

## SUMMARY OF ACTIVITIES

### Highlights

- Ironbark-1 Environment Plan public comment period complete
- \$650,000 refund awarded from successful Indonesian tax decision
- \$6.8 million production revenue received for the quarter
- 2 wells drilled in the Mahato PSC

### Sustainable Business

- Total quarterly net production of 28,783 barrels (bbls) of oil and 300 million cubic feet (mmcf) of gas
- \$29.1million cash and no debt

### Disciplined Growth

- **Indonesia:** Paus Biru POD reserves certification nearing completion
- **Indonesia:** 2 wells have been drilled in the Mahato PSC. Cue is currently in discussions with the Operator over disputed actions.

### Step Change Opportunities

- **Australia:** The Ironbark-1 exploration well Environment Plan has completed the NOPSEMA public consultation period.

### Production & Financial Summary

- \$6.8 million cash received comprising of:
  - 38,822 bbls of oil sales, up from the previous quarter due to timing of Maari liftings, at an average price of \$92.46/bbl (US\$62.83/bbl)
  - gas sales of 301 mmcf at an average price of \$10.67 per thousand cubic feet (Mcf) (US\$7.32/Mcf)
- \$450,842 was received from the Indonesian Tax Department after a successful tax court ruling. A further approximately \$200,000 is expected to be received this quarter.
- US\$8.22 million is retained in escrow for Cue's uncarried share of the Ironbark-1 expected well cost.

#### KEY PERFORMANCE METRICS

		Dec Quarter Q2 FY20	Sep Quarter Q1 FY20	Change %
Oil Production (net to Cue)	Bbl	28,783	32,128	(10)
Gas Production (net to Cue)	mmcf	300	315	(5)
Oil Liftings (net to Cue receipts)	Bbl	38,822	15,864	145
Gas Liftings (net to Cue receipts)	mmcf	301	333	(10)
Total Revenue Receipts	\$m	6.80	5.20	31
Production Expenditure	\$m	3.02	1.85	63
Closing Cash Position	\$m	29.12	28.47	2

## PRODUCTION - NEW ZEALAND

### PMP 38160

**Cue Interest:** 5% (Cue Taranaki Pty Ltd)

**Operator:** OMV New Zealand Limited

### Maari and Manaia Fields

Net Oil Production	<b>Bbl</b>	28,147
Oil Liftings (net to Cue receipts)	<b>Bbl</b>	38,178
Revenue Receipts	<b>\$m</b>	3.54

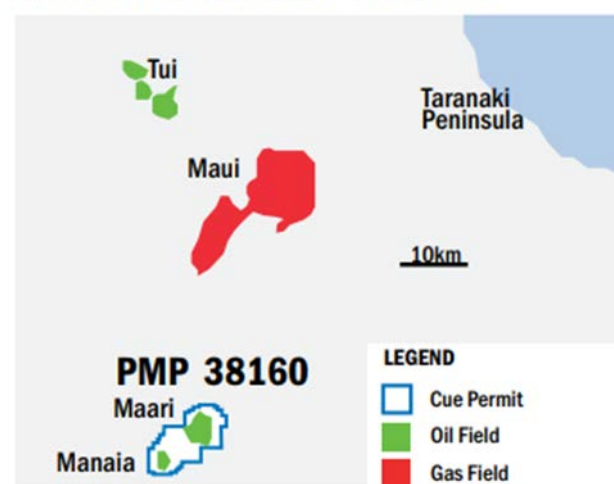
Oil production from Maari and Manaia fields was lower than the previous quarter due to production disruptions while workovers were conducted on the MR4 and MN1 wells.

Both wells had electric submersible pumps (ESP) replaced and were back to full production by the end of the quarter.

On November 18 2019, Jadestone Energy Inc. (AIM:JSE, TSXV:JSE), announced the that it had executed a sales and purchase agreement (SPA) with OMV to acquire OMV's 69% operated interest in the PMP 38160 Permit, containing the Maari and Manaia fields.

Conditions for completion of the acquisition include acceptance of Jadestone as operator by the Joint Venture partners, and achieving Government approvals prior to 15 November 2020.

