



ABN 45 066 383 971

29 March 2022

## Mahato Reserves Increase

- 92.8 million barrels of oil in place assessed in the PB field, Mahato PSC
- 20.9 million barrels of gross 2P recoverable oil reserves
- 322% increase in Cue net 2P oil reserves to 1.4 million barrels

Cue Energy has significantly increased its reserves and resources estimate for the PB oilfield in the Mahato PSC, with a 322% increase in net 2P oil reserves to 1.4 million barrels (mmbbl) and an increase in 1P oil reserves to 1.1 mmbbl.

Cue Energy holds a 12.5% participating interest in the Mahato PSC, located onshore Central Sumatra, Indonesia, through its 100% owned subsidiary Cue Mahato Pty Ltd.

Due to the success of the ongoing drilling and the field production performance, Cue has undertaken a review of the PB field resource. The reserves and resources included in this statement are based on available geophysical and geological data and incorporate information from completed wells into an updated view on field performance. The range of uncertainty at this point is driven by the early nature of the production, evolving drilling results and some limitations on well data available to Cue.

The PB field is assessed to contain 92.8 mmbbl of stock tank oil initially in place (STOIIP) at the P50 confidence level, with an upper estimate of 146 mmbbl. (see Table 1)

*Table 1 : PB field Stock Tank Oil Initially In Place (STOIIP)*

<b>Probability Level</b>	<b>STOIIP (mmbbl)</b>
P90	58.7
P50	92.8
P10	146.2

The gross recoverable oil volumes from the field represent the total oil expected to be recovered from the field to the current end of the PSC term in 2042. Cue's net share is the effective economic interest expected to be available to Cue after FTP, cost recovery, profit split and other sharing mechanisms under the Production Sharing Contract.

Developed reserves volumes include the 8 production wells, PB-01 to PB-08, drilled as part of the original plan of development (POD). Reserves from five additional wells (PB-09 to PB-13) approved in the 2022 WP&B are included as undeveloped reserves. An announcement on completion of the PB-09 well was released on 18 March 2022.

A further view of resources available from future potential drilling opportunities is considered as contingent resource.

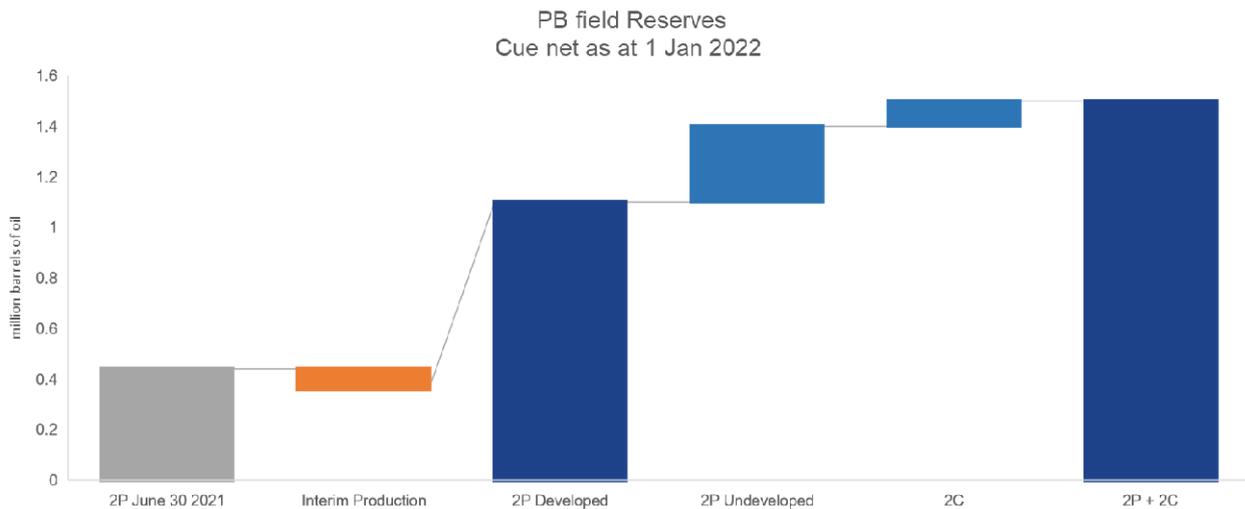
Table 2: PB field reserves as at 1 January 2022 (million barrels of oil)

