CUE ENERGY RESOURCES LIMITED
ABN 45 066 383 971

2024 Annual Report

About us

Cue Energy Resources Limited is an oil and gas production and exploration company with production assets in Australia, Indonesia and New Zealand. Offices are located in Melbourne, Australia and Jakarta, Indonesia.

Contents

Highlights

Revenue
$49.7m

Indonesia: $28.2m
Australia: $11.3m
New Zealand: $10.1m

Net Profit After Tax
$14.2m

EBITDAX
$32.8m

Production
631mboe

Net Cash
$16.3m

Dividends
3cps

$21m declared over the year
1 cent/share final + 2 cents/share special paid April 2024

Chairman's overview

Alastair McGregor

I am pleased to present the Cue Energy Resources Limited Annual Shareholder Report for 2024, a significant year in which the company continued to deliver strong financial and operations results and declared $21 million in dividends to shareholders.

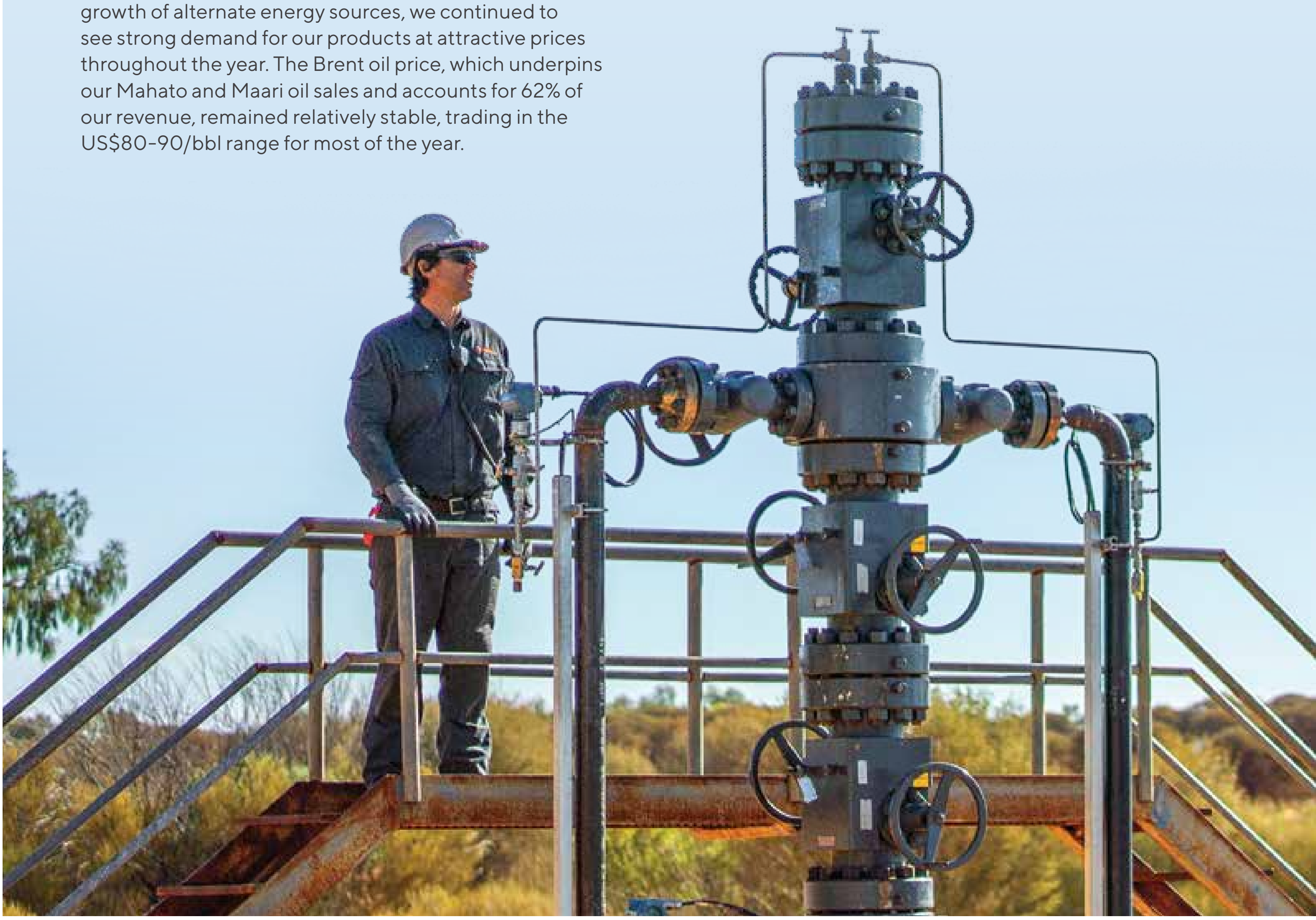
Dear Shareholders,

Our revenue of $49.7 million was consistent with last year, backed by our diversified portfolio, and production remained consistent with the previous year at 631 thousand barrels of oil equivalent.

We continued to generate significant cashflow, delivering net cash from operating activities of $26.9 million, up from $12.7 million, which was used to retire $4 million in debt and return $14 million to shareholders in April 2024.

Despite ongoing global economic uncertainty, and growth of alternate energy sources, we continued to see strong demand for our products at attractive prices throughout the year. The Brent oil price, which underpins our Mahato and Maari oil sales and accounts for 62% of our revenue, remained relatively stable, trading in the US$80-90/bbl range for most of the year.

In Australia, gas markets on the East Coast and in the Northern Territory have been the subject of frequent headlines, with predictions of shortages and potential LNG imports in the coming years. The Mereenie and Palm Valley fields are well-positioned to benefit from increased gas demand, and Cue announced contracts during the year with the Northern Territory Government and Arafura Rare Earths Ltd., securing sales for gas production for 2026-2030. These contracts contribute to the regional growth in the Northern Territory and mitigate Cue's risk associated with any future closures of the Northern Gas Pipeline, like we are experiencing in 2024.



As I highlighted in last year's report, the Board prioritised early debt repayment, and Cue successfully repaid $4 million in the first half of the year as part of our Capital Management program. We also determined that the company's strong and stable cash flow position warranted the initiation of a dividend strategy.

The announcement of the H1FY2024 special dividend of 2 cents per share resulted in a $14 million return to shareholders, attracted new investors, and subsequently increased the share price by over 60%, a level that has been sustained.

At the same time, we introduced a dividend policy to reflect the Board's intent for Cue to establish long term sustainable returns to shareholders. Due to the size of the company and the non-operated nature of our assets, it is not practical to commit to a fixed payout ratio, but our commitment is to review the financial position of the company every six months with the aim of providing sustainable returns to shareholder.

The final dividend of 1 cent per share announced in our FY2024 results means that we will return a total of $21 million to shareholders during the year.

Monitoring and managing changes in the regulatory landscape where we operate remains a critical aspect of our business management. The ACCC Gas Mandatory Code of Conduct has become integral to our operations, with the exemption from the price cap continuing to apply to Cue as a small producer. I believe that addressing the supply shortage is a more effective approach than regulatory interference in solving the gas supply issue.

In New Zealand, a change in government during the year has altered the political stance on oil and gas production in the country. A review has been announced into the financial assurance laws and regulations enacted by the previous government. This review could confirm the requirement for decommissioning funding at our Maari field, however we await the outcome of this review.

Looking ahead for FY2025, we expect our production assets to continue to perform and grow. Three out of Cue's four production areas have growth activities either underway or planned. In the Mahato PSC, we have commenced drilling new oil production wells as part of an approved Field Development Optimisation. Fourteen wells are planned and drilling is expected to continue for the next 12 to 18 months. We have also announced a two-well gas development program in the Mereenie field, likely to commence December or early 2025, and the Sampang JV is working diligently to lay the groundwork for a final investment decision on the Paus Biru gas development.

I want to thank our shareholders for their continued support and to our team for their ongoing dedication. Together, we are well-positioned to navigate any challenges ahead and capitalise on the opportunities in the evolving energy landscape.

Alastair McGregor
Chairman

Financial and operations review

Cue continued to generate strong cashflow from its producing assets throughout the year, achieving a revenue of $49.7 million from oil and gas production in Australia, Indonesia, and New Zealand.

This figure was in line with the previous year, showing only a 4% decrease. Revenue increases from Mahato (5%) and Maari (6%) helped offset lower production and cost recovery in the Sampang PSC. Short term production and sales disruptions onshore Australia, caused by the closure of the Northern Gas Pipeline, also affected the overall revenue.

After tax profit reported of $14.2 million was 7% lower than the previous year and EBITDAX increased by 6% to $32.8 million. Net cash from operations was $27 million for the year, demonstrating the strength of the Company's diversified production projects. This cash was utilised to make a $4 million early payment to retire outstanding debt and return $14 million to shareholders through a 2 cents/share dividend paid in April 2024.

The Cue Board has approved a FY2024 final dividend of 1 cent per share, returning an additional $7 million to shareholders. Cue closed the year with a cash balance of $16.3 million and no debt.

Gross margins from assets remained strong during the year, with a gross margin of 60% across the portfolio. Administration expenses remained low ($3 million), as the Company efficiently managed non-operated projects.

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 joint venture accounting for Cue's participating interest reduced from 12.5% to 11.25% effective 1 November 2023.

Annual production for the year was 631 mboe, consistent with the previous year. Despite a reduced participating interest from 1 November 2023, Cue recorded an 18% increase in net production from the PB field in the Mahato PSC. Maari net production to Cue also increased by 18% due to high well uptime and field optimisation. These gains were offset by lower gas production from the Mereenie field, caused by the temporary closure of the Northern Gas Pipeline, and natural field decline at the Sampang PSC


FY 2024 Cashflow
$ million
15.2
57
19
11
0
27
8
4
14
0
16.3
Opening Cash 1 July 2023
Receipts from customers + interest
Payments to suppliers
Taxes, Royalties and Finance
Exploration
Net Cash from Operating activities
Net Cash used in Investing activities
Loan repayment
Dividends
FX
Closing Cash 30 June 2024
Cue Net Production
thousand barrels of oil equivalent (mboe)
700
600
500
400
300
200
100
0
76
145
168
242
89
170
148
224
FY2023
FY2024
Onshore Australia
Sampang
Mahato
Maari

Joint operations

Mahato PSC
Oil Production

Cue	11.25%*

Sampang PSC
Gas Production

Cue	15%

Amadeus Basin
Gas Production

Mereenie (OL 4/5)	
Cue	7.5%
Palm Valley (OL 3)	
Cue	15%
Dingo (L7)	
Cue	15%

PMP38160 (Maari/Manaia)
Oil Production

Cue	5%

* Subject to Government Approval

Australia

MEREENIE, PALM VALLEY AND DINGO FIELDS

CUE INTERESTS	
Mereenie [OL4 & OL5]	7.5%
Palm Valley [OL3]	15%
Dingo [L7]	15%
Operator	Central Petroleum Limited

The Mereenie, Palm Valley, and Dingo fields generated $11.3 million in revenue for Cue, consistent with the previous year.

Production and sale interruptions from the intermittent closure of the Northern Gas Pipeline (NGP) was offset by increased Dingo revenue due to increased production and recognition of revenue from the release of previously deferred take-or-pay balances.

The NGP was temporarily shut during Q2 FY2024 and from March 2024 onwards due to low gas volumes from other Northern Territory gas fields. During these periods, the Mereenie and Palm Valley joint ventures were unable to deliver gas to customers in the Eastern States and sought as-available gas sales into the Northern Territory. In April 2024, the Mereenie Joint Venture entered in to an as-available gas supply agreement with Power & Water Corporation (PWC) in the NT for the supply of gas until the end of 2024. For the remainder of the year, the Mereenie and Palm Valley fields operated at full capacity, with brief turndowns in June and July due to seasonal demand fluctuations.

The flare gas recovery compressor (FGRC) at Mereenie was brought online in March. The FGRC captures low-pressure waste gas and converts a portion to sales gas, increasing gas sales and reducing total CO2-equivalent emissions at Mereenie by approximately one-third.

Work continued on a helium recovery unit study at Mereenie with Twin Bridges and a major helium distributor, with the scope now expanded to consider a helium liquefaction unit.

Several Gas Supply Agreements (GSA) were announced during the year, including an agreement with Incitec Pivot to supply gas during 2024 and an agreement with Arafura Rare Earths Limited to supply its Nolans Project in the NT with gas from 2026. This agreement was subsequently amended to a supply period of 2028 to 2030 and remains subject to conditions precedent until 31 December 2024. In April 2024, Cue entered into an as-available gas supply agreement with Power and Water Corporation for the supply of gas into the NT until 31 December 2024. This agreement largely mitigates the loss of contract sales due to the ongoing closure of the NGP.

An Expression of Interest was released by the Mereenie Joint Venture to gas buyers in the final quarter of the year for gas supply from 2024-2030. Subsequent to the year-end, Cue announced contracts with the Northern Territory Government for the supply of up to 3.6 PJ of gas for the period from 1 January 2025 to 31 December 2030. The contracts are for firm supply of gas from the Mereenie and Palm Valley fields and mitigate the risk of NGP closure in 2025 by increasing firm sales to the Northern Territory Government if the pipeline is unable to deliver gas to existing customers. Existing long-term firm production from Mereenie and Palm Valley is now contracted for the next six years.

In August 2024, the Mereenie joint venture announced a Final Investment Decision to drill two development wells in the Mereenie field. A rig contract has been signed, and the wells are expected commence in late December or early January 2025.

Indonesia

MAHATO PSC

CUE INTERESTS	
Cue	11.25%
Operator	Texcal Energy Mahato Inc

SAMPANG PSC

CUE INTERESTS	
Cue	15%
Operator	Medco Energi

The PB field in the Mahato PSC continued to be a strong contributor to Cue's results during the year, generating $19.7 million in revenue, a 5% increase over the previous period.

During the year, six wells were drilled, completing the June 2022 Field Development Optimisation plan of 12 wells, bringing the total to 23 wells in the field. After reviewing field performance, further development was proposed by the Operator and approved by SKK Migas, the Indonesian upstream regulator.

The approved Field Development Optimisation (OPL) Phase 2 includes drilling 14 new development wells, converting an existing production well to a water injection well, and constructing three new drilling locations. Additional production facilities and in-field pipelines will also be constructed. Drilling has commenced and is expected to continue for 12 to 18 months.

Two exploration wells are being planned in the Mahato PSC, targeting independent prospects near the PB field.

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 joint venture accounting for Cue's participating interest reduced from 12.5% to 11.25% effective 1 November 2023.

The Oyong and Wortel gas fields generated $8.5 million in revenue to Cue from long-term, fixed-price contracts for gas sales to Indonesia Power's Grati Combined Cycle Gas Power Plant.

Development planning for the Paus Biru gas discovery continued throughout the year. The Sampang PSC term expires in 2027 and the permit operator, Medco Energi, is in discussions with the Indonesian Government regarding an extension to the permit term and amendments to the PSC. The PSC amendments and extensions are key steps required for the joint venture to proceed with considering a Final Investment Decision (FID) on the project.

The Paus Biru development is planned to include a single well and wellhead platform at the Paus Biru gas field, with a 27km subsea pipeline connecting the well to existing infrastructure at the Oyong field.

Financial and operations

New Zealand

PMP 38160 (Maari/Manaia)

CUE INTERESTS	
Cue	5%
Operator	OMV

Oil production from the Maari/Manaia fields remained consistently strong, with gross production averaging approximately 4,900 barrels of oil per day over the year.

Cue received $10.1 million in revenue from the Maari field, a 6% increase compared to the previous year.

High uptime was achieved from the Maari wells and facilities during the year, as the joint venture continued to focus on optimising existing production. The positive effects of water injection were evident, with stable, and in some cases increasing, production from wells.

Towards the end of the year, two production wells, MR8 and MR10, experienced failures of their Electric Submersible Pumps (ESP) after exceeding their operational lifespans. Both these wells were repaired and resumed production at their pre-workover production rates subsequent to the year-end.

The MR6A production well was offline for the entire year. A workover aimed at suspending the existing production zone and perforating the Matapo and Kap100 reservoirs to produce oil from these zones began during the year but was delayed due to workover unit repairs. The workover has been completed and it is expected to take some time before results are known.

The Maari permit expires in December 2027, and the joint venture has submitted and application for an extension to allow production beyond the end of 2027.

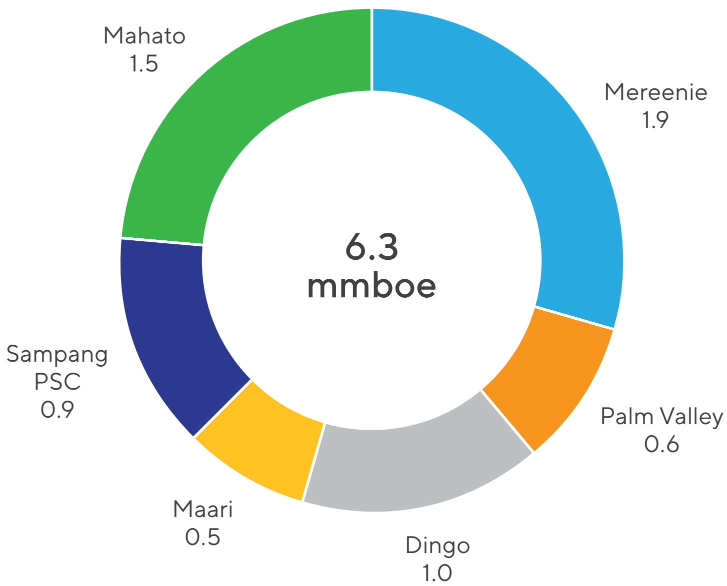
Reserves and resources

30 June 2024

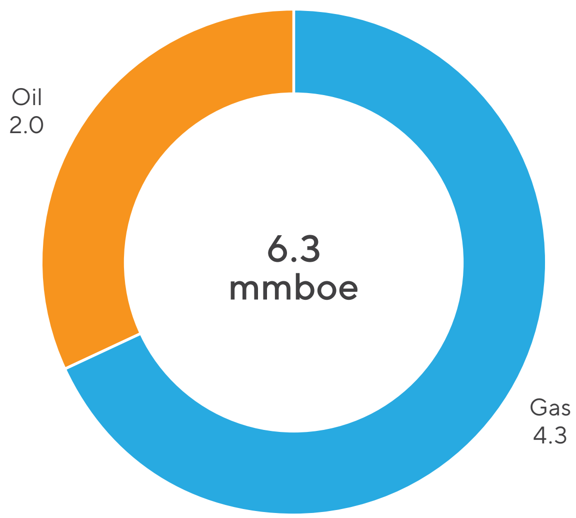
As at June 30, 2024 Cue has reported 4.6 million barrels of oil equivalent (mmboe) of proven (1P) reserves and 6.3 mmboe of Proven and Probable (2P) reserves. 68% of reported 2P reserves are gas and 32% are oil.

Cue's 2P reserve replacement ratio for FY2024 is 112%, taking into account reserves additions and production during the year.

