

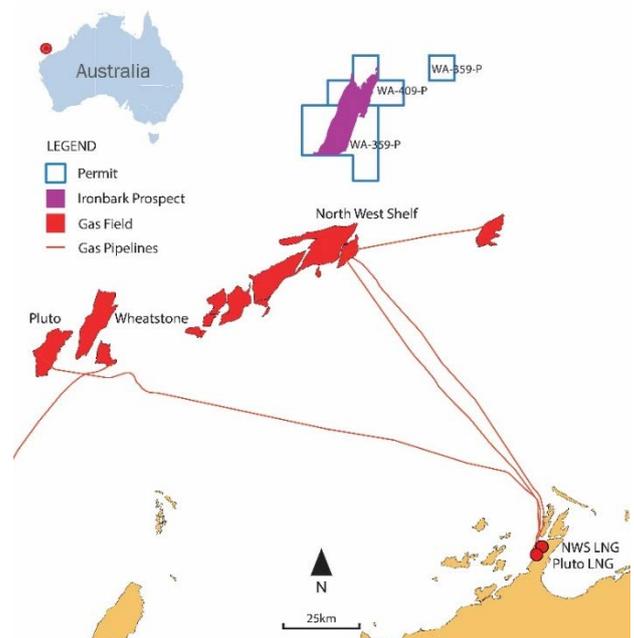
WA-359-P Extension of BP equity option

- Extension of BP option to acquire 42.5% equity in WA-359-P until 25 April 2018
- 75% funding for the Ironbark-1 exploration well conditionally secured

Melbourne, Australia 13th Dec 2017; Cue Energy Resources Ltd (ASX:CUE) is pleased to advise that through its 100% owned subsidiary, Cue Exploration Pty Ltd, it has agreed to extend the 42.5% equity option over exploration permit WA-359-P granted to BP Developments Australia Pty Ltd (BP), as announced on 13 October 2016, until 25 April 2018, with a further 6 month extension available under certain circumstances.

WA-359-P Permit

The exploration permit term of WA-359-P currently expires on 25 April 2018. Cue intends to submit a suspension and extension application to the National Offshore Petroleum Titles Administrator (NOPTA) to allow new technical information to be incorporated into the Ironbark-1 well planning process.



Beach Energy Farmout Agreement

On 29 Nov 2017, Cue announced an agreement with Beach Energy Limited (Beach) to farmout 21% equity in WA-359-P⁽¹⁾. Under the terms of the agreement, Beach will acquire 21% equity and free carry Cue for 4% of the cost of drilling the Ironbark-1 exploration well in the permit. Beach will also reimburse Cue \$900,000 for past costs. The agreement is conditional on BP exercising its option to acquire 42.5% equity in WA-359-P, Cue obtaining an extension to the current permit end date and other customary approvals.

Through the BP and Beach agreements, 75% funding for the Ironbark-1 well has been conditionally secured.

Ironbark Prospect

Ironbark is a giant Mungaroo Formation prospect that is mapped with an area of up to 400km² and a best technical estimate of 15 Trillion cubic feet (Tcf) of prospective recoverable gas resource⁽²⁾ based on an internal assessment performed by Cue.

Wood Mackenzie estimates that the North West Shelf LNG plant and infrastructure will have spare capacity from 2021. The Ironbark prospect is less than 50km from the North Rankin platform (North West Shelf LNG) and in close proximity to Pluto and Wheatstone LNG infrastructure, providing cost effective commercialisation options.

Cue CEO Matthew Boyall said:

“The extension of the option with BP and the recent announcement of the farmout agreement with Beach Energy shows the degree of continuing interest that two major companies have in the Ironbark prospect. Cue currently retains 36.5% uncommitted equity in WA-359-P and we continue to talk to companies interested in forming a Joint Venture together with BP and Beach to share in this high impact opportunity.”

Any queries regarding this announcement should be directed to the Company on +613 8610 4000 or email mail@cuenrg.com.au.



Matthew Boyall
Chief Executive Officer

⁽¹⁾See ASX announcement 29 November 2017

⁽²⁾**Prospective Resource Estimates Cautionary Statement**

The estimated quantities of petroleum that may potentially be recoverable by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons

About Cue Energy:

Cue Energy Resources Limited is an Australian Stock Exchange (ASX:CUE) listed oil and gas exploration and production company. Cue's FY17 revenue was A\$35million from oil production in the Maari field, offshore New Zealand and oil and gas production in Sampang PSC, Indonesia. Cue has operated and non-operated interests in exploration permits in the Carnarvon Basin, offshore Western Australia and onshore Indonesia.