

Activities Report

Quarter ending 31 December 2021

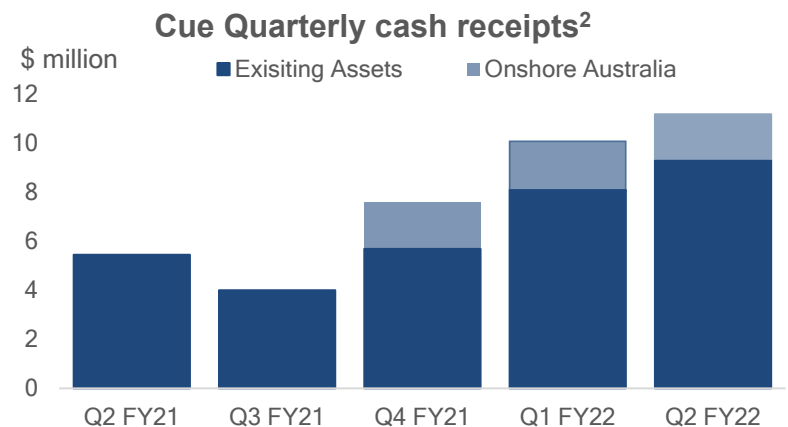
28 January 2022

HIGHLIGHTS

- \$11.2 million¹ cash receipts, double the same period last year
- Acquisition of Mereenie, Palm Valley and Dingo production assets in the Amadeus Basin, onshore Australia, completed on 1 Oct 2021
- Mahato production continued to grow with PB-07 development well completed and producing approximately 650 barrels of oil per day
- Rig contract signed for Palm Valley and Dingo Deep exploration wells. Spud expected during the current quarter

PRODUCTION AND FINANCE SUMMARY

Cash receipts of \$11.2 million¹ were received by Cue during the quarter, including \$9.3 million¹ from existing assets and \$1.9 from Cue's newly acquired onshore Australia Amadeus Basin assets which completed on 1 Oct 2021. Due to the timing of the completion, Amadeus Basin October gas receipts were included in the completion adjustment. Cash receipts were received in November and December.



Cash receipts from Mahato PSC were \$3.8 million¹, 44% higher than last quarter. The PB field benefitted from increased production, high oil prices and additional cost recovery revenue under the production sharing contract.

The average price received for all oil sales during the quarter was A\$101.7/bbl.

Cash balance at the end of the quarter was \$11 million, a decrease from the previous quarter due to \$8.9 million of expenditure incurred on 1 Oct 2021 as payment to Central Petroleum on completion of the Amadeus Basin acquisition. Significant exploration expenditure is expected to reduce Cue's cash balance over the next two quarters as Palm Valley Deep and Dingo Deep wells are drilled.

¹Cue estimates that the cash receipts from the Mahato PSC includes an overpayment of approximately \$0.55m due to the Indonesian Government as profit share under the production sharing contract. Repayment of overpaid receipts is likely to be reconciled with the Indonesian Government in March /April 2022.

²Attributable revenue from Cue's acquisition of Amadeus Basin assets has been included in the chart from Q4 FY21, the quarter when the sales and purchase agreement was signed. The effective economic date of the acquisition was 1 July 2020. October 2021 receipts were credited to the adjustment on completion of the acquisition on 1 October 2021. Cash receipts were received in November and December 2021.

				Q2 FY2022	Q1 FY2022
Australia³	Production	Gas	PJ	0.35	0.37
		Oil	bbl	3,055	2,977
	Cash Receipts		\$ million	1.9	2.0
Indonesia					
Sampang PSC	Production	Gas	mmcf	352	353
		Oil	bbl	660	676
	Cash Receipts		\$ million	3.2	3.2
Mahato PSC ⁴	Production	Oil	bbl	42,820	36,577
	Cash Receipts		\$ million	3.8	2.6
New Zealand	Production	Oil	bbl	19,785	21,764
	Cash Receipts		\$ million	2.4	2.3
Closing Cash			\$ million	10.99	18.88

³Australian Assets: Completion of Australian Assets occurred 1 October 2021. Revenue and production from these assets has been included in reporting since Q4 FY21, when the sales and purchase agreement was signed. The effective economic date of the acquisition was 1 July 2020 and revenue received to the completion date of 1 October 2021, including October 2021 gas revenue was credited to the completion adjustment. Cash receipts were received in November and December.

