

Cue Energy

Strong Growth & Capital Returns

4 June 2024

cue
energy

ASX:CUE

INVESTOR PRESENTATION
CUE ENERGY RESOURCES LIMITED



Disclaimer and Important Notices

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.

Shareholder Value Unlocked Through Dividend Payment

Dividend Paid on the Back of Continued Strong Financial Performance

- Despite consistent strong operational and financial performance over several years, Cue continues to trade on very modest valuation multiples.
- \$14 million returned to shareholders in April 2024 as a dividend of 2 cents/share.
- Board has introduced a dividend policy and committed to reviewing dividend payment on a six-monthly basis.
- Cue continues to generate very strong free cash flow from its well-established high margin production assets, with development upside.
- A strong balance sheet maintained that will support ongoing shareholder returns while also targeting reinvestment in both existing and new assets.

Market Capitalisation (31 May 2024)	\$69.84 million
Share price (31 May 2024)	\$0.10
Cash ⁽¹⁾ (30 April 2024)	\$14 million
Debt	NIL
Enterprise Value (EV)	\$55.8 million
EV/2P ⁽²⁾	\$8.86/boe
1H FY2024 EV/ EBITDAX ⁽³⁾	1.45x

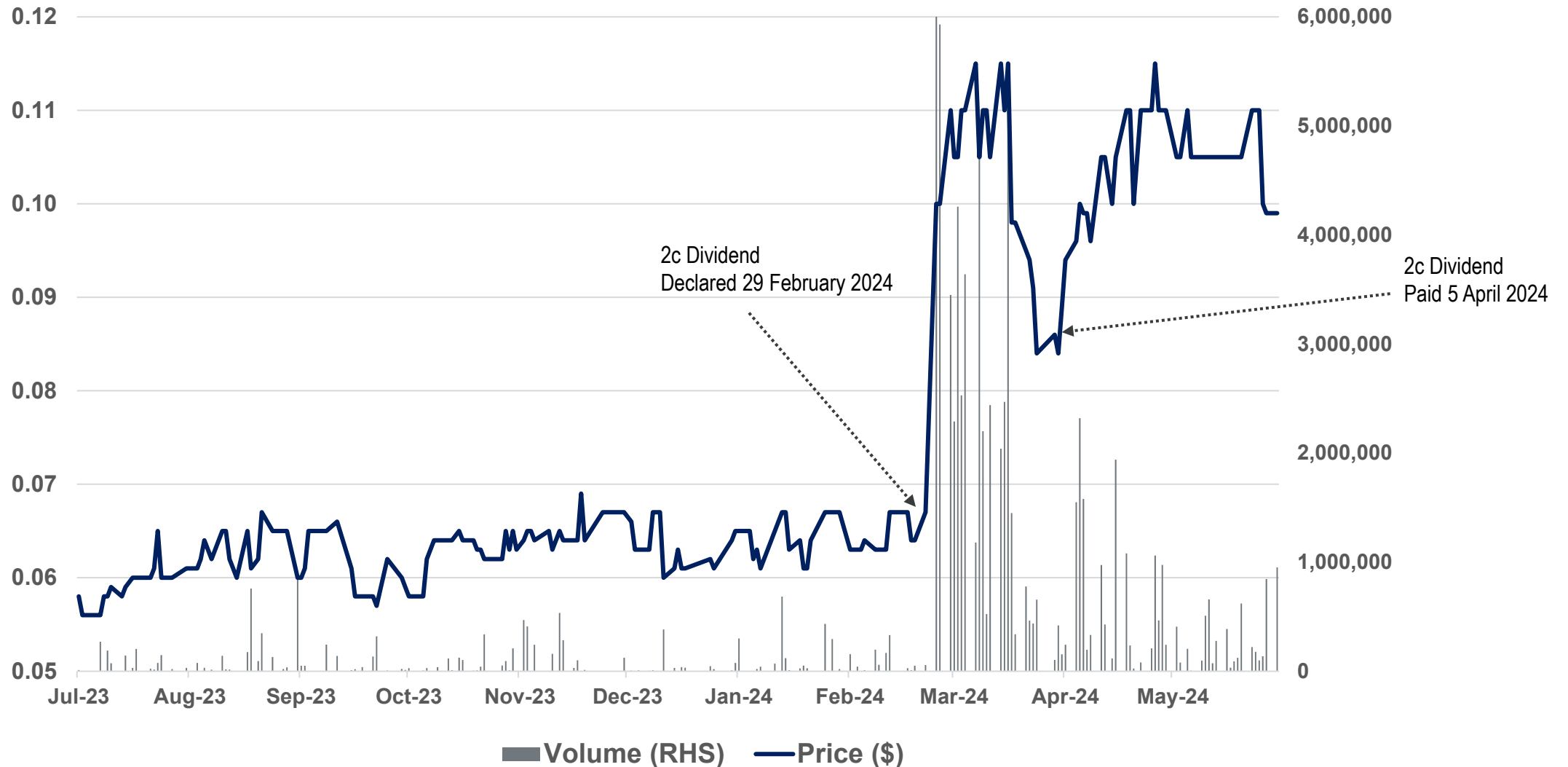
(1) A\$24.6 million reported at end March. \$14 million outflow paid in dividends in the first week of April. Positive operating cash inflows in April.