2P reserve by Asset (mmboe)



Gas/Oil reserves (mmboe)



Reserves and resources continued

30 June 2024

Net to Cue as at 30 June 2024

Reserves Proven (1P)		1P Developed			1P Undeveloped			1P Total		
		Gas	Oil	Equivalent	Gas	Oil	Equivalent	Gas	Oil	Equivalent
Country	Field/Permit	PJ	MMSTB	MMBOE	PJ	MMSTB	MMBOE	PJ	MMSTB	MMBOE
AUSTRALIA	Mereenie	7.2	0.1	1.2	1.1	0.0	0.2	8.2	0.1	1.4
	Palm Valley	3.2	0.0	0.5	0.0	0.0	0.0	3.2	0.0	0.5
	Dingo	2.5	0.0	0.4	3.0	0.0	0.5	5.6	0.0	0.9
NEW ZEALAND	Maari	0.0	0.2	0.2	0.0	0.2	0.2	0.0	0.4	0.4
INDONESIA(1)	Sampang PSC	2.0	0.0	0.3	0.4	0.0	0.1	2.4	0.0	0.4
	Mahato	0.0	0.8	0.8	0.0	0.2	0.2	0.0	1.0	1.0
TOTAL RESERVES		**14.9**	**1.1**	**3.5**	**4.5**	**0.3**	**1.1**	**19.4**	**1.5**	**4.6**

Reserves Proven & Probable (2P)		2P Developed			2P Undeveloped			2P Total		
		Gas	Oil	Equivalent	Gas	Oil	Equivalent	Gas	Oil	Equivalent
Country	Field/Permit	PJ	MMSTB	MMBOE	PJ	MMSTB	MMBOE	PJ	MMSTB	MMBOE
AUSTRALIA	Mereenie	10.0	0.1	1.7	1.2	0.0	0.2	11.2	0.1	1.9
	Palm Valley	3.5	0.0	0.6	0.0	0.0	0.0	3.5	0.0	0.6
	Dingo	3.1	0.0	0.5	3.2	0.0	0.5	6.3	0.0	1.0
NEW ZEALAND	Maari	0.0	0.3	0.3	0.0	0.2	0.2	0.0	0.5	0.5
INDONESIA(1)	Sampang PSC	2.5	0.0	0.4	2.7	0.0	0.4	5.2	0.0	0.9
	Mahato	0.0	1.3	1.3	0.0	0.2	0.2	0.0	1.5	1.5
TOTAL RESERVES		**19.1**	**1.6**	**4.8**	**7.1**	**0.4**	**1.6**	**26.2**	**2.0**	**6.3**

2C Contingent Resource		Gas	Oil	Total
Country	Field/Permit	PJ	MMSTB	MMBOE
AUSTRALIA	Mereenie	13.7	0.0	2.3
	Palm Valley	0.6	0.0	0.1
INDONESIA	Jeruk (Sampang PSC)(2)	0.0	1.2	1.2
	Paus Biru (Sampang PSC)	7.0	0.0	1.2
TOTAL CONTINGENT RESOURCE		**21.3**	**1.2**	**4.7**

(1) Indonesian Reserves are net of Indonesian Government share of Production. Production Sharing Contract (PSC) adjustments affect the net equity across the various reserve categories

(2) Cue interest in Jeruk is 8.18%

LEGEND:
PJ Petajoules
MMSTB Million Stock Tank Barrels
MMBOE Million Barrels of Oil Equivalent

Reserves and resources continued

30 June 2024

Governance arrangements and internal controls

Cue estimates and reports its petroleum reserves and resources in accordance with the definitions and guidelines of the Petroleum Resources Management System 2018 (SPE-PRMS), published by the Society of Petroleum Engineers (SPE). All estimates of petroleum reserves reported by Cue are prepared by, or under the supervision of, a qualified petroleum reserves and resources evaluator. Cue has engaged the services of Echelon Resources Limited to independently assess all reserves. Cue reviews and updates its oil and reserves position on an annual basis, or as frequently as required by the magnitude of the petroleum reserves and changes indicated by new data and reports the updated estimates as of 30 June each year as a minimum.

Reserves compliance statement

Oil and gas reserves, are reported as at 1 July 2024 and follow the SPE PRMS Guidelines (2018).

This resources statement is approved by, based on, and fairly represents information and supporting documentation prepared by Echelon General Manager Assets & Engineering Daniel Leeman. Daniel is a Chartered Engineer with Engineering New Zealand and holds Masters' degrees in Petroleum and Mechanical Engineering as well as a Diploma in Business Management and has over 15 years of experience. Daniel is also an active professional member of the Society of Petroleum Engineers. Echelon reviews reserves holdings twice a year by reviewing data supplied from the field operator and comparing assessments with this and other information supplied at scheduled Operating and Technical Committee Meetings.

Daniel is currently an employee of Echelon Resources Limited whom, at the time of this report, are a related party to Cue Energy. Daniel has been retained under a services contract by Cue Energy Resources Ltd (Cue) to prepare an independent report on the current status of the entity's reserves. Echelon has been a shareholder in Cue since 17th Jan 2017 and as at 30 June 2024, Echelon had a 50.03% equity holding in Cue.

Cue currently holds an equity position of 5%, 11.25% and 15% in the Maari, Mahato and Sampang assets respectively, though Production Sharing Contract adjustments at the Mahato and Sampang fields affect the net equity differently across the various reserve categories.

In the Amadeus basin, Cue currently holds 7.5% equity in the Mereenie field and 15% equity in each of the Dingo and Palm Valley fields.

For undeveloped reserves, the following project maturity sub-classes are assumed- at Mahato PSC, Undeveloped-Approved for Development, at Sampang PSC- Justified for Development, at Maari- Justified for Development, at Mereenie and Dingo- Justified for Development.

For Sampang PSC Contingent Resources, as the developments are not yet sanctioned, the economics and royalties are not yet known, therefore an assumed net effective equity is used of 15% for Paus Biru and 8.18% for Jeruk.

Estimates are based on all available production data, the results of well intervention campaigns, seismic data, analytical and numerical analysis methods, sets of deterministic reservoir simulation models provided by the field operators (OMV, Texcal, Medco and Central Petroleum), and analytical and numerical analyses. Forecasts are based on deterministic methods.

For the conversion to equivalent units, standard industry factors have been used of 6Bcf to 1mmboe, 1Bcf to 1.05PJ, 1 tonne of LPG to 8.15 boe and 1TJ of gas to 163.4 boe.

Net reserves are net of equity portion, royalties, taxes and fuel and flare (as applicable).

All reserves and resources reported refer to hydrocarbon volumes post-processing and immediately prior to point of sale. The volumes refer to standard conditions, defined as 14.7psia and 60°F.

The extraction methods are as follows; for Maari oil is produced to the FPSO Raroa and directly exported to international oil markets, at Mahato, it is via EPF facilities which includes an oil and water separation system, with the oil then piped 6km to the CPI operated Petapahan Gathering Station, at Sampang, gas is gathering from the Wortel and Oyong fields and piped to shore where it is sold into the Grati power station, at the Mereenie and Palm Valley gas fields gas is gathered from the wells and ultimately collated into the Amadeus Gas Pipeline where sales vary to different customers within the region and further afield and at Dingo, gas is sold into Alice Springs and the Owen Springs power plant.

Tables combining reserves have been done arithmetically and some differences may be present due to rounding.

For the 2P change of reserves year-on-year, quoted as the reserves replacement ratio herein, the calculation is performed via; stated 2P total reserves as at 1 July 2024, divided by the sum of stated 2P total reserves as at 1 July 2023, less production during FY24, all in millions of barrels of oil equivalent. In this case RRR = 6.32 / (6.29-0.64) = 112%.

Reserves and resources continued

30 June 2024

2P Reserves and resources reconciliation with 30 June 2023

2P Proven reserves (MMBOE)

Country	Field/Permit	30 June 2023 Reserves	Discoveries/ Extensions/ Revisions	Production	30 June 2024 Reserves
AUSTRALIA	Mereenie	2.0	0.0	0.1	1.9
	Palm Valley	0.6	0.1	0.1	0.6
	Dingo	1.0	0.0	0.0	1.0
NEW ZEALAND	Maari	0.5	0.1	0.1	0.5
INDONESIA	Sampang PSC	0.8	0.2	0.2	0.9
	Mahato	1.4	0.3	0.2	1.5
TOTAL RESERVES		**6.3**	**0.6**	**0.6**	**6.3**

Sustainability report

Our Commitment

At Cue, we are committed to upholding high standards in health, safety, and environmental stewardship, recognising these as vital to our business' long-term success. Our operations are guided by a Board-approved Health, Safety and Environment (HSE) Policy, supported by a robust HSE Management system. The Operational Risk and Sustainability (ORS) Committee, comprising members of our Board of Directors, regularly convenes to review and evaluate the company's HSE initiatives and operational risks.

In FY2024, we are proud to report zero lost time injuries and no significant spills within our operations. In our non-operated joint ventures, Cue plays an active role in promoting high health and safety standards. We thoroughly review incident and health and safety reports, providing critical feedback to ensure the safe and efficient management of all operations.

Our commitment to employee well-being is further demonstrated by the ongoing availability of our Employee Assistance Program, ensuring support is readily accessible whenever needed.

Working together with our Communities

Cue is dedicated to supporting the communities where we operate. Through our joint venture partnerships, we actively contribute to the well-being of local communities around our projects. In our operations, we prioritise local and regional economic growth by adhering to our Capturing Local Economic Benefits Policy and encouraging our partners to do the same.

In Indonesia, our operations maintain strong relationships with local communities by offering employment opportunities, developing community facilities, and launching aid initiatives. Within the Mahato PSC, our joint venture operator, Texcal Energy, supported various corporate social responsibility initiatives in the past year. These included educational efforts, such as a sustainable scholarship program and the construction and renovation of schools and dormitories. Health initiatives were also a focus, with the construction of sanitation facilities and the provision of food assistance to malnourished toddlers and pregnant women in the Tapung district. Additionally, humanitarian efforts provided emergency response and aid to communities affected by natural disasters, such as floods and landslides.

Medco Energi, on behalf of the Sampang PSC joint venture, continued to support local fishermen near the Sampang facilities by providing economic assistance, including the distribution of fishing nets.

Additionally, the joint venture implemented several community support initiatives, including rice field irrigation programs for farmers, training programs to address stunting issues, assistance programs for local small businesses through training and equipment support, and water irrigation assistance programs.

Central Petroleum, the operator of Cue's onshore Australia Assets in the Northern Territory, maintains a close partnership with the Traditional Owners in the area and manages the ongoing relationship and cultural heritage protection on Cue's behalf. The Mereenie, Palm Valley and Dingo fields are located on the land of traditional owners and administered by the Central Land Council (CLC), with land access agreements are in place. Regular engagement with Traditional Owners is undertaken by Central Petroleum and approval is sought for site activities in our fields which require ground disturbance.

Local businesses are supported where possible through local procurement programs and the joint ventures and Cue supports Central's social investment, involving stakeholders in our projects and providing training and employment across local communities.

Cue's Maari joint venture in New Zealand has committed to a three-year support initiative for two community projects within the South Taranaki District council area. This includes funding the design and installation of a jetty and surrounding area in the town of Patea, as well as the development of a bicycle pump track at Aotea Park Waverly, intended to be used by skateboards, bikes and scooters.

Environment Stewardship

Cue works closely with our operators and joint venture partners to minimise the environmental impact of our operations. Our ongoing and recently completed projects demonstrate this commitment.

We have installed solar panels on the Wortel wellhead platform, which now provides power and reduces the need for using gas or diesel for power generation. Similarly, solar panels have been installed on the Oyong wellhead platform to power the platform's instrument air compression, replacing the use of bottled nitrogen. This initiative has reduced the marine transport requirements associated with replacing offshore nitrogen supply bottles.

In the second half of FY24, we completed a flare gas recovery project at Mereenie, which has led to an estimated 30% reduction in carbon emissions. Additionally, we have optimised fuel burning for power and are investigating the potential to utilise waste, low pressure gas for power generation on the Raroa FPSO.

Our commitment to environmental responsibility is further demonstrated by our compliance with the Task Force for Climate-Related Financial Disclosures (TCFD) guidelines, as outlined in this Shareholder Report. All emissions from our New Zealand operations are offset though the purchase of New Zealand Units (NZUs), while our corporate emissions are mitigated through tree planting initiatives.


TANJUNG SAWIT


TERIMA KASIH


"MADANI"

Taskforce on Climate-Related Financial Disclosures (TCFD) Statement

This section details Cue Energy Resources' approach to climate disclosure and climate risk management. It is structured in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations:

- Climate Change Statement
- Governance
- Strategy
- Risk management
- Metrics and targets

1. Statement on climate change from the Chief Executive

Energy supply and security remain critical themes globally. Rising energy demand and market volatility highlight the need for reliable and affordable energy. Our commitment to sustainable development continues to be a core element of our long-term strategy. The energy transition will be complex, unfolding over decades. Despite this shift, natural gas and oil are expected to remain vital components of the energy mix under various transition scenarios. An orderly transition is essential to manage climate-related risks without causing energy shortages, price spikes, or economic disruptions.

Cue recognises the scientific consensus of climate change and its impact on our community and environment. We remain committed to supporting our joint venture partners to reduce emissions at our non-operated projects and reducing emissions at our corporate offices in Melbourne and Jakarta and actively offset our corporate emissions by planting trees through Greenfleet. We believe a collaborative transition is necessary, ensuring we empower and support our joint venture partners and operators to lead in emissions reduction, fostering collaboration and shared responsibility by leveraging existing infrastructure, technical expertise, and relationships.

Over the past year, we have continued to identify, manage, report, and mitigate material climate risks to our business. This report details our assessment of the business risks linked to climate change and how we manage them. As we look to the year ahead, we remain committed to evaluating our progress and setting new benchmarks to support the transition to a sustainable future while managing our footprint responsibly in the interest of our shareholders and the wider community.

Matthew Boyall
Chief Executive Officer

Taskforce on Climate-Related Financial Disclosures (TCFD) Statement continued

2. Governance

TCFD Category	Recommendation	Summarised in this document at
Governance	Disclose the organisation's governance around climate-related risks and opportunities.	2.1, 2.2
	Describe the board's oversight of climate related risks and opportunities.	2.2
	Describe management's role in assessing and managing climate-related risks and opportunities.	2.2

2.1 Climate-Related Risk Governance process

Taskforce on Climate-Related Financial Disclosures (TCFD) Statement continued

2.2. Board oversight

Recognition and management of risks is detailed under the company Charter, available in the Corporate Governance section of our website. The responsibilities are set out in the table:

Board	– Reviewing all risks, including climate-related risks and opportunities, and ensuring these are appropriately managed to support our business strategy – Understand the material risks faced by the Company and ensure the Company has appropriate risk management strategies and control measures in place and is actively managing these
Operational Risk and Sustainability Committee (ORSC)	– Sets, reviews, and agrees on relevant risk policies, practices, frameworks, targets, and performance – Charter assigns it the responsibility for approving environmental policy and monitoring progress, including climate change responses
CEO	– Accountable to the Board for ensuring the implementation of climate policies – At an operational level, the responsibility for day-to-day oversight of climate risk and opportunity (including managing climate objectives and targets)
Management	– Management is responsible for identifying, assessing, and managing risk described on the Cue risk register

3. Strategy

TCFD category	Recommendation	Summarised in this document at
Strategy	Disclose the actual potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	3.1
	Describe the climate related risks and opportunities the organisation has identified over the short, medium and long term.	3.2, 4.3
	Describe the impact of these risks on businesses, strategy and financial planning.	3.3
	Describe the resilience of the organisation's strategy, taking into consideration different climate related scenarios including a 2 degree celsius or lower scenario.	3.4

3.1. Actual and potential impacts of climate-related risks and opportunities

The Company is involved in natural gas production for Indonesian and East Coast Australian markets that are energy constrained and hungry for gas to generate electricity that would otherwise likely come from coal generation.

The Company's forecasts indicate constrained markets will be sustained, with continued economic value for its production and value for its reserves.

Taskforce on Climate-Related Financial Disclosures (TCFD) Statement continued

3.2. Product demand

Time Horizon	Demand
Short Term	AEMO GSOO 2024 highlights the risks of gas supply shortfalls in Southern Australia from 2025 with supply not meeting demand from 2028 as Southern Australia production declines. IEA global oil demand is forecast to rise by 3.2 million barrels per day between 2023 and 2030. Indonesia has announced 2030 targets for increased domestic oil and gas production.
Medium/Long Term	The Australian Energy Market Operator (AEMO) predicts Northern Territory gas demand to increase to the mid 2030s. The Australian Government "Future Gas Strategy 2024" recognizes that under all credible net zero scenarios, natural gas is needed through to 2050 and beyond. Indonesia recognizes the crucial role of natural gas in sustainable development as a key facilitator of the Energy transition, alongside renewables.

3.3 Regulations

Cue navigates varying regulatory landscapes across these countries, assessing risks related to climate change, carbon pricing, and physical impacts. Adaptation and strategic planning are essential to ensure operational resilience and compliance.

Country	Approach
New Zealand	New Zealand Emission Trading Scheme (ETS) market pricing and forecasts used for carbon emissions. NZUs purchases annually to fulfill obligations. Modelled NZU prices are used in Maari performance forecasts and sensitivity testing.
Australia	Cue is currently not under any regulated carbon pricing mechanism in Australia. Onshore Australia emissions are reported under the National Greenhouse and Energy Reporting (NGER) scheme by the field operator and are below the current safeguard mechanism threshold. The recent Mereenie flare gas recovery project has further reduced Mereenie emissions. The Internal price used for investment economics is based on market pricing with sensitivity testing included for potential changes in regulations.
Indonesia	Indonesia has introduced sector based carbon pricing regulations which currently do not apply to Cue's operations. We monitor the potential economic effects of climate-related policy and climate conditions on asset value and operation, which at this stage are uncertain in their implementation.

3.4. Alternative Energy Scenarios

The Company monitors the various Energy outlooks and industry forecasters. Short-term demand for gas is expected, however, decarbonization progress could impact the long-term outlook. Gas fields cannot quickly increase supply in response to higher demand, potentially leading to upward price pressure in a slower transition. Lower prices may result in slower investment in deliverability.

In Australia and Indonesia, there's regulatory interest in capturing carbon emissions. If carbon capture and storage (CCS) becomes more cost-effective, Cue may explore emission reduction through CCS although no abatement plan currently exists.

Additionally, falling oil prices driven by electrification of transport, could affect Cue's interests in the Mahato and Maari oil fields. This risk is reflected in sensitivity analysis based on forward price curves. Financial resilience is reviewed as part of risk management, with material risks disclosed in financial reports.

Taskforce on Climate-Related Financial Disclosures (TCFD) Statement continued

4. Risk management

"Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks."

