

**cue**  
*energy*



**Good Oil Conference**  
11 Sept 2019

Cue Energy Resources Limited  
[www.cuenrg.com.au](http://www.cuenrg.com.au)

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## **Prospective Resource Estimates Cautionary Statement**

The estimated quantities of petroleum that may potentially be recoverable by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons

# Corporate overview

## ASX:CUE



### Capital Structure

Share Price ( 9 Sept 2019)	9.7c
Shares on Issue	698,119,720
Market capitalisation (9 Sept 2019)	A\$68 million
Cash (June 30 2019)	A\$26.2 million

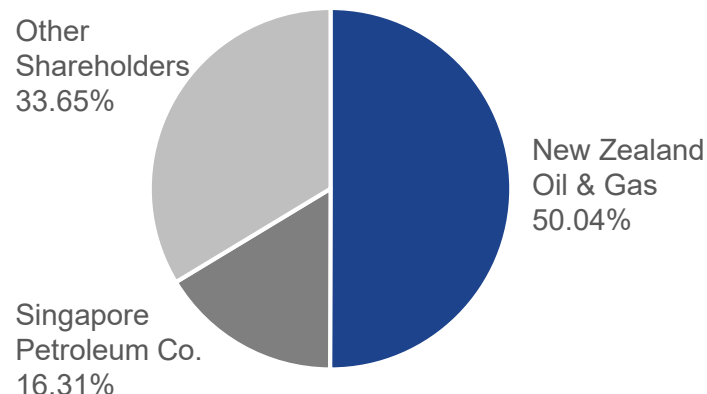
### Directors

<b>Alastair McGregor</b> Non Exec Chairman	<ul style="list-style-type: none"> <li>Chief Executive O.G Energy</li> <li>Director – New Zealand Oil &amp; Gas</li> </ul>
<b>Andrew Jefferies</b> Non Exec Director	<ul style="list-style-type: none"> <li>MD - New Zealand Oil &amp; Gas</li> <li>Petroleum Engineer</li> </ul>
<b>Peter Hood</b> Non Exec Director	<ul style="list-style-type: none"> <li>45 years resource experience</li> <li>Past APPEA Vice Chair</li> </ul>
<b>Rebecca DeLaet</b> Non Exec Director	<ul style="list-style-type: none"> <li>CFO O.G Energy</li> <li>Director – New Zealand Oil &amp; Gas</li> </ul>
<b>Richard Malcolm</b> Non Exec Director	<ul style="list-style-type: none"> <li>Geoscientist 30+ years experience</li> <li>Woodside, Ampolex, OMV</li> </ul>
<b>Rod Ritchie</b> Non Exec Director	<ul style="list-style-type: none"> <li>HSE Executive 30+ years experience</li> <li>Director – New Zealand Oil &amp; Gas</li> </ul>
<b>Samuel Kellner</b> Non Exec Director	<ul style="list-style-type: none"> <li>Chairman – New Zealand oil &amp; Gas</li> <li>Director – O.G Energy</li> </ul>