	Gross			Cue Net		
	Developed (On Production)	Undeveloped (Approved for Development)	Total	Developed (On Production)	Undeveloped (Approved for Development)	Total
1P	12.2	2.9	<b>15.1</b>	0.9	0.2	<b>1.1</b>
2P	16.6	4.3	<b>20.9</b>	1.1	0.3	<b>1.4</b>
3P	21.7	7.1	<b>27.8</b>	1.4	0.4	<b>1.8</b>

Table 3: PB field Contingent resources as at 1 January 2022 (million barrels of oil)

	Gross	Cue Net
	Development Pending	Development Pending
1C	1.1	0.1
2C	1.8	0.1
3C	3.0	0.2

The impact of this new resource view on the Mahato field, compared with the previous assessment at 30 June 2021 is shown below:



Commenting on the increased reserves, Cue CEO Matthew Boyall said:

*“The Mahato PSC is an exciting growth asset in Cue’s portfolio and this upgrade in reserves demonstrates the value that it holds for Cue. Cue reported \$6.5 million revenue from the PB field in H1 FY2022, in a lower oil price environment than now.*

*The increased reserves reflect the better than expected production performance of the field and information gained through phase one of the development. We will continue to review the reserves as more information from the field is gained.*

*Nine production wells have now been drilled in the field and four more are planned for the coming months. Our analysis shows that there is continued potential for development after the current drilling program.”*

Cue retains the right and will undertake regular reserves reviews in-line with actual drilling and production performance from the PB field as it is obtained over the coming months and years. This will be incorporated into an economic model and any changes to reserves will be updated and communicated in due course.

The Company intends to include any updates in its reserves and resources statement as part of its FY2022 Annual reporting.

**Authorised by the CEO, Matthew Boyall**  
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### **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 H1 FY2022 revenue was A\$18.0 million from gas and oil production in Indonesia and onshore Australia and oil production offshore New Zealand.

#### **General Legal Disclaimer**

*Various statements in this document constitute statements relating to intentions, opinion, expectations, present and future operations, possible future events and future financial prospects. Such statements are not statements of fact and are generally classified as forward looking statements that involve unknown risks, expectations, uncertainties, variables, changes and other important factors that could cause those future matters to differ from the way or manner in which they are expressly or impliedly portrayed in this document. Some of the more important of these risks, expectations, uncertainties, variables, changes and other factors are pricing and production levels from the properties in which the Company has interests, or will acquire 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.*

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*Reference to "CUE" or "the Company" may be references to Cue Energy Resources Limited or its applicable subsidiaries.*

#### **Reserves Compliance Statement**

*Oil and gas reserves, are reported as at 1 January 2022 and follow the SPE PRMS Guidelines (2018). The volumes presented are net to Cue Energy. The Mahato field is operated by Texcal and Cue holds 12.5% equity.*

*Mahato reserves & resources are based on the available historical field production data and drilling results in the first 8 wells in the field. This data has been combined with available seismic data, and petrophysical models along with a network reservoir model. In place volumes have been developed using probabilistic methods, with deterministic workflows used for recoverable volumes. The reserves and resource volumes stated have not been adjusted for risk.*

*Net reserves are net of equity portion, government take under the PSC, royalties, taxes and fuel and flare (as applicable) and uses an average oil futures price for the next 2 years and a long-term*

analysts forecast. Estimates for OPEX and CAPEX underpinning this analysis are based on recent field actuals, AFEs and contracts.

All reserves and resources reported refer to hydrocarbon volumes post-processing, net of fuel, and immediately prior to point of sale. The volumes refer to standard conditions, defined as 14.7psia and 60°F. The extraction method is via an export pipeline to local pipeline networks (ultimately through to the Dumai terminal).

Tables combining reserves have been calculated arithmetically and some differences may be present due to rounding.

This reserves and resources statement is approved by, based on, and fairly represents information and supporting documentation prepared by New Zealand Oil & Gas General Manager Assets & Engineering Daniel Leeman. Daniel is a Chartered Engineer with Engineering New Zealand and holds Master's 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. Cue Energy reviews reserves holdings at least twice a year by reviewing data supplied from the field operator and comparing assessments with this and other information supplied at scheduled meetings. 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 of January 2017, NZOG held an equity of 50.04% of Cue.