TCFD category	Recommendation	Summarised in this document at
Risk management	Disclose how the organisation identifies, assesses and manages climate-related risks.	4.1
	Describe the process for identifying and assessing climate risks.	4.1, 4.2
	Describe processes for managing climate risks.	4.1, 4.3
	Describe how processes for identifying, assessing and managing are integrated into overall risk management.	4.1, 4.3

4.1. Identify, assess and manage climate-related risks

The Company follows a robust Risk Management System Framework. Climate risks are considered alongside other business risk and recorded in the central risk register, which evaluates controls, assigns ownership, and tracks treatment plans. These risks are regularly reviewed, considering operational factors, industry insights, peer information, shareholder feedback, regulatory changes, and internal analysis by staff and contractors.

Oversight of climate risk management occurs through internal reviews by the board's Operational Risk and Sustainability committee. The Chief Executive bears responsibility for climate risks, including those affecting individual assets and financial investments related to climate change.

Cue assesses potential climate-related risks under various headings:

- Policy and Legal
- Physical (acute and chronic)
- Financial and Market
- Social/Political/Regulatory
- Technological

These risks carry financial and operational implications, potentially impacting profitability. However, financial and market risks, along with social/political risks, also offer opportunities, including a higher adoption of natural gas as partner to renewable energy and as a lower-carbon alternative to coal.

For further details on risk types and controls, refer to section 4.3.

4.2. Calculating Climate risk

In New Zealand, the Emissions Trading Scheme sets a market based price for carbon emissions. New Zealand Units (NZUs), representing one metric tonne of Carbon dioxide, or the equivalent of any other greenhouse gas are purchased by Cue and surrendered for the Maari production asset. For future sensitivity testing we model an NZU price and emissions forecasts.

In Australia, no current mandated carbon pricing mechanism exists for Cue emissions. Project and investment economics are tested based on a range of potential carbon pricing outcomes. Similarly, in Indonesia, the current carbon cost mechanism does not apply to Cue's operations. We monitor a range of potential climate-related policies and conditions for their effect on asset value and operation.

For physical risks to all our asset interests, the Company has comprehensive insurance and regularly participates in technical review meetings that assess engineering risks to plant.

Due to uncertainty about future carbon pricing mechanisms and the rapidly changing policy positions in some countries where the Company operates and investigates new projects, carbon price testing is undertaken using the most available information and estimates at the time.

Taskforce on Climate-Related Financial Disclosures (TCFD) Statement continued

4.3. Risk types and controls

The table of risks below uses the following time horizon categories:

Short - 0-5 years,

Medium - 5-10 years,

Long - 10+ years.

Risk type	Recommendation	Description	Time	Control
Non physical risks	Policy and legal risks	Litigation against companies and/or directors on climate grounds (claiming causation or seeking greater action to mitigate effects) could have reputational, development and operating cost impacts. Risk of regulatory backlash against ESG initiatives. Changing regulations including banks and restrictive regulations, taxes and emissions limits across all jurisdictions risk viability of projects.	s, m, l	Board and management understand their fiduciary duties around climate change risk. Internal processes include due diligence and joint venture processes to identify and manage climate risk. Monitoring the jurisdictions where we undertake activities. Strategy of diversifying jurisdictions to mitigate changes on any individual regulatory environment. Reporting on climate related governance, strategy, risks and targets.
	Reputational and social license risks	Stakeholder disengagement and oppositional activism. Loss of social license, leading to project delays or stoppages. Recruitment and retention risk.	s, m, l	Manage environmental performance. Due diligence screening of commercial opportunities and joint ventures
	Financial risks	ESG investing affects availability and cost of capital. Insurance premiums increase. Potential for classes of assets and locations to become uninsurable. Capital cost increase if new environmental standards require more expensive supplies relative to alternatives. Carbon pricing adopted across jurisdictions, or inconsistently between them. Changes to price and cost forecasts result in stranded assets or reserves.	s, m, l s, m, l m, l s, m, l s, m, l	Shadow price on carbon to sensitivity testing in investment decisions. Due diligence screening of commercial opportunities and joint venture processes. Assurance relating to insurance forecasts. Access to a range of funding options. Reporting on climate related governance, strategy, risks and targets. Jurisdictional diversification to avoid impact on sudden, unilateral changes, confiscation or value destruction by regulation.

Taskforce on Climate-Related Financial Disclosures (TCFD) Statement continued

Risk type	Recommendation	Description	Time	Control
Physical risks	Acute & Chronic	To increased frequency and intensity of extreme weather events such as storms, flooding, coastal inundation, lack of water availability, or slips. Offshore drilling and production delayed or shut in by increased weather events	m,l	Engineering anticipates environmental conditions. Carbon policy provides for review of climate issues in strategic and operational decisions.
Opportunities	Commercial	Global reduction in high carbon sources such as coal is increasing demand for natural gas as a lower carbon partner to renewables.	s,m,l	Strategic preference for natural gas. Support for our joint venture partners pursuing low carbon innovations on sites.

5. Metrics and Targets

TCFD category	Recommendation	Summarised in this document at
Metrics and Targets	Disclose measures used to assess climate-related risks and measure them	5.1
	Disclose emissions by Scope 1, 2 and 3	5.1
	Disclose targets used to manage climate-related risk	5.2

5.1. Emissions

Oil and Gas operations encompass Cue's proportion of Scope 1 and Scope 2 emissions, drawn from the production activities in our fields. Detailed monthly emissions reports are submitted by field operators at Maari and Sampang PSC, while Central Petroleum, managing Cue's Onshore Australia Assets, reports emissions through the NGER. Mahato emissions are currently estimated due to no operator reporting.

Scope 1 and 2 emissions relate to Cue's share of emissions from production facilities in New Zealand and Indonesia and corporate office activities. Cue's onshore Australia emissions data is not included due to timing of NGER reporting and will be published by Cue when available later this year. For corporate offices, an annual estimation of carbon emissions from operational activities is compiled utilizing factors like electricity consumption.

The Company does not report Scope 3 emissions due to the difficulties in obtaining and verifying information from end users.

Scope 1

	Emissions (tCO_2e)**	boe produced**	Intensity Factor (tCO_2e per boe)
FY21*	8,720	352,338	0.025
FY22	8,311	452,251	0.018
FY23	8,442	388,648	0.022
FY24	7,984	406,858	0.020

* Mahato Emissions for 2021 are not included as the data was not available for the first part year

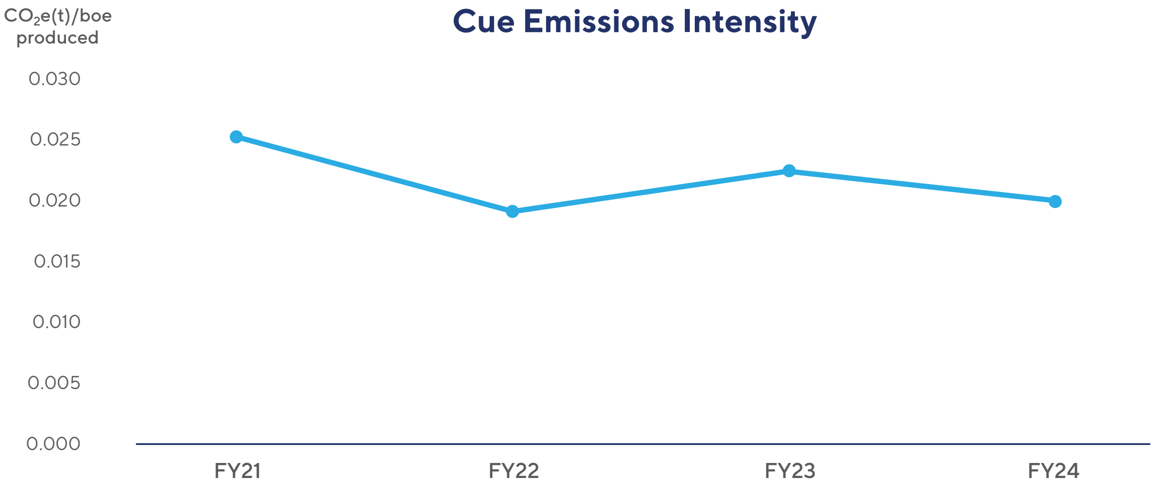
** Amadeus Basin emissions data is not included due to timing of the Operators NGER reporting and will be published by Cue when available later this year

Taskforce on Climate-Related Financial Disclosures (TCFD) Statement continued

Scope 2

Entity	CUE Emissions (tCO_2e) FY24	Previous Year
Total Office emissions (Melbourne & Jakarta)	7.0	7.7
Samarinda Warehouse	5.6	5.6
Sampang	250.8	279.8
Total Scope 2 emissions	**263.4**	**293.1**

Cue offsets estimated office and air travel emissions by collaborating with Greenfleet Australia for tree planting. Greenfleet specializes in planting native trees within legally safeguarded biodiverse forests, aiding in the absorption of carbon emissions.



5.2. Targets

Focus Area	Target	Status
Reporting	Continue to report Scope 1 and 2 emissions	Complete, Ongoing refinement of data collection and reporting
Reporting	Continue to enhance Mahato emissions data collection	Ongoing. Standardised reporting is expected to be implemented in Mahato PSC soon.
Policy and Legal	Review climate change policy and update if necessary	Publication in annual report. Available on website
Commercial	Apply internal price on carbon to investment decisions	Actioned as required
Emission reduction	Participate with JV partners to identify and implement emissions reduction projects or offsets at producing sites	Material emissions reduction projects underway at Maari and completed at Mereenie during FY24.
Emission reduction	Offset 100% of emissions from head office and corporate travel.	FY24 office emissions offset through tree planting
Emissions reductions	Support office sustainability improvement opportunities.	Ongoing

Cue Energy Resources Limited
Directors' report
30 June 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of Cue Energy Resources Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Directors
The names of Directors of the Company in office during the year and up to the date of this report were:

Alastair McGregor
Andrew Jefferies
Peter Hood AO
Richard Malcolm
Rod Ritchie
Samuel Kellner
Marco Argentieri

Chief Executive Officer
Matthew Boyall

Chief Financial Officer
Melanie Leydin resigned on 30 June 2024, the Chief Financial Officer duties have been assumed by the Chief Executive Officer and Financial Controller.

Company Secretary
On 26 October 2023, Ms Melanie Leydin resigned and Ms Anita Addorisio was appointed as Company Secretary.

Ms Addorisio is an experienced finance professional with over 20 years' senior finance experience and 10 years' experience as a Company Secretary for ASX listed companies within several industry sectors, including resources. She is a Fellow of both CPA and Governance Institute of Australia and holds a Masters in Accounting.

Principal activities
The principal activities of the Group are petroleum exploration, development and production.

Corporate governance statement
Details of the Company's corporate governance practices are included in the Corporate Governance Statement set out on the Company's website at: https://www.cuenrg.com.au/site/About-Us/corporate-directory.

Dividends
Current period
On 28 February 2024, the Company's Board of Directors approved the declaration of an interim special dividend of $0.02 (2 cents) per fully paid ordinary share, totalling $13.97 million. This interim special dividend was declared as a Conduit Foreign Income (CFI), unfranked special dividend and was paid on 5 April 2024.

On 23 August 2024, the Company's Board of Directors approved the declaration of a final dividend of $0.01 (1 cent) per fully paid ordinary share, totalling approximately $7 million. This final dividend has been declared as a Conduit Foreign Income (CFI), unfranked final dividend and will be paid on 26 September 2024.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

Financial performance
The Consolidated Entity reported a net profit after tax of $14.19 million for the year ended 30 June 2024 (FY 2024), compared to a net profit after tax of $15.21 million for the year ended 30 June 2023 (FY 2023). This was mainly attributable to consistent strong profitability from Mahato and Maari, offset by a higher income tax expense due to utilization of carried forward tax losses in Cue Taranaki which were recognised for the first time in FY 2023.

Financial performance	Production revenue FY 2024 $'000	Production revenue FY 2023 $'000	Gross margin FY 2024 %	Gross margin FY 2023 %
Maari	10,123	9,510	55%	37%
Mahato	19,721	18,714	74%	69%
Sampang	8,531	11,492	48%	59%
Amadeus	11,284	11,889	47%	45%
	49,659	51,605		

EBITDAX

	FY 2024 $'000	FY 2023 $'000
Profit before tax	25,322	19,881
Depreciation and amortisation	6,400	6,099
Finance costs	684	1,703
EBITDA*	32,406	27,683
Business development expenses	66	13
Share based payments	112	96
Exploration and evaluation expenses	228	3,073
EBITDAX**	32,812	30,865

* EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for depreciation, amortisation, finance costs and tax.

**EBITDAX is EBITDA adjusted to exclude business development costs, exploration and evaluation expenses, share based payments and one-off expenses. EBITDAX is used as a measure of financial performance as it is a commonly used indicator of performance of the Consolidated Entity's peers and therefore facilitates relative comparison of performance.

Financial position

The net assets of the Consolidated Entity increased in FY 2024 by $0.72 million to $64.91 million (FY 2023: $64.19 million). Working capital, being current assets less current liabilities, was $20.51 million (FY 2023: $19.12 million).

The consolidated cash and cash equivalents increased in FY 2024 by $1.02 million to $16.26 million (FY 2023: $15.24 million).

	FY 2024 $'000	FY 2023 $'000
Net cashflows from operating activities	26,943	12,653
Net cashflows used in investing activities	(7,735)	(17,630)
Net cashflows used in financing activities	(18,051)	(3,081)
Net cashflows for the year ended 30 June	1,157	(8,058)

Higher operating cash inflow was due to higher receipts from customers. Lower investing cash outflow was due to lower exploration expenditure. Higher financing cash outflows largely driven by repayment of loans and dividends paid for the first time during the year.

Business Risks

The Consolidated Entity is subject to risks that are specific to the Consolidated Entity and its business activities, as well as general risks.

Exposure to oil and gas prices
The Consolidated Entity is exposed to global commodity price variability for oil products produced in Indonesia, New Zealand and Australia which are sold on a US dollar Brent crude benchmark price basis.

The majority of the Consolidated Entity ’s gas production is sold on fixed price contracts and is exposed to changes in the gas price on renewal or signing of new contracts. Gas sold in Australia on the short term market is exposed to daily variations in price. In addition to normal market operations, gas prices for Australian sales are subject to risk of government intervention, including under the Competition and Consumer Amendment (Gas Market) Bill 2022.

Oil and Gas prices can be volatile. A decline in the price of oil and gas may have a material adverse effect on Consolidated Entity’s financial performance.

The valuation of oil and gas assets is affected by expectations of future oil and gas prices. An extended or substantial decline in oil and/or gas prices or demand, or an expectation of such a decline, may reduce the expected cash flows and/or quantity of reserves and resources classified in relation to the associated oil and gas assets, which may lead to a reduction in the valuation of these assets.

Foreign exchange risk
The Consolidated Entity is exposed to foreign currency risk on cash and cash equivalents, oil sales, the recoverable value of oil and gas assets and capital commitments that are denominated in foreign currencies.

The Consolidated Entity ’s financial report is presented in Australian Dollars and the functional currency for its operations in New Zealand and Indonesia is the United States Dollar (USD). The majority of the Consolidated Entity ’s costs are incurred in currencies other than Australian Dollars and revenue mainly received in USD. Accordingly, it is subject to fluctuations in the rates of currency exchange between these currencies, the primary impact of which is reflected in other comprehensive income.

The Consolidated Entity currently does not utilise hedging or other derivative instruments. The Consolidated Entity’s foreign exchange risk exposures are mitigated through natural hedging of cost and revenue currencies, where appropriate.

Ability to access funding
Exploration, development, and production can involve significant capital expenditure. If cashflows decrease or the Consolidated Entity is not able to access necessary funding, this may result in postponement or reduction of capital expenditures, relinquishment of rights in assets or otherwise may have an adverse effect on the Consolidated Entity’s operations and financial performance.

The Consolidated Entity’s ability to raise additional funds if required would be subject to, among other things, factors beyond the control of the Consolidated Entity and its Directors, including cyclical factors affecting the economy, investment climate for the energy sector and share markets generally. If for any reason the Consolidated Entity was unable to raise future funds if required, its ability to realise its strategy could be significantly affected.

Joint Operations
The Consolidated Entity participates in its business activities through minority interest in joint operations operated by other companies, governed by operating agreements. Under these agreements, the Consolidated Entity does not control the approval of work programmes and budgets and other project partners may participate in activities without the Consolidated Entity's approval. The Consolidated Entity may also be required to participate in activities which it did not approve, have its interests diluted or not gain the benefit of an activity.

Project agreements can be subject to differences in interpretation and implementation with Operator responsibility for day to day operations. As a result, the Consolidated Entity may be exposed to operational and financial obligations outside of its control.

Reserves and resources
Estimating oil and gas reserves and resources is subject to significant uncertainties associated with technical data and the interpretation of that data, future commodity prices and development and operating costs. There can be no guarantee that the Consolidated Entity will successfully produce the volume of hydrocarbons that it estimates as reserves or that hydrocarbon resources will be successfully converted to reserves.

The Consolidated Entity's reserves and resources estimates are prepared by qualified, experienced engineers in accordance with the 2018 update to the Petroleum Resources Management System sponsored by the Society of Petroleum Engineers, World Petroleum Council, American Association of Petroleum Geologists and Society of Petroleum Evaluation Engineers (SPE-PRMS).

Exploration and Development
The Consolidated Entity's projects are at various stages of exploration, development and production. Oil and gas exploration and development activities can be high-risk undertakings and there can be no assurance that the exploration or development of any projects will result in the discovery of, and ability to realise any economic resources. Even if an apparently viable oil and gas resource is identified, there is no guarantee that it can be economically produced.

Exploration and development activities may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated reservoir problems which may affect production volumes and/or costs, industrial disputes, unexpected shortages and increases in the costs of plant and equipment, native title processes, changing government regulations and many other factors beyond the Consolidated Entity's control.

Production
The Consolidated Entity's oil and gas production is exposed to interruptions which may result from mechanical or technical failure, pipeline and other infrastructure access, project delays or other unforeseeable events. Restrictions on the movement and supply of personnel and products due to external influences such as geopolitical unrest or conflict and a pandemic may also cause interruption to production.

A significant interruption to production could result in loss of revenue and additional costs to repair or replace equipment.

Regulatory risk
The Consolidated Entity currently operates in Australia, Indonesia and New Zealand and is subject to changes in government policy or statutory changes that may affect our business operations and financial position. A change in government regime may significantly result in changes to fiscal, monetary, property rights and other issues which may result in a material adverse impact on Consolidated Entity's business and its operations.

Profitability may be affected by changes in government taxation and royalty policies or the interpretation and application of policies in our operating jurisdictions.

The Consolidated Entity monitors changes in relevant regulations and engages with regulators and governments to ensure policy and law changes are appropriately understood. Any failure to comply with or changes to applicable laws, regulations or permits, even if non-compliance is inadvertent, could result in material fines, penalties, changes in the cost of operations, additional investment or other liabilities. In extreme cases, non-compliance with or amendments applicable laws, regulations or permits could result in suspension of activities or forfeiture of one or more of the Consolidated Entity's projects.

Access to infrastructure
Our oil and gas sales can be dependent on access to third party owned infrastructure. Infrastructure failure, such as pipelines and processing facilities, increased tariffs or restrictions on access to third party infrastructure may have a material effect on financial performance.