### Share price and volume



### Shareholders



## **Production**

- \$25.7 million production revenue
- \$12.8m net cash flow from operations

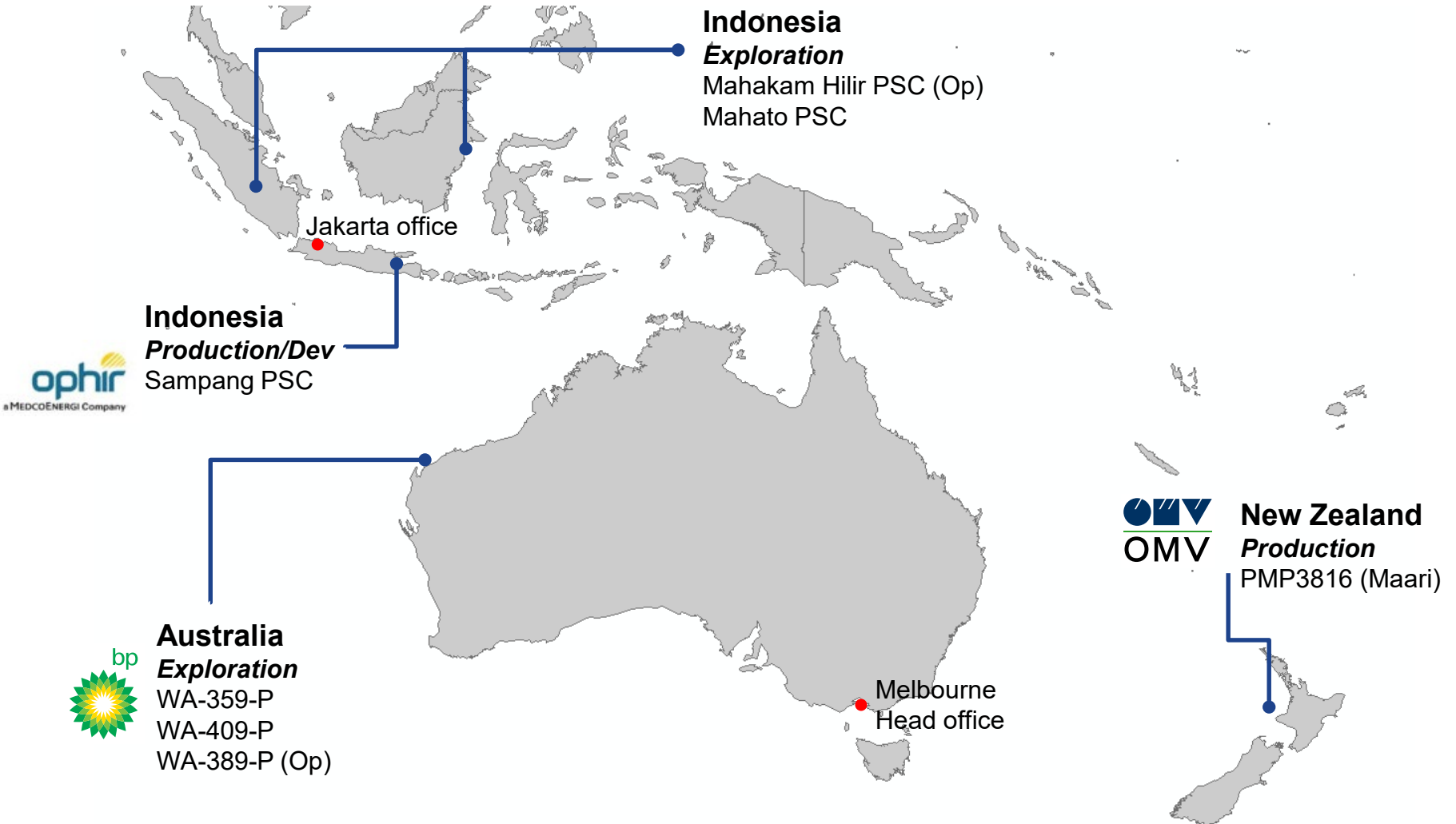
## **Development**

- Paus Biru gas discovery

## **Exploration**

- Farmouts secured and Ironbark-1 drilling 2020
- PB-1 well drilling November + 2 other Indonesian wells planned

# Regional Assets

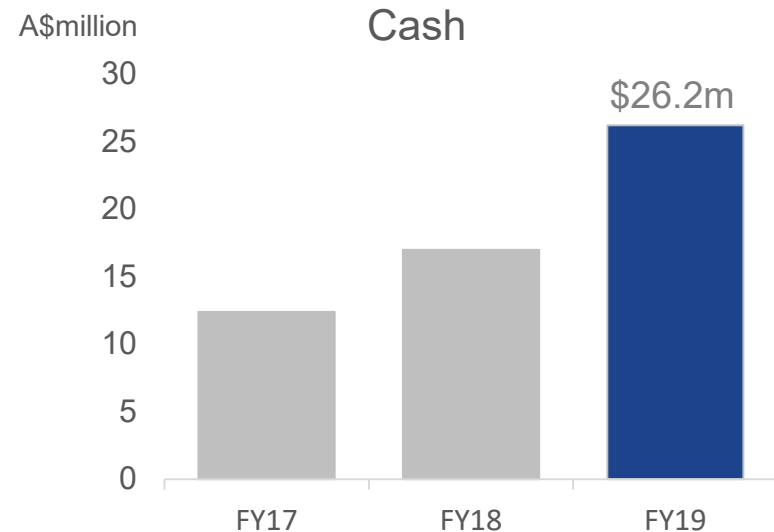
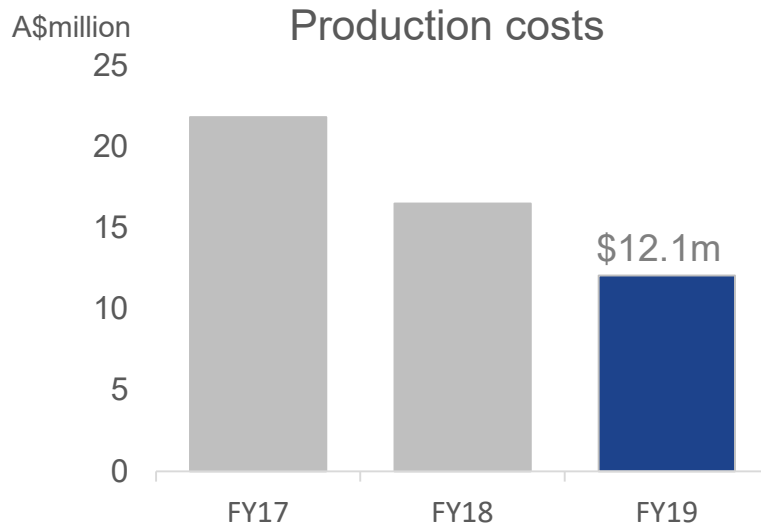
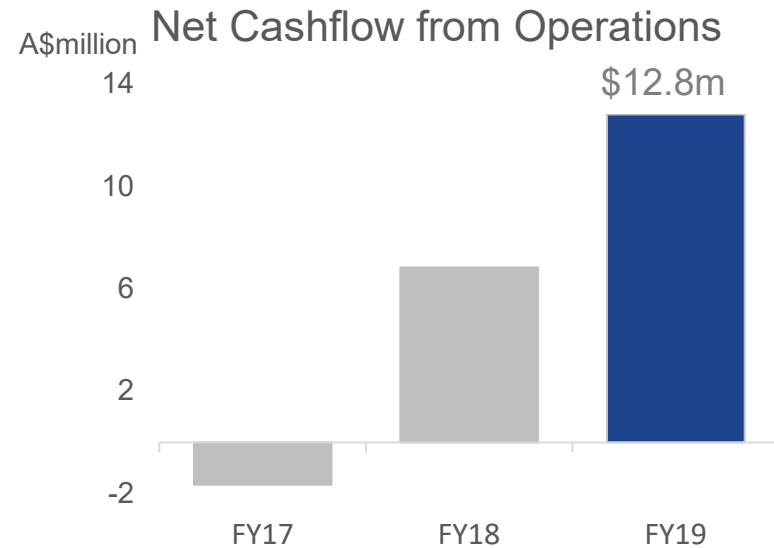