TARANAKI PENINSULA LOCATION MAP - NEW ZEALAND



## PRODUCTION - INDONESIA

### Sampang PSC

**Cue Interest:** 15% (Cue Sampang Pty Ltd)

**Operator:** Ophir Indonesia (Sampang) Pty Ltd

### Oyong and Wortel Fields

		Oyong	Wortel
Net Condensate Production	<b>Bbl</b>	5	631
Net Condensate Sales	<b>Bbl</b>	5	639
Revenue Receipts (Condensate)	<b>\$</b>	354	47,169
Net Gas Production	<b>mmcf</b>	134	166
Net Gas Sales	<b>mmcf</b>	131	170
Revenue Receipts (Gas)	<b>\$m</b>	1.44	1.77

Production from the Sampang PSC was slightly down from the previous quarter due to fluctuations in daily demand from the customer, Indonesia Power.

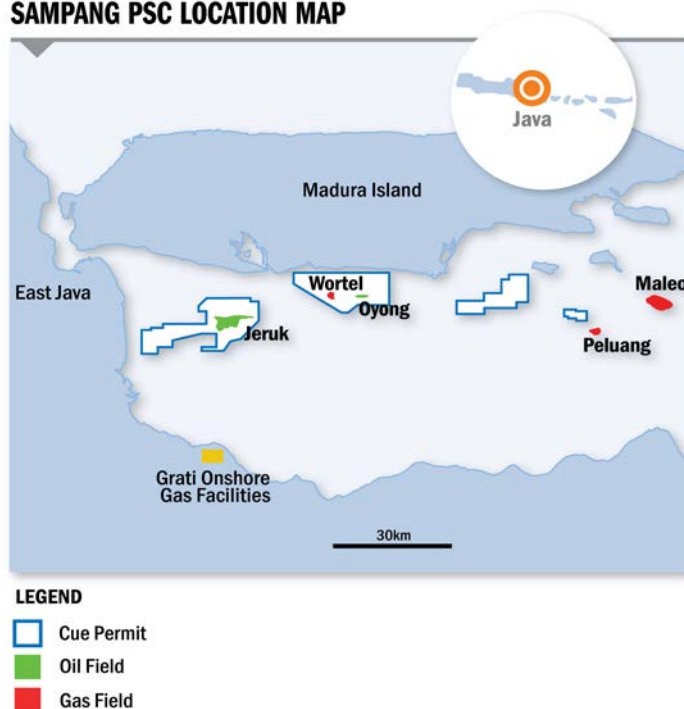
Final installation of upgraded compression at the Grati onshore gas processing plant is planned for late January 2020. Some interruption to production is expected during this period.

Wortel East exploration well opportunity was reviewed by the Joint Venture during the quarter. Further review is being undertaken into the technical and commercial opportunity of this and other prospects in the PSC.

The Operator is continuing to prepare the Paus Biru Plan of Development (POD) in line with Indonesian regulatory requirements. Reserves certification is the current key activity being undertaken, which is expected to be completed during the current quarter. Concept design and Pre-Feed studies are expected to be complete by mid 2020 with POD approval targeted for the third quarter of 2020.

During the quarter, Cue was notified that it had been successful in an Indonesian Tax Court case against the Indonesian Tax Department for over-payment of approximately \$650,000 in taxes relating to 2011, resulting in a refund of the full amount. \$450,842 of this was paid to Cue in December, with the remaining amount expected to be paid during the current quarter.