The Consolidated Entity works with its project partners, customers and infrastructure suppliers to understand and mitigate the risk of delays or failure.

Permit Risk
All petroleum licences held by the Consolidated Entity are subject to the granting and approval of relevant government bodies and ongoing compliance with licence terms and conditions, including periodic requirements for renewal or extension.

The Consolidated Entity monitors project operators' tenure management processes and standard operating procedures to minimise the risk of losing tenure.

Litigation
The Consolidated Entity is not currently involved in any litigation. However, in the ordinary course of business we may become involved in litigation and disputes, for example with our partners, contractors or employees over a broad range of matters. Any such litigation or dispute could involve significant economic costs and damage to relationships with partners or other stakeholders. Outcomes of any litigation may have an adverse impact on the Consolidated Entity's business, market reputation and financial condition and financial performance.

Health Safety and Environmental risk
Exploration, development, production and transportation of oil and gas involves a variety of risks which may impact the health and safety of personnel, the community and the environment.

Natural disasters, operational error and equipment failure, amongst other things, could result in oil and gas leaks or spills or loss of well control which may lead injury or loss of life, damage to equipment and facilities, legal liability and reputational damage. Losses or liabilities from such events could reduce revenue or increase costs and materially impact Consolidated Entity's financial position.

The Consolidated Entity works with project operators to ensure processes and procedures are in place to minimise these risks and seeks to maintain appropriate insurance policies to mitigate against the financial effects of any incident.

Climate change and the development of alternative energy sources
The Consolidated Entity's operating environment is and will continue to be impacted by the continually developing impact of climate change and the response needed to ensure the well-being of the global community. The adverse impact of climate change continues to impact the search for and development of alternative energy sources to those historically based on the use of hydrocarbons in the generation of energy for industrial and private use.

The Consolidated Entity is conscious of its responsibilities in respect of minimising the impact of its operations on the environment, however, fundamental shifts in the commercial availability of alternative energy sources developed as a result of the adverse impact of climate change may impact the Consolidated Entity's future operational and financial performance.

Digital and Cyber Security
Any information technology system is potentially vulnerable to interruption and/or damage from a number of sources, including but not limited to computer viruses, cyber security attacks and other security breaches, power, systems, internet and data network failures, and natural disasters.

The Consolidated Entity is committed to preventing and reducing cyber security risks through outsourcing the IT environment which it utilizes to a reputable service provider.

Reliance on key personnel
The Consolidated Entity's success depends to a significant extent upon its key management personnel, as well as other staff and technical personnel including those employed on a contractual basis. The loss of the services of such personnel or the reduced ability to recruit additional personnel could have an adverse effect on the Consolidated Entity's performance.

The Consolidated Entity maintains a mix of permanent staff and expert consultants to advance its projects and ensure access to multiple skill sets. The remuneration policy is reviewed regularly to ensure it appropriately reflects current and expected employment conditions and best practices.

Geopolitical Risk
The Russian-Ukrainian and Israeli-Gaza conflicts have had significant global macro-economic impacts, including increasing instability in global energy prices. Related impacts include, but are not limited to volatility in commodity prices, currency movements, supply-chain and travel disruptions, disruption in banking systems and capital markets, increased costs and expenditures and cyberattacks. The conflicts' development and conclusion is inherently uncertain and the consequences for the global economy and the Consolidated Entity's operations unpredictable.

The Board and management team continue to assess the potential impacts on the business, however given the continued uncertainties the future financial impact, if any, cannot be determined.

Refer to the Financial and Operations review preceding this Director's Report.

Significant changes in the state of affairs

On 1 July 2023, 3,473,653 options over the Company's fully paid ordinary shares expired, with an exercise price of $0.089 (8.9cents) per fully paid ordinary share.

On 8 September 2023, the Company issued 4,640,759 options over fully paid ordinary shares to employees with an exercise price of $0.072 (7.2 cents) per fully paid ordinary share and which expire on 1 July 2028.

On 3 October 2023, the Consolidated Entity announced the repayment of the remaining $4 million in outstanding unsecured loans to New Zealand Oil & Gas Ltd (NZOG), which renamed to Echelon Resources Ltd (Echelon) on 31 July 2024.

On 26 October 2023, Ms Melanie Leydin resigned as the Consolidated Entity's Company Secretary and Ms Anita Addorisio was appointed as Company Secretary with immediate effect. Ms Melanie Leydin retained her position as the Consolidated Entity's Chief Financial Officer until 30 June 2024.

On 28 February 2024, the Company's Board of Directors approved the declaration of an interim special dividend of $0.02 (2 cents) per fully paid ordinary share, totalling $13.97 million. This interim special dividend was declared as a Conduit Foreign Income (CFI), unfranked special dividend and was paid on 5 April 2024.

On 19 March 2024, the Consolidated Entity issued 252,562 fully paid ordinary shares upon the exercise of 2,152,655 unlisted options over fully paid ordinary shares with an exercise price of $0.09 (9 cents) per fully paid ordinary share and an expiry date of 1 July 2024. Settlement was made on a cashless net basis; settlement being determined on difference between the 30 day VWAP (volume-weighted average price) for the period immediately preceding the exercise date less the exercise price of $0.09 (9 cents) per fully paid ordinary share.

During April 2024, the Consolidated Entity had its interest in the Mahato PSC reduced by 10% (from 12.5% to 11.25%), effective 1 November 2023, for no consideration in accordance with the Mahato PSC and subsequent Indonesian Government regulations.

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

Matters subsequent to the end of the financial year

On 23 July 2024, the Palm Valley production license was renewed for 21 years commencing on 7 November 2024.

On 23 August 2024, the Company's Board of Directors approved the declaration of a final dividend distribution of $0.01 (1 cent) per fully paid ordinary share, totalling $7 million. This final dividend distribution was declared as a Conduit Foreign Income (CFI), unfranked final dividend and was paid on 26 September 2024.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Likely developments and expected results of operations

The following activities may affect the expected results of operations:

- Progress on Paus Biru and the Final Investment Decision;
- Further exploration and development drilling in existing company fields;
- Changes in New Zealand legislation and the impact it may have on the scope and funding of the Maari field decommissioning obligations;
- Continuing volatility in global energy markets; and
- Actively seeking to acquire new production opportunities.

Environmental regulation

Within the last year there have been no incidents, lost time injuries or significant spills within Cue Energy Resources Limited. Among the joint operations there have been incidents that have been reported and investigated by all the relevant parties. Cue Energy Resources Limited continues to monitor the progress of reported incidents and work with the joint operation partners and operators to improve overall health and safety and minimise any impact on the environment.

Information on directors

Name:	Alastair McGregor
Title:	Non-Executive Chairman
Qualifications:	BEng, MSc
Experience and expertise:	Mr McGregor has been actively involved in the oil and gas sector since 2003. He is currently chief executive of O.G. Energy, which holds Ofer Global's broader energy interests, and Oil & Gas Limited, a company that holds directly or indirectly oil & gas exploration and production interests onshore and offshore. He leads the O.G. Energy Senior Management Committee, driving the strategy for Ofer Global's energy activities. Mr McGregor is also a director of Echelon Resources Ltd. In addition, Mr McGregor is chief executive of Omni Offshore Terminals Limited, a leading provider of floating, production, storage and offloading (FSO and FPSO) solutions to the offshore oil and gas industry. Omni's operations have spanned the globe from New Zealand, Australia, South East Asia, Middle East and South America. Prior to entering the oil and gas industry Mr McGregor spent 12 years as a banker with Citigroup and Salomon Smith Barney. Mr McGregor holds a BEng(Hons) and an MSc in Aeronautical Engineering.
Other current directorships:	Echelon Resources Ltd (ASX: ECH)
Former directorships (last 3 years):	None
Special responsibilities:	Member, Remuneration and Nomination Committee
Interests in shares:	None
Interests in options:	None

Name:	Andrew Jefferies
Title:	Non-Executive Director
Qualifications:	BE Hons (Mechanical), MBA, MSc in petroleum engineering, GAICD, Certified Petroleum Engineer
Experience and expertise:	Mr Jefferies is managing director of Echelon. He started his career with Shell in Australia after graduating with a BE Hons (Mechanical) from the University of Sydney in 1991, an MBA in technology management from Deakin University in Australia, and an MSc in petroleum engineering from Heriot - Watt University in Scotland. Mr Jefferies is also a graduate of the Australian Institute of Company Directors (GAICD), and a Certified Petroleum Engineer with the Society of Petroleum Engineers. He has worked in oil and gas in Australia, Germany, the United Kingdom, Thailand, Holland and is currently based in New Zealand.
Other current directorships:	Echelon Resources Limited (ASX: ECH)
Former directorships (last 3 years):	None
Special responsibilities:	Member, Audit and Risk Committee Member, Remuneration and Nomination Committee Member, Operational Risk and Sustainability Committee Member, Commercial Committee
Interests in shares:	8,000 fully paid ordinary shares
Interests in options:	None

Name:	Peter Hood AO
Title:	Non-Executive Director
Experience and expertise:	Mr Hood is a professional chemical engineer with 50 years' experience in the development of projects in the resources and chemical industries. He began his career with WMC Ltd and then was chief executive officer of Coogee Chemicals Pty Ltd and Coogee Resources Ltd from 1998 to 2009. He is a graduate of the Harvard Business School Advanced Management Programme and is currently Chairman of Matrix Composites and Engineering Ltd, a Non-Executive Director of GR Engineering Ltd and a Non-Executive Director of De Grey Mining Ltd. He has been Vice-Chairman of the Australian Petroleum Production and Exploration Association Limited (APPEA), Chairman of the APPEA Health Safety and Operations Committee, and is a past President of the Western Australian and Australian Chambers of Commerce and Industry.
Other current directorships:	De Grey Mining Ltd (ASX: DEG) GR Engineering Ltd (ASX: GNG) Matrix Composites and Engineering Ltd (ASX: MCE)
Former directorships (last 3 years):	None
Special responsibilities:	Chair, Independent Board Committee Member, Audit and Risk Committee Member, Commercial Committee
Interests in shares:	80,000 fully paid ordinary shares
Interests in options:	None

Name:	Richard Malcolm
Title:	Non-Executive Director
Experience and expertise:	Mr Malcolm is a professional geoscientist with over 40 years of varied oil and gas experience within seven international markets including Australia/NZ/PNG, UK North Sea/West of Shetlands, Gulf of Mexico and the Middle East/ North Africa. His latter roles from 2006 to 2013 included Managing Director of OMV UK and Managing Director of Gulfsands Petroleum, an AIM listed exploration and production company with operations in Syria, Tunisia, Morocco, USA and Colombia. He is currently a Non-executive Director of Larus Energy Limited.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chairman, Remuneration and Nomination Committee Member, Independent Board Committee Member, Operational Risk and Sustainability Committee
Interests in shares:	300,000 Fully Paid Ordinary Shares
Interests in options:	None

Name:	Rod Ritchie
Title:	Non-Executive Director
Qualifications:	B.Sc
Experience and expertise:	Mr Ritchie is a Non-Executive director of Echelon. Mr Ritchie joined Echelon's board in 2013. He began his career as a petroleum engineer with Schlumberger and after 28 years and then joined OMV where he worked for a further 12 years. Mr Ritchie has over 45 years of global experience in leadership roles and as a Health, Safety, Environmental and Security (HSSE) executive in the Oil and Gas industry, including being the corporate Senior Vice President of HSSE and Sustainability at OMV based in Vienna, Austria. He has also worked closely with the International Association of Oil and Gas produces (IOGP) to create Industry best practice standards for the Oil and Gas Industry. He is also an active leadership and cultural change consultant, and an author on the subject of Safety Leadership and several Society of Petroleum Engineers papers on the subject of HSSE and safety Leadership. More recently he has qualified as an executive and leadership coach with the Australian Institute of Professional coaches (AIPC) and also works with the CEO institute in Perth WA as a syndicate chair.
Other current directorships:	Echelon Resources Limited (ASX: ECH)
Former directorships (last 3 years):	None
Special responsibilities:	Member, Remuneration and Nomination Committee Chair, Operational Risk and Sustainability Committee
Interests in shares:	None
Interests in options:	None

Name:	Samuel Kellner
Title:	Non-Executive Director
Qualifications:	BA, MBA
Experience and expertise:	Mr Kellner has held a variety of senior executive positions with Ofer Global since joining the group in 1980. He has been deeply involved in all Ofer Global's business lines, with a particular emphasis on offshore oil and gas, shipping and real estate, and has advised Ofer Global companies on investments with a variety of investment managers, hedge funds and private equity funds. Most recently, Mr Kellner served as President of Global Holdings Management Group (US) Inc. where he led North American real estate acquisition, development and financing activities. Mr Kellner serves as a director of O.G. Energy, O.G. Oil & Gas and Echelon, where he is Chairman of the Board of Directors. As a member of the O.G. Energy Senior Management Committee, he helps drive strategy for Ofer Global’s energy activities. He is also an Executive Director of the main holding companies for the Zodiac Maritime Limited shipping group and Omni Offshore Terminals Limited, a leading provider of floating, production, storage and offloading (FSO and FPSO) solutions to the offshore oil and gas industry. Mr Kellner graduated with a BA degree from Hebrew University in Jerusalem. He has an MBA from the University of Toronto and taught at the University of Toronto while working toward a PhD in Applied Economics.
Other current directorships:	Echelon Resources Limited (ASX: ECH)
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	None
Interests in options:	None

Name:	Mr Marco Argentieri
Title:	Non-Executive Director
Experience and expertise:	Mr Argentieri is a Director of Echelon, Executive Vice President of O.G. Energy, and a member of the Board of Directors of both O.G. Energy and O.G. Oil & Gas. Prior to O.G. Energy, Mr Argentieri worked extensively in finance, offshore oil services and shipping. Mr Argentieri started his career as an attorney at the New York offices of Skadden, Arps, Slate, Meagher & Flom LLP and Latham & Watkins LLP. He holds a B.A. from the University of Rochester, a J.D. from New York University and an MBA from Columbia University.
Other current directorships:	Echelon Resources Limited (ASX: ECH)
Former directorships (last 3 years):	None
Special responsibilities:	Chair, Audit and Risk Committee Member, Commercial Committee
Interests in shares:	None
Interests in options:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

On 26 October 2023, Ms Melanie Leydin resigned and Ms Anita Addorisio was appointed as Company Secretary.

Ms Addorisio is an experienced finance professional with over 20 years' senior finance experience and 10 years' experience as a Company Secretary for ASX listed companies within several industry sectors, including resources. She is a Fellow of both CPA Governance Institute of Australia and holds a Masters in Accounting.

Meetings of directors

	Full Board Attended	Full Board Held	Remuneration and Nomination Committee Attended	Remuneration and Nomination Committee Held	Audit and Risk Committee Attended	Audit and Risk Committee Held	Operational Risk and Sustainability Committee Attended	Operational Risk and Sustainability Committee Held
Alastair McGregor	5	5	3	3	-	-	-	-
Andrew Jefferies	5	5	3	3	3	3	2	2
Peter Hood*	5	5	-	-	3	3	-	-
Richard Malcolm*	4	5	3	3	-	-	2	2
Rod Ritchie	5	5	3	3	-	-	2	2
Samuel Kellner	5	5	-	-	-	-	-	-
Marco Argentieri	5	5	-	-	3	3	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

* During the year, the Independent Board Committee which consists of Peter Hood and Richard Malcolm held one meeting which was attended by both of them.

Remuneration report

This Remuneration Report which has been audited, and which forms part of the Directors' Report, sets out information about the remuneration of Cue Energy Resources Limited's Directors and its senior management for the financial year ended 30 June 2024, in accordance with the Corporations Act 2001 and its regulations.

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The prescribed details for each person covered by this report are detailed below under the following headings:

(A) Director and executive details

(B) Remuneration policy

(C) Details of remuneration

(D) Equity based remuneration

(E) Relationship between remuneration policy and company performance

(A) Director and executive details
The following persons acted as Directors of the company during or since the end of the financial year:
- Alastair McGregor (Non-Executive Chairman)
- Andrew Jefferies (Non-Executive Director)
- Peter Hood (Non-Executive Director)
- Richard Malcolm (Non-Executive Director)
- Rod Ritchie (Non-Executive Director)
- Samuel Kellner (Non-Executive Director)
- Marco Argentieri (Non-Executive Director)

The persons named above held their current position for the whole of the financial year and since the end of the financial year.

The term "Executive" is used in this Remuneration Report to refer to Matthew Boyall, Chief Executive Officer.

(B) Remuneration policy
The Board's policy for remuneration of Executives and Directors is detailed below.

Remuneration packages are set at levels that are intended to attract and retain high calibre directors and employees and align the interest of the Directors and Executives with those of the company's shareholders. The remuneration policy is established and implemented solely by the Board.

Remuneration and other terms and conditions of employment are reviewed annually by the Board having regard to performance and relevant employment market information. As well as a base salary, remuneration packages include superannuation, termination entitlements and fringe benefits.

The Board is conscious of its responsibilities in relation to the performance of the Company. Directors and Executives are encouraged to hold shares in the Company to align their interests with those of shareholders.

No remuneration or other benefits are paid to Directors or Executives by any subsidiary companies.

(C) Details of remuneration
The structure of Non-Executive Director and Executive remuneration is separate and distinct.

Non-Executive Directors

Remuneration of Non-Executive Directors is determined by the Board within the maximum amount approved by the shareholders from time to time. The amount currently approved is $700,000, which was approved at the Annual General Meeting held on 24 November 2011. The Company's policy is to remunerate Non-Executive Directors at a fixed fee based on their time involvement, commitment and responsibilities. Remuneration for Non-Executive Directors is not linked to individual or company performance, however, to align Directors' interests with shareholders' interests, Non-Executive Directors are encouraged to hold shares in the Company. The Board retains the discretion to award options or performance rights to Non-Executive Directors based on the recommendation of the Board, which is always subject to shareholder approval.

Executives

Executives receive a mixture of fixed and variable pay and a blend of short- and long-term incentives as appropriate. Remuneration packages contain the following key elements:

- Fixed base cash salary and fees;
- Short term incentive (STI) programme benefits, including cash bonuses;
- Long term benefits in the form of long service leave;
- Superannuation entitlements post employment; and
- Equity settled benefits, including but not limited to long term incentives in the form of options and/or performance rights.

Fixed compensation

Fixed compensation consists of base salary (which is calculated on a total cost base and including any fringe benefits tax ("FBT') charges related to employee benefits including motor vehicles), as well as employer contributions to superannuation funds.

The base salary is reflective of market rates for companies of similar size and industry which is reviewed annually to ensure market competitiveness. The Board last reviewed the salaries paid to peer company executives in determining the salary of the Company's KMP at the end of the 2022 financial year. This base salary is fixed remuneration and is not subject to performance of the company. Base salary is reviewed annually and adjusted on 1 July each year as required. There is no guaranteed base salary increase included in any executive's contracts.

Cash bonuses

A cash bonus was paid to the CEO during this financial year on the achievement of his annual STI, based on actual performance against key performance indicators (KPIs).