# FY19 Full Year Results



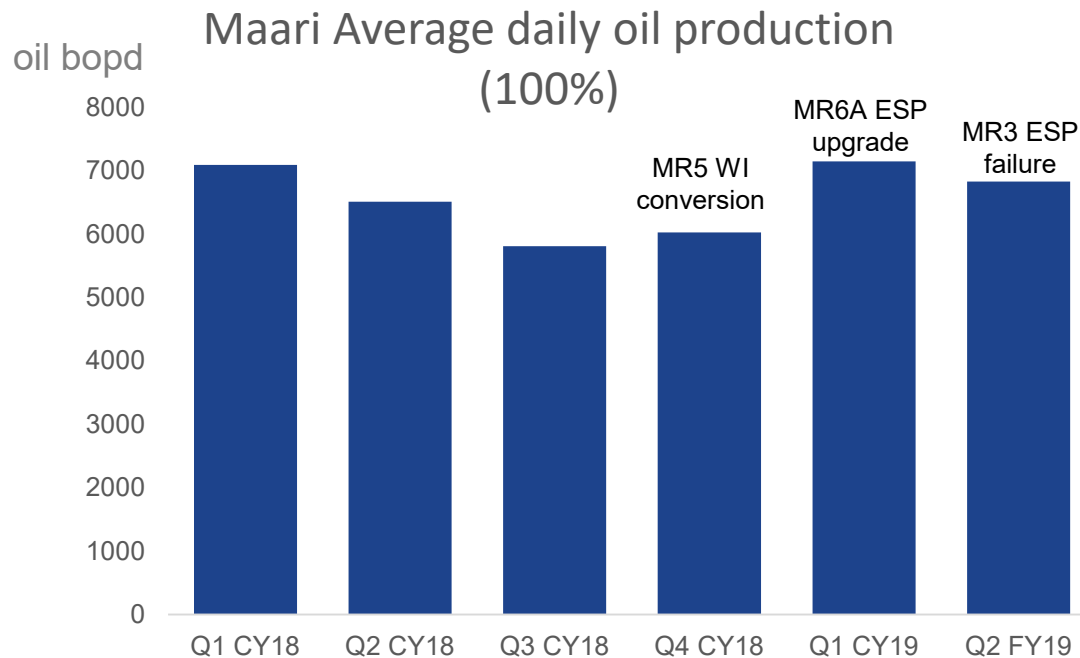
*Cash up, costs down*

- Revenue \$25.7 million
- Profit \$8.5 million
- Production costs down 27%
- 54% increase in cash
- No debt



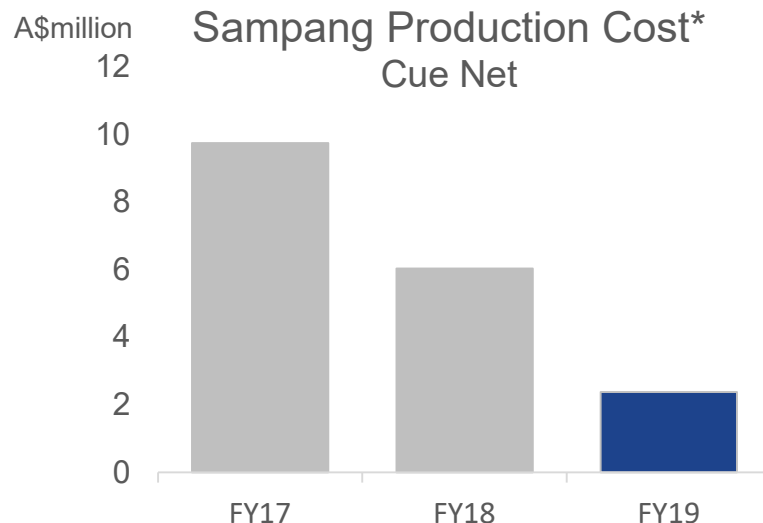
# Production

- \$11 million FY19 revenue
- Significant production increase in 2019 attributable to
  - MR6A ESP upgrade
  - MR5 Conversion to water injector & increased injection rates
- Sustained increase in production has focussed JV on planning for a longer life asset
- MR3 workover underway to reinstate ~450bopd production





- \$15 million FY19 revenue from Oyong and Wortel gas fields
- Direct production costs down 60% YoY due to simplified gas production system
- Fixed priced gas contracts with high demand electricity producer
- Additional compression at Grati onshore processing plant aimed at enhancing long term recovery
- Further near field exploration at Wortel East prospect being considered for 2020 drilling