(2) Based on June 30, 2023, published reserves. 2P Reserves at year end FY23 of 6.3 million barrels of oil equivalent. 68% of reported 2P reserves are gas and 33% are oil.

(3) Earnings before Interest, Tax, Depreciation Amortisation and Exploration based on 1H24 EBITDAX of \$19.3m (annualised i.e. x2).

Dividend Policy Announcement Boosts Cue's Valuation

Highlighting Strong Free Cash Flow and Valuation Discrepancy – Valuation Multiples Remain Attractive



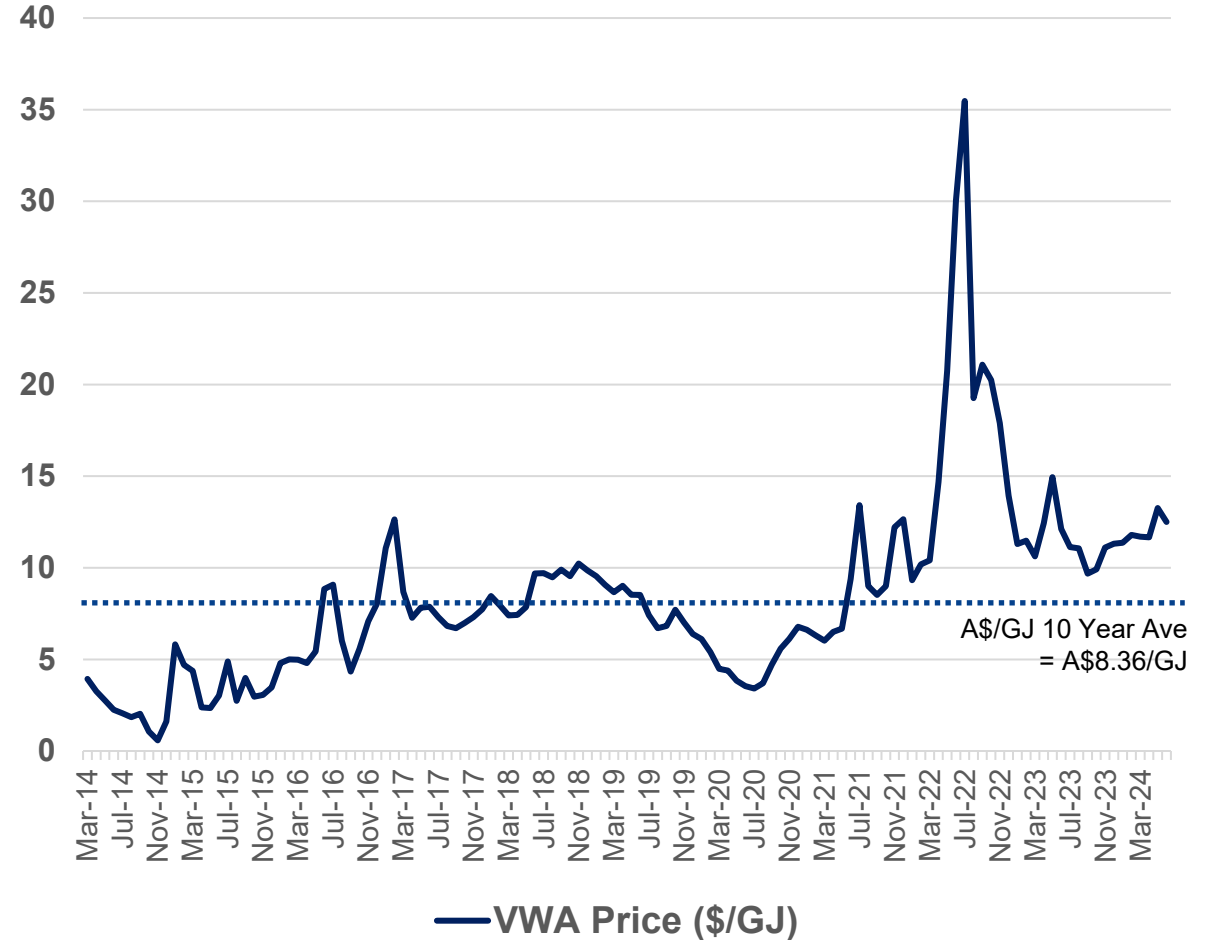
Supportive Macro Commodity Environment

Leveraged Exposure to International Oil and Australian Natural Gas Pricing