⁴ Mahato PSC: Cue estimates that the cash receipts from the Mahato PSC includes an overpayment of approximately \$0.55m due to the Indonesian Government as profit share under the production sharing contract. Repayment of overpaid receipts is likely to be reconciled with the Indonesian Government in March /April 2022.

PRODUCTION AND DEVELOPMENT

AUSTRALIA

Cue Interests

Mereenie [OL4 & OL5]: 7.5%

Palm Valley [OL3]: 15%

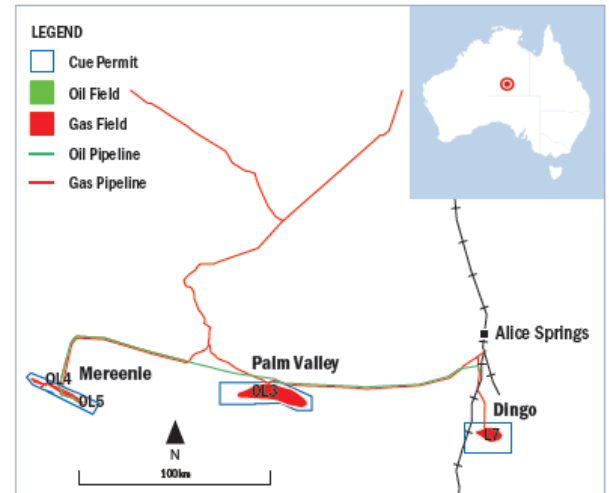
Dingo [L7]: 15%

Operator: Central Petroleum Limited

Cue completed the acquisition of interests in the Mereenie, Palm Valley and Dingo fields on 1 October 2021.

A coil tubing unit will be mobilised to site after quarter end to further improve production from a number of wells, including some of the previous development campaign wells. The planned programme is aimed at improving downhole well conditions with post intervention sales capacity expected to be 37 TJ/d (gross), up from the current approximately 35 TJ/d level at Mereenie.

AMADEUS BASIN LOCATION MAP - AUSTRALIA



The Mereenie and Palm Valley fields produced at close to capacity through the quarter.

Preparations are being made for exploration drilling at Palm Valley. After the end of the quarter, Cue announced that the mobilisation of the Ensign 963 drilling rig had been delayed due to delayed drilling activities for another Operator. The rig is now expected to mobilise to the Palm Valley well location in late February 2022, with commencement of the Palm Valley-12 in March 2022. The Dingo-5 exploration well will be drilled immediately following the Palm Valley-12 well.

INDONESIA

SAMPANG PSC

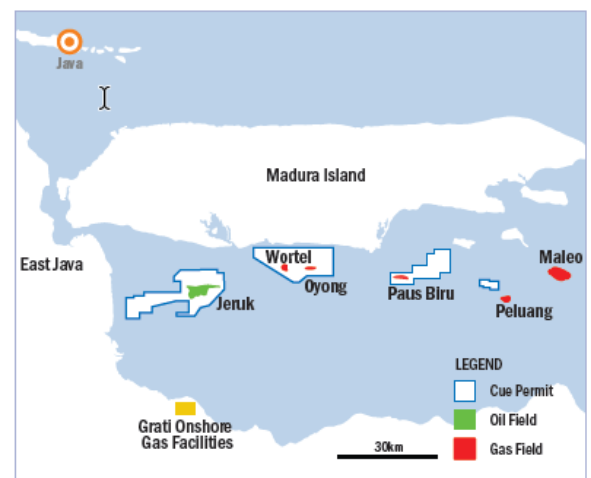
Cue Interest: 15% (Cue Sampang Pty Ltd)

Operator: Medco Energi Sampang Pty Ltd

Gas production from the Sampang PSC continued to perform well, in line with the previous quarter.

