

18 October 2022

Palm Valley-12 Update

The Operator of the Palm Valley field, Central Petroleum Limited (“**Central**”) (**ASX: CTP**) has advised that as at 0600 hrs ACST on 17 October 2022 the Palm Valley 12 (PV12) sidetrack (ST2) in OL3 was in the process of being completed as a gas producer after flowing gas on test at approximately 11.8 million standard cubic feet per day (mmscfd).

Prior to commencing completion operations, an indicative flow test through the rig was conducted for 187 minutes. The well reached stable flow after 5 minutes and flowed at approximately 11.8 mmscfd through a 1.33” orifice plate. The flowing tubing head pressure was 260 psi. Gas and small amounts of water / steam were recovered.

This interim flowrate is encouraging, with the gas rate being similar to that achieved by Palm Valley 13 during drilling in 2018. Well production rates will be determined once the well has been tied-in and flowing into the gathering network.

Palm Valley is an existing gas field that produces from natural fractures. The Pacoota-1 Sandstone is the productive interval, with gross and net pay thickness of 175 metres and 45 metres respectively. The gas composition has not been analysed but is expected to be the same as current production from the P1 interval which contains around 98% hydrocarbons and minimal inerts.

The PV12 ST2 well is being drilled under a joint venture between Central (50% interest), New Zealand Oil & Gas Limited (ASX: NZO) (35% interest) and Cue Energy Resources Limited (ASX: CUE) (15% interest).

Authorised by Matthew Boyall, CEO

Any queries regarding this announcement should be directed to the Company on +61 3 8610 4000 or email mail@cuenrg.com.au.

About Cue Energy

Cue Energy Resources Limited is an Australian Securities Exchange (ASX:CUE) listed oil and gas production and exploration company based in Melbourne. Cue’s FY2022 revenue was A\$44 million from gas and oil production from the Mahato and Sampang PSCs, Indonesia and Mereenie, Palm Valley and Dingo fields, onshore Australia and the Maari field, offshore New Zealand

General Legal Disclaimer

Various statements in this document may constitute statements relating to intentions, opinion, expectations, present and future operations, possible future events and future financial prospects. Such statements are not statements of fact, and are generally classified as forward looking statements that involve unknown risks, expectations, uncertainties, variables, changes and other important factors that could cause those future matters to differ from the way or manner in which they are expressly or impliedly portrayed in this document. Some of the more important of these risks, expectations, uncertainties, variables, changes and other factors are pricing and production levels from the properties in which the Company has interests, or will acquire interests, and the extent of the recoverable reserves at those properties. In addition, the Company has a number of exploration permits. Exploration for oil and gas is expensive, speculative and subject to a wide range of risks.

Individual investors should consider these matters in light of their personal circumstances (including financial and taxation affairs) and seek professional advice from their accountant, lawyer or other professional adviser as to the suitability for them of an investment in the Company.

Except as required by applicable law or the ASX Listing Rules, the Company does not make any representation or warranty, express or implied, as to the fairness, accuracy, completeness, correctness, likelihood of achievement or reasonableness of the information contained in this document, and disclaims any obligation or undertaking to publicly update any forward-looking statement or future financial prospects resulting from future events or new information. To the maximum extent permitted by law, none of the Company or its agents, directors, officers, employees, advisors and consultants, nor any other person, accepts any liability, including, without limitation, any liability arising out of fault or negligence for any loss arising from the use of the information contained in this document.

Reference to "CUE" or "the Company" may be references to Cue Energy Resources Limited or its applicable subsidiaries.