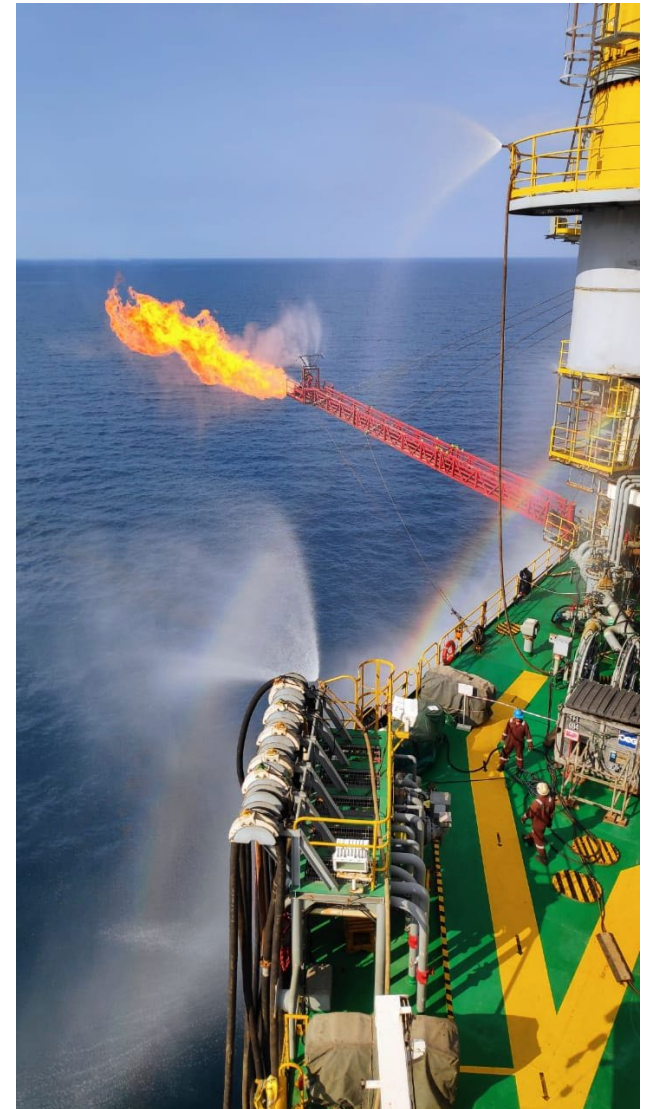
*Oyong Well Head platform as a simplified gas production system.*

# Development

# Paus Biru Gas Discovery

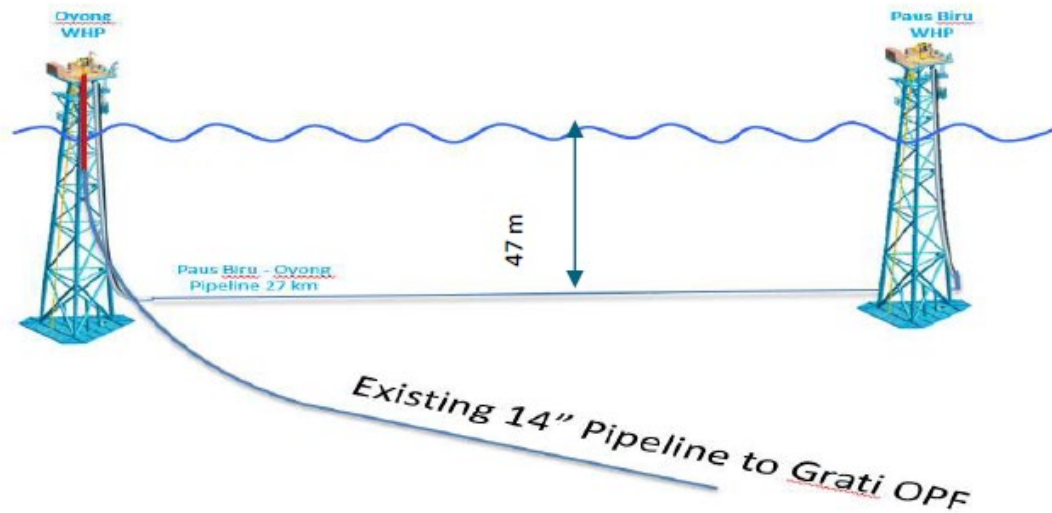
*Successful near field exploration*

- Paus Biru-1 exploration well in the Sampang PSC, Indonesia, drilled to 710m
- Gas discovery with 13.8 mmcfd flow achieved on test
- Estimated net gas pay of 29 metres intersected across the primary Mundu reservoir target
- Plan of Development being prepared by JV for Indonesian Government approval
- Paus Biru production to provide new cash flow and enhance later life Oyong and Wortel economics



# Paus Biru Development Planning

- Paus Biru Plan of Development (POD) process underway
- Simple, proven, development concept is being considered
  - Single production well with well head platform (WHP)
  - 27km pipeline to existing Oyong WHP
- Commercialisation through existing onshore Grati gas processing plant into existing customer or other high demand market