Employment contracts

Remuneration and other terms of employment for key executive Matthew Boyall is formalised in a service agreement. Details of the agreement is as follows:

Matthew Boyall
Title: Chief Executive Officer
Original Agreement effective from 1 July 2017, with salary terms revised on 4 September 2023.
Term: Permanent employment contract, no fixed terms.
Details: Base salary of $424,848 per annum plus superannuation, up to the super guarantee maximum employer contribution, to be reviewed annually by the Board. Mr Boyall is also entitled to short-term incentive up to 30% (2023: 30%) of his base salary at the discretion of the Board at the end of each calendar year dependent on the success of meeting key deliverables. Mr Boyall's entitlements to long-term incentives is determined at the Board sole discretion.
Notice period: 3 months

Compensation levels are reviewed each year to take into account cost of living changes, any change in the scope of the role performed and any changes to meet the principles of the compensation policy.

Details of the nature and amount of each major element of remuneration of each Director of the Company and other Key Management Personnel of the Consolidated Entity are:

KMP Compensation - 30 June 2024

	Short-term benefits		Short-term benefits		Long-term benefits	Post employment	Share based payments	
	Cash salary and fees	Deemed short term benefits*	Cash bonuses	Consulting Fees	Long service leave	Superannuation	Equity settled	Total
30 June 2024	$	$	$	$	$	$	$	$
Directors								
Alastair McGregor*	100,000	-	-	-	-	-	-	100,000
Andrew Jefferies*	62,981	-	-	-	-	-	-	62,981
Peter Hood	75,862	-	-	-	-	3,989	-	79,851
Richard Malcolm	66,872	-	-	-	-	7,356	-	74,228
Rod Ritchie	74,228	-	-	-	-	-	-	74,228
Samuel Kellner*	62,981	-	-	-	-	-	-	62,981
Marco Argentieri*	74,228	-	-	-	-	-	-	74,228
Other Key Management Personnel:								
Matthew Boyall**	424,747	-	87,051	-	(951)	27,500	54,243	592,590
	941,899	-	87,051	-	(951)	38,845	54,243	1,121,087

* Commencing 1 July 2023, the Directors' fees are invoiced by Echelon and paid on a quarterly basis. The Directors' fees are retained by Echelon and not personally received by the Directors.

** Matthew Boyall's cash bonus consists of $87,051 for achieving a 68.3% performance rating against 2023 key performance indicators (KPIs). The KPIs were measured against the actual results for the calendar year ending 31 December 2023. Mr Boyall is entitled to up to 30% of base salary in short term incentives.

KMP Compensation - 30 June 2023

	Short-term benefits		Short-term benefits		Long-term benefits	Post employment	Share based payments	
	Cash salary and fees	Deemed short term benefits*	Cash bonuses	Consulting Fees	Long service leave	Superannuation	Equity settled	Total
30 June 2023	$	$	$	$	$	$	$	$
Directors								
Alastair McGregor*	-	94,340	-	-	-	-	-	94,340
Andrew Jefferies*	-	59,416	-	-	-	-	-	59,416
Peter Hood	68,096	-	-	-	-	7,235	-	75,331
Richard Malcolm	63,301	-	-	-	-	6,725	-	70,026
Rod Ritchie	70,026	-	-	12,000	-	-	-	82,026
Samuel Kellner*	-	59,416	-	-	-	-	-	59,416
Marco Argentieri*	-	70,026	-	-	-	-	-	70,026
Other Key Management Personnel:								
Matthew Boyall**	398,592	-	90,180	-	27,021	27,500	50,688	593,981
	600,015	283,198	90,180	12,000	27,021	41,460	50,688	1,104,562

* Total remuneration $1,104,562 for FY 2023 includes the presentation of deemed compensation. The entire value of the $283,198 (i) solely arose from the technical application of disclosure requirements of the accounting standards, and (ii) the $283,198 is deemed only and neither the Company nor any member of the Consolidated Entity paid or in any way settled or has obligations to settle the aforementioned deemed remuneration of $283,198. The Consolidated Entity's actual obligations for the settlement of Directors' remuneration for FY 2023 was $821,364.

** Matthew Boyall's cash bonus consisted of $90,180 for achieving a 75% performance rating against 2022 key performance indicators (KPIs). The KPIs were measured against the actual results for the calendar year ending 31 December 2022. Mr Boyall is entitled to up to 30% of base salary in short term incentives.

The proportion of remuneration linked to the Consolidated Entity's performance and the fixed proportion are as follows:

Name	Fixed remuneration 30 June 2024	Fixed remuneration 30 June 2023	At risk - STI 30 June 2024	At risk - STI 30 June 2023	At risk - LTI 30 June 2024	At risk - LTI 30 June 2023
Directors:						
Alastair McGregor*	100%	100%	-	-	-	-
Andrew Jefferies*	100%	100%	-	-	-	-
Peter Hood	100%	100%	-	-	-	-
Marco Argentieri*	100%	100%	-	-	-	-
Richard Malcolm	100%	100%	-	-	-	-
Rod Ritchie	100%	100%	-	-	-	-
Samuel Kellner*	100%	100%	-	-	-	-
Other Key Management Personnel:						
Matthew Boyall	76%	85%	15%	15%	9%	-

* Alastair McGregor, Andrew Jefferies, Samuel Kellner and Marco Argentieri were not directly remunerated by the Company during the year ended 30 June 2024.

(D) Equity based remuneration

Overview of share options

The Board in their meeting held on 24 June 2019 approved the Employee Share Option Plan ('ESOP'), which was subsequently approved by shareholders at 2019 Annual General Meeting.

The ESOP has been developed to provide the greatest possible flexibility in choice to the Board in implementing the executive incentive schemes. The ESOP enables the Board to offer employees a number of Options.

A summary of material terms of the ESOP is set out as follows:

- the ESOP sets out the framework for the offer of Options by the Company, and is typical for an ESOP;
- in making its decision to issue Options, the Board may decide the number of securities and the vesting conditions which are to apply in respect of the securities. The Board has flexibility to issue Options having regard to a range of potential vesting criteria and conditions;
- in certain circumstances, unvested Options will immediately lapse and any unvested Shares held by the participant will be forfeited if the relevant person is a "bad leaver" as distinct from a "good leaver". Unless the Board determines otherwise at its sole discretion, Options held by good leavers will expire upon cessation of employment;
- if a participant acts fraudulently or dishonestly or is in breach of their obligations to the Company or its subsidiaries, the Board may determine that any unvested Options held by the participant immediately lapse and that any unvested Shares held by the participant be forfeited;
- in certain circumstances Options can vest early upon a change of control event as defined under the Plan rules;
- the total number of Options and Shares which may be offered by the Company under these Rules shall not at any time exceed 5% of the Company's total issued Shares when aggregated with the number of Options and Shares issued or that may be issued as a result of offers made at any time during the previous three year period under an employee incentive scheme;
- the Board has discretion to impose restrictions (except to the extent prohibited by law or the ASX Listing Rules) on Shares issued or transferred to a participant on vesting of an Option or a Performance Right, and the Company may implement appropriate procedures to restrict a participant from so dealing in the Shares; and
- the Board is granted a certain level of discretion under the Employee Incentive Programme (EIP), including the power to amend the rules under which the EIP is governed and to waive vesting conditions, forfeiture conditions or disposal restrictions, including but not limited to the execution of the EIP's terms upon termination of employment.

The options will vest on the date determined by the Board and as specified in the Invitation Letter.

4,640,759 options were granted under the ESOP during FY 2024 (FY 2023: 3,649,298). In March 2024, the Consolidated Entity issued 252,562 fully paid ordinary shares upon the exercise of 2,152,655 unlisted options over fully paid ordinary shares with an exercise price of $0.09 (9 cents) per fully paid ordinary share and an expiry date of 1 July 2024. Settlement was made on a cashless net basis, determined on difference between the 30 day VWAP for the period immediately preceding the exercise date less the exercise price of $0.09 (9 cents) per fully paid ordinary share.

Share-based compensation
Issue of shares
During FY 2024, 164,208 fully paid ordinary shares were issued to Matthew Boyall, the Chief Executive Officer upon the exercise on a cashless basis of 1,399,595 options granted as part of their compensation.

Options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of KMP in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant Date	Vesting date and exercisable date	Expiry date	Exercise price (Cents)	Fair value per option at grant date (Cents)
Matthew Boyall	1,102,607	16 July 2020	1 July 2023	1 July 2025	11.700	5.100
Matthew Boyall	1,428,843	23 July 2021	23 July 2024	23 July 2026	7.800	3.900
Matthew Boyall	1,714,612	30 August 2022	1 July 2025	1 July 2027	8.900	3.200
Matthew Boyall	2,129,386	8 September 2023	1 July 2026	1 July 2028	7.200	3.150

Options granted carry no dividend or voting rights.

(E) Relationship between remuneration policy and company performance
Company performance review
The tables below set out summary information about the company's earnings and movements in shareholder wealth and key management remuneration for the five years to 30 June 2024

	2024 $'000	2023 $'000	2022 $'000	2021 $'000	2020 $'000
Production revenue from continuing operations	49,659	51,605	44,439	22,449	23,916
Profit/(loss) before income tax expense from continuing operations	25,322	19,881	21,756	(7,442)	5,099
Profit/(loss) after income tax expense	14,189	15,211	16,068	(12,743)	1,313
Total KMP remuneration settled by the Consolidated Entity	1,121	821	741	659	690

	2024	2023	2022	2021	2020
Share price at start of year (cents)	5.60	6.50	6.00	9.50	8.30
Share price at end of year (cents)	10.50	5.60	6.50	6.00	9.50
Basic earnings/(loss) per share (cents)	2.03	2.18	2.30	(1.83)	0.19
Diluted earnings/(loss) per share (cents)	2.03	2.18	2.30	(1.83)	0.19
Dividend ($'000)	13,967	-	-	-	-

The Company remuneration policy also seeks to reward staff members on achieving non-financial key performance indicators, including safety and operational performance.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Additions	Disposals/ other	Balance at the end of the year
*Ordinary shares**				
Non-Executive Directors	-	-	-	-
Andrew Jefferies	8,000	-	-	8,000
Peter Hood	80,000	-	-	80,000
Richard Malcolm	300,000	-	-	300,000
Other Key Management Personnel	-	-	-	-
Matthew Boyall**	200,000	164,208	-	364,208
	588,000	164,208	-	752,208

* Alastair McGregor, Rod Ritchie, Samuel Kellner and Marco Argentieri do not hold any fully paid ordinary shares. NZOG Offshore Limited (a related entity to Alastair McGregor, Andrew Jefferies, Rod Richie, Samuel Kellner and Marco Argentieri) holds 349,368,803 fully paid ordinary shares in the Company.

** In March 2024, 1,399,595 options with an expiry date of 1 July 2024 and an exercise price of $0.09 (9 cents) per fully paid ordinary share were exercised on a cashless basis during the period, as a result of which 164,208 fully paid ordinary shares were issued.

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Matthew Boyall	6,933,995	2,129,386	(1,399,595)	(1,288,338)	6,375,448
	6,933,995	2,129,386	(1,399,595)	(1,288,338)	6,375,448

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Cue Energy Resources Limited under option at the date of this report are as follows:

Grant date	Vesting date	Expiry date	Exercise price (cents)	Number under option
16/07/2020	01/07/2023	01/07/2025	11.70	3,204,237
23/07/2021	01/07/2024	23/07/2026	7.80	4,005,799
30/08/2022	01/07/2025	01/07/2027	8.90	3,598,698
08/09/2023	01/07/2026	01/07/2028	7.20	4,640,759

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options
During FY 2024 and up to the date of this report, 252,562 fully paid ordinary shares of Cue Energy Resources Limited were issued on a cashless basis upon the exercise of 2,152,654 options over fully paid ordinary shares in the Company with an exercise price of $0.09 (9 cents) per fully paid ordinary share.

Directors' insurance and indemnification of Directors and auditors
During the financial year, the company paid a premium in respect of a contract insuring the directors of the company, the company secretary, and all executive officers against a liability incurred as a director, company secretary or executive officer to the extent permitted by the Corporations Act 2001. In accordance with commercial practice, the insurance policy prohibits disclosure of the terms of the policy, including the nature of the liability insured against and the amount of the premium.

The company has not otherwise, during or since the end of the financial year indemnified or agreed to indemnify the auditor of the company or any related body corporate against a liability incurred as an officer or auditor.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 16 to the financial statements.

The Company may decide to employ the auditor on assignments additional to its statutory audit duties where the auditor's expertise and experience with the Company are important.

The Board of Directors pre-approves all non-audit services and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor, did not compromise the audit independence requirement, of the Corporations Act 2001, based on advice received from the Audit and Risk Committee, for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of KPMG
There are no officers of the company who are former partners of KPMG.

Rounding of amounts
The Company is a company of the kind referred to in ASIC Legislative Instrument 2016/191, and in accordance with the Class Order amounts in the Directors' Report and the Financial Report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Cue Energy Resources Limited
Directors' report
30 June 2024

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report and forms part of the directors' report.

Auditor

In accordance with the provisions of the Corporations Act 2001 the Company's auditor, KPMG, continues in office.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Board

Alastair McGregor
Non-Executive Chairman

23 August 2024

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Cue Energy Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Cue Energy Resources Limited for the financial year ended 30 June 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Vicky Carlson

Partner

Melbourne

23 August 2024

Cue Energy Resources Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	Consolidated 30 June 2024 $'000	Consolidated 30 June 2023 $'000
Revenue from continuing operations			
Revenue from operations	5	49,659	51,605
Production costs	6	(19,629)	(22,721)
Gross profit from production		30,030	28,884
Other income		836	487
Net foreign currency exchange (loss)/gain		(119)	10
Expenses			
Exploration activities		(228)	(3,073)
Corporate and administration expenses	7	(3,148)	(2,485)
Sales expenses		(1,365)	(2,239)
Finance cost		(684)	(1,703)
Profit before income tax expense		25,322	19,881
Income tax expense	8	(11,133)	(4,670)
Profit after income tax expense for the year attributable to the owners of Cue Energy Resources Limited		14,189	15,211
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		388	947
Other comprehensive income for the year, net of tax		388	947
Total comprehensive income for the year attributable to the owners of Cue Energy Resources Limited		14,577	16,158
		Cents	**Cents**
Basic earnings per share	23	2.03	2.18
Diluted earnings per share	23	2.03	2.18

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Cue Energy Resources Limited
Statement of financial position
As at 30 June 2024

	Note	Consolidated 30 June 2024 $'000	Consolidated 30 June 2023 $'000
Assets			
Current assets			
Cash and cash equivalents		16,259	15,238
Trade and other receivables	9	8,134	10,822
Contract assets		-	5,118
Inventories		2,420	1,181
Total current assets		26,813	32,359
Non-current assets			
Advances paid for restoration works	11	6,069	5,994
Property, plant and equipment		20	26
Right-of-use assets		206	110
Exploration and evaluation assets		-	114
Production properties	10	63,017	62,289
Development assets	10	4,553	4,458
Deferred tax assets	8	12,201	12,250
Deposits		404	404
Total non-current assets		86,470	85,645
Total assets		113,283	118,004
Liabilities			
Current liabilities			
Trade and other payables		2,984	3,929
Contract liabilities		-	822
Borrowings		-	3,945
Lease liabilities		43	91
Tax liabilities	8	3,040	3,998
Provisions		239	231
Deferred consideration		-	225
Total current liabilities		6,306	13,241
Non-current liabilities			
Contract liabilities		4,000	4,332
Lease liabilities		174	45
Deferred tax liabilities	8	9,280	7,631
Provisions	11	28,609	28,563
Total non-current liabilities		42,063	40,571
Total liabilities		48,369	53,812
Net assets		64,914	64,192
Equity			
Contributed equity	12	152,543	152,416
Reserves	13	54,100	6,393
Accumulated losses		(141,729)	(94,617)
Total equity		64,914	64,192

The above statement of financial position should be read in conjunction with the accompanying notes

Cue Energy Resources Limited
Statement of changes in equity
For the year ended 30 June 2024

Consolidated	Contributed equity $'000	Reserves $'000	General reserve $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2022	152,416	1,132	-	(105,610)	47,938
Profit after income tax expense for the year	-	-	4,218	10,993	15,211
Other comprehensive income for the year, net of tax	-	947	-	-	947
Total comprehensive income for the year	-	947	4,218	10,993	16,158
Transactions with owners in their capacity as owners:					
Share-based payment (note 24)	-	96	-	-	96
Balance at 30 June 2023	152,416	2,175	4,218	(94,617)	64,192

Consolidated	Contributed equity $'000	Reserves $'000	General reserve $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2023	152,416	2,175	4,218	(94,617)	64,192
Profit after income tax expense for the year	-	-	-	14,189	14,189
Other comprehensive income for the year, net of tax	-	388	-	-	388
Total comprehensive income for the year	-	388	-	14,189	14,577
Transfer to/from Accumulated losses	-	-	61,440	(61,440)	-
Dividend paid	-	-	(13,967)	-	(13,967)
Transactions with owners in their capacity as owners:					
Share-based payments (note 24)	-	(27)	-	139	112
Exercise of options	127	(127)	-	-	-
Balance at 30 June 2024	152,543	2,409	51,691	(141,729)	64,914

The above statement of changes in equity should be read in conjunction with the accompanying notes

Cue Energy Resources Limited
Statement of cash flows
For the year ended 30 June 2024

	Note	Consolidated 30 June 2024 $'000	30 June 2023 $'000
Cash flows from operating activities			
Receipts from customers		56,362	43,458
Interest received		833	432
Payments to suppliers and employees		(19,180)	(18,845)
Payments for exploration and evaluation expenditure		(217)	(2,618)
Income tax paid		(9,139)	(6,738)
Royalties paid		(1,598)	(2,353)
Cash generated from operating activities		27,061	13,336
Interest and other finance costs paid		(118)	(683)
Net cash from operating activities	22	26,943	12,653
Cash flows used in investing activities			
Payments for exploration, development and production properties		(7,506)	(11,261)
Payments for plant and equipment		(4)	(5)
Payment for businesses acquired		(225)	(6,082)
Payments for security bonds		-	(282)
Net cash used in investing activities		(7,735)	(17,630)
Cash flows used in financing activities			
Payments of principal element of lease liabilities		(84)	(81)
Payment of dividends		(13,967)	-
Repayment of borrowings		(4,000)	(3,000)
Net cash used in financing activities		(18,051)	(3,081)
Net increase/(decrease) in cash and cash equivalents		1,157	(8,058)
Cash and cash equivalents at the beginning of the financial year		15,238	23,223
Effects of exchange rate changes on cash and cash equivalents and restricted cash		(136)	73
Cash and cash equivalents at the end of the financial year		16,259	15,238

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Cue Energy Resources Limited as a Consolidated Entity consisting of Cue Energy Resources Limited and the entities it controlled at the end of, or during, the year, hereinafter collectively referred to as the Consolidated Entity. The financial statements are presented in Australian dollars, which is Cue Energy Resources Limited's functional and presentation currency.

Cue Energy Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange.