## SAMPANG PSC LOCATION MAP



## EXPLORATION - AUSTRALIA

### WA-359-P

**Cue Interest:** 21.5% (Cue Exploration Pty Ltd)  
**Operator:** BP Developments Australia Pty Ltd

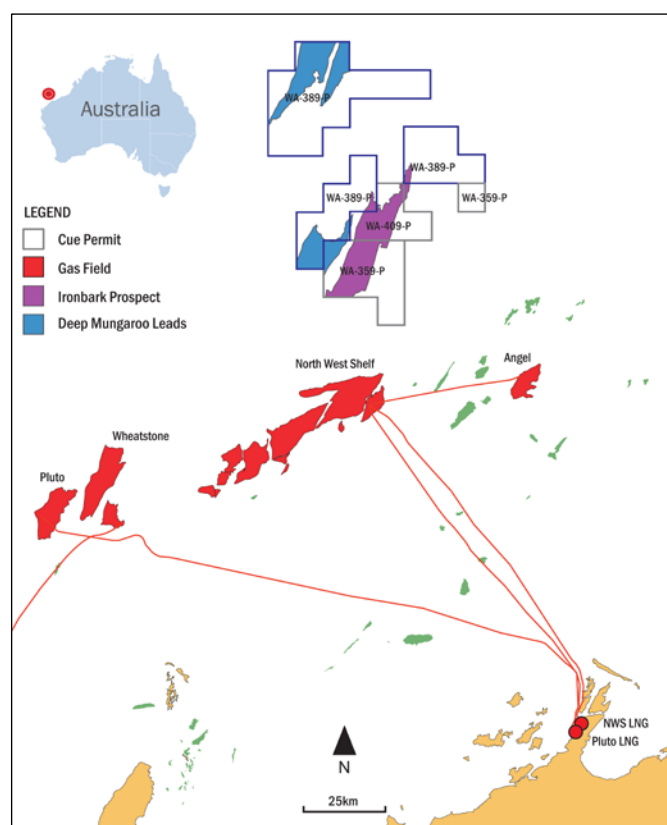
Ironbark-1 planning is progressing with the well scheduled to be drilled in late 2020 by the Ocean Apex drill rig.

During the quarter the Environment Plan for the well was submitted to NOPSEMA and released for public comment, which was completed on 11 Jan 2020.

### WA-409-P

**Cue Interest:** 20% (Cue Exploration Pty Ltd)  
**Operator:** BP Developments Australia Pty Ltd

Reprocessing of seismic data over the Ironbark prospect in WA-409-P has been initiated by the Operator.



Cue is in the process of finalising agreements with Beach Energy and New Zealand Oil & Gas to extend each company’s option over WA-409-P, due to the variation, suspension and extension granted to the Permit in October 2019.

## WA-389-P

**Cue Interest:** 100% (Cue Exploration Pty Ltd)

**Operator:** Cue Exploration Pty Ltd

Reprocessing of 900 sq km of existing seismic data has been initiated over the southern portion of the permit and surrounding areas to further delineate the Deep Mungaroo structure which is on trend with the immediately east and downdip horst block containing the Ironbark Prospect.

Additional G&G work planned includes quantitative geophysical analysis of a Jurassic seismic amplitude play and a review the existing charge model and sequence stratigraphy for both the Deep Mungaroo and the Jurassic plays.

## EXPLORATION - INDONESIA

### Mahakam Hilir PSC; Kutei Basin

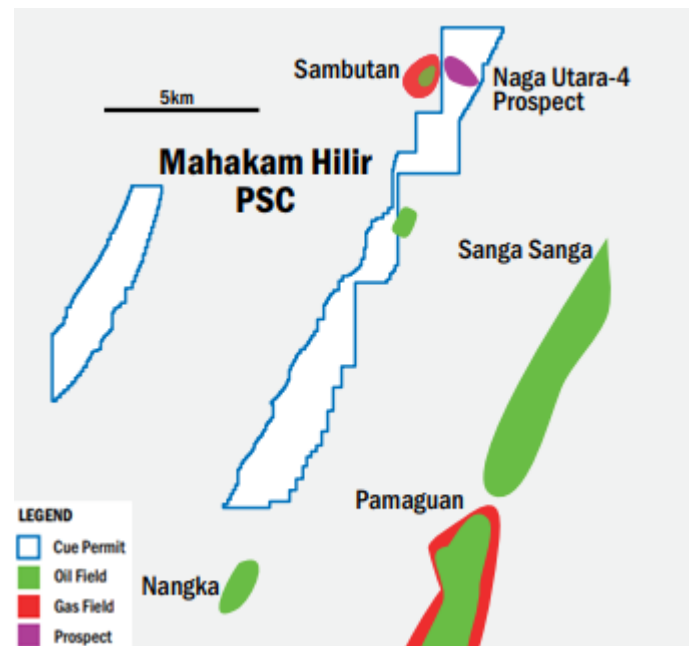
**Cue Interest:** 100% (Cue Mahakam Hilir Pty Ltd and Cue Kalimantan Pte Ltd)

**Operator:** Cue Kalimantan Pte Ltd

The Mahakam Hilir PSC contains the Naga Utara prospect and the Naga Utara-4 appraisal well opportunity.

Cue is proceeding with planning for the drilling of the Naga Utara-4 well and is currently seeking partners to participate in the Mahakam Hilir PSC and the well.