Progress is being made on the commercial agreements and approvals required prior to the joint venture making a Final Investment Decision (FID) on the Paus Biru gas development. These activities are expected to be complete by mid-2022, with FID to follow.

SAMPANG PSC LOCATION MAP - INDONESIA



The joint venture continues to review other opportunities within the PSC, including the historical Jeruk oil discovery.

MAHATO PSC

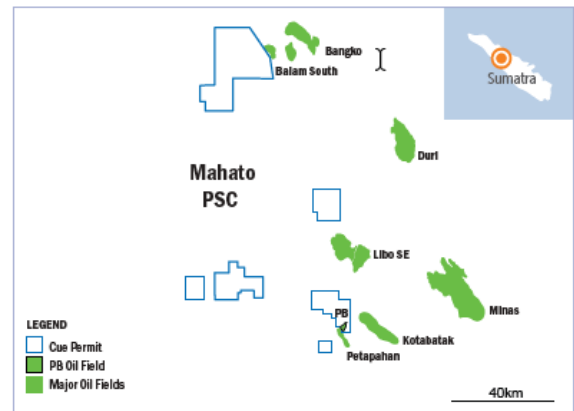
Cue Interest: 12.5% (Cue Mahato Pty Ltd)

Operator: Texcal Mahato EP Ltd

At the end of the quarter PB field production was approximately 4700 bopd. During the quarter, PB-07 well was drilled and started producing oil at a rate of approximately 650 bopd.

Cash receipts received during the quarter were \$3.8 million¹, a 44% increase over the previous quarter, due to increased production, high oil prices and high cost recovery under the PSC.

MAHATO PSC LOCATION MAP - INDONESIA

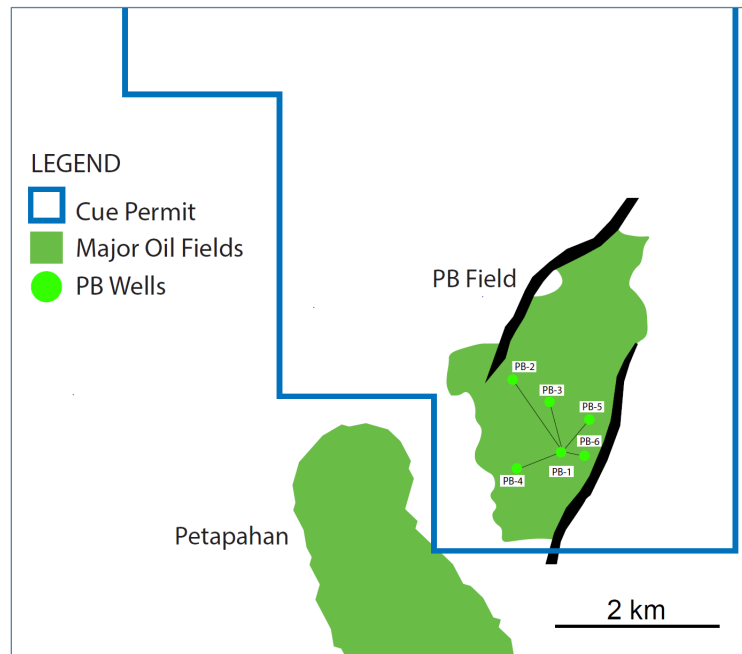


PB-07, the seventh production well drilled in the PB field, was completed as an oil producer in the Bekasap B sand during December.

PB-08, the final well planned in this drilling campaign, commenced late December.

The operator has indicated that 5 further production wells are being planned to start drilling in the northern section of the PB field during Q4 FY22 to further develop and increase production from the PB field.

