

# Activities Report

Quarter ending 30 September 2023

19 October 2023

## HIGHLIGHTS

- **49% increase in cash receipts reported for the quarter to \$14.4 million**
- **8% increase in oil production from Mahato and 12% production increase from Maari**
- **\$3.3 million received from accrued Mahato Domestic Market Obligation (DMO) payments from the Indonesian Government with a further \$1.9 million expected this quarter**
- **\$4 million early repayment of debt as part of Cue's ongoing capital management program means that Cue is now debt free, with \$17.4 million cash at end of quarter**
- **Positive outlook for Q2 with Mahato development drilling and the expected finalisation of planning for two Mereenie development wells**

## COMMENTS FROM CEO, MATTHEW BOYALL

"I am very pleased to report another strong production and cashflow quarter from Cue, continuing on from our FY2023 full year results. Our portfolio of production assets continues to perform strongly and are benefitting from increasing energy commodity prices.

Mahato and Maari continued to be strong production performers. The PB field in the Mahato PSC registered an 8% increase in oil production due to continued development drilling. The Maari field reported a 12% increase in oil production as the MN1 well continued to achieve production rates greater than 1100 barrels of oil per day.

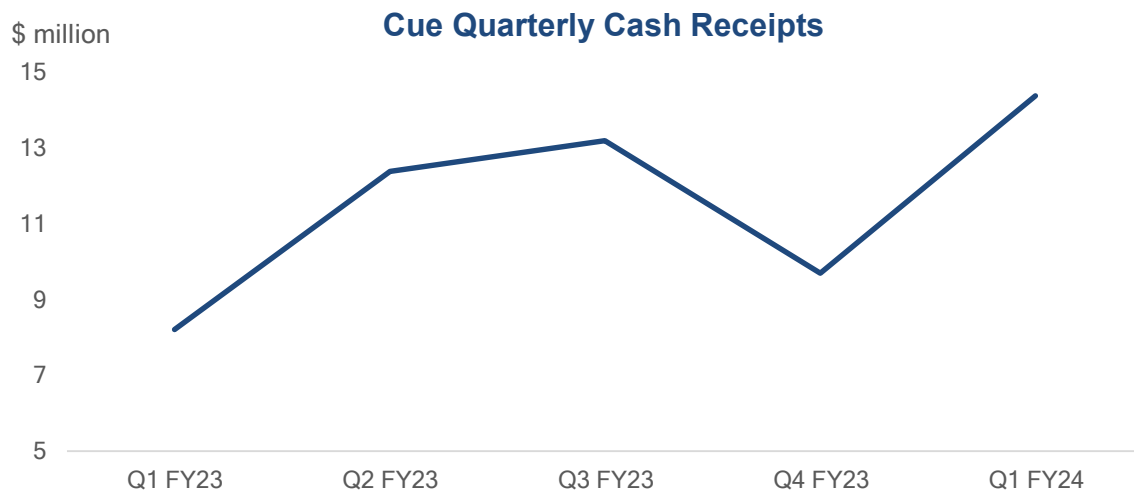
This quarter, we have successfully repaid the final outstanding \$4 million of Cue's debt. This totals \$7 million of debt repaid in the last two quarters from our strong cash flow generation. Our cash flow also funds our high impact drilling programs, while boosting our cash balance at the end of the quarter to \$17.4 million. Cue's Board and Management remain committed to assessing viable options to deliver value to shareholders.

We expect Q2 to continue to be productive with Mahato development drilling and the finalisation of planning for two Mereenie development wells. Our strong balance sheet and cash flow generation continues to support our active new venture program, with progress continuing to be made on the Paus Biru gas development,"

## PRODUCTION AND FINANCIAL RESULTS SUMMARY

During the quarter, Cue's overall production remained stable at approximately **1900 barrels of oil equivalent per day** (boepd) with increases in Maari and Mahato oil production offset by lower gas production from Sampang and onshore Australia.

**Cash receipts of \$14.4 million were 49% higher** than the previous quarter primarily due to Mahato and Maari. \$2.1 million net cashflow was reported for the quarter, which included the early repayment of a \$4 million debt to New Zealand Oil & Gas. \$7 million of debt has been repaid over the last two quarters and the loan is now fully repaid. At the end of the quarter **Cue's cash balance was \$17.4 million, with no debt.**



Mahato receipts of \$6.2 million were 48% higher than the previous quarter, influenced by a \$3.3 million payment for accrued Domestic Market Obligation (DMO) oil sales to the Indonesian Government relating to CY2022/2023. The remaining approximately \$1.9 million owed to Cue is expected to be received during the December quarter.

Maari oil continued to attract a significant premium over the Brent benchmark price. During the quarter, receipts of \$3.1 million were received from the sale of one cargo consisting of 25,777 barrels net to Cue in June 2023.