The exploration period of the PSC is currently due to expire in May 2020.



## Mahato PSC; Central Sumatra Basin

**Cue Interest:** 12.5% (Cue Mahato Pty Ltd)

**Operator:** Texcal Mahato EP Ltd

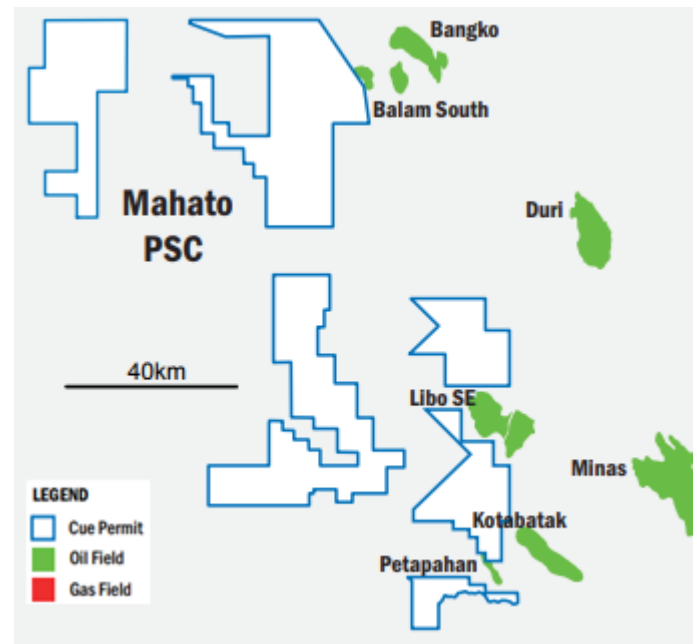
The PB-1 exploration well commenced on the 19<sup>th</sup> November, targeting the Early Miocene Bekasap sands, with a secondary target the overlying Telisa sands. As announced on 10 Dec 2019, the PB-1 well was drilled to total depth and cased.

Cue was issued a default notice by the Operator, Texcal Mahato EP Ltd, referencing a deficient cash call which was not settled by Cue. Cue stopped receiving full information from the operator around the time of this notice.

On 17 Dec 2019 Cue announced that the cash call, which is not material, was the subject of the default noticed referred to in the ASX announcement of 10 December, had been paid.

The Operator, and other Joint Venture participants, are claiming to have excluded Cue from participation in recent operations, based on the issued default notice and claimed decisions made around the time. These claims are disputed by Cue as having no basis under the Joint Operating Agreement (JOA). Discussions between Cue and Texcal are ongoing in an attempt to solve these issues. Cue is evaluating all available options and is asserting all its legal rights under the JOA.

As announced on 10 January 2020, Cue was informed by the Operator that the PB-2 well was drilled. The Company is awaiting further information on the status of the current operations from the Operator and will update the market accordingly.



## CORPORATE

As previously announced, Cue Energy Resources Ltd and Cue Resources Inc. were named as defendants, along with a number of other companies, in litigation pending in Texas, USA in relation to the Pine Mills oilfield. On March 27, 2019 the court dismissed the claims against Cue in their entirety. On April 26, 2019, the plaintiff filed an amended lawsuit against Cue and the other defendants. Cue has filed a motion to dismiss, which remains pending in U.S. court.

On 23 December 2019, Rebecca DeLaet resigned as a Director for personal reasons. Marco Argentieri was appointed as a Non-Executive Director of Cue Energy Resources Ltd, effective 14 January 2020.

The Company's Annual General Meeting was held on the 10<sup>th</sup> December 2019.

-Ends-

### For and on behalf of the Board

Matthew Boyall  
CEO  
+61 3 8610 4000

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

All references to dollars, cents or \$ in this announcement are to Australian currency, unless otherwise stated.

