

Activities Report

Quarter ended 31 March 2024



30 April 2024

HIGHLIGHTS

- Half year results announced with \$29.3 million revenue (+22%), \$9.1 million profit after tax, and \$19.3 million EBITDAX
- 2 cents/share dividend paid on 5th April 2024, totalling \$14 million distributed to shareholders
- \$8.4 million cash receipts received, with an additional approximately \$6.8 million of accrued revenue from Mahato for the quarter expected to be received shortly
- Strong balance sheet maintained with \$24.6 million cash as at 31st March, prior to dividend payment, and no debt
- Ongoing planning for the drilling of two Mereenie gas development wells
- Gas Supply Agreement signed with Arafura Nolans to support critical rare earth mineral development in the Northern Territory
- Review of Mahato field performance and calibration of subsurface models being undertaken by the operator with the potential for more development wells

COMMENTS FROM CEO, MATTHEW BOYALL

"In the first half of FY24, Cue demonstrated strong financial performance, achieving a 22% increase in revenue, reaching \$29.3 million, and reporting an EBITDAX of \$19.3 million.

The company's ability to generate strong cash flow enabled the distribution of \$14 million to shareholders via a dividend of 2 cents per share in April. We also committed to an ongoing dividend policy with evaluation of capacity to distribute dividends to be undertaken every six months.

Our cash receipts were lower this quarter due to Mahato revenue not being received by the end of the quarter, but we expect to receive the outstanding amount of approximately \$6.8 million shortly.

Our assets continue to perform strongly, placing us in a very strong position, with positive free cash flow and a balance sheet that supports both shareholder distributions and high-impact reinvestment in our business.

Current commodity prices are also contributing to a very positive future outlook for Cue."

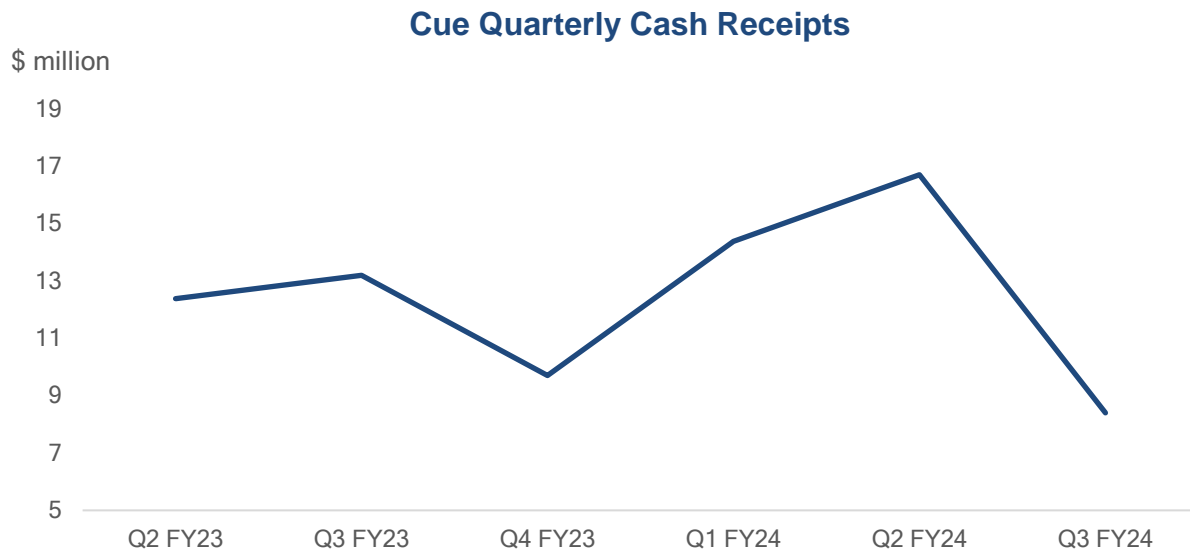
PRODUCTION AND FINANCIAL RESULTS SUMMARY

During the quarter, Cue's overall production remained stable at approximately 1700 barrels of oil equivalent per day (boepd).

The shutdown of the Northern Gas Pipeline mid-February reduced gas production from the Mereenie field for the quarter, although overall Australian cash receipts increased by 35% due to an annual take or payment at the Dingo field.

Cash receipts of \$8.4 million were lower than the previous quarter due to no Mahato production receipts received during the reporting period. Mahato receipts from the quarter of approximately \$6.8 million are expected to be received shortly.

Our cash balance at the end of the quarter was \$24.6 million, with approximately \$14 million paid in dividends in the first week of April.



Maari oil continues to command a substantial premium over the Brent benchmark price. During the quarter, Cue received \$3.0 million from the sale of one cargo in December 2023.