USD and AUD Brent Oil Prices



Australian (Wallumbilla Hub) Natural Gas Prices



1H FY2024 Financial Highlights

Demonstrating Strong Financial Performance with a 22% Revenue Increase, reaching \$29.3 Million

Revenue
\$29.3 m

Indonesia \$16.4m
Australia \$6.3m
New Zealand \$6.5m

📈 **22% YoY**

Net Profit After Tax

\$9.1 million

📈 **34% YoY**

EBITDAX

\$19.3 million

📈 **21% YoY**

Production

341,000 boe

Net Cash
(30 April 2024)⁽¹⁾

\$14 million

Dividend

2 cents/share paid 5 April 2024

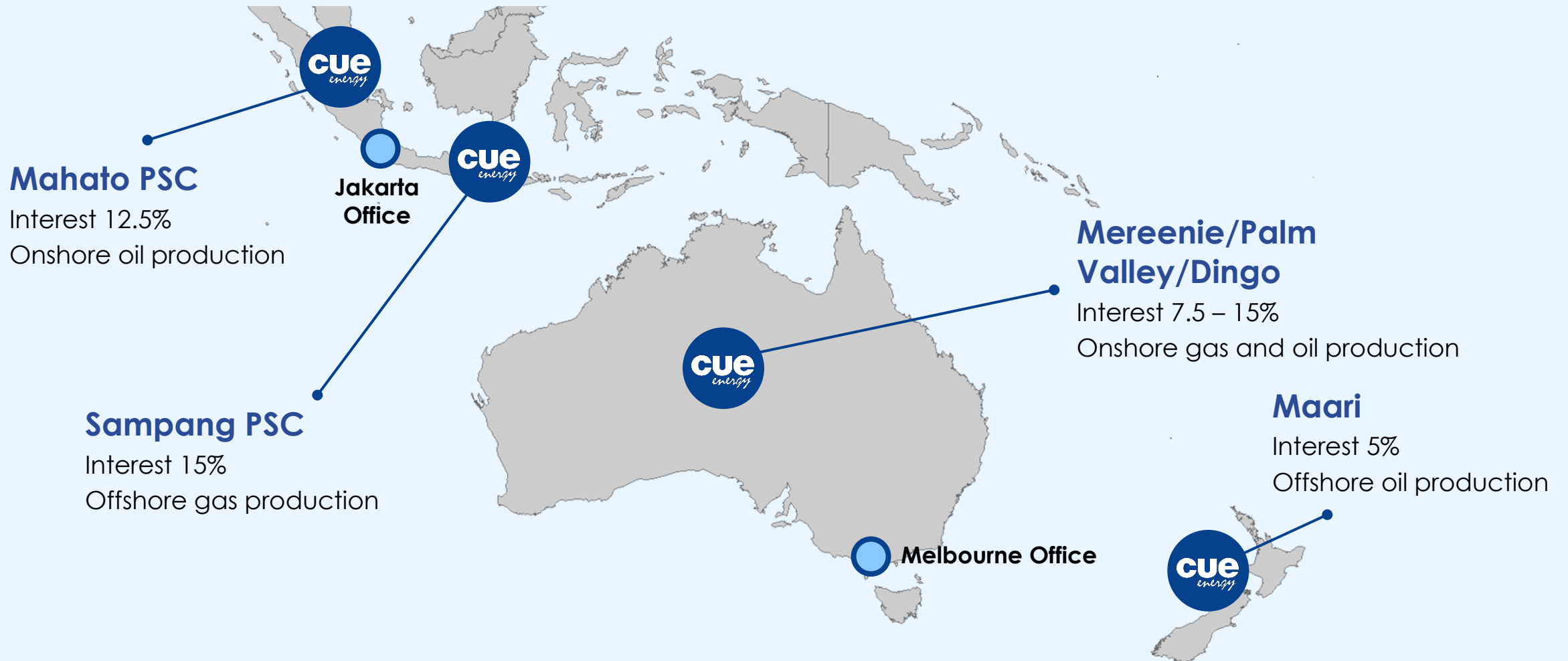
~30% yield on pre dividend announcement share price