*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 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 large 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.*

<b>DIRECTORS</b> Alastair McGregor (Non Exec. Chairman) Andrew Jefferies (Non Exec. Director) Marco Argentieri (Non Exec. Director) (from 14/01/2020) Peter Hood (Non Exec. Director) Rebecca DeLaet (Non Exec. Director) (until 23/12/2019) Richard Malcolm (Non Exec. Director) Roderick Ritchie (Non Exec. Director) Samuel Kellner (Non Exec. Director)	<b>REGISTERED OFFICE</b> Level 3 10-16 Queen Street MELBOURNE VIC 3000  Phone: +613 8610 4000 Fax: +613 9614 2142 Email: <a href="mailto:mail@cuenrg.com.au">mail@cuenrg.com.au</a> Web: <a href="http://www.cuenrg.com.au">www.cuenrg.com.au</a>	<b>SECURITIES EXCHANGE LISTING</b> ASX: CUE  <b>SHARE REGISTER</b> Computershare Investor Services Pty Ltd Telephone: 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) Email: <a href="mailto:web.queries@computershare.com.au">web.queries@computershare.com.au</a> Website: <a href="http://www.computershare.com.au">www.computershare.com.au</a>
<b>CHIEF EXECUTIVE OFFICER</b> Matthew Boyall	<b>AUDITOR</b> KPMG Tower Two, Collins Square 727 Collins Street MELBOURNE VIC 3008	
<b>COMPANY SECRETARY/CHIEF FINANCIAL OFFICER</b> Melanie Leydin		

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

Cue Energy Resources Limited

### ABN

45 066 383 971

### Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	6,798	11,996
1.2 Payments for		
(a) exploration & evaluation	(1,054)	(1,287)
(b) development	-	-
(c) production	(3,019)	(4,867)
(d) staff costs	(314)	(611)
(e) administration and corporate costs	(121)	(316)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	123	254
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(1,052)	(2,251)
1.7 Research and development refunds	-	-
1.8 Other refund	451	451
Other (GST)	230	310
<b>1.9 Net cash from / (used in) operating activities</b>	<b>2,042</b>	<b>3,679</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(21)	(25)
(b) tenements (see item 10)	-	-
(c) investments	-	-

**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
(d) other non-current assets – production properties	(424)	(530)
(e) other non-current assets – exploration & evaluation	(8)	(4)
<b>2.2 Proceeds from the disposal of:</b>		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
<b>2.3 Cash flows from loans to other entities</b>	-	-
<b>2.4 Dividends received (see note 3)</b>	-	-
<b>2.5 Other (provide details if material)</b>	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(453)</b>	<b>(559)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other – Principal element of lease payments	(22)	(44)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(22)</b>	<b>(44)</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	28,473	26,194
4.2 Net cash from / (used in) operating activities (item 1.9 above)	2,042	3,679
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(453)	(559)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(22)	(44)



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(925)	(155)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>29,115</b>	<b>29,115</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	13,488	12,068
5.2 Call deposits	15,627	16,405
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>29,115</b>	<b>28,473</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
143
-

Directors' fees, Directors' travel expenses and consulting fees paid to Director's related entity.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$A'000</b>
-
-

-

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

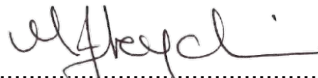
N/A

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	1,335
9.2 Development	185
9.3 Production	2,534
9.4 Staff costs	446
9.5 Administration and corporate costs	250
9.6 Other (tax)	933
<b>9.7 Total estimated cash outflows</b>	<b>5,683</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:   
.....  
Company Secretary

Date: 30 January 2020

Print name: Melanie Leydin

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

**QUARTERLY REPORT OF CONSOLIDATED CASHFLOWS  
- QUARTER ENDED 31 DECEMBER 2019**

**List of Mining Tenements**

PERMIT	OPERATOR	LOCATION	CUE INTEREST (%)
<b>Petroleum Properties</b>			
<b>Indonesia</b>			
Sampang PSC <sup>(i)</sup>	Ophir Indonesia (Sampang) Pty Ltd	Madura Strait Offshore	15.00
Mahakam Hilir PSC	Cue Kalimantan Pte Ltd	Kalimantan Onshore	100.00
Mahato PSC	Texcal Mahato Pte Ltd	Central Sumatra Onshore	12.50
<b>Australia</b>			
WA-359-P	BP Developments Australia Pty Ltd	Carnarvon Offshore	21.50
WA-389-P	Cue Exploration Pty Ltd	Carnarvon Offshore	100.00
WA-409-P	BP Developments Australia Pty Ltd	Carnarvon Offshore	20.00
<b>New Zealand</b>			
PMP 38160	OMV New Zealand Limited	Taranaki Offshore	5.00
	<sup>(i)</sup> economic interest in the Jeruk field		8.1818