**Table 1: Cue net Production and cash receipts**

				Q1 FY2024	Q4 FY2023
<b>Australia</b>	Production	Gas	PJ	0.37	0.38
		Oil	bbl	2,105	2,234
	Cash Receipts		\$ million	2.6	2.9
<b>Indonesia</b>					
Sampang PSC	Production	Gas	PJ	0.24	0.26
		Oil	bbl	368	369
	Cash Receipts		\$ million	2.5	2.6
Mahato PSC	Production	Oil	bbl	49,207	45,547 <sup>(1)</sup>
	Cash Receipts		\$ million	6.2	4.2
New Zealand	Production	Oil	bbl	24,087	21,479
	Cash Receipts		\$ million	3.1	0
<b>Total Production</b>			kboe	173.2	172.3
<b>Total Cash Receipts</b>			\$ million	14.4	9.7
<b>Closing Cash</b>			\$ million	17.4	15.2

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

(1) Mahato Q4 FY 2023 production has been restated to include Domestic Market Obligation (DMO) allocation barrels which were not previously reported due to revenue not being received. DMO revenue is now being received from the Indonesian Government.

**During the quarter, the average price received for all oil sales was A\$127 per barrel, while the average price for all gas sales was \$9.2/GJ.**

## FY2024 ACTIVITIES

Q2 FY24 is expected to be another strong quarter of activity, with our successful Mahato development drilling continuing and the expected finalisation of planning for two Mereenie development wells.

Our strong balance sheet continues to support our active new venture program, with progress continuing to be made on the Paus Biru gas development in the Sampang PSC.

Cue Energy Key Activities FY2024		Q1			Q2			Q3			Q4		
		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Amadeus Basin	Mereenie Development Wells * 2 <sup>(1)</sup>						■	■	■	■			
	Further Infill wells <sup>(1)</sup>												■
	Potential Stairway Appraisal <sup>(1)</sup>									■	■	■	■
Mahato PSC	PB Development wells * 5	■	■	■	■	■							
	BA-01 Exploration Well												
Sampang PSC	Paus Biru FID <sup>(1)</sup>						■	■	■	■			

<sup>(1)</sup> potential timing subject to joint venture approval    ■ Approved    ■ Subject to approval and confirmation

## AUSTRALIA

### Cue Interests

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

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

**Dingo** [L7]: 15%

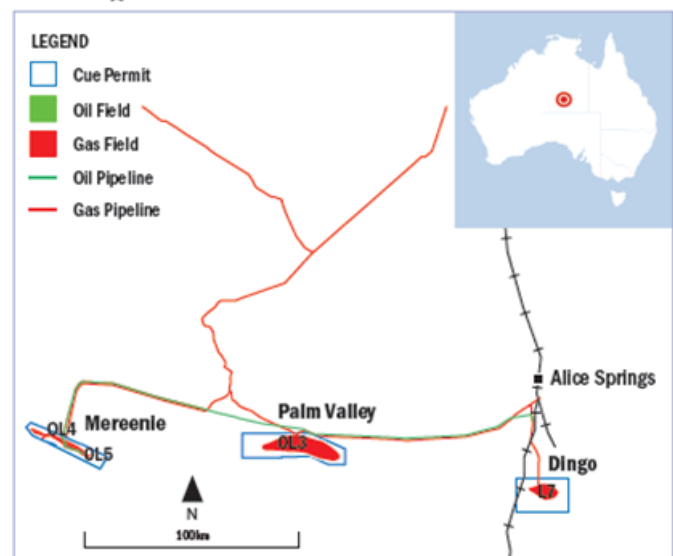
**Operator:** Central Petroleum Limited

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).

A campaign of in-field data acquisition commenced late in the quarter. This forms part of further information gathering ahead of potential future infill drilling at Mereenie. Site works have also commenced at Mereenie for the future installation of the Flare Gas Recovery Compressor (FGRC).

A 12 month Memorandum Of Understanding (MOU) has been signed between the Mereenie Joint venturer partners and Twin Bridges LLC (Twin Bridges), a private US company specialising in helium appraisal and production, to progress a helium recovery unit (HRU) at the Mereenie field towards a final investment decision. The HRU is proposed to be sized to extract up to 60,000 scf/day of helium from the Mereenie natural gas, which contains over 0.2% helium.

### AMADEUS BASIN LOCATION MAP - AUSTRALIA



## INDONESIA

### MAHATO PSC

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

**Operator:** Texcal Mahato EP Ltd

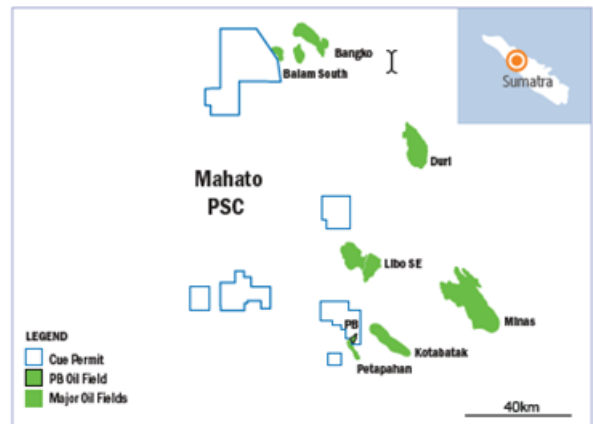
Oil production net to Cue from the PB field increased by 8% compared to the previous quarter due to continued successful development drilling.

