

23 February 2023

Cue delivers strong revenue growth with continuing high activity levels

- **34% increase in revenue** to \$24.1 million
- Underlying **EBITDAX¹ of \$15.7 million** up 24% and \$6.8 million Net Profit after tax
- **\$14.5 million gross profit** from operations
- **New production** online from the PV-12 well gas discovery and growth in oil production from continuing Mahato development drilling
- Continued growth expected from up to **9 development wells** planned
- **BA-01 exploration well** in the Mahato PSC, Indonesia is preparing for drilling

Cue Energy Limited (ASX: CUE) has reported a 34% increase in revenue for the half year ending 31 December 2022, continuing the sustained growth reported over the last comparative periods.

Cue CEO Matthew Boyall commented on the strong results:

“Cue’s \$24.1 million revenue is the highest first half revenue reported by the company in seven years. EBITDAX of \$15.7 million demonstrates our asset’s ability to generate strong cashflow. Net Profit after Tax of \$6.8 million was lower than the previous period, influenced by exploration spending on the PV-12 well and an increase in non-cash tax expenses at our Indonesian operations.

These results show the benefits of our investments, incorporating a full 6 months of reporting from our Australian Amadeus Basin assets and revenue growth from development drilling in the Mahato PSC.

Our activity levels were high during the half, with five Mahato production wells completed and the PV-12 well in the Amadeus basin drilled, completed and producing 9.5Tj/d at the end of December.

Over the next 12 months, Cue expects to drill up to 9 development wells and undertake up to 9 planned workovers to increase production in existing wells in Mahato, Mereenie and Maari fields. In addition, the BA-01 exploration well in the Mahato PSC, Indonesia, is expected to be drilled soon, which could unlock a similar size resource to the PB field, which has proven to be very successful.

This is a significant level of drilling for Cue and I look forward to announcing positive results and additions to production as this work is carried out.

The Paus Biru final investment decision, although delayed, is expected to be made before the end of the 2023 financial year and may potentially add a new revenue source within two years.”

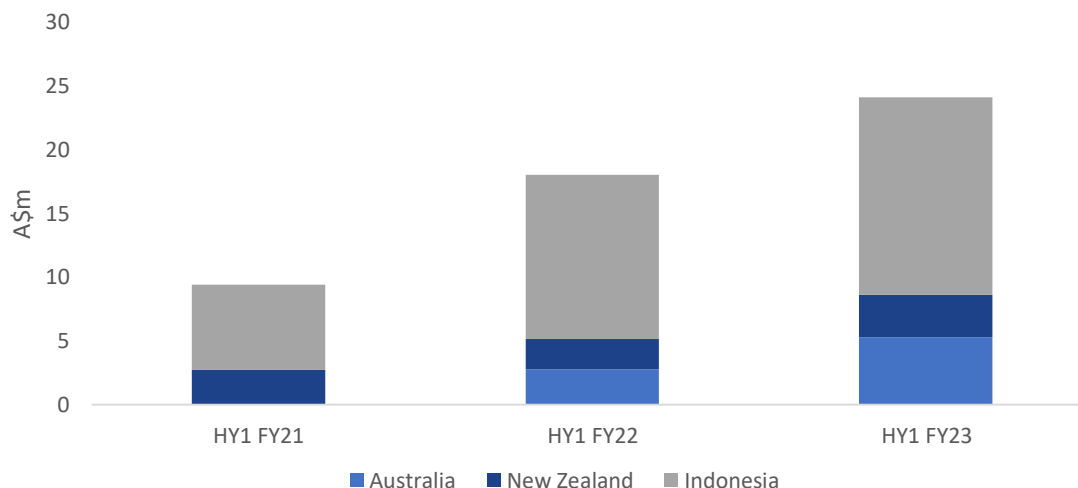
H1 FY2023 Revenue and EBITDAX Growth

	H1 FY23	H1 FY22	Change
Revenue (million)	\$24.1	\$18.0	+34%
EBITDAX (million)	\$15.7	\$12.7	+24%
Net Profit (million)	\$6.8	\$8.7	-22%

¹EBITDAX is a financial measure which is not prescribed by Australian Accounting Standard ('AAS') and represents the profit under AAS adjusted for depreciation, amortisation, interest and tax and excludes business development costs, exploration and evaluation expenses, share based payments and one-off legal expenses.