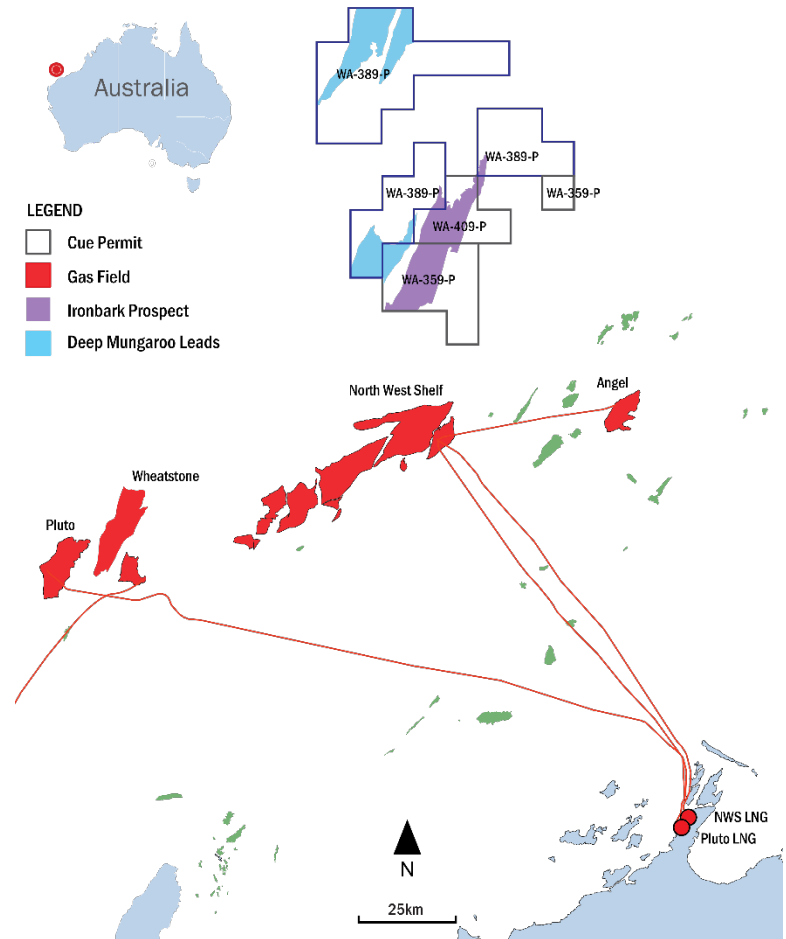


# Exploration

# Ironbark (WA-359-P)

Company changing opportunity in 2020

- Ironbark prospect: 15tcf best case prospective recoverable gas resource
- Success case value has potential to be multiples of Cue current value
  - ✓ Farmout Complete
  - ✓ International Operator
  - ✓ Strong partners
  - ✓ Ironbark-1 well fully funded
  - ✓ Cue's well cost carried + US\$8m cash already escrowed
- Ironbark -1 site survey proceeding soon
- Ocean Apex drilling rig contracted
- Ironbark-1 scheduled for late 2020 drilling



## Prospective Resource Estimates Cautionary Statement

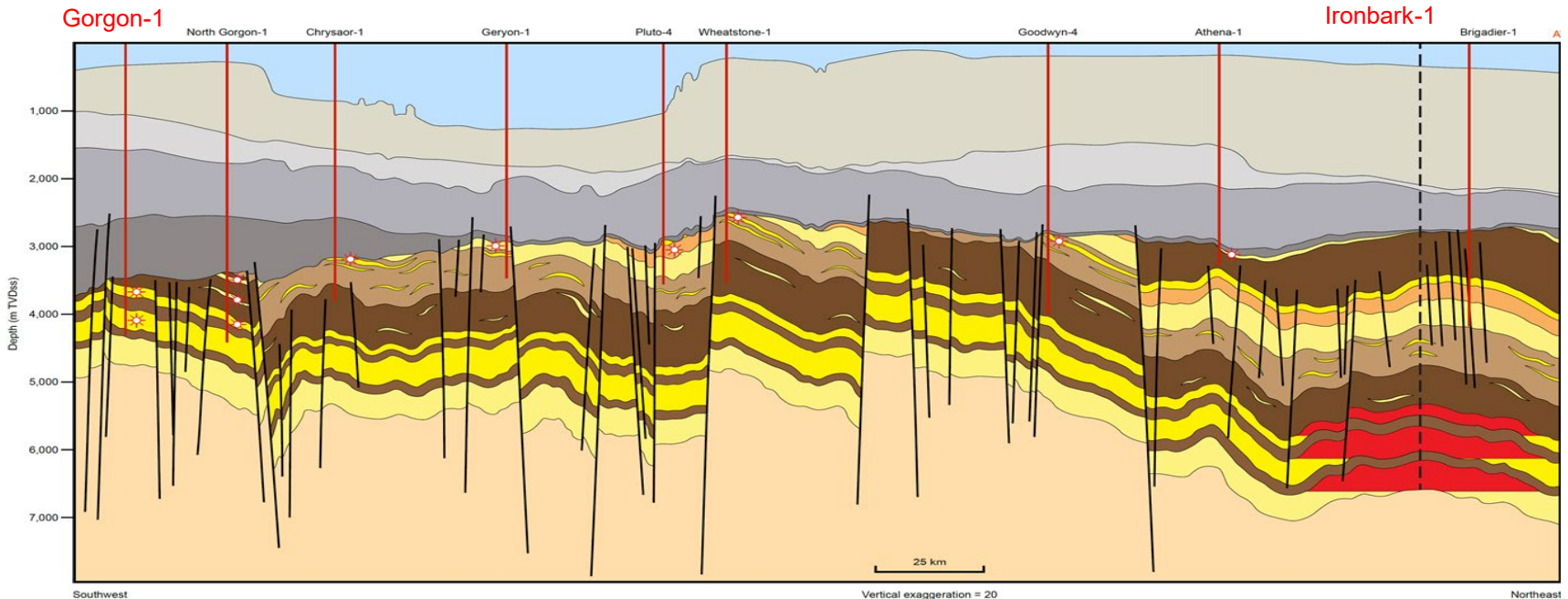
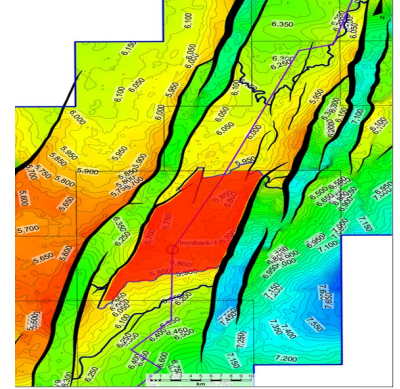
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# Ironbark Prospect

*A giant untested structure*

- Up to 400km<sup>2</sup> fault bounded horst structure with North/South dip closure
- Deep Mungaroo reservoir interval; 150-300m reservoir thickness at Ironbark
- 500m thick regionally extensive Mungaroo shale top seal
- Triassic coal and carbonaceous shale source, proven in the area
- < 50km from North West Shelf LNG infrastructure