Cue Energy Resources Limited's parent entity is Echelon Resources Limited (Echelon) (formerly known as New Zealand Oil & Gas Limited), a company incorporated in New Zealand and its ultimate parent entity is O.G. Oil & Gas (Singapore) Pte. Ltd. (OGOG), a company incorporated in Singapore.

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 23 August 2024.

Note 2. Material accounting policy information

The accounting policies that are material to the Consolidated Entity are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

(a) Operations and principal activities
Operations comprise petroleum exploration, development and production activities.

(b) Statement of compliance
The financial report is a general purpose financial report presented in Australian dollars which has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001, as appropriate for for-profit oriented entities. International Financial Reporting Standards ("IFRSs") form the basis of Australian Accounting Standards adopted by the AASB. The financial reports of the consolidated entity also comply with IFRS and interpretations adopted by the International Accounting Standards Board.

The accounting policies set out below have been applied consistently to all periods presented in this report.

(c) Basis of preparation
The Consolidated Entity is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the consolidated financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

The consolidated financial statements have been prepared on a going concern basis using the historical cost convention.

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in note 18.

Note 2. Material accounting policy information (continued)

(d) Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Cue Energy Resources Limited ("company" or "parent entity") as at 30 June 2024 and the results of all subsidiaries for the year then ended. Cue Energy Resources Limited and its subsidiaries together are referred to in this financial report as the Group or Consolidated Entity.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power to direct the activities of the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Consolidated Entity controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

Investments in subsidiaries are accounted for at cost in the standalone financial statements of the parent entity, Cue Energy Resources Limited.

(e) Production revenue
Revenue from the sale of crude oil and gas is recognised at the point in time when control of the product is transferred to the customer, which is generally when the product is physically transferred into a vessel, pipe or other delivery mechanism and the customer accepts the product. Consequently, the Consolidated Entity’s performance obligations are considered to relate only to the sale of crude oil / gas, with each barrel of crude oil or cubic meter of gas is considered to be a separate performance obligation under the contractual arrangements in place.

Under the terms of the relevant production sharing arrangements, the Consolidated Entity is entitled to its participating share in the crude oil based on the Consolidated Entity’s working interest. Revenue from contracts with customers is recognised based on the actual volumes sold to customers.

The Consolidated Entity’s sales of crude oil are priced based on market prices and sales of gas are priced based on different contractual arrangements which include fixed and market prices.

(f) Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

(g) Trade and other payables
Trade and other payables represent the principal amounts outstanding at the reporting date plus, where applicable, any accrued interest. Trade payables are normally paid within 30 days, and due to their short term nature are generally unsecured and not discounted.

(h) Inventories
Inventories consist of hydrocarbon stock. Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes direct costs and an appropriate portion of fixed production overheads where applicable.

(i) Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Note 2. Material accounting policy information (continued)

(j) Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(k) Foreign currency
Functional and presentation currency

The functional currencies of Group companies is the currency of the primary economic environment in which it operates. The consolidated financial statements are presented in Australian dollars, the Consolidated Entity's presentation currency.

Transactions and balances

Transactions in foreign currencies of entities within the Consolidated Entity are translated into functional currency at the rate of exchange ruling at the date of the transaction. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of financial year.

Foreign operations

The results and financial position of Consolidated Entity's foreign operations are translated into its presentation currency using the following procedures:

(a) assets and liabilities for each statement of financial position presented (i.e. including comparatives) shall be translated at the closing rate at the date of that statement of financial position;
(b) income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at average exchange rates for the year; and
(c) all resulting exchange differences shall be recognised in other comprehensive income.

(l) Advances paid for rehabilitation works
Advances paid for rehabilitation works represent amounts paid to special purpose funds established with the primary objective of meeting future rehabilitation obligations and are recognised and measured in accordance with AASB Interpretation 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (AASBI 5). AASBI 5 requires restoration provisions and contributions to funds to be separately disclosed in the Consolidated Entity's statement of financial position.

(m) Contract assets and liabilities
Contract assets and liabilities are recognized and measured in accordance with AASB 15 Revenue from Contracts with Customers.

Contract assets
Contract assets represent rights to consideration for performance obligations satisfied to date, which will be recognised as trade receivables when the right to invoice becomes unconditional.

Note 2. Material accounting policy information (continued)

Contract liabilities
Contract liabilities represent the Consolidated Entity's obligation to transfer gas to customers and are recognised when a customer pays consideration or when a receivable is recognised reflecting its unconditional right to consideration before the Consolidated Entity has satisfied its performance obligations in respect of the transfer of the goods or services to the customer.

The Consolidated Entity has performance obligations for the delivery of gas for which payment was received in advance and for gas not taken by its sole customer in the Dingo field, in respect of a take or pay arrangement in accordance with which the Consolidated Entity has the obligation to upon request provide gas in the contractually defined volumes which were not able to be consumed. The customer must take the future delivery of gas no later than 2035. If and when concluded that the customer's entitlements to take future gas deliveries within the contractually defined time, the relevant portion of the contract liability is derecognised.

(n) Loans and borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(o) Accounting policy for employee benefits
The following liabilities arising in respect of employee benefits are measured at their nominal amounts:
- wages and salaries and annual leave expected to be settled within twelve months of the reporting date; and
- other employee benefits expected to be settled within twelve months of the reporting date.

All other employee benefit liabilities expected to be settled more than 12 months after the reporting date are measured at the present value of the estimated future cash outflows in respect of services provided up to the reporting date. Liabilities are determined after taking into consideration estimated future increase in wages and salaries and past experience regarding staff departures. Related on-costs are included.

(p) New or amended Accounting Standards and Interpretations adopted
The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There was no impact upon adoption of these standards.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Critical accounting estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements in the application of accounting standards, make certain assumptions that affect the application of policies and consider and conclude on sources of and apply estimation uncertainties which affect the reported amounts of assets, liabilities, income and expenses.

The judgements made, assumptions applied and the consideration of sources of estimation uncertainty, are based on the application of historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of concluding on the carrying values of assets and liabilities that may not be readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the Consolidated Entity, and the judgements made, assumptions applied and consideration of sources of estimation uncertainty are reviewed on an ongoing basis.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

Note 3. Critical accounting estimates and judgements (continued)

(i) Recovery of deferred tax assets
Management recognise deferred tax assets on unutilised carry forward tax losses if management considers it is probable that future tax profits will be available to utilise the unused tax losses (refer to note 8).

Management are required to make assumptions on and consider inherent uncertainties in respect of the various inputs used in the estimation of future taxable income against which unutilised losses may be applied. These assumptions include but are not limited to the nature, timing and extent of project development and reserves, production and sales performance, energy prices where not contractually fixed and which are subject to global macroeconomic factors and inflation and its impact on future tax deductions. The inherent estimation uncertainty when forecasting future operational and financial performance also directly the actual generation of future taxable income, which may differ to the estimated taxable income and associated deferred tax asset.

(ii) Impairment of production properties
Production properties impairment testing requires an estimation of recoverable amount, which management have determined using either fair value less costs to sell or a value-in-use model for the respective cash generating units (CGUs).

Management is required to apply its judgement in concluding on the definition of CGUs to which an asset or group of assets relates. Furthermore, in defining the discount rate appropriate to calculate the present value of future outflows when determining the fair value less costs to sell or value-in-use, management is requirement to apply judgement in determining the relevant risks and basis of calculating the risks associated with compiling an appropriate discount rate.

The calculation of a CGU's recoverable amount through either the fair value less costs to sell or its value-in-use requires the entity to make certain assumptions on reserves, future production volumes, pricing of its energy products and cost estimates, exchange rates and how they impact on future cashflows, where appropriate the costs to sell and in respect of the inputs utilised in defining an appropriate discount rate.

These assumptions are inherently uncertain inputs and assumptions and accordingly management review their accuracy and appropriateness periodically.

Management have considered and made assumptions in respect of the impact of climate change and the development of commercially viable alternative energy sources on future cashflows and the respective CGUs' value in use and fair value less costs to sell. The assumptions are based on current information, historical trends and future expectations which may differ to the assumptions made by management when concluding on the impact of climate change and the development of commercially viable alternative energy sources.

(iii) Useful life of production properties and their amortisation
Estimates of reserve quantities and future production volumes are based on certain assumptions and subject to inherent estimation uncertainties. These factors are critical elements of the calculation of the amortisation of production property assets.

(iv) Estimates of reserve quantities
The estimated quantities of Consolidated Entity's reported Proven and Probable hydrocarbon reserves are integral to the calculation of the amortisation expense relating to Production Property Assets and to the assessment of possible impairment of these assets. Estimated reserve quantities are based upon certain interpretations of geological and geophysical models and assessments of the technical feasibility and commercial viability of producing the reserves. These assessments require assumptions to be made regarding future development and production costs, commodity prices, exchange rates and fiscal regimes. The estimates of reserves may change from period to period as the economic assumptions used to estimate the reserves change from period to period, and as additional geological data is generated during the course of operations. Reserves estimates are prepared in accordance with the Consolidated Entity’s policies and procedures for reserves estimation, which conform to guidelines prepared by the Society of Petroleum Engineers.

(v) Restoration (rehabilitation or rehab) provisions
Provisions for future environmental restoration are recognised where there is a present obligation as a result of exploration, development, production, transportation or storage activities having been undertaken, and it is probable that an outflow of economic benefits will be required to settle the obligation. The estimated future obligations include the costs of removing facilities, abandoning wells and restoring the affected areas in accordance with the terms of the respective permits and relevant legislation in the various jurisdictions in which the Consolidated Entity operates. There is inherent uncertainty in the definition of the works undertaken, technology used to complete the works, the estimation of the relevant costs associated with the defined works and the timing of settlement of restoration obligations. Details of restoration provisions are disclosed in note 11.

Note 3. Critical accounting estimates and judgements (continued)

(vi) Capitalised exploration and evaluation costs
Exploration and evaluation costs have been capitalised on the basis that the consolidated entity expects to commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

(vii) Development assets
Development costs have been capitalised on the basis that the Consolidated Entity expects to commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of mineral resources. Key judgements are applied in considering costs to be capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. The primary assumption made in respect of development assets is that these assets will be able to be realised through the successful development of the relevant mining tenement or through its sale.

Assumptions are also made, that could impact the future commercial production at the mine, when concluding on the level of reserves and resources, the impact on future technology changes on mining techniques which could impact the cost of mining, future legal changes, the impact of climate change and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 4. Financial reporting by segments

Segment Information
AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers (“CODM”)) in assessing performance and in determining the allocation of resources.

The CODM assesses the performance of the operating segments based upon EBITDAX, an adjusted measure of earnings before interest expense, tax, depreciation and amortisation, which allows peer comparison when assessing performance. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the Group's financial statements.

Management have concluded that the Group operates in four principal segments: Australia, being the Amadeus Basin assets, Maari in New Zealand and Sampang and Mahato in Indonesia. The Group has a distinct corporate function which has been presented separately in order to reconcile to the statutory results.

Australian onshore operations
The Company resides in Melbourne, Australia. The Consolidated Entity, through separate legal entities, Cue Mereenie Pty Ltd, Cue Palm Valley Pty Ltd and Cue Dingo Pty Ltd, holds 3 permits for onshore activities in Australia in the Amadeus Basin in the Northern Territory. For details of subsidiaries refer to note 19 and interests in joint operations refer to note 20.

New Zealand
The Group, through its wholly owned subsidiary, Cue Taranaki Pty Ltd, holds a 5% interest in petroleum production property, PMP38160 (Maari) in New Zealand.

Indonesia
The Group, through its wholly owned subsidiary, Cue Sampang Pty Ltd, holds a 15% interest in the Sampang PSC gas production property and through Cue Mahato Pty Ltd, a 11.25% interest in the Mahato PSC oil production property.

Information regarding the Group’s reportable segments is presented below:

Note 4. Financial reporting by segments (continued)

Consolidated - 30 June 2024	Australia Amadeus $'000	New Zealand Maari $'000	Indonesia Mahato $'000	Indonesia Sampang $'000	Corporate $'000	Total $'000
Revenue						
Revenue from operations	11,284	10,123	19,721	8,531	-	49,659
Total revenue	11,284	10,123	19,721	8,531	-	49,659
EBITDAX	6,652	7,435	16,262	4,647	(2,184)	32,812
Depreciation and amortisation	(1,915)	(2,256)	(1,621)	(544)	(64)	(6,400)
Share-based payments expense	-	-	-	(27)	(85)	(112)
Business development expenses	-	-	-	-	(66)	(66)
Finance costs	(205)	(280)	(8)	(34)	(157)	(684)
Exploration and evaluation expenses	(112)	-	(46)	-	(70)	(228)
Profit/(loss) before income tax expense	4,420	4,899	14,587	4,042	(2,626)	25,322
Income tax expense						(11,133)
Profit after income tax expense						14,189

Consolidated - 30 June 2023	Australia Amadeus $'000	New Zealand Maari $'000	Indonesia Mahato $'000	Indonesia Sampang $'000	Corporate $'000	Total $'000
Revenue						
Revenue from operations	11,889	9,510	18,714	11,492	-	51,605
Total revenue	11,889	9,510	18,714	11,492	-	51,605
EBITDAX	6,630	4,512	14,069	7,473	(1,819)	30,865
Depreciation and amortisation	(2,127)	(2,081)	(1,118)	(707)	(66)	(6,099)
Share-based payments expense	-	-	-	(22)	(74)	(96)
Business development expenses	21	-	-	-	(34)	(13)
Finance costs	(202)	(144)	(3)	(601)	(753)	(1,703)
Exploration and evaluation expenses	(2,217)	-	(816)	-	(40)	(3,073)
Profit/(loss) before income tax expense	2,105	2,287	12,132	6,143	(2,786)	19,881
Income tax expense						(4,670)
Profit after income tax expense						15,211

Non-current assets by geographic segment	**Consolidated 30 June 2024 $'000**	**Consolidated 30 June 2023 $'000**
Australia	32,712	33,654
Indonesia	27,682	24,058
New Zealand	13,876	15,590
	74,270	73,302

Note 4. Financial reporting by segments (continued)

Major customers

The Group has a number of customers to whom it provides oil products, of which 64% (FY 2023: 63%) of revenue is supplied to one customer and 33% (FY 2023: 32%) another. The Group supplies gas to a number of external customers, one of which generates 45% (FY 2023: 51%) of revenue and 19% (FY 2023: 13%) another.

Note 5. Revenue from operations

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Crude oil and condensate revenue	30,927	29,580
Natural gas revenue	18,732	22,025
	49,659	51,605

Note 6. Production costs

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Production costs	13,320	16,716
Amortisation of production properties	6,309	6,005
	19,629	22,721

Note 7. Corporate and administration expenses

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Employee expenses	1,586	1,200
Accounting and audit fees	775	597
Share based payments	112	96
Depreciation expense	91	94
Superannuation contribution expense	66	57
Business development expenses	66	13
Legal expenses	40	3
Other expenses	192	231
Communication expense	220	194
Total administration expenses	3,148	2,485

Note 8. Income tax expense

	Consolidated 30 June 2024 $'000	Consolidated 30 June 2023 $'000
Income tax expense		
Current tax	9,332	9,154
Adjustment recognised for current tax in prior periods	103	-
Initial Recognition of previously unrecognised net deferred tax assets	(3,197)	(1,027)
Deferred tax - origination and reversal of temporary differences	4,895	(3,457)
Aggregate income tax expense	11,133	4,670
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	25,322	19,881
Tax at the statutory tax rate of 30%	7,597	5,964
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Recognition of deferred tax assets	(2,082)	(3,814)
Difference in overseas tax rates	2,544	1,653
Differences arising from the application of royalty regimes	1,088	827
Other balances and permanent differences	1,883	(615)
Prior year tax losses not recognised	-	655
	11,030	4,670
Adjustment recognised for current tax in prior periods	103	-
Income tax expense	11,133	4,670

The Consolidated Entity's effective tax rate for the year ended 30 June 2024 was 44% (30 June 2023: 23%).

	Consolidated 30 June 2024 $'000	Consolidated 30 June 2023 $'000
Deferred tax included in income tax expense comprises:		
Decrease/(Increase) in deferred tax assets	49	(5,362)
Increase in deferred tax liabilities	1,649	880
Deferred tax – origination and reversal of temporary differences	1,698	(4,482)

	Consolidated 30 June 2024 $'000	Consolidated 30 June 2023 $'000
Current tax liabilities	3,040	3,998

The Group has an ongoing Indonesian Tax matter relating to a notice of amended assessment which is being disputed by Cue Kalimantan Pte Ltd on behalf of SPC E&P Pte Ltd. Cue is indemnified by SPC for any losses arising from this disputed notice of assessment and has recognised a liability and receivable on the balance sheet.

Note 8. Income tax expense (continued)

	Consolidated 30 June 2024 $'000	Consolidated 30 June 2023 $'000
Deferred tax assets recognised comprises of:		
Restoration provisions	13,106	12,760
Carried forward tax losses	10,289	9,508
Other	164	224
Gross deferred tax assets	23,559	22,492
Less set off against deferred tax liabilities	(11,358)	(10,242)
Net deferred tax assets	12,201	12,250

During the year ended 30 June 2024, the Consolidated Entity utilised $2.44 million in previously recognised deferred tax assets on carry forward losses in offsetting against taxable profits generated. The Consolidated Entity recognised a deferred tax asset of $10.3 million (30 June 2023: $9.51 million) in respect of carried forward tax losses recognised.

	Consolidated 30 June 2024 $'000	Consolidated 30 June 2023 $'000
Deferred tax liabilities recognised comprises of:		
Production, development and exploration and evaluation assets	20,638	17,873
Less set off against deferred tax assets	(11,358)	(10,242)
Net deferred tax liabilities	9,280	7,631

	Consolidated 30 June 2024 $'000	Consolidated 30 June 2023 $'000
Reconciliation of movement in deferred tax balances		
Opening balance of net deferred tax assets/(liabilities)	4,619	137
Restoration provisions	346	(2,185)
Carried forward losses	781	7,736
Production, development and exploration and evaluation assets	(2,765)	(863)
Other	(60)	(206)
Closing balance of net deferred tax assets	2,921	4,619

	Consolidated 30 June 2024 $'000	Consolidated 30 June 2023 $'000
Deferred tax not recognised		
Deferred tax not recognised comprises temporary differences attributable to:		
Tax losses	19,421	23,033
Net deferred tax not recognised	19,421	23,033

At 30 June 2024, the Consolidated Entity had $64.74 million in unutilised carry forward losses, the tax effect of which is $19.42 million. The potential tax benefit has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Note 8. Income tax expense (continued)

Accounting policy for Income tax

The income tax expense for the year is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Cue Energy Resources Limited (the 'head entity') and its wholly-owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation regime effective 1 July 2010.

Cue Taranaki Pty Ltd is subject to the provisions of its Petroleum Mining Permit (the Permit) which, in conjunction with the Minerals Programme for Petroleum (1995) Act and Crown Minerals (Royalties for Petroleum) Regulations 2013 (collectively the Legislation), defines the basis of provisional royalty payments made each reporting period. The provisions of the Permit define a hybrid royalty system whereby the minimum royalty payment, is the higher of 5% of revenues or 20% of the provisional accounting profit (APR), as defined in the legislation.

