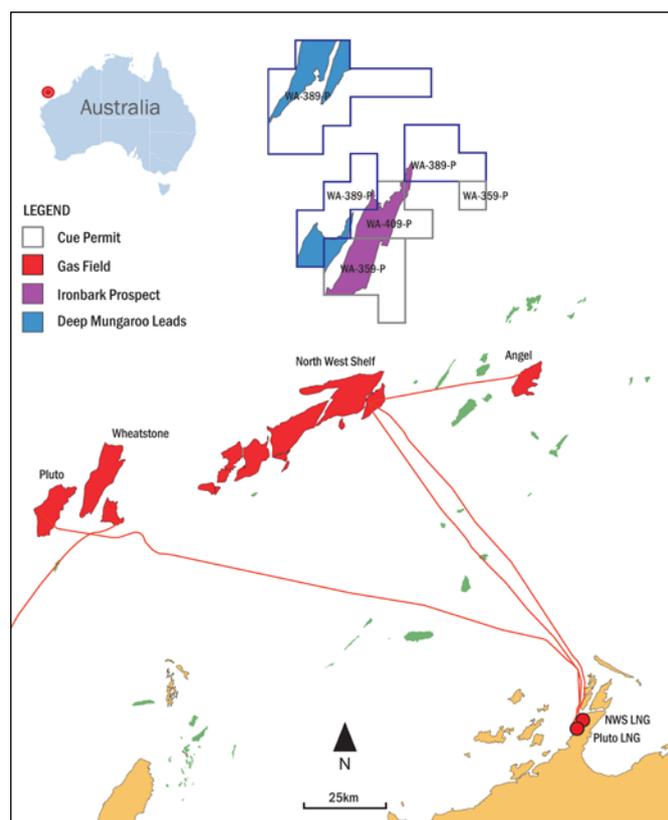
WA-359-P

Cue Interest: 21.5% (Cue Exploration Pty Ltd)
Operator: BP Developments Australia Pty Ltd

On 16 July 2020, the Environment Plan (EP) for the Ironbark-1 exploration well in exploration permit WA-359-P was approved by the National Offshore Petroleum Safety and Environment Management Authority (NOPSEMA).

Ironbark-1 drilling activities are planned to commence in October 2020 with final timing dependent on the progress of the current drilling program being conducted by the Ocean Apex drilling rig, which is currently under contract in the area for another operator.

Exploration permit WA-359-P is located in the Carnarvon Basin, offshore Western Australia, approximately 50km from the existing North West Shelf LNG infrastructure. The Ironbark-1 well is



expected to drill to approximately 5500 metres and will be the first test of the Ironbark gas prospect. Cue is fully funded for its expected participating interest costs of the well through funding from farm-in agreements with partners BP, Beach Energy and New Zealand Oil & Gas and approximately US\$8 million of cash reserves which have been escrowed.

WA-409-P

Cue Interest: 20% (Cue Exploration Pty Ltd)

Operator: BP Developments Australia Pty Ltd

Specialised quantitative seismic processing is being undertaken by the Operator, BP, to further define the Ironbark prospect within WA-409-P.

WA-389-P

Cue Interest: 100% (Cue Exploration Pty Ltd)

Operator: Cue Exploration Pty Ltd

Cue is finalising the PSDM reprocessing of 900 km² of existing seismic data to better define the Deep Mungaroo prospect within the permit, which is updip, contiguous, and part of the same structural trend as the Ironbark Prospect in WA-359-P.

Quantitative seismic interpretation to define other seismic amplitude related leads is ongoing.

EXPLORATION - INDONESIA

Mahakam Hilir PSC; Kutei Basin

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

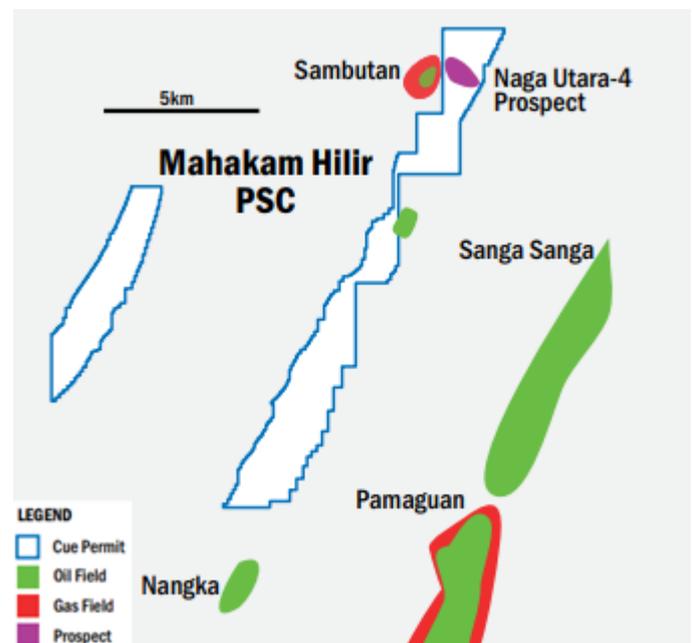
Operator: Cue Kalimantan Pte Ltd

The Mahakam Hilir PSC contains the Naga Utara prospect and the Naga Utara-4 (NU-4) appraisal well opportunity.

An extension to the exploration period of the PSC has been granted by the Indonesian regulator, extending the end date to April 2021.

As part of the extension, a condition was placed on the PSC, restricting title transfers during the extension period.