⁽¹⁾ A\$24.6 million reported at end March. \$14 million outflow paid in dividends in the first week of April. Positive operating cash inflows in April.

Diverse Portfolio of Production Assets

Generating Strong Free Cash Flow from Four Key Production Assets

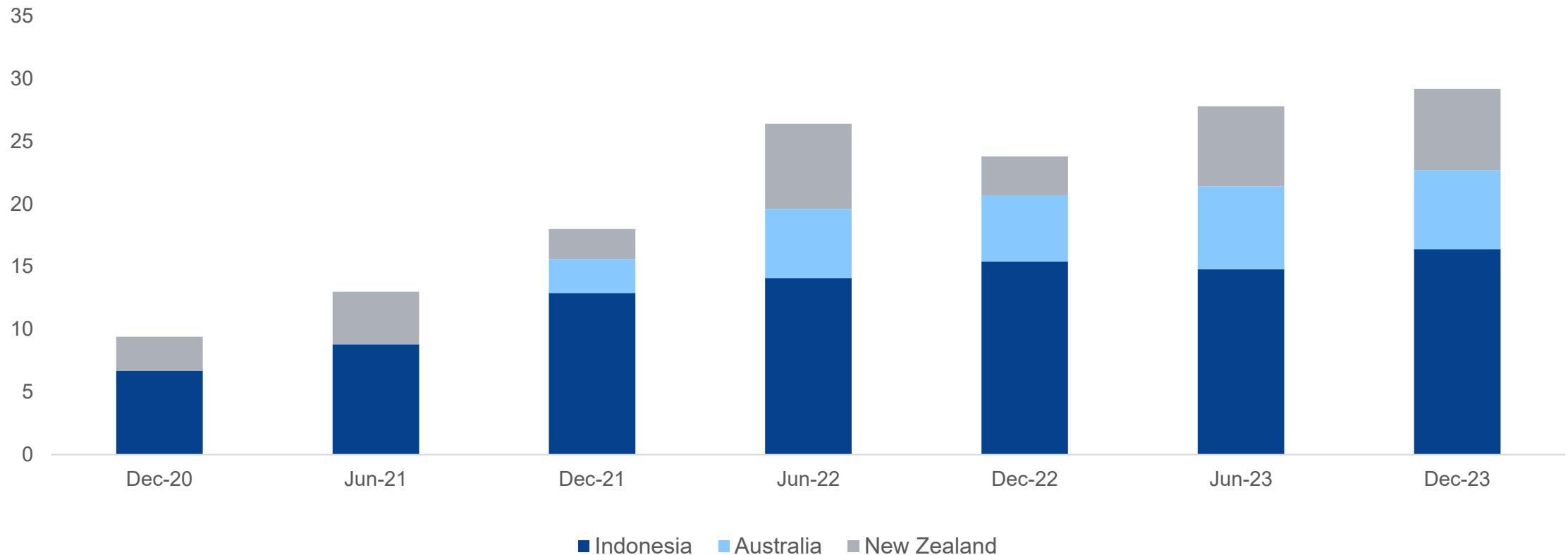


Strong Asset Base Positioned for Continued Growth

1H FY2024 Showcases Ongoing Strong Operational and Financial Performance

Six Monthly Operating Revenue

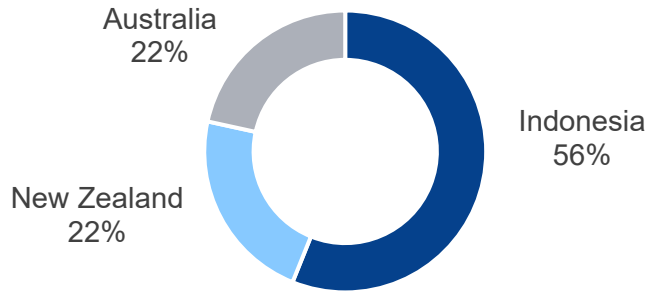
