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## IRONBARK RIG CONTRACT SIGNED

A rig contract has been signed for the Ironbark prospect in WA-359-P, where New Zealand Oil & Gas has agreed to acquire a 15 per cent interest and Cue Energy has a 21.5 per cent partly carried interest.

The Ocean Apex semisubmersible drilling rig, operated by Diamond Drilling, has been contracted by BP Developments Australia Pty Ltd [BP], which is acting as operator on behalf of Cue under a co-ordination agreement.

“Ironbark is a genuinely world-scale prospect in a highly prospective address. Securing the Ocean Apex sets a clear path for drilling in late 2020. We are excited to be moving this world class prospect forward with significant equity,” New Zealand Oil & Gas ceo Andrew Jefferies says.

WA-359-P is located in the Carnarvon Basin, offshore Western Australia. Drilling is expected to begin in late 2020, following completion of the Ocean Apex’s other commitments. BP has initiated environmental planning activities for a site survey and drilling.

Cue, BP, Beach Energy and New Zealand Oil & Gas announced a co-ordination agreement on 26 October 2018. It provides for BP to act as operator on behalf of Cue.

As required under the co-ordination agreement, Cue has contributed US\$8.08 million from its existing cash into an escrow account to secure the proportion of its costs that are not carried by other parties. With funding from the other parties on completion of the agreement, full funding for the Ironbark well is agreed.

The rig contract, escrow funding and Cue shareholder approval for New Zealand Oil & Gas to farm in have all been satisfied. Regulatory approval of a Suspension and Extension application for the WA-359-P permit to allow time to drill is also required. Cue is preparing an application for submission to the National Offshore Petroleum Titles Administrator.

If all conditions are satisfied and regulatory approvals received, the coordination agreement provides for BP to become operator. The participating interests in permit will then be:

BP [operator]	42.5%
Cue	21.5%
Beach Energy	21%
New Zealand Oil & Gas	15%

New Zealand Oil & Gas has a 50.04% shareholding in Cue.