TR17 structure map with Ironbark prospect



SW/NE schematic cross section – Gorgon to Ironbark

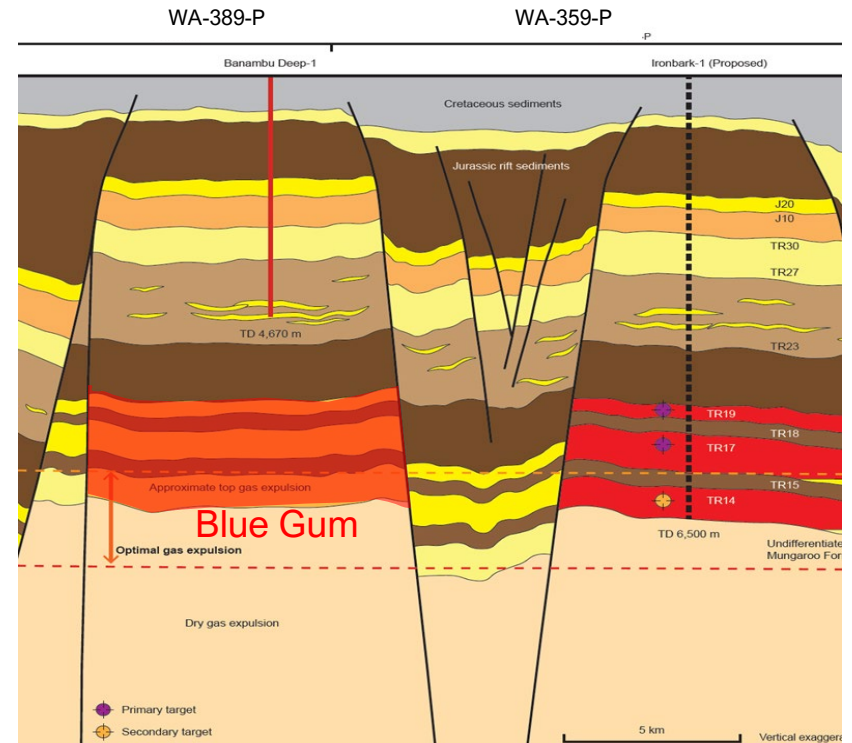
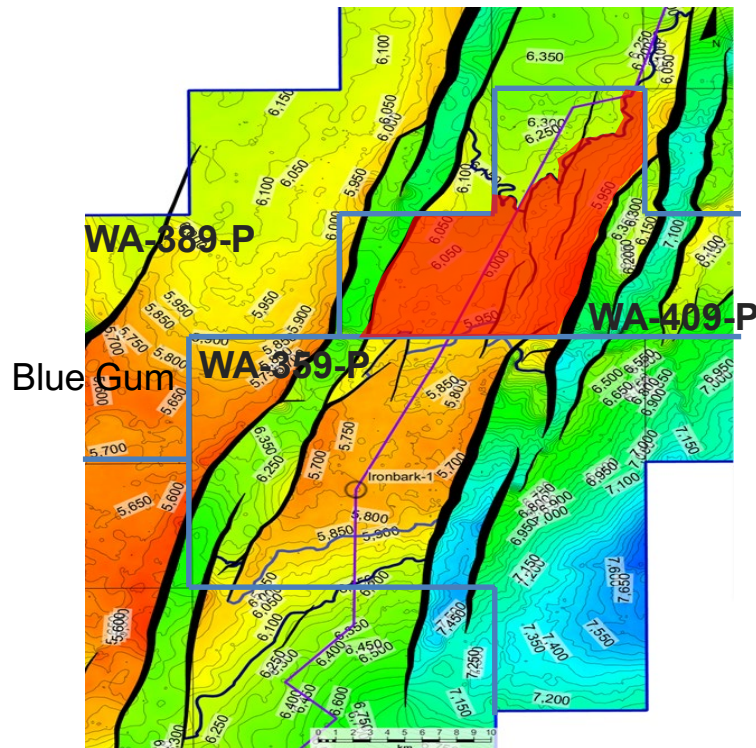
# Ironbark Upside Potential

## WA-409-P (Cue 20%\*, BP 80%)

- Adjoining permit north of WA-359-P
- Contains high case Ironbark plus NE Ironbark prospect
- Suspension and Extension application pending

## WA-389-P (Cue 100%)

- Adjoining permit northwest of WA-359-P
- Blue Gum lead within the Banambu Horst is part of the same structural trend as Ironbark with similar scale
- Suspension and Extension application pending



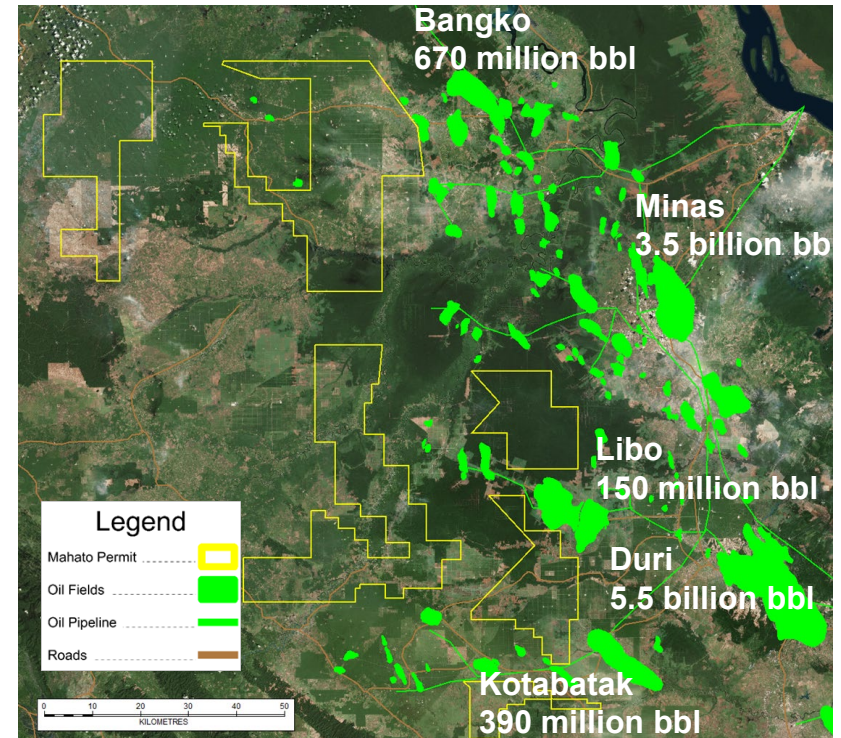
\*Subject to option agreements with Beach Energy and New Zealand Oil & Gas