The Consolidated Entity recognises the minimum royalty payment as a royalty expense, included in the statement of profit or loss and other comprehensive income as production costs, with any excess of the APR over the minimum royalty payment presented as an income tax expense, in accordance with AASB 112. At 30 June 2024 a deferred tax asset of $5.02 million and a deferred tax liability of $2.45 million have been recognised in respect of the application of the terms of the Legislation to timing differences arising between the recognition and measurement criteria in the Legislation and the application of Australian Accounting Standards. These deferred tax balances are in addition to balances recognised on temporary timing differences generated through the application of the respective corporate income tax legislation in the jurisdictions in which the Consolidated Entity operates.

Note 9. Current assets - trade and other receivables

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Trade receivables	5,808	8,510
Other receivables	2,126	2,121
	7,934	10,631
Prepayments	200	191
	8,134	10,822

Note 9. Current assets - trade and other receivables (continued)

Allowance for expected credit losses
The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The consolidated entity has not recognised any losses in profit or loss in respect of the expected credit losses for the year ended 30 June 2024 (30 June 2023: Nil).

The ageing of trade and other receivables at the reporting date was as follows:

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Not overdue	6,192	5,432
Less than one month	1,742	5,148
More than 1 month overdue, not impaired	-	51
	7,934	10,631

Trade and other receivables are not considered impaired and relate to a number of independent customers for whom there is no recent history of default.

Note 10. Non-current assets - production properties

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Net accumulated cost incurred on areas of interest		
Joint operation production assets		
Sampang	2,239	2,794
Maari	13,876	15,590
Mahato	15,024	10,910
Palm Valley	5,952	6,523
Mereenie	18,070	18,564
Dingo	7,856	7,908
Balance as at 30 June	63,017	62,289

Reconciliations
A reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

	Consolidated	
Production properties	30 June 2024 $'000	30 June 2023 $'000
Balance at 1 July	62,289	54,117
Additions during the year	7,305	7,662
Changes in restoration provision – production (note 11)	(550)	2,919
Amortisation expense	(6,212)	(6,032)
Contract liabilities reversed	161	(348)
Transfers	-	3,055
Changes in foreign currency translation	24	916
Closing balance 30 June	63,017	62,289

Note 10. Non-current assets - production properties (continued)

Accounting policy for production properties

Production properties are carried at the reporting date at cost less accumulated amortisation and accumulated impairment losses. Production properties represent the accumulation of all exploration, evaluation, development and acquisition costs in relation to areas of interest in which production licences have been granted.

Amortisation of costs is performed on the basis which best reflects the consumption of future economic benefits. In the Amadeus Basin properties, physical assets are amortised on the straight-line basis whilst all other production properties are amortised on the unit-of-production basis, separate calculations being made for each resource. The unit-of-production basis results in an amortisation charge proportional to the depletion of economically recoverable reserves (comprising both proven and probable reserves) and is expensed through the statement of profit or loss and other comprehensive income.

Amounts (including subsidies) received during the exploration, evaluation, development or construction phases which are in the nature of reimbursement or recoupment of previously incurred costs are offset against such capitalised costs.

Accounting policy for impairment

The carrying amounts of the Consolidated Entity's assets are reviewed at each reporting date to determine whether there is any indication of impairment. As at 30 June 2024, the Consolidated Entity determined that were no impairment indicators present. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds the recoverable amount. Impairment losses are recognised in profit or loss, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

Impairment losses and reversals are recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (group of units) on a pro rata basis.

Accounting policy for calculation of recoverable amount

For oil and gas assets the estimated future cash flows are based on either the fair value less costs to sell or the value-in-use calculations, which use estimates of hydrocarbon reserves, future production profiles, commodity prices, operating costs and any future development costs necessary to produce the reserves. Estimates of future commodity prices are based on contracted prices where applicable or based on consensus estimates of forward market prices where available. The recoverable amount of cash generating units is the greater of their fair value less cost to dispose and value-in-use.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a post-tax discount rate based on assumptions that reflect current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

The restoration provision is deducted from the carrying value of the asset as the cost of restoration is included in its cost base. This adjustment is required to allow a true reflection of its carrying value against its recoverable value.

Where an asset does not generate cash flows that are largely independent from other assets or groups of assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Development assets

	Consolidated	
Net accumulated cost incurred on areas of interest	**30 June 2024**	**30 June 2023**
Development assets	**$'000**	**$'000**
Sampang - Paus Biru	4,339	4,348
Mereenie	214	110
	4,553	4,458

Note 11. Non-current liabilities - provisions

	Consolidated 30 June 2024 $'000	Consolidated 30 June 2023 $'000
Employee benefits	2	-
Restoration provisions	28,607	28,563
	28,609	28,563

Movements in restoration provision during the financial year are set out below:

Consolidated - 30 June 2024	Restoration provisions $'000
Carrying amount at the start of the year	28,563
Change in provisions recognised	(527)
Unwinding of provision	620
Impact of foreign currency translation	(49)
Carrying amount at the end of the year	28,607

	Consolidated 30 June 2024 $'000	Consolidated 30 June 2023 $'000
Restoration provisions	28,607	28,563
Advances paid for restoration works	(6,069)	(5,994)
Net unfunded restoration provisions	22,538	22,569

In accordance with legislative obligations in the respective jurisdictions in which the Consolidated Entity operates, contributions are made to special purpose funds established solely for the purpose of financing future restoration works, any amounts which have been funded are not available for general use and restricted solely for the purpose of funding future restoration works. As at 30 June 2024, $6.07 million (30 June 2023: $5.99 million) has been contributed to such funds in respect of the Sampang asset in Indonesia.

Accounting policy for provisions
A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risk specific to the liability.

Restoration provision
The expected timing of outflows for restoration liabilities is not within 12 months from the reporting date.

The provision of future restoration costs is the best estimate of the present value of the future expenditure required to settle the restoration obligation at the reporting date, based on current legal requirements. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at the reporting date, with a corresponding change in the cost of the associated asset.

When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related oil and gas assets to the extent that it was incurred by the development/construction of the field, any subsequent changes to the provision, excluding the unwinding of interest in producing assets, commensurately changes the carrying amount of the related oil and gas asset.

Note 12. Equity - contributed equity

	Consolidated			
	30 June 2024 Shares	30 June 2023 Shares	30 June 2024 $'000	30 June 2023 $'000
Ordinary shares - fully paid	698,372,282	698,119,720	152,543	152,416

Ordinary shares entitle the holder to the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid on the shares held. Ordinary shares entitle holders to one vote, either in person or by proxy at a meeting of the Company. The Company has an unlimited authorised capital and the shares have no par value.

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital management
When managing capital, management's objective is to ensure the entity continues as a going concern as well as maintaining optimal return for shareholders and benefits for other stakeholders.

Management will assess the capital structure of the entity to take advantage of favourable costs of capital or high returns on assets. Management may recommend declaring a dividend to be paid to shareholders, returning capital to shareholders or issuing new shares

There has been no change during the year to the strategy adopted by management to control the capital of the entity.

On 28 February 2024, the Company’s Board of Directors approved the declaration of an interim special dividend distribution of $0.02 (2 cents) per fully paid ordinary share, totalling $13.97 million. This interim special dividend distribution was declared as a Conduit Foreign Income (CFI), unfranked special dividend and was paid on 5 April 2024.

On 23 August 2024, the Company’s Board of Directors approved the declaration of a final dividend distribution of $0.01 (1 cent) per fully paid ordinary share, totalling $7 million. This final dividend distribution was declared as a Conduit Foreign Income (CFI), unfranked final dividend and was paid on 26 September 2024.

The gearing ratio is nil at 30 June 2024 and 6.15% at 30 June 2023.

Accounting policy for contributed equity
Ordinary share capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received. Ordinary share capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

Note 13. Equity - reserves

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency reserve $'000	Options reserve $'000	General reserve $'000	Total $'000
Balance at 1 July 2022	581	551	-	1,132
Foreign currency translation	947	-	-	947
Share-based payments	-	96	-	96
Transfer from accumulated losses	-	-	4,218	4,218
Balance at 30 June 2023	1,528	647	4,218	6,393
Foreign currency translation	388	-	-	388
Share-based payments	-	(27)	-	(27)
Transfer from accumulated losses	-	-	61,440	61,440
Transfer upon exercise of options	-	(127)	-	(127)
Dividends declared	-	-	(13,967)	(13,967)
Balance at 30 June 2024	1,916	493	51,691	54,100

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Options reserve
The reserve is used to recognise the value of equity benefits provided to employees under the Employee Share Option Plan.

General reserve
The reserve is used to quarantine the Company's standalone accumulated profits generated in a reporting period.

Note 14. Financial instruments

The Consolidated Entity’s principal financial instruments comprise receivables, payables, cash and cash equivalents (inclusive of restricted balances) and borrowings.

The Consolidated Entity manages its exposure to key financial risks, including interest rate and currency risk through management’s regular assessment of financial risks. The objective of the assessment is to support the delivery of the Consolidated Entity’s financial targets whilst protecting future financial security.

The main risks arising from the Consolidated Entity’s financial instruments are interest rate risk, foreign currency risk, commodity price risk, credit risk and liquidity risk. The Consolidated Entity uses different methods to measure and manage different types of risk to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rates, foreign exchange and commodity prices. These risks are summarised below.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have established an appropriate liquidity risk management framework for the management of the Consolidated Entity’s short, medium and long-term funding and liquidity management requirements. The Board reviews and agrees management’s assessment for managing each of the risks identified below.

Note 14. Financial instruments (continued)

Risk Exposures and Responses

(a) Fair value risk

The financial assets and liabilities of the Consolidated Entity are recognised in the statement of financial position at their fair value in accordance with the accounting policies set out in these notes to the financial statements. The Consolidated Entity has trade receivables, other financial assets, trade payables and borrowings, which are a reasonable approximation of their fair values due to their short-term nature. Given the nature of the financial assets and liabilities noted and the relatively short-term nature and the use of the appropriate interest rates in determining the loan's fair value, there is no material fair value risk.

(b) Interest rate risk

The Consolidated Entity’s exposure to market interest rates is related primarily to its cash deposits and borrowings.

The Consolidated Entity constantly analyses its interest rate opportunity and exposure. Within this analysis consideration is given to existing positions and alternative arrangement on fixed or variable deposits. The impact of interest rate movement is not material to the Consolidated Entity.

(c) Foreign exchange risk

The Consolidated Entity is subject to foreign exchange risk on its international exploration and appraisal activities where costs are incurred in foreign currencies. The Consolidated Entity generates revenue denominated in foreign currencies, and does hold significant foreign currency cash balances. The Consolidated Entity’s foreign exchange risk exposures are mitigated through natural hedging, where appropriate.

The Consolidated Entity’s exposure to foreign exchange risk at the reporting date was as follows (holdings are shown in AUD equivalent):

Consolidated 30 June 2024	USD $'000	NZD $'000	IDR $'000
Financial assets			
Cash and cash equivalents	6,851	317	80
Trade and other receivables	7,070	101	3
Financial liabilities			
Trade and other payables	(747)	(1,026)	(4)

Consolidated - 30 June 2024	% change	AUD strengthened effect on profit before tax	Effect on equity	% change	AUD weakened effect on profit before tax	Effect on equity
Cash and cash equivalents	10%	(659)	-	10%	805	-
Trade and other receivables	10%	(652)	-	10%	798	-
Trade and other payables	10%	161	-	10%	(197)	-
		(1,150)	-		1,406	-

Note 14. Financial instruments (continued)

Consolidated 30 June 2023	**USD $'000**	**NZD $'000**	**IDR $'000**
Financial assets			
Cash and cash equivalents	4,455	159	60
Trade and other receivables	84	-	5
Financial liabilities			
Trade and other payables	3	1,380	-

Consolidated - 30 June 2023	**% change**	**AUD strengthened effect on profit before tax**	**Effect on equity**	**% change**	**AUD weakened effect on profit before tax**	**Effect on equity**
Cash and cash equivalents	10%	(425)	-	10%	519	-
Trade and other receivables	10%	(10)	-	10%	10	-
Trade and other payables	10%	130	-	10%	(144)	-
		(305)	-		385	-

Management believes the risk exposures as at the reporting date are representative of the risk exposure inherent in the financial instruments.

(d) Commodity price risk

The Group is involved in oil and gas exploration and appraisal and generates revenue from the sale of hydrocarbons. Exposure to commodity price risk is therefore limited to this revenue and from future revenue potentially generated from successful exploration and appraisal activities, the quantum of which at this stage cannot be measured. The Group’s exposure to commodity price fluctuations is therefore in respect of the sale of petroleum products denominated in US dollars.

Gas contracts are primarily fixed price, with an immaterial value of contracts subject to spot prices, limiting the Group's exposure to fluctuations in gas price.

Commodity price risks are measured by monitoring and stress testing the Group’s forecast financial position to sustained periods of low oil and gas prices. This analysis is regularly performed on the Group’s portfolio and, as required, for discrete projects and acquisitions.

(e) Liquidity risk

Liquidity risk is the risk that the Consolidated Entity cannot meet or generate sufficient cash resources to meet its payment obligations in full as they fall due, or can only do so at materially disadvantageous terms.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have established an appropriate liquidity risk management framework for the management of the Group’s short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Consequently, there are reasonable grounds to conclude that the Group is able to meet its payment obligations in full as and when they fall due.

Prudent liquidity risk management implies maintaining sufficient cash to meet the Group's obligations. The Group aims to maintain flexibility in funding to meet ongoing operational requirements, exploration and development expenditure, and small-to-medium-sized opportunistic projects and investments, including taking out loans and where available and appropriate, maintaining credit facilities.

Note 14. Financial instruments (continued)

The following table analyses the contractual maturities of the Group's financial liabilities into relevant groupings based on the remaining period at the reporting date to the contractual undiscounted cash flows comprising principal and interest repayments.

30 June 2024 Non-derivative financial liabilities	12 months or less $'000	1 to 2 years $'000	2 to 5 years $'000	More than 5 years $'000
Trade and other payables	2,986	-	-	-
Lease liabilities	43	174	-	-
Borrowings	-	-	-	-

30 June 2023 Non-derivative financial liabilities	12 months or less $'000	1 to 2 years $'000	2 to 5 years $'000	More than 5 years $'000
Trade and other payables	3,929	-	-	-
Borrowings	4,398	-	-	-
Lease liabilities	91	45	-	-

On 23 June 2022, the Consolidated Entity entered into a two-year, unsecured loan agreement with Echelon for $7.0 million. The loan is unsecured, with an interest rate of 10% p.a. fixed for the term of the loan and an establishment fee of 1.5% of the loan amount. The term of the loan is two years from inception date in June 2022 and early repayments are allowed with no penalty. During the year ended 30 June 2023, $3 million in loan repayments were made, the balance being settled in full during the year ended 30 June 2024.

(f) Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and restricted cash and trade and other receivables. The Group's exposure to credit risk arises from potential default by the counter-party, with maximum exposure equal to the carrying amount of these instruments. Exposure at the reporting date is addressed in each applicable note.

The Group does not hold any credit derivatives to offset its credit exposure.

The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitize its trade and other receivables.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures which could include an assessment of their independent credit rating, financial position, past experience and industry reputation. The risks are regularly monitored.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Consolidated Entity does not hold any collateral.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Note 15. Key management personnel disclosures and related party disclosures

Directors
The following persons were directors of Cue Energy Resources Limited during the financial year:

Alastair McGregor (Non-executive Chairman)*
Andrew Jefferies (Non-Executive Director)*
Peter Hood AO (Non-Executive Director)
Richard Malcolm (Non-Executive Director)
Rod Ritchie (Non-Executive Director)
Samuel Kellner (Non-Executive Director)*
Marco Argentieri (Non-Executive Director)*

* Commencing 1 July 2023, the Directors' fees are invoiced by Echelon and paid on a quarterly basis. The Directors' fees are retained by Echelon and not personally received by the Directors.

Director Fee Details	$
Total directors' fees for the year ended 30 Jun 2024	528,496
Invoiced - Paid in relation to FY 2023	53,698
Invoiced - Paid in relation to FY 2024	528,496
Amount invoiced but not paid	-

During the financial year, Echelon provided technical and legal services to the Group under consulting agreements. The arrangements are on normal commercial terms. As at 30 June 2024, $0.07 million was accrued for services rendered from the immediate parent company and directors (30 June 2023: $0.16 million). During the year ended 30 June 2024, the consolidated entity repaid the remaining $4.00 million in outstanding unsecured loan to Echelon (the carrying amount of which is $3.95 million at 30 June 2023) and in respect of which $0.16 million in finance costs have been incurred (30 June 2023: $0.70 million).

Key management personnel
The following person also had the authority and responsibility for planning, directing and controlling the major activities of the Consolidated Entity, directly or indirectly, during the financial year:

Matthew Boyall (Chief Executive Officer)

Total remuneration payments and equity issued to Directors and key management personnel are summarised below. Elements of Directors and executives remuneration includes:
- Short term employment benefits, including non-monetary benefits and consultancy fees
- Post-employment benefits – superannuation and long service leave entitlements
- Long term employee benefits

	Consolidated	
	30 June 2024	30 June 2023
Short term employment benefits (including non-monetary benefits)	941,899	612,015
Cash bonuses	87,051	90,180
Deemed short term benefits	-	283,198
Long term benefits	(951)	27,021
Post-employment benefits	38,845	41,460
Share-based payments	54,243	50,688
Total employee benefits	1,121,087	1,104,562

Other related party transactions

Repayment of amounts owing to the Company as at 30 June 2024 and all future debts due to the Company, by the controlled entities are subordinated in favour of all other creditors. The Company has agreed to provide sufficient financial assistance to the controlled entities as and when it is needed to enable the controlled entities to continue operations.

Note 15. Key management personnel disclosures and related party disclosures (continued)

The Company provides management, administration and accounting services to the subsidiaries. No management fees were charged to subsidiaries in the FY 2024 or FY 2023.

The Consolidated Entity enters into operating arrangements where the Group has joint control over the respective venture's oil and gas net assets, described in note 22. In each of the joint operations, the participants appoint an operator to act on their behalf in managing operations (the Operator).

All financial relationships with the Operator are on an arm's length basis.

Note 16. Auditor remuneration

During the financial year the following fees were paid or payable for services provided by the auditor of the company:

	Consolidated 2024 $	Consolidated 2023 $
Audit services - KPMG		
Audit or review of the financial statements	412,770	273,810
Other assurance services	23,973	8,000
	436,743	281,810
Other services - KPMG		
Advisory services	40,992	65,270
Tax compliance	32,887	21,377
	73,879	86,647
	510,622	368,457

No other services were provided by the auditor during the year, other than those set out above.

Note 17. Contingencies and commitments

Contingent assets and liabilities
The Directors are not aware of any contingent assets or contingent liabilities as at 30 June 2024 (30 June 2023: Nil).