A\$ million



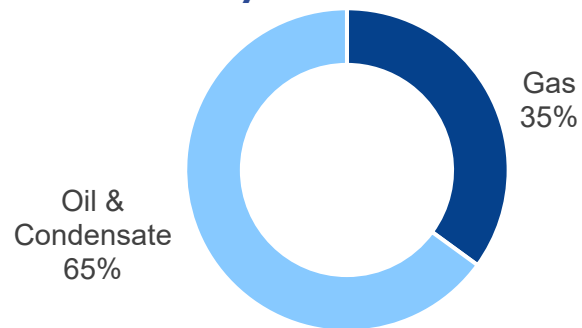
Exposure to both Oil and Natural Gas

Asset Diversity and Exposure to Increasing Commodity Prices

1H FY2024 Revenue by Country

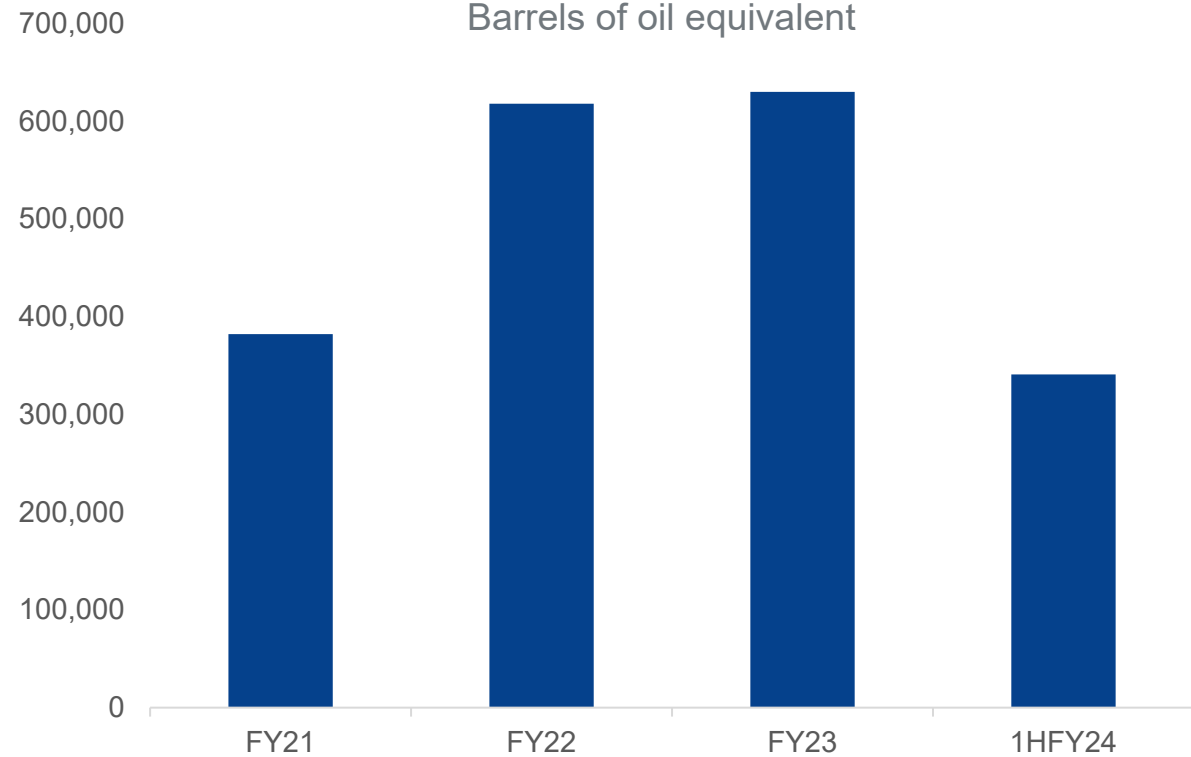


1H FY2024 Revenue by Product



Net Production

Barrels of oil equivalent



Mahato PSC: Indonesia

Exposure to Brent Oil Prices with Low-Cost Oil Development

Location: Central Sumatra Basin

Cue Interest: 12.5%*

1H FY2024 Cue Revenue: \$11.9 million (+25% YoY)