Cue has been in discussions with a potential partner to participate in the drilling of the NU-4 well and is assessing the impact of the restriction on any future dealings and activities.



Mahato PSC; Central Sumatra Basin

Cue Interest: 12.5% (Cue Mahato Pty Ltd)

Operator: Texcal Mahato EP Ltd

The Operator, Texcal Mahato EP Ltd (Texcal), and other joint venture participants, are continuing their claim to have excluded Cue from participation in operations at the PB prospect, based on an issued default notice and claimed decisions made around the time. These claims are disputed by Cue as having no basis under the Joint Operating Agreement (JOA).

On 16 April 2020, the Indonesia regulator, SKKMigas made a public announcement of a 61.8 million (OOIP) barrel oil discovery in the Mahato PSC. Cue is not receiving information from the Operator as required under the JOA, in order to be able to fully assess the announcement by SKKMigas or the status of current operations

During the quarter, Texcal refused to refund Cue's share of the PSC performance bond, amounting to approximately US\$268,750 which was released by the Indonesian Government on completion of the PSC work commitment. The return of the bond is governed by a separate agreement with Texcal and is unrelated to the claims being made by Texcal under the JOA.

Cue continues to evaluate and consider all available options and is asserting all its legal rights under the JOA and the agreement which governs the performance bond.

CORPORATE

As previously announced, Cue Energy Resources Ltd and Cue Resources Inc. were named as defendants, along with a number of other companies, in litigation pending in Texas, USA in relation to the Pine Mills oilfield. The case is entitled *Hammerhead Managing Partners, LLC v. Nostra Terra Oil & Gas Company, PLC, et al., In the United States District Court For the Northern District of Texas, No. 3:18-cv-1160*. On March 27, 2019 the court dismissed the claims against Cue in their entirety, giving the plaintiff leave to refile its compliant. On April 26, 2019, the plaintiff filed an amended complaint against Cue and the other defendants.

Cue Energy Resources Ltd and Cue Resources Inc. filed a motion to dismiss the amended complaint, which was denied by the court on 5 March 2020 without commentary. A request by all parties to extend the current case timetable due to the impacts of COVID-19 was not approved by the court. The trial did not proceed as scheduled during July, however, due to a health issue affecting one of the parties. The case is currently expected to be set for trial before the judge in the third quarter of calendar year 2020.

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.

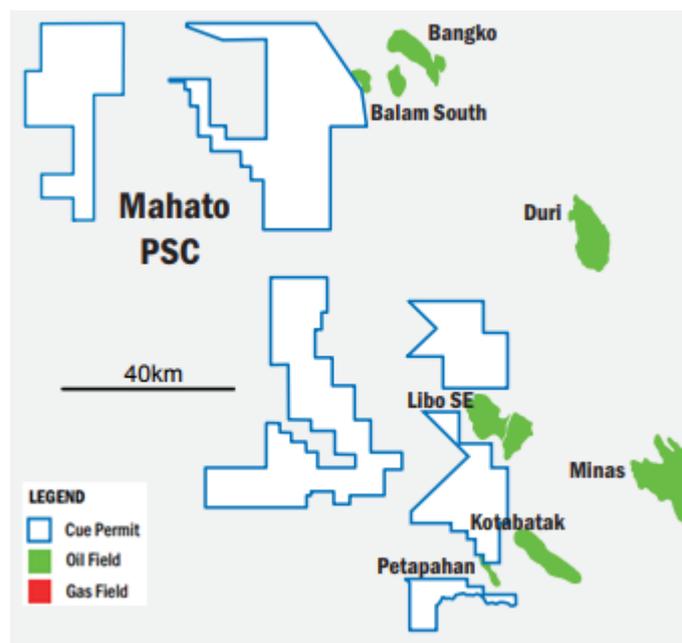
-Ends-

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.

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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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Cue Energy Resources Limited

ABN

45 066 383 971

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5,070	23,004
1.2 Payments for		
(a) exploration & evaluation (if expensed)*	(486)	(1,496)
(b) development	-	-
(c) production	(1,341)	(8,703)
(d) staff costs	(252)	(1,290)
(e) administration and corporate costs	(268)	(780)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	18	374
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(1,223)	(4,314)
1.7 Government grants and tax incentives	-	-
1.8 Other receipts	33	530
GST received	123	75
1.9 Net cash from / (used in) operating activities	1,674	7,400

*\$628,383 of year to date exploration expenses associated with Mahato PSC have been capitalised as exploration assets and are now presented under investing activities 2.1(d) below.

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(37)	(62)
(d) exploration & evaluation (if capitalised)*	(81)	(729)
(e) investments	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(f) other non-current assets – production properties	(167)	(881)
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(285)	(1,672)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other Principal element of lease payments	(21)	(85)
3.10	Net cash from / (used in) financing activities	(21)	(85)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	33,676	26,194
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,674	7,400
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(285)	(1,672)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(21)	(85)
4.5	Effect of movement in exchange rates on cash held	(3,100)	107
4.6	Cash and cash equivalents at end of period	31,944	31,944

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	16,006	16,318
5.2	Call deposits	15,938	17,358
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	31,944	33,676

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

70

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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
N/A		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	1,674
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(285)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	1,389
8.4 Cash and cash equivalents at quarter end (Item 4.6)	31,944
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	31,944
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	N/A
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 24 July 2020

Authorised by: By the Company Secretary

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.