Table 1: Cue Net Production and Cash Receipts

				Q3 FY2024	Q2 FY2024
Australia	Production	Gas	PJ	0.30	0.35
		Oil	bbl	1,560	1,916
	Cash Receipts		\$ million	3.0	2.2
Indonesia	Production	Gas	PJ	0.23	0.23
		Oil	bbl	307	301
	Cash Receipts		\$ million	2.4	2.4
Mahato PSC	Production	Oil	bbl	44,305	48,205
	Cash Receipts		\$ million	-	8.5
New Zealand	Production	Oil	bbl	22,862	23,550
	Cash Receipts		\$ million	3.0	3.5
Total Production			kboe	155.3	168.1
Total Cash Receipts			\$ million	8.4	16.7
Closing Cash			\$ million	24.6	23.2

PJ - Petajoules, bbl - barrels, kboe - thousand barrels of oil equivalent

AUSTRALIA

Cue Interests

Mereenie [OL4 & OL5]: 7.5%

Palm Valley [OL3]: 15%

Dingo [L7]: 15%

Operator: Central Petroleum Limited

Overall production was down from the previous quarter due to the Northern Gas Pipeline (NGP) shutdown, which reduced the Mereenie and Palm Valley fields' ability to reach the Eastern Australian market.

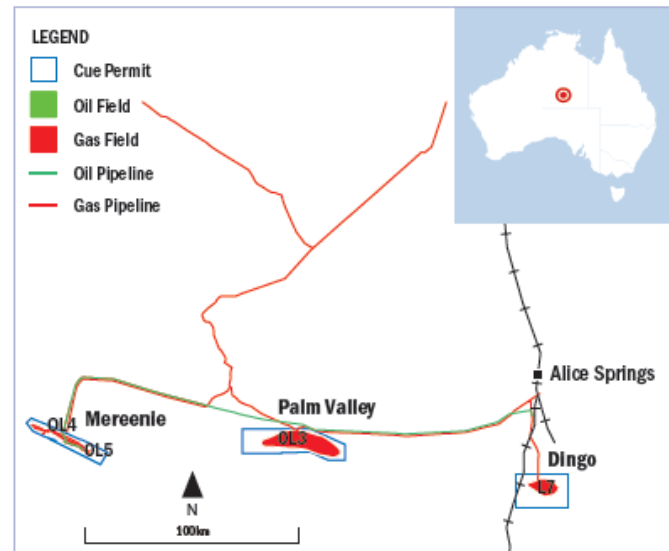
The drilling of two Mereenie development wells is currently being planned, subject to JV approvals and rig availability.

The Flare Gas Recovery Project in the Mereenie field was completed during the quarter, increasing sales gas capacity and reducing Mereenie scope 1 emissions.

During the quarter, Cue executed a Gas Supply Agreement (GSA) with Arafura Rare Earths subsidiary Arafura Nolans Project Pty Limited (Arafura). The Mereenie joint venture (JV), subject to certain conditions precedent, will supply up to 27.4 petajoules (PJ) of gas to Arafura, commencing in 2026 for a 3-year term, with a further 2-year extension subject to gas reserves being available. This gas will be used to power the production of critical rare earth elements.

Post the end of the quarter, the Mereenie JV announced a Gas Supply Agreement (GSA) with Power and Water Corporation to supply gas on an as-available basis to the Northern Territory, mitigating some of the impact of the NGP shutdown to Cue.

AMADEUS BASIN LOCATION MAP - AUSTRALIA



INDONESIA

Mahato PSC

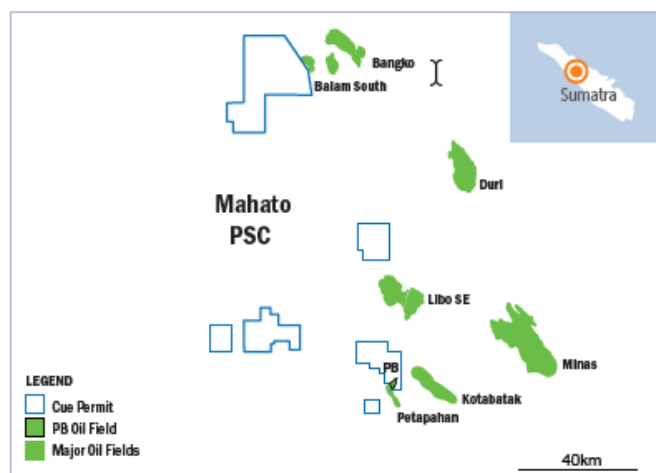
Cue Interest: 12.5% (Cue Mahato Pty Ltd)

Operator: Texcal Mahato EP Ltd

Oil production net to Cue from the PB field was lower than in the previous quarter due to field decline and individual well maintenance.

The PB-16 water injection well, the final well under the current development plan, was drilled this quarter. Oil was encountered in the well, and it has been completed as an oil production well.

MAHATO PSC LOCATION MAP - INDONESIA



The operator is conducting a review of current field performance and subsurface model calibration, with the potential for more development wells to be proposed.

In October 2023, Texcal, the Mahato PSC operator, and Riau Petroleum, an Indonesian local government-owned entity, signed an agreement to transfer a share of the Mahato PSC's Participating Interest to Riau Petroleum, as required by the Production Sharing Contract (PSC) and government regulations. The approvals process for this transfer is ongoing.

Sampang PSC

Cue Interest: 15% (Cue Sampang Pty Ltd)

Operator: Medco Energi Sampang Pty Ltd

The Oyong and Wortel fields continue to produce gas as expected and consistently supply gas to Indonesia Power for electricity generation.