Cue's Indonesian assets, Mahato PSC and Sampang PSC, contributed \$15.5 million revenue, an increase of 20%, as natural field decline from the Sampang PSC was offset by a 47% increase in Mahato revenue to \$9.5 million. Amadeus Basin assets Mereenie, Palm Valley and Dingo contributed \$5.3 million revenue, an increase of \$2.5 million over the comparative period, which included only 3 months of reporting from the acquisition completion date of 1 October 2021.

Production revenues by geographical location



Balance Sheet

Cue's cash balances and bank deposits at the end of December 2022 was \$14.8 million, including \$7.0 million in drawn loans, as expenditure continued on the PV-12 well, which included the payment of deferred consideration on Central Petroleum's share of costs, and development drilling in the Mahato PSC. PV-12 well costs have been materially completed during the half. The Company remains fully funded for planned activity over the coming 12 months.

The Company will continue to review the paydown of debt and the optimum capital allocation of future cashflow.

Business Outlook

To continue this performance, Cue has development and exploration activities planned for all its assets over the next 12 months to find new resources and increase production from existing fields.

Cue Energy Key Activities CY2023		Q1			Q2			Q3			Q4		
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Amadeus Basin ⁽¹⁾	Mereenie Well Re Completions (up to 5)												
	Mereenie Development Well 1												
	Mereenie Development Well 2												
Mahato PSC	PB Development wells (7 production + 2 injection)												
	BA-01 Exploration Well												
Sampang PSC	Paus Biru FID ⁽²⁾												

⁽¹⁾ subject to joint venture approval

⁽²⁾ potential timing, subject to joint venture approval

Mereenie field: 2 development wells and up to 5 well recompletions

- The Mereenie field, onshore Australia, subject to final JV approval, has up to five well recompletions and two development wells planned over the coming year.

Mahato PSC: 9 development wells planned and high impact BA-01 exploration well

- In the Mahato PSC, PB-11 was drilled subsequent to the year end and is currently being side-tracked with production testing expected shortly. Six more Mahato development wells and two water injection wells are approved and expected to be drilled over the next 12 months. In addition, the PB-03 and PB-10 wells, which have been out of production, are expected to have repairs completed in the coming months when a rig is available.
- The BA-01 exploration well in the Mahato PSC, Indonesia, is preparing for drilling, with a Prospective Oil in Place resource estimate of 93 mmbbl* (gross best case), a similar size resource to the PB field. Drilling is expected to commence in Q3 FY2023, subject to final environmental clearances. The Mahato PSC has seen little recent exploration and is located in a very oil rich region, with multiple additional future drilling targets identified.

Maari field: two wells back into production

- MN1 and MR6a production wells in the Maari field were both offline at 31 Dec 2022. The joint venture is advancing plans to repair both wells and return them to production in the coming months.

Paus Biru: expectation for FID in FY23

- Paus Biru FID has been delayed due to ongoing government discussion on permit extension and other commercial matters. These issues are progressing and the expectation is for an FID decision during the remainder of the financial year.

Strong macro environment: Brent Oil benchmarking and East Coast Australian gas

- A continued strong oil price benefits Mahato and Maari oil sales, which are based on Brent benchmark pricing. Gas contracts at good prices and a strong short term gas market in Eastern Australia are both expected to contribute to increasing cashflow for the remainder of the financial year.

*See Cue ASX release “Exploration Drilling in Mahato PSC” dated 27 January 2023.

Prospective Resources Cautionary Statement

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

<https://www.spe.org/en/industry/petroleum-resources-classification-system-definitions/>

Authorised by 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.

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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.

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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 FY2023 revenue was A\$24 million from gas and oil production from the Mahato and Sampang PSCs, Indonesia and Mereenie, Palm Valley and Dingo fields, onshore Australia, and the Maari field, offshore New Zealand

<https://www.cuenrg.com.au>