# Mahato PSC

*2 wells planned near term*

- Located in the heart of the most prolific petroliferous basin in South East Asia with nearby multi billion barrel producing fields
- Underexplored since the 1980s
- Permit targets typically expected to be 5 - 20mmbbl oil
- PB-1 plus 1 other well planned for FY20



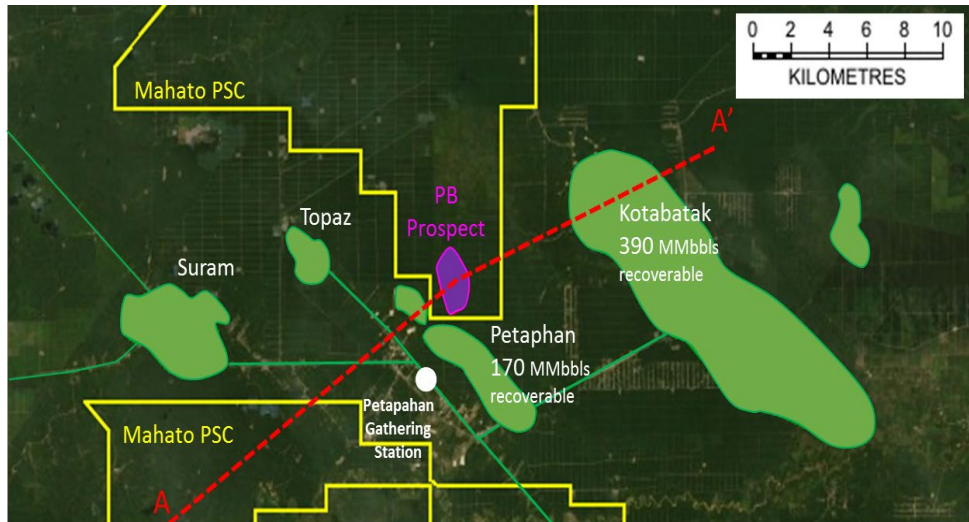
*PB-1 Well site construction*

## PB-1 Exploration well

- Drilling planned for November 2019
- Approx. 5500ft onshore well
- Well pad preparation almost complete
- Rig tendering final stages

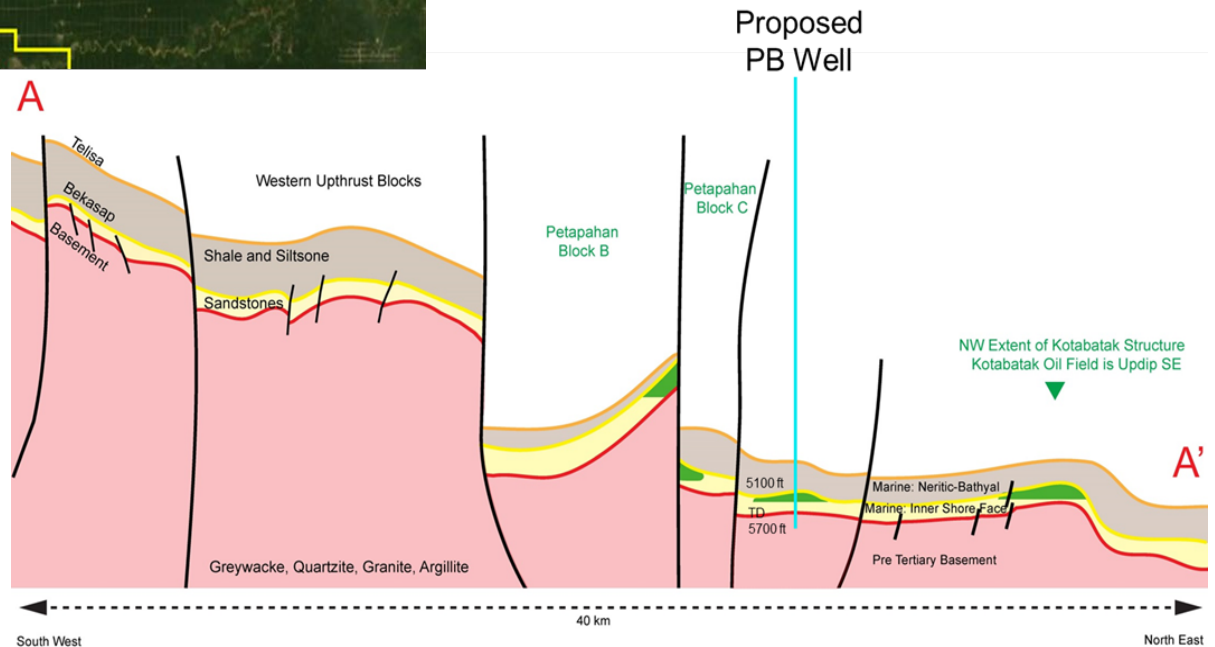
# Mahato PB prospect

*PB positioned between major producing fields*



- PB prospect is 3 way dip closed structure
- Formed by splay faults coming off the main large Petapahan thrust/wrench system
- Located between Petapahan (170million bbl) & Kotabatak (390 million bbl) fields