Field Production: >6000 bopd (100%)

Outlook

- To date, 22 production wells have been drilled in the PB field as part of the existing field development plan.
- The operator is reviewing current field performance and subsurface model calibration, with the potential to propose additional development wells.
- Cost recovery on wells leads to attractive payback times.
- Exploration wells currently in planning
- Brent based oil price received

*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, which will affect Cue equity. The approvals process for this transfer is ongoing.



cue
energy



Sampang PSC: Indonesia

Gas Production with Development Upside Powering East Java

Location: Offshore East Java

Cue Interest: 15%

1H FY2024 Cue Revenue: \$4.5 million

Field Production: ~21 mmcfd (100%) average Q3 FY2024

Outlook

- The Oyong and Wortel fields continue to produce as expected, consistently supplying gas to Indonesia Power for electricity generation and helping to reduce reliance on coal-fired power.
- The Joint Venture is preparing a permit extension application
- PSC amendments and extensions are critical steps in allowing the JV to proceed with a Final Investment Decision on the Paus Biru Project.
- Paus Biru targeted gas production of 20-25 million cubic feet per day
- The development concept for Jeruk, a significant undeveloped oil discovery from 2003, is currently under review.



Australian Onshore Gas

Mereenie, Palm Valley and Dingo Fields Supplying Natural Gas to Northern Territory and Eastern Australia

Location: Onshore Amadeus Basin, NT

Cue Interest: Mereenie 7.5%, Palm Valley 15%, Dingo 15%

1H FY2024 Cue Revenue: \$6.3 million (+20% YoY)

Field Production: ~40Tj/d (100%) from Mereenie, Palm Valley and Dingo

Outlook

- Drilling of two Mereenie development wells is currently being planned, pending JV approvals and rig availability.
- Mereenie Expression of Interest released for gas supply of up to 40Tj/d Gas 2025-2030.
- Currently supplying gas to NT Power and Water Corp (PWC) to support NT gas needs due to Blacktip supply reduction.
- Further appraisal and infill drilling are being assessed for both the Mereenie and Palm Valley fields.
- The MOU for extracting helium from the Mereenie gas is progressing.



Maari Oilfield: New Zealand

Focusing on Production Optimisation and Cost Reduction

Location: Offshore Taranaki Basin

Cue Interest: 5%

1H FY2024 Cue Revenue: \$6.5 million

Field Production: ~5000 bopd (100%) average Q3 FY2024

Outlook

- The MR6a well workover aims to suspend the existing production zone and perforate the Matapo and Kap100 reservoirs, with completion expected during Q1 FY 2025.
- Production optimisation and enhancement projects continue with field decline substantially offset by water injection and high facility uptime.
- Facilities certification has been achieved to 2028, with ongoing work for further extension beyond that year.
- Preparation for a licence extension beyond the current December 2027 expiry has commenced, with documentation to be lodged to the regulator later this year.

Sustainability

Working with Partners to Reduce Emissions and Support Local Communities



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

5.1. Metrics

Taskforce on Climate-Related Financial Disclosures (TCFD) Statement

This section outlines the Cue Energy Resources approach to climate disclosure and managing climate risk. It is structured inline with Taskforce on Climate-Related Financial Disclosures (TCFD) recommendations, using its recommended headings:

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

1. Statement on climate change from the chief executive

Cue recognises the scientific consensus of climate change and that climate change will affect our community and environment. Our world has begun a transition to a low carbon economy in which the responsibility of contributing to a low emissions world is shared by everyone, including our company. We all have a role in the transition into the energy future while we also ensure that our customers and the communities we serve enjoy access to reliable and secure energy at feasible prices. Our climate strategy places us in the centre of this energy trilemma. Energy markets over the past year have illustrated the importance of addressing all aspects of the trilemma carefully and together. In our Australian home, energy markets have been constrained, leading to higher prices, and pressure from regulators to maximise gas production. Gas will play a critical role in supporting renewables in the East Coast electricity market as coal fired generation is phased out, and offers one of the most important sources of emissions reductions in Australia. Indonesia, the world's fourth-most populous country, has set a target of becoming an advanced economy, and the world's fourth-largest economy, by 2045. This is a significant leap ahead from its current position where GDP per capita is 30% lower than the world average. These ambitious targets are combined with a commitment to reach net zero emissions by 2060. To make this dual transition, Indonesia urgently needs gas to replace coal for electricity generation and industrial heat. Gas has an ongoing role supporting the development of renewables in Indonesia, and the transition will not occur without it. Cue's New Zealand hydrocarbon production is subject to emissions pricing in New Zealand. Under the New Zealand Emissions Trading Scheme, Cue purchases credits that offset emissions from our share of the Maari production facilities. The emissions trading scheme has the economic effect of disincentivising wasteful emissions and rewarding renewable or low carbon initiatives.