Permit extension discussions between the PSC Operator, Medco Energi, and the Indonesian government are ongoing, and the Joint Venture (JV) is now expected to apply for a production permit extension for the existing Oyong and Wortel fields, as well as Paus Biru, when developed. This proposal has government support, though the regulations for implementing it are still being finalised.

Subject to approval of a permit extension for the producing fields, the JV will seek changes to the terms of the Production Sharing Contract (PSC) for the Paus Biru development.

The PSC amendments and extension are critical steps in allowing the JV to proceed with a Final Investment Decision (FID) on the project.

The Paus Biru development will include a single well and wellhead platform at the Paus Biru gas field, as well as a 27-kilometre subsea pipeline connecting the well to existing Oyong field infrastructure. Subject to final approvals, gas production from Paus Biru is expected to commence at a rate of 20-25 mmcf/d.

Mahakam Hilir PSC

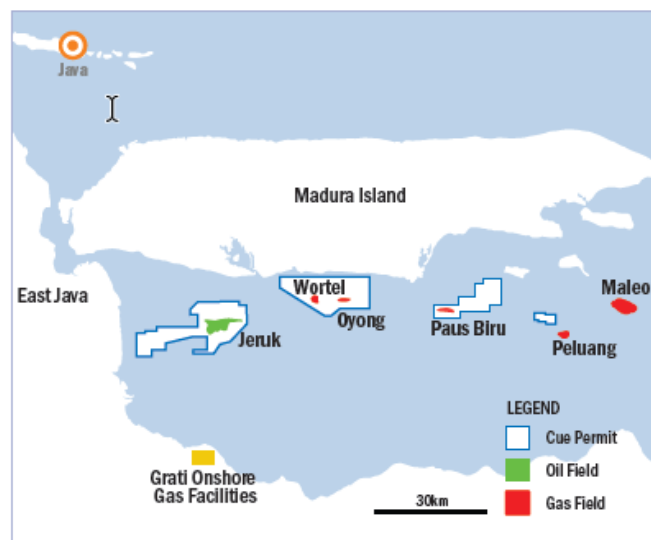
Cue Interest: 100% (Cue Mahakam Hilir Pty Ltd and Cue Kalimantan Pte Ltd)

Operator: Cue Kalimantan Pte Ltd

The surrender process is still ongoing for the permit, which expired in April 2021. Indonesian Government administrative processes determine the timing of the full PSC relinquishment.

During the quarter, progress was made on the key items of land certification and the government auction of surplus equipment, which are expected to take place during the current quarter.

SAMPANG PSC LOCATION MAP - INDONESIA



NEW ZEALAND

PMP 38160

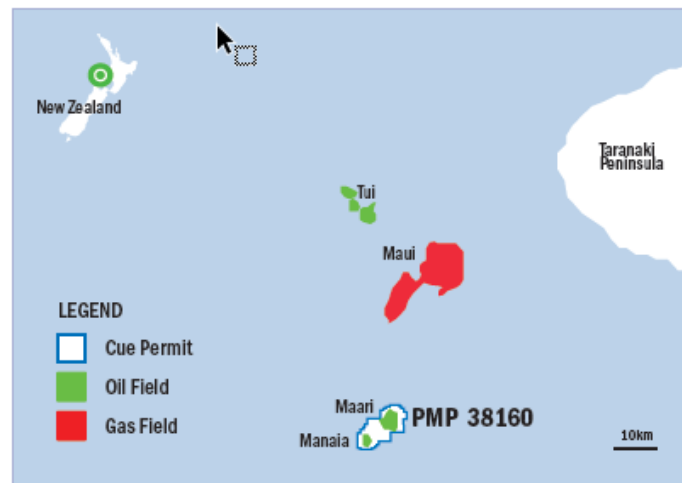
Cue Interest: 5% (Cue Taranaki Pty Ltd)

Operator: OMV New Zealand Limited

Gross oil production averaged approximately 5025 bopd this quarter.

During the quarter, a workover on the MR6a well, aimed at suspending the existing production zone and perforating the Matapo and Kap100 reservoirs in order to produce oil from these zones, was delayed as workover unit repairs were undertaken. The workover is now planned to be completed by the end of July.

TARANAKI PENINSULA LOCATION MAP – NEW ZEALAND



Work to extend field life beyond the current December 2027 permit expiry continued throughout the quarter, including the preparation of licence extension documentation.

The Maari Joint Venture continues to evaluate and prioritise value-added projects, such as potential production enhancement, cost reduction, and CO₂ reduction opportunities.

CORPORATE

Cue announced its HY FY2024 results on 29th February and declared a special dividend of 2 cents per share, paid on 5th April 2024.

The company maintains a strong balance sheet, with \$24.6 million cash prior to dividend payments, and no debt.

Cue implemented a dividend policy during the quarter outlining the Board's intention to review the financial position and performance of the Company on a half yearly basis and determine an appropriate dividend.

For and on behalf of the Cue Energy 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 is involved in oil and gas exploration and appraisal. 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 Anita Addorisio</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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