

# Activities Report

Quarter ending 31 December 2023



29 January 2024

## HIGHLIGHTS

- **\$16.7 million in cash receipts reported, reflecting a 16% increase compared to the previous period**
- **Achieved average net production of 1,850 boepd, with the completion of three new oil production wells in the PB field, Mahato PSC**
- **\$5.8 million Net Cashflow recorded**
- **\$1.9 million received from accrued Mahato Domestic Market Obligation (DMO) payments by the Indonesian Government, finalising historical outstanding payments**
- **Strong balance sheet maintained with \$23.2 million in cash and no debt**
- **Ongoing planning for the development of two Mereenie wells**
- **New Gas Supply Agreement executed with Incitec Pivot for 2024 gas supply**

## COMMENTS FROM CEO, MATTHEW BOYALL

"This quarter represents another significant step forward for Cue, with continued strong operational performance and financial growth.

Our cash receipts of \$16.7 million, a 16% increase, reflect our assets' consistent production, particularly the Mahato PSC's strong performance following the completion of three new wells. This, combined with the resolution of outstanding DMO payments, increased our net cash position to \$23.2 million, laying a strong financial foundation for future growth.

While the current Mahato drilling program is nearing completion, we remain confident in the further potential of the PB field. The ongoing planning for the development of two Mereenie wells demonstrates our commitment to increasing asset value and driving long-term shareholder value.

2024 is setting up to be another exciting year for the Company. Our strong cash flows and current balance sheet places us in a very positive position to take advantage of growth opportunities. We continue to focus on our capital allocation strategy and creating long-term value for all shareholders."

## PRODUCTION AND FINANCIAL RESULTS SUMMARY

During the quarter, Cue's overall production remained stable at approximately **1850 barrels of oil equivalent per day** (boepd). Three production wells were completed during the quarter at the PB field in the Mahato PSC, Indonesia.

**Cash receipts of \$16.7 million were 16% higher** than the previous quarter, primarily the result of increased contributions from both Mahato and Maari.

The quarter's net cashflow was **\$5.8 million**, resulting in Cue reporting a **cash balance of \$23.2 million and no debt**.

## Cue Quarterly Cash Receipts



Mahato receipts of **\$8.5 million were 38% higher** than the previous quarter, influenced by a \$1.9 million payment for accrued Domestic Market Obligation (DMO) oil sales to the Indonesian Government relating to CY2022 / 2023.

Maari oil continues to attract a significant premium over the Brent benchmark price. During the quarter, Cue received \$3.5 million from the sale of one cargo in September 2023, consisting of 22,951 barrels net.

Onshore Australia receipts were down due to the temporary closure of the Northern Gas Pipeline during the quarter, which restricted the ability to sell Mereenie and Palm Valley gas outside of the Northern Territory.

**Table 1: Cue Net Production and Cash Receipts**

				Q2 FY2024	Q1 FY2024
<b>Australia</b>	Production	Gas	PJ	<b>0.35</b>	0.37
		Oil	bbl	<b>1,916</b>	2,105
	Cash Receipts		\$ million	<b>2.2</b>	2.6
<b>Indonesia</b>	Sampang PSC Production	Gas	PJ	0.23	0.24
		Oil	bbl	<b>301</b>	368
	Cash Receipts		\$ million	<b>2.4</b>	2.5
<b>Mahato PSC</b>	Production	Oil	bbl	<b>48,205</b>	49,207
	Cash Receipts		\$ million	<b>8.5</b>	6.2
<b>New Zealand</b>	Production	Oil	bbl	<b>23,550</b>	24,087
	Cash Receipts		\$ million	<b>3.5</b>	3.1
<b>Total Production</b>			kboe	<b>168.1</b>	173.2
<b>Total Cash Receipts</b>			\$ million	<b>16.7</b>	14.4
<b>Closing Cash</b>			\$ million	<b>23.2</b>	17.4

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

## CY24 ACTIVITY PLAN

Cue Energy Activity Plan*		CY24				CY25			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Onshore Australia</b>	Mereenie Development Wells * 2		■	■					
	Mereenie Further Infill wells					■	■		
	Potential Stairway Appraisal			■	■				
	Potential Palm Valley Infill well						■	■	
<b>Mahato PSC</b>	PB Development drilling			■	■	■	■		
	Exploration drilling					■	■		
<b>Sampang PSC</b>	PSC Extension			■	■				
	Paus Biru FID					■			

\* All activities subject to JV and/or regulatory approvals. Estimated timings only.

