

14 June 2022

MAHATO PSC UPDATE - DEVELOPMENT DRILLING APPROVED

New Zealand Oil & Gas subsidiary, Cue Energy Resources (ASX:CUE), has provided an update that an additional 12 oil production wells will be drilled in the PB oil field, Mahato PSC, under a Field Development Optimisation (FDO) plan approved by SKKMigas, the Indonesian Regulator.

The update release is attached.

Cue has a 12.5% interest in the Mahato PSC. New Zealand Oil & Gas has a 50.04% interest in Cue.

For further information please contact the Company on:

email enquiries@nzog.com

phone +64 4 495 2424

Development drilling approved in Mahato PSC

- Government approval received for 12 more oil production wells in the PB field
- Drilling underway at PB-18 development well

An additional 12 oil production wells will be drilled in the PB oil field, Mahato PSC, under a Field Development Optimisation (FDO) plan approved by SKKMigas, the Indonesian Regulator.

The total number of approved production wells in the FDO is 20, with 3 water injection wells. There are currently 8 oil production wells and 1 water injection well the field.

The first development well in the current phase of drilling, PB-18* has commenced. Wells are expected to take approximately 1 month to drill and complete, so the current program is expected to take 12-14 months. The initial wells will be drilled from the existing well pad with later wells drilled from a new location in the northern area of the field, where additional oil processing capacity will also be constructed.



Wellheads and drilling rig at PB field, Mahato PSC

**Existing wells in the field are PB-01 to PB-09. Drilling sequence does not necessarily follow sequential well numbering*




Cue CEO Matthew Boyall, commented on the approval:

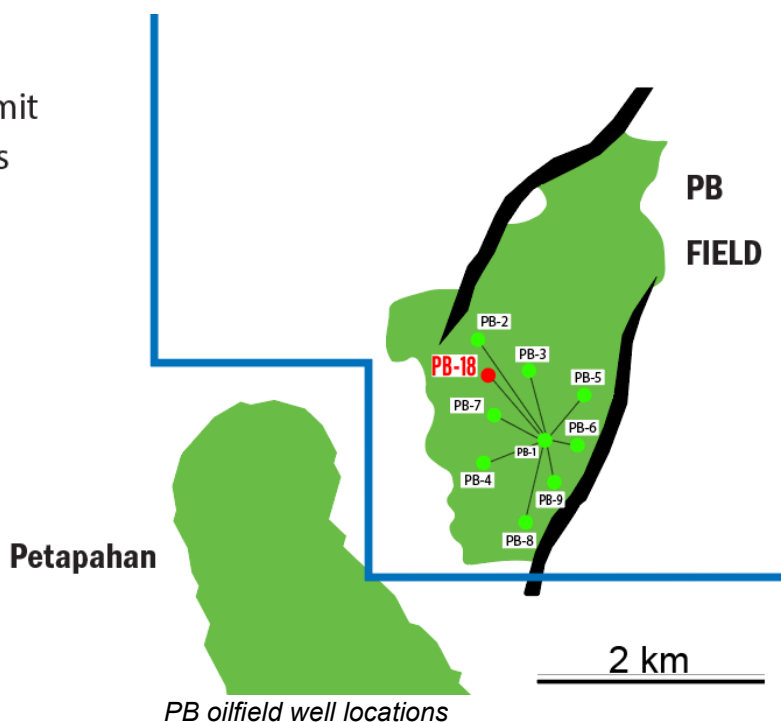
“This additional drilling in the PB field will more than double the current number of production wells and unlock production from the northern portion of the field that is not accessible from the current well pad. PB-18 development well has commenced drilling and we look forward to results in the coming weeks.

Oil from the PB field is sold on a Brent price basis, so every additional production well provides good revenue to Cue in the current high oil price environment.

Cue thanks Texcal, the Joint Venture operator, for the PB field results to date and their continued focus on field development optimisation.”

LEGEND

-  Cue Permit
-  Oil Fields
-  PB Wells



Participants in the Mahato PSC joint Venture are:

<i>Texcal (operator)</i>	51%
<i>Bukit Energy</i>	25%
Cue	12.5%
<i>Central Sumatra Energy</i>	11.5%

Authorised by the CEO, Matthew Boyall

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

About Cue Energy

Cue Energy Resources Limited is an Australian Securities Exchange (ASX:CUE) listed oil and gas production and exploration company. Cue's FY21 revenue was A\$22.4million from gas production offshore Indonesia and oil production offshore New Zealand and onshore Indonesia. In October 2021, Cue completed a transaction to acquire interests in the Mereenie gas and oil field, and the Palm Valley and Dingo gas fields, from Central Petroleum Limited.

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