



ABN 45 066 383 971

FY20 Full Year Results Cue Energy Resources Limited (ASX:CUE)

20 August 2020

FY20 Results

- \$23.9 million revenue
- \$7.4 million net cashflow from operations
- Cash position increased to \$31.9 million
- \$9.3 million EBITDA
- \$1.3m Profit after tax
- \$2.7 million non-cash impairment of Maari production asset due to oil market conditions
- Ironbark-1 Environment Plan approved
- Oil discovery announced in the Mahato PSC

FY21 Growth Activities

- Ironbark-1 exploration well to be drilled Q2 FY21
- Paus Biru development planning and FID expected during H2 FY21
- Maari production to return to full production after well workovers

Cue Energy Resources Limited (Cue) has released its 2020 Full Year results, reporting \$23.9 million revenue from ordinary activities, \$7.4 million net cashflow from operations and a \$1.3 million after tax profit.

Releasing its full year results, Cue announced that it had continued to generate positive cashflow from oil and gas production and increased its cash balance by 22% to \$31.9 million.

CEO Matthew Boyall said that Cue's financial results were impressive, reporting a profit during a globally challenging year.

"Cue's financial results for FY20 show the strength of the company's business model," Mr Boyall said.

"Our mix of revenue, from fixed price gas in Indonesia and Brent linked oil in New Zealand, resulted in \$23.9 million in revenue, only 7% lower than the previous year, even as the oil price went through lows of less than US\$20 per barrel."

"Cue increased its cash balance during the year to \$31.9 million and has no debt. This is an enviable position as we participate in exploration and development projects in the coming year."



“During the year, replacement of the compressor at the Grati onshore gas plant in Sampang PSC, saw production from Oyong and Wortel increase and provides the future benefit of continued production at lower wellhead pressures. Although Maari production was reduced during the second half of the year due to well technical issues, remediation plans are in place for a return to full production by Q3 FY21.”

“We also released that the government of Indonesia had announced the PB oil discovery in the Mahato PSC. Cue has a 12.5% interest in the PSC and continues to assert its legal rights against the operator and other joint venture parties who claim to have excluded Cue from the PB operations.”

Mr Boyall said that FY21 would be an exciting year for Cue, with the Company participating in active production, development and exploration projects in Australia, Indonesia and New Zealand.

“The Ironbark-1 exploration well in the Carnarvon Basin, Western Australia is due to be drilled in Q2 FY21. This is a significant opportunity for Cue. Ironbark is a very large structure and, if successful, Cue’s 21.5% interest could be company changing. We are fully funded for the well through a combination of cost carries from our joint venture partners and \$12 million of escrowed cash and look forward to participating in one of the most anticipated wells in the region this year.”

“Paus Biru development planning will proceed through FY21 with a Final Investment Decision targeted for Q4 and first gas expected in calendar year 2022. This development will not only provide its own cashflow to Cue but also support and extend the existing production from Oyong and Wortel.”

“We expect gas production to continue strongly in the Sampang PSC and Maari is expected to return to full production, with ESP replacements in 2 wells scheduled for September and a workover of MR6a being planned.”

“Cue is in a unique position as we enter FY21 with a strong balance sheet, ongoing cashflow from production, development planning at Paus Biru and potentially company changing exploration at Ironbark.”

Further details of the results can be reviewed in the Appendix 4E and Annual Report to 30 June 2020 released today.

Authorised by the CEO, Matthew Boyall
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Disclaimer

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 COVID-19, 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 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. Please refer to the FY20 annual report for more details of risks associated with the Company.