



ABN 45 066 383 971

Paus Biru-1 Exploration Well Commences Operations

- Conductor installed for the Paus Biru-1 exploration well in the Sampang PSC
- Drilling expected to commence in the next 24 hours
- Primary target is the Mundu formation reservoirs
- 2 weeks expected to 650m TVDSS TD

Melbourne, Australia 19 October 2018: Cue Energy Resources Limited (Cue), through its 100% owned subsidiary Cue Sampang Pty Ltd, advises that the Paus Biru-1 exploration well in the Sampang PSC, Indonesia, commenced operations on 18 October 2018 with the installation of the 30inch conductor. The current status is that the conductor has been installed to 105m and drilling of the 26inch hole is expected to commence in the next 24 hrs.

The well is being drilled by the COSL HYSY 937 Jackup drilling rig in 30m water depth and is expected to take 2 weeks to reach TD of 650m Total Vertical Depth Subsea (TVDSS).

The primary objective of the Paus Biru-1 well is to test the Early Pliocene Mundu Globigerina limestone reservoirs in the Paus Biru structure which is defined by 3D seismic data as a 4-way dip closure with direct hydrocarbon indications. The Mundu Formation is a proven producing reservoir in Oyong and Wortel fields to the west and Maleo and Peluang fields to the east.

The secondary objective is the overlying siltstones within the Paciran Formation which has proven productivity in the equivalent section in the Oyong field.

The logging data acquisition program aims to provide the optimum data for POD study and development purpose. The evaluation of the Mundu and Paciran reservoirs will be initially via LWD tools while the sections are drilled. If warranted, further evaluation will be undertaken using wireline formation evaluation tools, including pressure testing and fluid sampling. In the event of significant hydrocarbons being discovered, up to 2 cased hole DSTs may be conducted.

The well will be plugged and abandoned in all outcomes. If successful, a horizontal production well will be drilled at a later stage.

The participants and their interests in the Sampang PSC are:

Santos (Sampang) Pty Ltd (An Ophir Energy Group company)	45% (Operator)
Singapore Petroleum Sampang Ltd	40%
Cue Sampang Pty Ltd	15%

Updates will be provided by Cue as required upon the occurrence of any material event.

Any queries regarding the announcement should be directed to the Company on (03) 8610 4000.

Matthew Boyall
Chief Executive Officer

19 October 2018

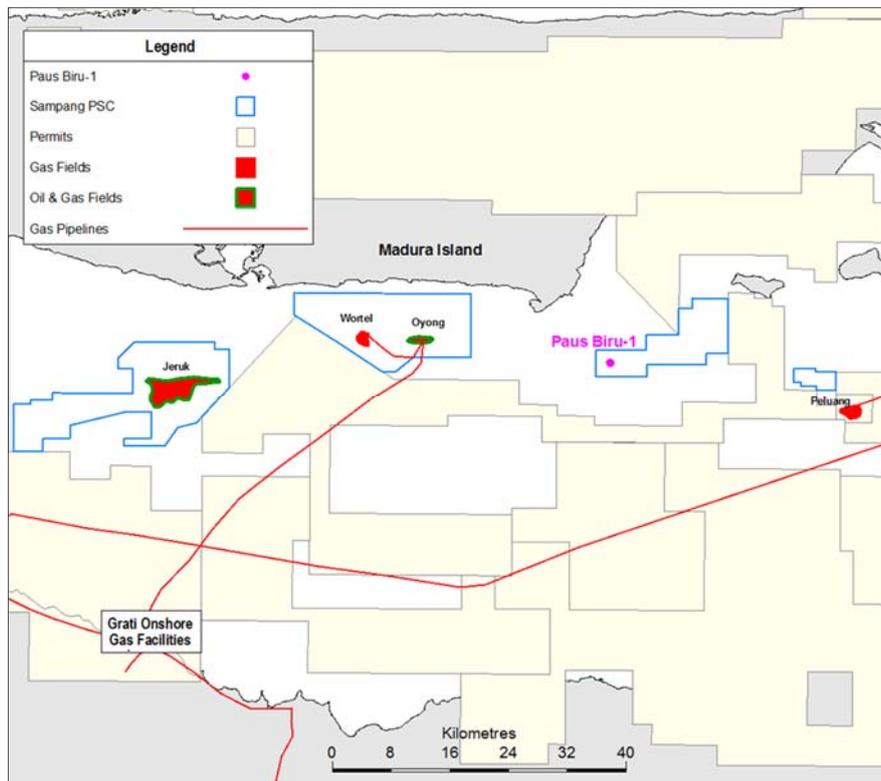


Figure 1: Location map of Paus Biru-1, East Java, Indonesia.