## AUSTRALIA

### Cue Interests

**Mereenie** [OL4 & OL5]: 7.5%

**Palm Valley** [OL3]: 15%

**Dingo** [L7]: 15%

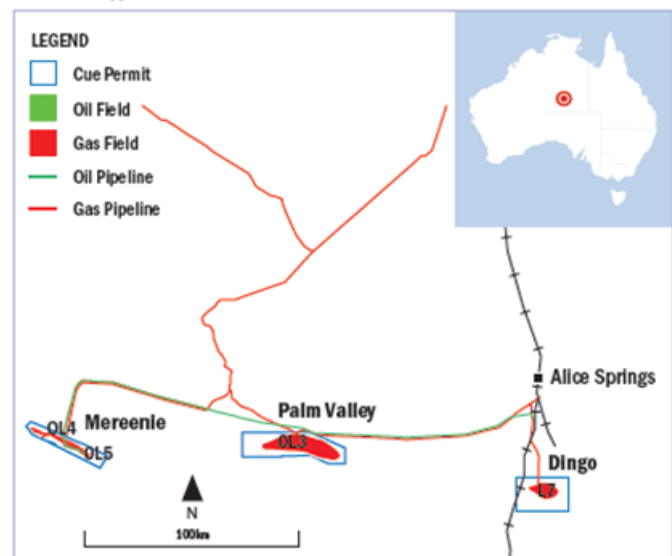
**Operator:** Central Petroleum Limited

Overall production was marginally down on the prior quarter attributable to a combination of natural field decline and ongoing intermittent outages and constraints in the Northern Gas Pipeline (NGP).

Incorporation of the results of the in-field data acquisition campaign is ongoing as the Joint Venture (JV) looks to identify potential drilling opportunities. The Mereenie Flare Gas Recovery Compressor (FGRC) was installed, with tie-in ongoing, and is expected to be online during the current quarter.

A Gas Supply Agreement (GSA) with Incitec Pivot Fertilisers Limited was executed during the quarter. The GSA is for firm gas supply with take-or-pay provisions and the price reflects current market conditions. The gas will be aggregated with gas from other Palm Valley joint venturers, Central Petroleum and New Zealand Oil & Gas, to supply a total of 1.74 PJ.

### AMADEUS BASIN LOCATION MAP - AUSTRALIA



## INDONESIA

### Mahato PSC

**Cue Interest:** 12.5% (Cue Mahato Pty Ltd)

**Operator:** Texcal Mahato EP Ltd

Oil production net to Cue from the PB field was consistent with the previous quarter.

Three production wells were completed during the quarter. During November, the PB-12 production well was drilled and began producing at a rate of approximately 930 bopd.

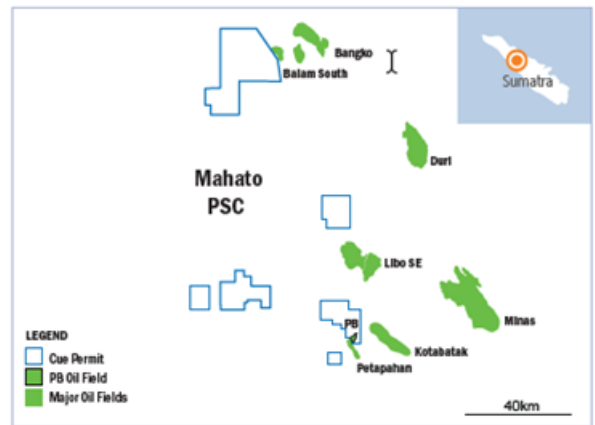
The PB-22 production well was also drilled during November and produced at an average rate of approximately 500 bopd during December. Both these wells were drilled from a new well pad, located to the north of the previous well locations. A third well, PB-15, was drilled as a water injection well but encountered oil zones and was completed as a production well.