Post development this year, exploration is expected to recommence in the permit, with an exploration well planned outside of the PB field area.



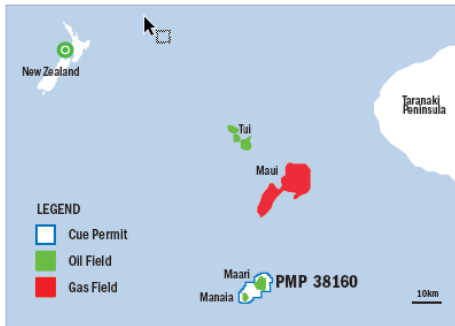
NEW ZEALAND

PMP 38160

Cue Interest: 5% (Cue Taranaki Pty Ltd)

Operator: OMV New Zealand Limited

TARANAKI PENINSULA LOCATION MAP - NEW ZEALAND



MR8 production well underwent a workover that successfully replaced the failed Electric Submersible Pump (ESP) and returned the well to production.

MR6a remained shut in for the quarter. The operator progressed plans for the installation of temporary de-sanding equipment to allow the well to flow and assess the cause of the detected sand.

During the quarter, the New Zealand Government passed the Crown Minerals (Decommissioning and Other Matters)

Amendment Bill which, amongst other things, changes the decommissioning obligations of Permit holders. Cue is reviewing the new requirements and the associated regulations, which are yet to be finalised.

Regulatory approval processes for Jadestone Energy to acquire 69% operated working interest in Maari from OMV are continuing.

EXPLORATION

AUSTRALIA

WA-409-P

Cue Interest: 20% (Cue Exploration Pty Ltd)

Operator: BP Developments Australia Pty Ltd

The surrender of WA-409-P has been accepted by the National Offshore Petroleum Titles Administrator (NOPTA) and Cue is no longer a titleholder.

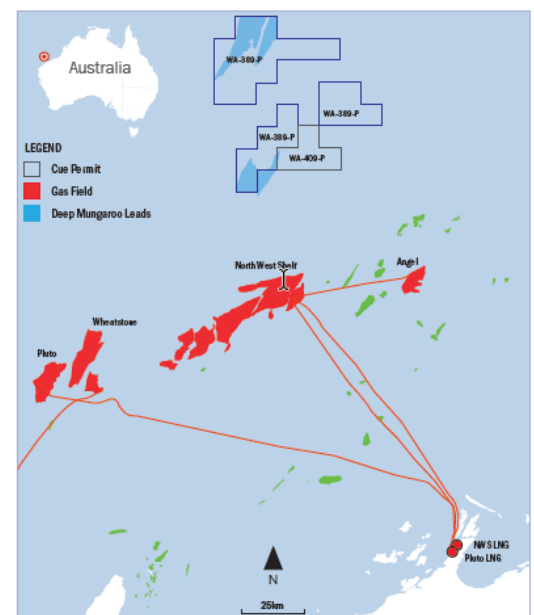
WA-389-P

Cue Interest: 100% (Cue Exploration Pty Ltd)

Operator: Cue Exploration Pty Ltd

Cue is continuing prospectivity assessment of the permit incorporating data from the Ironbark-1 well.

CARNARVON BASIN LOCATION MAP - AUSTRALIA



INDONESIA

Mahakam Hilir PSC

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

Operator: Cue Kalimantan Pte Ltd

Processes are underway for surrendering the permit, which expired in April 2021. The timing of finalisation of the PSC surrender relies on Indonesian Government processes and is uncertain.

CORPORATE

The Annual General Meeting of Cue Energy Resources Limited was held on 28 October 2021.

Staff in Mebourne and Jakarta offices continue to work within local regulations and company policies to minimise COVID risk.

Cue is continuing to actively investigate opportunities to acquire interests in oil and gas projects.

-Ends-

For and on behalf of the Board

Matthew Boyall
CEO

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

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