At Cue, we are proud to help deliver the energy needs of these countries in a way that is making a step change in emissions reductions at the same time that we are supporting human wellbeing in access to reliable and affordable energy. We are also taking responsibility for our own emissions and, where it's practical, we reduce our carbon impact and support our joint venture partners to reduce the carbon footprint of projects that we are involved in. Our corporate offices in Melbourne and Jakarta have reduced our carbon footprint, which is itself very small and we offset these emissions by planting trees. Cue recognises and support global efforts to reduce climate change through clear and meaningful policy and market settings. We believe a collaborative transition is necessary to ensure the success of the transition and recognise that pricing carbon emissions is likely to be a policy utilised for achieving emissions reductions. Specific steps we are taking to help reduce carbon intensity while continuing to provide for energy needs include doing the following:

- We actively identify, manage, report and mitigate material climate risk to our business, and report our governance, strategy, risk management targets and metrics;
- We meet the carbon reporting requirements of the regions we operate in;
- We promote the benefits of gas as a lower-emitting transition fuel that supports energy reliability and affordability, and is a strong companion for renewables;
- We review and implement opportunities to reduce the carbon impact of our operations;
- support our joint venture partners to look for and implement low carbon solutions; and
- We respond meaningfully to stakeholder views and expectations around climate change as it relates to our activities.

This report sets out our assessment of the business risks linked to climate change and how we manage them. We see opportunity in supporting the transition as well as a concern to manage our footprint responsibly and in the interest of shareholders and the wider community. We are pleased to present this report on our progress.

Matthew Boyall
Chief Executive Officer

include Cue's share of Scope 1 and scope 2 emissions

for reporting CO2 emissions. Maari and Sampang sum, operator of Cue's Onshore Australia

time of the report and is not included in totals or

intensity, using inputs such as electricity bills and air

Intensity Factor (tCO ₂ e per boe)	
2,338	0.025
2,251	0.018
3,648	0.022

the first part year
GRI reporting and will be published by Cue when

Intensity (tCO ₂ e) FY23	Previous Year
7.7	15.1
5.6	5.6
279.8	319.7
293.1	340.4

of approximately 100 trees with Greenfleet
to capture carbon emissions.