The final well under the current development plan, the PB-16 water injection well, is expected to commence in February. After PB-16, the PB field will have completed all of the drilling approved under the current development plan, with 21 production wells and two water injectors in the field.

A review of the current field performance and calibration of subsurface models is being undertaken by the operator with the potential for more development wells to be proposed.

In October 2023, Texcal, the Mahato PSC operator, and Riau Petroleum, an Indonesian local government-owned entity, signed an agreement to transfer 5% of the Mahato PSC's Participating Interest to Riau Petroleum, as required by the Production Sharing Contract (PSC) and government regulations. Cue is currently reviewing transfer documentation regarding its share of that transfer.

MAHATO PSC LOCATION MAP - INDONESIA



## Sampang PSC

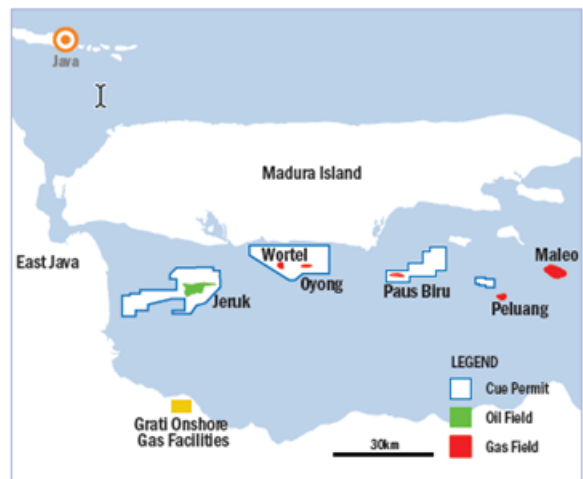
**Cue Interest:** 15% (Cue Sampang Pty Ltd)

**Operator:** Medco Energi Sampang Pty Ltd

Permit extension discussions between the PSC Operator, Medco Energi, and the Indonesian government continued, and the Joint Venture is now expected to apply for a production permit extension for the existing Oyong and Wortel fields, as well as Paus Biru, when developed. This proposal has government support, though the regulations required to implement it are still being finalised. The timing for any extension approval is likely to be in the second half of CY2024.

Subject to approval of a permit extension for the producing fields, the JV will also seek changes to the terms of the production sharing contract (PSC) for the Paus Biru development.

SAMPANG PSC LOCATION MAP - INDONESIA



The PSC amendments and extension are key steps required for the JV to proceed with a Final Investment Decision (FID) on the project.

The Paus Biru development will include a single well and wellhead platform at the Paus Biru gas field, as well as a 27-kilometre subsea pipeline to connect the well to existing Oyong field infrastructure. Subject to final approvals, gas production from Paus Biru is expected to commence in 2027 at a rate of 20-25 mmcf/d.

## Mahakam Hilir PSC

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

**Operator:** Cue Kalimantan Pte Ltd

Processes continue to progress for surrender of the permit, which expired in April 2021. The timing of full relinquishment of the PSC is being defined by Indonesian Government administrative processes. During the quarter, progress was made on the key items of land certification and government auction of surplus equipment.

## NEW ZEALAND

### PMP 38160

**Cue Interest:** 5% (Cue Taranaki Pty Ltd)

**Operator:** OMV New Zealand Limited

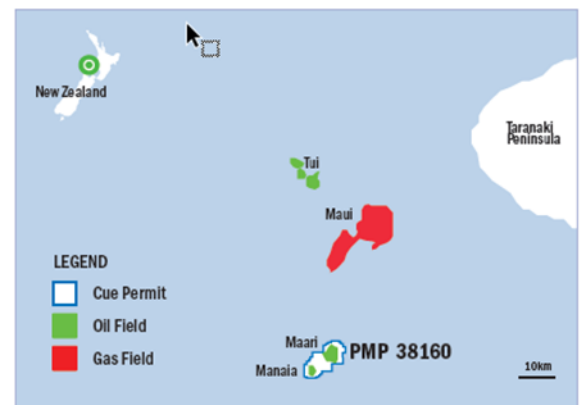
Gross oil production averaged approximately 5100 bopd this quarter.

