

Amadeus Basin Operations Update

The Operator of the Cue’s Amadeus Basin assets, Central Petroleum (ASX:CTP) has recently provided updated information to the joint venture on the Palm Valley and Dingo permits.

A new interval, the Pacoota-3, has been identified as a possible appraisal target that may be incorporated into the current PV12 Drilling program. The PV12 well is expected to intersect the Pacoota-3 formation later this month as it drills to the PV Deep exploration target, the Arumbera formation.

The Palm Valley joint venture is currently considering running additional logs over the Pacoota-3 interval after drilling through the formation, purchasing long lead items to preserve the option of appraising the Pacoota-3 interval in the current PV12 drilling program and drilling an appraisal lateral into the Pacoota-3 target in the event the PV Deep Exploration target is unsuccessful.

Production from the Pacoota-3 lateral could be quickly connected to the existing Palm Valley production facilities and sold into the currently strong gas market.

No decision on the Pacoota-3 appraisal has been made yet and will be subject to results obtained during the drilling of the PV12 well.

The Operator has also informed the joint venture that exploration program costs for the PV12 and planned Dingo-5 wells are exceeding initial forecasts by \$3.1 million to April 30. These cost increases are, in part, driven by increasing fuel & freight costs which are particularly material given the remote location, increased cost of civil works and equipment costs, and delays in rig logistics.

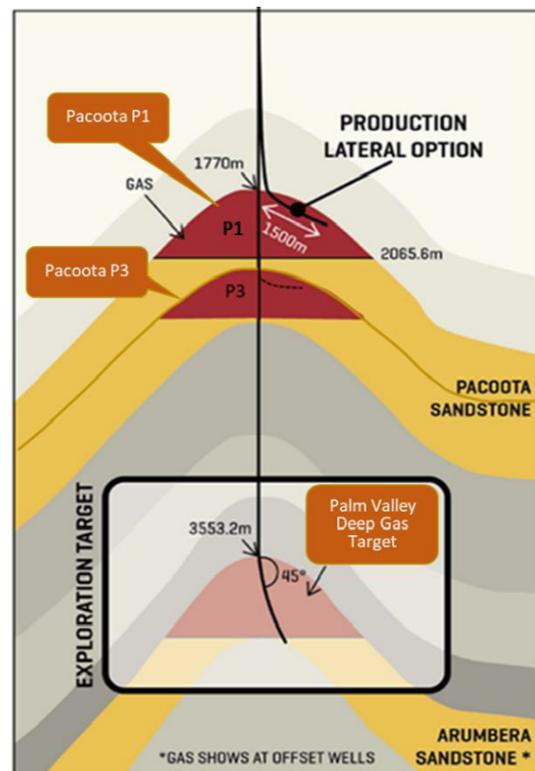


Figure 1. PV12 well schematic
Source: New Zealand Oil & Gas

From the information available to date, the current well program costs may continue to increase and the operator is pursuing opportunities to mitigate future cost pressures.

Under the Sale and Purchase Agreement with Central Petroleum (refer to Cue’s ASX release “Acquisition of Australian Production Assets” 25 May 2021), Cue is paying its share of the costs of operations plus carrying Central’s costs.

Further updates on the information above will be provided as they become available.

Participants in Permit OL3 containing the Palm Valley field are Central Petroleum (NT) Pty Ltd (Operator, 50%), NZOG Palm Valley Pty Ltd (35%) and Cue Palm Valley Pty Ltd (15%)

Authorised by the CEO, Matthew Boyall

Any queries regarding this announcement should be directed to the Company on +61 3 8610 4000 or email mail@cuenrg.com.au.

About Cue Energy

Cue Energy Resources Limited is an Australian Securities Exchange (ASX:CUE) listed oil and gas production and exploration company based in Melbourne. Cue's H1 FY2022 revenue was A\$18 million from gas and oil production in Indonesia and onshore Australia and oil production offshore New Zealand.

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