reporting. Mahata emissions data was not reported

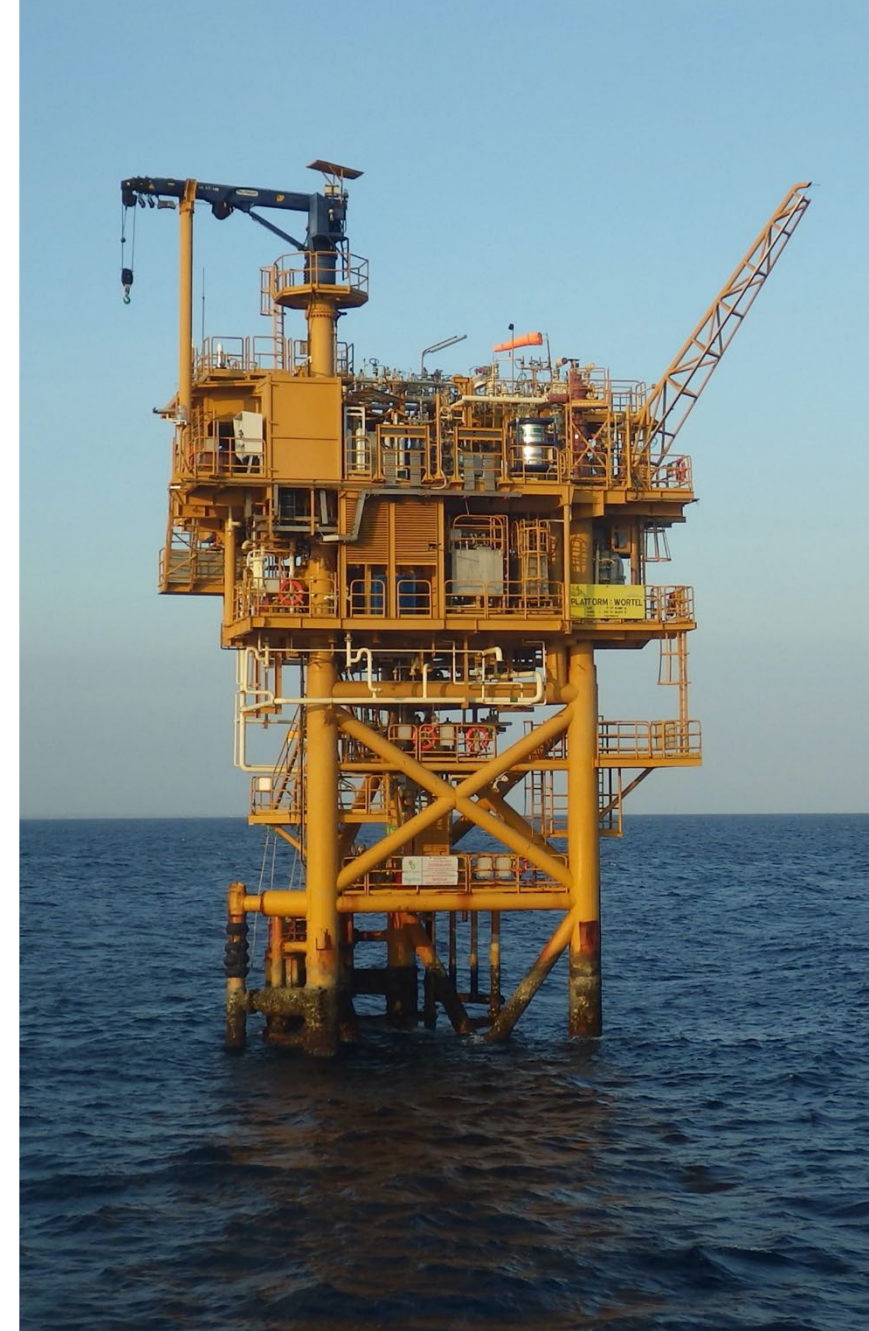


Cue Continues the Pursuit of Profitable Growth

Leveraging Existing Assets and Strategic New Ventures for Significant Future Upside

Continued high activity levels expected through 2024 and into 2025, to drive production growth:

- **Mereenie:** Ongoing development of the Mereenie field, with two new wells being planned, and further development and appraisal opportunities. Leverage the Australian East Coast Gas market.
- **Mahato:** Potential for further development drilling in the PB field, Mahato PSC. Brent oil price exposure and exploration drilling planned.
- **Sampang:** Field life extension and Final Investment Decision for Paus Biru gas discovery. Reviewing development concepts for the Jeruk oil discovery.
- **Maari:** Potential upside from the MR6a workover and ongoing production optimisation. Exposure to Brent oil prices.
- **Corporate:** Focus on production optimisation and cost management to drive revenue and margins. Maintaining a strong balance sheet. Half yearly dividend reviews.
- **New Ventures:** Proven strategy and management track record in building a strong asset base and capitalising on market opportunities.



Strong Revenue Growth & Dividend

Delivering Strong Free Cash Flow, High Margin Investment with an Attractive Dividend



Cue's four production assets deliver strong performance, **boosting revenue by 22% YoY in 1H FY2024.**



Net Profit After Tax up 34% YoY to \$9.1M in 1H FY2024, reflecting a focus on sustainable growth and cost efficiency.



Investment in high-margin gas / oil assets drives **strong cash flow** (1H FY2024 EBITDAX +21% to \$19.3M).



Strong balance sheet (\$14 million⁽¹⁾ net cash) underpins growth initiatives, with proven strategy & management.



Consistently strong cashflow and balance sheet support **2c special dividend and ongoing dividend policy.**



Attractive valuation with **compelling dividend yield** and still trading at low reserve and cash flow multiples.

(1) A\$24.6 million reported at end March. \$14 million outflow paid in dividends in the first week of April. Positive operating cash inflows in April.

Cue Energy

Level 3, 10 Queen Street
Melbourne, Victoria, AUSTRALIA 3000

P (+61) 3 8610 4000

F (+61) 3 9614 2142

E mail@cuenrg.com.au

W www.cuenrg.com.au

cue
energy



ASX:CUE