Expenditure commitments

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
*Exploration and development expenditure commitments**		
The Consolidated Entity participates in a number of licences, permits and production sharing contracts for which it has made commitments, including but not limited to with relevant governments, to complete minimum work programmes.		
Within one year*	8,339	5,169
One to five years	9,759	-
	18,098	5,169

* The majority of the commitments are in relation to drilling and infrastructure works at the Mahato PSC.

Commitments reflect the Consolidated Entity's interest in future financial obligations, based on existing facts and circumstances, where the Consolidated Entity is contractually or substantively committed to making future expenditure. These commitments may be either direct obligations or, as is the case with most commitments, obligations which the respective projects' operators enter into on the Consolidated Entity's behalf with suppliers and service providers.

Note 18. Parent entity information

Cue Energy Resources Limited is the parent entity.

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	30 June 2024 $'000	30 June 2023 $'000
Profit after income tax	65,384	3
Total comprehensive income	65,384	3

	Parent	
	30 June 2024 $'000	30 June 2023 $'000
Total current assets	10,818	11,754
Total assets	68,849	21,438
Total current liabilities	646	4,748
Total liabilities	648	4,765
Equity		
Contributed equity	152,543	152,416
General reserve	51,416	-
Option reserve	493	647
Accumulated losses	(136,251)	(136,390)
Total equity	68,201	16,673

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2024 (30 June 2023: nil)

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2024 (30 June 2023: nil)

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for the acquisition of capital assets as at 30 June 2024 (30 June 2023: nil).

Note 19. Shares in subsidiaries

Name	Principal place of business Country of incorporation	Ownership interest 30 June 2024 %	Ownership interest 30 June 2023 %
Cue Mahato Pty Ltd	Indonesia/Australia	100.00%	100.00%
Cue Mahakam Hilir Pty Ltd	Indonesia/Australia	100.00%	100.00%
Cue Kalimantan Pte Ltd*	Singapore	100.00%	100.00%
Cue (Ashmore Cartier) Pty Ltd	Australia	100.00%	100.00%
Cue Sampang Pty Ltd	Indonesia/Australia	100.00%	100.00%
Cue Taranaki Pty Ltd	New Zealand/Australia	100.00%	100.00%
Cue Exploration Pty Ltd	Australia	100.00%	100.00%
Cue Palm Valley Pty Ltd	Australia	100.00%	100.00%
Cue Mereenie Pty Ltd	Australia	100.00%	100.00%
Cue Dingo Pty Ltd	Australia	100.00%	100.00%

All companies in the Group have a 30 June reporting date.

* Shares held by Cue Mahakam Hilir Pty Ltd

Note 20. Interests in joint operations

Property	Operator	Cue Interest 2024 (%)	Cue Interest 2023 (%)	Permit expiry date
Indonesia				
Mahakam Hilir PSC	Cue Kalimantan Pte Ltd	100*	100*	15/04/2021
Sampang PSC	Medco Energi Sampang Pty Ltd	15 (8.18 Jeruk Field)	15 (8.18 Jeruk Field)	04/12/2027
Mahato PSC	Texcal Energy Mahato Inc.	11.25**	12.5	20/07/2042
New Zealand				
PMP38160	OMV New Zealand Limited	5	5	02/12/2027
Amadeus Basin				
Mereenie (OL4 and OL5 Production Licences)	Central Petroleum	7.5***	7.5	17/11/2044
Palm Valley (OL3 Production Licence)****	Central Petroleum	15	15	07/11/2045
Dingo (L7 Production Licence)	Central Petroleum	15	15	06/07/2039

* Mahakam Hilir PSC exploration permit has expired and regulatory processes for surrender are ongoing as at 30 June 2024.
** During April 2024, the Group had its interest in the Mahato PSC reduced by 10% (from 12.5% to 11.25%) for no consideration in accordance with the Mahato PSC and subsequent Indonesian Government regulations. The Group has accounted for the reduced interest effective from 1 November 2023.
*** The Mereenie production license was renewed until 17 November 2044.
**** The Palm Valley production license was renewed until 7 November 2045.

Accounting policy for joint operations
A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The consolidated entity has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

Note 21. Events after the reporting period

On 23 July 2024, the Palm Valley production license was renewed for 21 years commencing on 7 November 2024.

On 29 July 2024, a long-term Gas Sales Agreement with the Northern Territory Government was signed for Mereenie and Palm Valley fields.

On 15 August 2024, the Mereenie Joint Venture approved the drilling of two new development wells.

On 23 August 2024, the Company's Board of Directors approved the declaration of a final dividend distribution of $0.01 (1 cent) per fully paid ordinary share, totalling $7 million. This final dividend distribution was declared as a Conduit Foreign Income (CFI), unfranked final dividend and was paid on 26 September 2024.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Note 22. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Profit after income tax expense for the year	14,189	15,211
Adjustments for:		
Share-based payments	112	96
Finance costs associated with abandonment provision	684	1,703
Exploration expenses	-	913
Depreciation	91	94
Amortisation	6,309	6,005
Net gain on foreign currency conversion	501	879
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	2,688	(3,918)
Decrease/(increase) in contract assets	5,118	(3,282)
Decrease/(increase) in inventories	(1,239)	56
Decrease/(increase) in deferred tax assets	49	(5,362)
Decrease in trade and other payables	(945)	(721)
Decrease in contract liabilities	(1,315)	(1,271)
(Decrease)/Increase in tax liabilities	(958)	1,332
Increase/(decrease) in deferred tax liabilities	1,649	880
Increase/(decrease) in provisions	10	38
Net cash from operating activities	26,943	12,653

Note 23. Earnings per share

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Profit after income tax attributable to the owners of Cue Energy Resources Limited	14,189	15,211
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	698,194,450	698,119,720
Weighted average number of ordinary shares used in calculating diluted earnings per share	698,194,450	698,119,720

Note 23. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	2.03	2.18
Diluted earnings per share	2.03	2.18

Accounting policy for earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the earnings attributable to the owners of Cue Energy Resources Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 24. Share-based payments

During the year ended FY 2024, $0.11 million in share-based payments expenses was recognised (FY 2023: $0.10 million).

On 8 September 2023, the Company issued 4,640,759 unlisted options to eligible employee under the share option scheme. The options are exercisable at $0.072 (7.2 cents) per option and will vest on 1 July 2026 and expire on 1 July 2028.

The options were valued using Black-Scholes option pricing model. $0.042 million of share-based payment expense was recognised in relation to the options for the year ended 30 June 2024.

In March 2024, 2,152,654 options with an expiry date of 1 July 2024 and an exercise price of $0.09 (9 cents) per fully paid ordinary share were exercised on a cashless basis, as a result of which 252,562 fully paid ordinary shares in the Company were issued.

Set out below are summaries of options granted under the plan:

30 June 2024

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/other	Balance at the end of the year
29/07/2017	01/07/2023	$0.070	3,473,653	-	-	(3,473,653)	-
04/10/2019	01/07/2024	$0.090	3,523,015	-	(2,152,654)	-	1,370,361
16/07/2020	01/07/2025	$0.117	3,204,237	-	-	-	3,204,237
23/07/2021	22/07/2026	$0.078	4,005,799	-	-	-	4,005,799
30/08/2022	01/07/2027	$0.089	3,598,698	-	-	-	3,598,698
08/09/2023	01/07/2028	$0.072	-	4,640,759	-	-	4,640,759
			17,805,402	4,640,759	(2,152,654)	(3,473,653)	16,819,854
Weighted average exercise price			$0.088	$0.072	$0.090	$0.070	$0.087

The weighted average remaining contractual life of outstanding options at 30 June 2024 is 2.43 years (30 June 2023: 2.56 years).

Note 24. Share-based payments (continued)

30 June 2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/other	Balance at the end of the year
29/07/2017	01/07/2023	$0.070	3,513,430	-	-	(39,777)	3,473,653
04/10/2019	01/07/2024	$0.090	3,569,765	-	-	(46,750)	3,523,015
16/07/2020	01/07/2025	$0.117	3,241,067	-	-	(36,830)	3,204,237
23/07/2021	22/07/2026	$0.078	4,047,966	-	-	(42,167)	4,005,799
30/08/2022	01/07/2027	$0.089	-	3,649,298	-	(50,600)	3,598,698
			14,372,228	3,649,298	-	(216,124)	17,805,402
Weighted average exercise price			$0.088	$0.089	$0.000	$0.088	$0.088

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
08/09/2023	01/07/2028	$0.065	$0.072	56.24%	-	3.82%	$0.031

Accounting policy for share-based payments
Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Consolidated entity disclosure statement

				Tax residency	
Entity name	**Entity type**	**Place formed or incorporated**	**% of share capital held directly or indirectly**	**Australian or foreign**	**Foreign Jurisdiction**
Cue Energy Resources Limited	Body corporate	Australia	-	Australia	N/A
Cue Mahato Pty Ltd	Body corporate	Australia	100.00%	Australia**	N/A
Cue Mahakam Hilir Pty Ltd	Body corporate	Australia	100.00%	Australia**	N/A
Cue Kalimantan Pte Ltd*	Body corporate	Singapore	100.00%	Foreign	Singapore
Cue (Ashmore Cartier) Pty Ltd	Body corporate	Australia	100.00%	Australia**	N/A
Cue Sampang Pty Ltd	Body corporate	Australia	100.00%	Australia**	N/A
Cue Taranaki Pty Ltd	Body corporate	Australia	100.00%	Australia**	N/A
Cue Exploration Pty Ltd	Body corporate	Australia	100.00%	Australia**	N/A
Cue Palm Valley Pty Ltd	Body corporate	Australia	100.00%	Australia**	N/A
Cue Mereenie Pty Ltd	Body corporate	Australia	100.00%	Australia**	N/A
Cue Dingo Pty Ltd	Body corporate	Australia	100.00%	Australia**	N/A

* Shares held by Cue Mahakam Hilir Pty Ltd.
** This entity is part of a tax-consolidated group under Australian taxation law, for which Cue Energy Resources Limited is the head entity.

Key assumptions and judgements
Determination of Tax Residence
Section 295 (3A) of the Corporation Acts 2001 requires that the tax residency of each entity which is included in the Consolidated entity disclosure statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, “Australian resident" has the meaning provided in the Income Tax Assessment Act 1997.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency
The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency
The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency.

Cue Energy Resources Limited
Directors' declaration
30 June 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;

- the consolidated entity disclosure statement as at 30 June 2024 is true and correct; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Alastair McGregor
Non-Executive Chairman

23 August 2024

Independent Auditor's Report

To the shareholders of Cue Energy Resources Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Cue Energy Resources (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group's*** financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001,* in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated Statement of financial position as at 30 June 2024;
- Consolidated Statement of profit or loss and other comprehensive income, Consolidated Statement of changes in equity, and Consolidated Statement of cash flows for the year then ended;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2024;
- Notes, including material accounting policy information; and
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Restoration provision relating to the Maari field included within provisions ($16.7 million)	
Refer to Note 11 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
We identified the restoration provision for the Maari field as a key audit matter due to: • the estimation uncertainty relating to the forecast restoration cash flows, which require auditor judgement to evaluate their appropriateness; and • the significant size of the restoration provision relative to the Group's financial position. The Group incurs obligations to close, restore and rehabilitate its sites and associated facilities. We focused on changes and updates to the following key assumptions made by the Group in determining its restoration provision for the Maari field: • useful lives of the field and related assets, giving consideration to the economic reserves and resources and production profiles; • the interpretation of legislative regulatory requirements governing the Group's obligations; • the cost and timing of future rehabilitation costs; and • discount, forecast inflation and fx rates applied by the Group to determine the net present value of restoration forecast cash flows.	Our procedures included: • assessed the design of the Group's process to determine whether any updates were required to the underlying restoration costs; • assessed the consistency of timing between planned restoration activities and the Group's reserves and resources estimates and expected production profile; • evaluated the scope and competency of the Group's competent person responsible for the estimation of economic reserves and resources in accordance with industry standards; • used our knowledge of the Group and our industry experience, having assessed the Group's performance in the Maari field, and evaluated any changes to the legislative regulatory requirements, to challenge the reasonability of the future restoration costs and their timing; • evaluated discount, forecast inflation and fx rates applied by the Group to determine the net present value of the restoration provision against publicly available data, including risk free rates; • assessed the integrity of the provision calculation, including the accuracy of the underlying calculation formulas; • assessed the appropriateness of the Group's disclosures in the financial report, using our understanding obtained from our testing and against accounting standard requirements.

Other Information

Other Information is financial and non-financial information in Cue Energy Resources Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Financial and Operations Review, Directors' Report and the Shareholder Information. The Chairman's Overview, Reserves and Resources and Sustainability report are expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on

KPMG

the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Cue Energy Resources Limited for the year ended 30 June 2024, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 19 to 25 of the Directors' report for the year ended 30 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Vicky Carlson
Partner
Melbourne
23 August 2024

Shareholder Information

1. Distribution of equitable securities

The shareholder information set out below was applicable as at 12 September 2024

	Ordinary shares		Options over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	82	-	-	-
1,001 to 5,000	169	0.08	-	-
5,001 to 10,000	504	0.63	-	-
10,001 to 100,000	1,432	7.26	-	-
100,001 and over	314	92.03	6	100.00
	2,501	100.00	6	100.00
Holding less than a marketable parcel - Minimum $ 500.00 parcel at $ 0.0950 per unit.	259	0.09		

2. Registered Top 20 Shareholders

The registered names and holdings of the 20 largest holdings of quoted ordinary shares in the Company as at 12 September 2024:

	Ordinary shares	
Shareholder	**Number held**	**% of total shares issued**
1.ECHELON OFFSHORE LIMITED	349,368,803	50.00
2.BNP PARIBAS NOMS PTY LTD UOBKH A/C R'MIERS	115,456,460	16.53
3.PORTFOLIO SECURITIES PTY LTD	10,000,000	1.43
4.CITICORP NOMINEES PTY LIMITED	6,974,946	1.00
5.REVIRESCO NOMINEES PTY LTD <REVIRESCO S/F A/C>	5,750,000	0.82
6.HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,519,527	0.79
7.MAITRI PTY LTD <COCI SUPER FUND A/C>	5,138,434	0.74
8.MR TREVOR DAVID INSKIP + MRS NARELLE CELIA INSKIP <T & N INSKIP SUPERFUND A/C>	4,422,813	0.63
9.MR SEAN DENNEHY	4,200,000	0.60
10.MR ABID GORAYA + MRS MAHMUDAH BENNETT <ABID GORAYA S/F A/C>	4,051,929	0.58
11.RIUOHAURAKI LIMITED	4,000,000	0.57
12.MR RYAN KEITH HANSON	3,960,000	0.57
13.MR STEPHEN ALAN MCCABE + MRS JANET BACKHOUSE	3,485,000	0.50
14.BEIRA PTY LIMITED	3,300,000	0.47
15.LAKEMBA PTY LTD	2,984,051	0.43
16.BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	2,946,972	0.42
17.MR STEPHEN ALAN MCCABE	2,616,618	0.37
18.SHARESIES AUSTRALIA NOMINEE PTY LIMITED	2,121,979	0.30
19.MR DAMIANO GIORGIO PILLA	1,996,427	0.29
20.MR JOHN PHILIP DANIELS	1,778,000	0.25
	540,071,959	77.30

3. Unquoted equity securities

The following persons hold 20% or more of unquoted equity securities:

Name	Class	Number held
Matthew Boyall	Unquoted options	6,375,448

4. Substantial Shareholders

Substantial holders in the company are set out below:

	Ordinary shares Number held	% of total shares issued
Echelon Offshore Limited	349,368,803	50.00
BNP Paribas Noms Pty Ltd (DRP)	115,456,460	16.53

5. Vendor Securities

There are no restricted securities on issue as at 12 September 2024.

6. Voting rights

At meeting of members or classes of members:

(a) each member entitled to vote may vote in person or by proxy, attorney or respective;

(b) on a show of hands, every person present who is a member or a proxy, attorney or representative of a member has one vote; and

(c) on a poll, every person present who is a member or a proxy, attorney or representative of a member has:

(i) for each fully paid share held by person, or in respect of which he/she is appointed a proxy, attorney or representative, one vote for the share;

(ii) for each partly paid share, only the fraction of one vote which the amount paid (not credited) on the share bears to the total amounts paid and payable on the share (excluding amounts credited).

Subject to any rights or restrictions attached to any shares or class of shares.

7. Annual General Meeting and Director Nominations Closing date

Cue Energy Resources Limited advises that its Annual General Meeting will be held on or about Wednesday 23 October 2024. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all Shareholders and released to ASX immediately upon despatch.

The Closing date for receipt of nomination for the position of Director is 17 September 2024. Any nominations must be received in writing no later than 5.00pm (Melbourne time) on 17 September 2024 at the Company's Registered Office.

The Company notes that the deadline for nominations for the position of Director is separate to voting on Director elections. Details of the Director's to be elected will be provided in the Company's Notice of Annual General Meeting in due course.

8. Share registry

Enquiries

Cue's share register is managed by Computershare. Please contact Computershare for all shareholding and dividend related enquiries.

Change of shareholder details

Shareholders should notify Computershare of any changes in shareholder details via the Computershare website (www.computershare.com.au) or writing (fax, email, mail). Examples of such changes include:

- Registered name
- Registered address
- Direct credit payment details

Computershare Investor Services Pty Ltd

GPO Box 2975
Melbourne, Victoria 3001 Australia
Telephone: 1300 850 505 (within Australia)
or +61 3 9415 4000 (outside Australia)
Facsimile: +61 3 9473 2500
Email: web.queries@computershare.com.au
Website: www.computershare.com.au

9. Sharecodes

ASX Share Code: CUE

Corporate Directory

Directors

Alastair McGregor (Non-Executive Chairman)
Andrew Jefferies (Non-Executive Director)
Peter Hood AO (Non-Executive Director)
Richard Malcolm (Non-Executive Director)
Rod Ritchie (Non-Executive Director)
Samuel Kellner (Non-Executive Director)
Marco Argentieri (Non-Executive Director)

Chief Executive Officer

Matthew Boyall

Company Secretary

Anita Addorisio

Registered Office

Level 3, 10-16 Queen Street
Melbourne, VIC 3000
Australia

Telephone: +61 3 8610 4000

Fax: +61 3 9614 2142

Principal Place of Business

Level 3, 10-16 Queen Street
Melbourne, VIC 3000
Australia

Telephone: +61 3 8610 4000

Fax: +61 3 9614 2142

Share register

Computershare Investor Services Pty Limited

Yarra Falls, 452 Johnston Street
Abbotsford, VIC 3067
Australia

Telephone: +61 3 9415 5000

Fax: +61 3 9473 2500

Auditor

KPMG

Level 36, Tower Two, Collins Square
727 Collins Street
Melbourne, VIC 3008
Australia

Stock exchange listing

Cue Energy Resources Limited securities are listed on the Australian Securities Exchange.
(ASX code: CUE)

Website address

cuenrg.com.au

Cue Energy Resources Limited

Level 3, 10 Queen Street
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www.cuenrg.com.au