

29 July 2024

Cue signs six-year Gas Sales Agreements with the Northern Territory Government

- New Gas Sales Agreements signed for the supply of gas to the Northern Territory Government from Mereenie and Palm Valley fields for the period 2025-2030
- Contracts are for gas supply to the NT and mitigate the risk of NGP closure in 2025 by increasing firm sales to the Northern Territory Government if the Northern Gas Pipeline is unable to deliver gas to existing customers
- The Mereenie agreement is anticipated to support an FID on two drill-ready wells, with the option to increase contracted volumes to include additional gas from Mereenie drilling
- The existing conditional Arafura GSA supply period has been amended to 1 January 2028 through to 31 December 2030
- Existing firm production from Mereenie and Palm Valley is now contracted at current market prices for the next six years.

Cue Energy Resource (**ASX:CUE**) is pleased to announce that the Mereenie and Palm Valley Joint Ventures have entered into new gas sales agreements (**GSA**) with the Northern Territory Government (**NTG**) for the supply of up to 40.5 PJ (up to 3.6 PJ Cue Share) for the period 1 January 2025 to 31 December 2030.

Cue will supply the NTG with up to 2.5 PJ from the Mereenie gas field (**Mereenie GSA**) and up to 1.1 PJ from the Palm Valley gas field (**Palm Valley GSA**).

Mereenie GSA

The Mereenie joint venture participants (Central Petroleum 25%, New Zealand Oil & Gas 42.5%, Horizon Oil 25% and Cue 7.5%) have signed a GSA with the NTG to supply up to 25 TJ/d or 33 PJ of gas from 1 January 2025 to 31 December 2030, consisting of several components:

Base Gas Supply: 14.2 PJ over three years from 2026 (Cue share 1.1 PJ), with the bulk delivered in 2026 and 2027.

NGP Diverted Gas: Up to 5.8 PJ (Cue share 0.4 PJ) in 2025 for any gas that cannot be delivered to existing east coast customers if the NGP is closed.

Additional Gas: the contracted volumes can be increased to include additional gas of up to 6 TJ/d from new future production over six years from 2025, including gas from two new proposed Mereenie development wells. This could total up to 13.1 PJ (Cue share 1.0 PJ) over the six years.

The Mereenie GSA is for firm gas supply ex-field, with take-or-pay provisions and a fixed price that escalates with consumer price index (CPI).

Palm Valley GSA

The Palm Valley joint venture participants (Central Petroleum 50%, New Zealand Oil & Gas 35% and Cue 15%) have signed a GSA with the NTG to supply up to 7.3 PJ of gas (Cue share 1.1 PJ) from 1 January 2025 to 31 December 2030.

The Palm Valley GSA is for firm gas supply ex-field, with take-or-pay provisions and a fixed price that escalates with CPI.

Both GSAs provide support for further investment in field production through the drilling of new wells. The Mereenie GSA is anticipated to support a final investment decision by the Mereenie JV for drilling two, drill-ready development wells. Additionally, permitting and approvals are progressing for up to two Stairway Sandstone formation appraisal wells in the Mereenie field and two Palm Valley appraisal wells, subject to JV investment decisions.

Arafura GSA

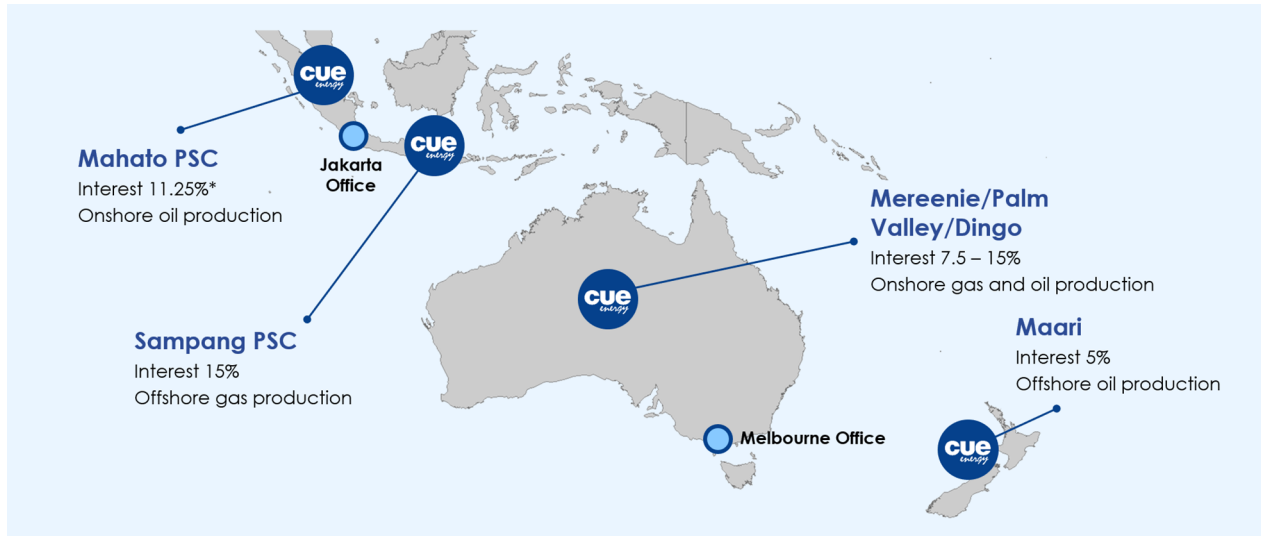
The existing conditional GSA to supply gas to Arafura Rare Earths Ltd's Nolans Rare Earths Project, announced on 13 February 2024, has been amended. The condition precedent date is now extended to 31 December 2024, and the gas supply start date is deferred by two years to 1 January 2028. The NTG GSAs have been structured to sell the gas previously contracted to Arafura during 2026 and 2027.

Northern Gas Pipeline update

Cue has been advised that the NGP is not expected to re-open until later this year with gas sales continuing to firm customers in the Northern Territory and to Power and Water Corporation under the as-available contract that commenced in April 2024. Despite the extended NGP closure, the Mereenie and Palm Valley gas fields have been selling at full capacity since late April, with only brief reductions in June and July due to seasonal demand fluctuations

Cue Energy CEO, Matthew Boyall, commented: "Cue is proud to supply Northern Territory gas to Territorians. The contracts underscore the importance of the Amadeus gas fields, the largest NT onshore gas production fields, for Territory energy security and provide the confidence to facilitate further investment to increase gas production."

Mereenie and Palm Valley and part of Cue's onshore Australian Assets, one of the Company's four core production areas.



*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 Government approvals process for this transfer is ongoing but the JV accounting for Cue's participating interest has reduced from 12.5% to 11.25% effective 1 November 2023.

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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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 FY2024 revenue was \$29.3 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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