

15 December 2025

LOI signed for new drilling and long-term gas supply at Mereenie and Palm Valley

Cue Energy Resources Limited (ASX: **CUE**) and the Mereenie and Palm Valley Joint Ventures (**Joint Ventures**) have entered into a binding Letter of Intent (**LOI**) with the Northern Territory's Power and Water Corporation (**PWC**) to support the immediate commencement of early works for a four-well drilling program, and to progress conditional gas supply terms into binding Gas Sales Agreements that will provide for firm gas supply through to 2034.

To accelerate delivery of gas into the Northern Territory market, the Joint Ventures will immediately commence early works including ordering long-lead items, progressing civil works and selecting a drilling rig. The drilling program will include two wells at the Mereenie field and two wells at the Palm Valley field, targeting a mid-2026 drilling start.

The LOI outlines non-binding, conditional terms for long-term gas supply, including uncontracted gas from the Mereenie and Palm Valley fields and new production from the planned drilling program. The parties intend to finalise and execute binding Gas Sales Agreements by early 2026, subject to final internal approvals by each Joint Venture participant and PWC.

Included in the LOI is provision for the Joint Ventures to be reimbursed by PWC for costs associated with the drilling program's early works in the event binding GSAs are not executed by 20 February 2026.

Cue Energy CEO Matthew Boyall commented:

"The Mereenie and Palm Valley fields have been important contributors to the Northern Territory's energy supply. This Letter of Intent supports new development activity and long-term gas supply, helping to ensure reliable, locally sourced energy for the Territory through to 2035."

"This is an exciting opportunity for Cue with short term production growth and long term contract stability. We look forward to finalising agreements and commencement of the four well drilling program in mid-2026."

Participants in the Mereenie Permits OL4/OL5 are Central Petroleum Mereenie Pty Ltd as trustee of the Central Petroleum Mereenie Unit Trust (25%), Echelon Mereenie Pty Ltd (42.5%), **Cue Mereenie Pty Ltd (7.5%)** and Horizon Australia Energy Pty Ltd (25%). Participants in the Palm Valley permit OL3 are Central Petroleum (Operator, 50%), Echelon Palm Valley Pty Ltd (35%) and **Cue Palm Valley Pty Ltd (15%)**.

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 FY2025 revenue was \$54.8 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.

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