During the quarter, a workover on the MR6a well commenced with the aim of suspending the existing production zone and reperforating the Matapo and Kap100 reservoirs in order to produce oil from these zones. Due to minor workover equipment repairs, work was suspended in December and is now expected to be completed this quarter

Works to extend field life beyond the current Dec. 2027 permit expiry continued during the quarter, including the preparation of license extension documentation.

The JV continues to assess and prioritise value adding projects, including potential production enhancement, cost reduction and CO<sub>2</sub> reduction opportunities.

TARANAKI PENINSULA LOCATION MAP - NEW ZEALAND



## CORPORATE

During the quarter, Central Petroleum, the operator of the Mereenie, Palm Valley and Dingo fields, published emissions data under NGER reporting. Cue has updated its FY23 emissions estimates to include its share of emissions from these assets. The table below updates the table published on page 27 of the FY23 Cue Energy Resources Limited Annual Report.

### Scope 1 Emissions

	CUE Emissions (tCO <sub>2</sub> e)	boe produced *	Intensity Factor (tCO <sub>2</sub> e per boe)
FY23	14,674	629,954	0.023

Ms. Anita Addorisio, an experienced finance professional with over 20 years' senior finance experience, was appointed as Company Secretary on 26 October 2023. Ms. Melanie Leydin remains the Chief Financial Officer.

The Cue Annual General Meeting took place on 31 October 2023, via a webinar conference facility. All resolutions proposed at the meeting were passed.

**For and on behalf of the Cue Energy Board**

Matthew Boyall  
CEO

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

All references to dollars, cents or \$ in this announcement are to Australian currency, unless otherwise stated.

*Various statements in this report constitute statements relating to intentions, future acts, and events. Such statements are generally classified as forward-looking statements and involve unknown risks, expectations, uncertainties, and other important factors that could cause those future acts, events and circumstances to differ from the way or manner in which they are expressly or impliedly portrayed herein.*

*Some of the more important of these risks, expectations and uncertainties are pricing and production levels from the properties in which the Company has interests and the extent of the recoverable reserves at those properties. In addition, the Company is involved in oil and gas exploration and appraisal. Exploration for oil and gas is expensive, speculative, and subject to a wide range of risks. Individual investors should consider these matters in light of their personal circumstances (including financial and taxation affairs) and seek professional advice from their accountant, lawyer, or other professional adviser as to the suitability for them of an investment in the Company.*

<p><b>DIRECTORS</b> Alastair McGregor (Non-Exec. Chairman) Andrew Jefferies (Non-Exec. Director) Marco Argentieri (Non-Exec. Director) Peter Hood (Non-Exec. Director) Richard Malcolm (Non-Exec. Director) Roderick Ritchie (Non-Exec. Director) Samuel Kellner (Non-Exec. Director)</p> <p><b>CHIEF EXECUTIVE OFFICER</b> Matthew Boyall</p> <p><b>COMPANY SECRETARY</b> Anita Addorisio</p>	<p><b>REGISTERED OFFICE</b> Level 3 10-16 Queen Street MELBOURNE VIC 3000</p> <p>Phone: +613 8610 4000 Fax: +613 9614 2142 Email: <a href="mailto:mail@cuenrg.com.au">mail@cuenrg.com.au</a> Web: <a href="http://www.cuenrg.com.au">www.cuenrg.com.au</a></p> <p><b>AUDITOR</b> KPMG Tower Two, Collins Square 727 Collins Street MELBOURNE VIC 3008</p>	<p><b>SECURITIES EXCHANGE LISTING</b> ASX: CUE</p> <p><b>SHARE REGISTER</b> Computershare Investor Services Pty Ltd Telephone: 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) Email: <a href="mailto:web.queries@computershare.com.au">web.queries@computershare.com.au</a> Website: <a href="http://www.computershare.com.au">www.computershare.com.au</a></p>
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