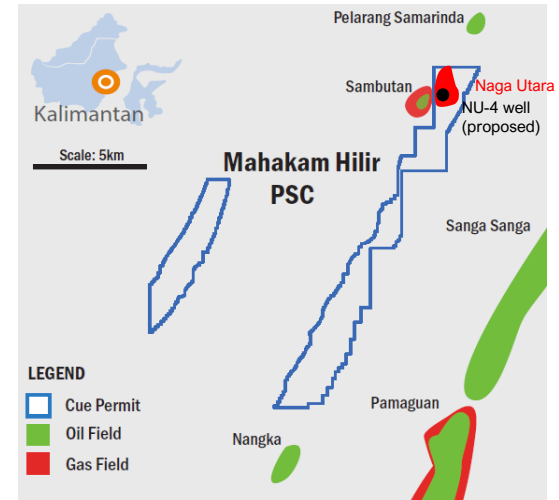
- Early Miocene Bekasap reservoirs being targeted
- Tight well control
- Proven charge



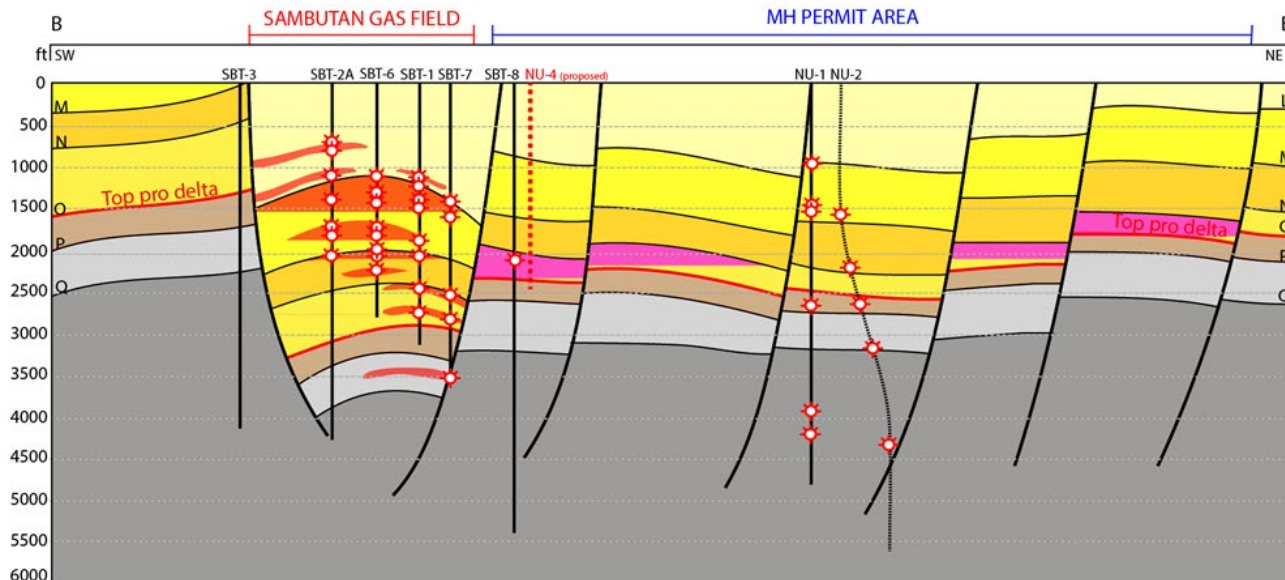
# Mahakam Hilir PSC

## Indonesian onshore Appraisal

- Onshore Kutei Basin, East Kalimantan, a proven petroleum province
- East Kalimantan announced as new Indonesian capital city – increased demand from 1 to 2 million people
- Low cost Naga Utara 4 (NU-4) well planned as appraisal of 100m interpreted gas pay in Sambutan-8 well
- Gas processing plant and established market access <1km from well site
- Data room open with farm out process underway

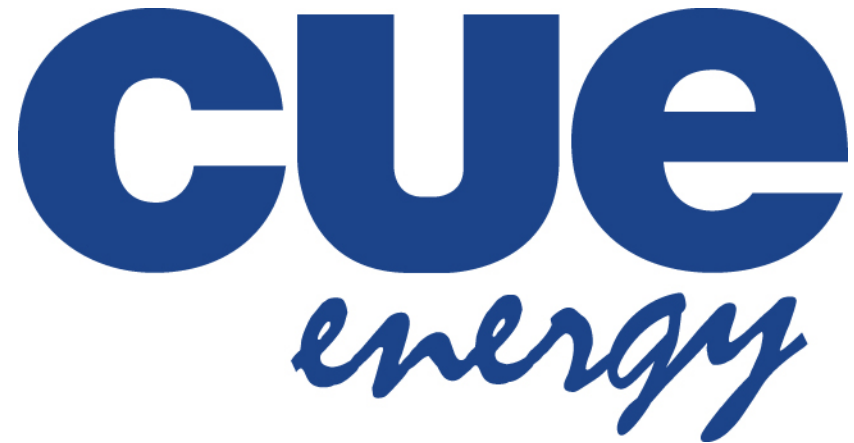


Mahakam Hilir PSC Location



Schematic section through Sambutan and Naga Utara Prospect

- Stable revenue and strong cashflow
- Cash for growth and no debt
- Paus Biru gas discovery POD underway
- PB-1 well drilling onshore Indonesia this year
- 2 further Indonesian wells planned near term
- Ironbark: potential company changing well in 2020



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