PB-23 production well was drilled and put into production at a rate of approximately 550 bopd in early August. The next well in the program, PB-13, was drilled during August and produced at an average rate of 180 bopd during September. PB-12 production well is currently being drilled.

Under the current development plans, twenty production wells and three injection wells are approved for the PB field. Including the recently completed wells, there are currently eighteen oil production wells and one water injection well in the field. The remaining wells are expected to be drilled during this calendar year. Production performance and field analysis will then be undertaken, with the potential for more development wells to be proposed.

The BA-01 exploration well was drilled during the quarter. Four zones of interest were tested but no hydrocarbons were produced and the well was plugged and abandoned.

MAHATO PSC LOCATION MAP - INDONESIA



### SAMPANG PSC

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

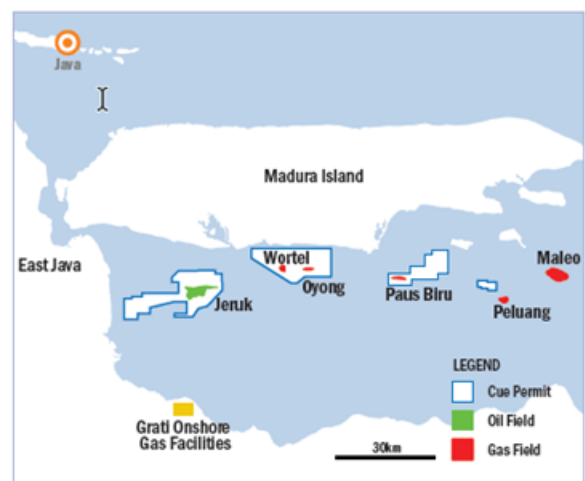
**Operator:** Medco Energi Sampang Pty Ltd

Gas production from the Oyong and Wortel fields was lower this quarter due to variations in field production natural decline of the fields.

Progress continues to be made on the Paus Biru gas development, with discussions continuing between the PSC operator, Medco Energi, and the Indonesian Government on PSC changes and an extension to the current 2027 permit expiry date.

The Sampang JV expects to apply for a 20 year permit extension. The PSC amendments and extension are key steps required for the JV to proceed with considering a Final Investment Decision (FID) on the project.

SAMPANG PSC LOCATION MAP - INDONESIA



The Paus Biru development is planned to consist of 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. Subject to final approvals, gas production from Paus Biru is expected to commence by 2025 at a rate of 20-25 mmcf/d.

The Jeruk oil discovery continues to be assessed by the JV. A technical workshop was conducted to review the Operator's updated subsurface modelling and development concept plans during the quarter. Further work is being undertaken with the aim of defining an appraisal and development program within the next 6-12 months.

### **Mahakam Hilir PSC**

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

Processes are underway for surrendering 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, for return to the Indonesian government and government auction of surplus equipment.

## **NEW ZEALAND**

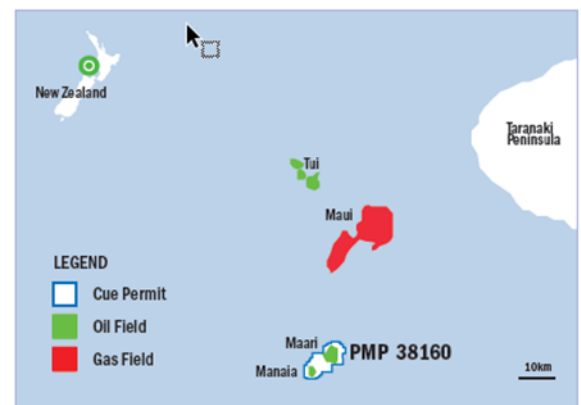
### **PMP 38160**

**Cue Interest:** 5% (Cue Taranaki Pty Ltd)  
**Operator:** OMV New Zealand Limited

Gross oil production for the quarter was 12% higher, averaging approximately 5300 bopd, due to the re-start of production from the MN1 well.

The MR2 well underwent a conversion to a permanent water injection well to provide higher injection capability in the field. MR6a remained offline, with further workover work planned for the current quarter.

TARANAKI PENINSULA LOCATION MAP - NEW ZEALAND



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

## **CORPORATE**

During the quarter, the remaining \$4 million of outstanding loans to New Zealand Oil & Gas was repaid, extinguishing the debt.

The Cue Annual Shareholder report and Annual General meeting Notice of meeting were released. The Annual General Meeting will be held via a webinar conference facility at 10.00am (AEDT) on Tuesday, 31 October 2023. Details are available on the Cue website: [Notice of AGM Link](#)

### **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/CHIEF FINANCIAL OFFICER</b>  Melanie Leydin</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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