

30 January 2023

MAHATO PSC UPDATE – EXPLORATION DRILLING

New Zealand Oil & Gas subsidiary, Cue Energy Resources [ASX:CUE], has provided an update that the high impact exploration well BA-01 is preparing for drilling in the Mahato PSC [Production Sharing Contract]. Spudding of the well is expected to commence this quarter, subject to final environmental clearances.

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.

27 January 2023

Exploration Drilling in Mahato PSC

- BA-01 exploration well in the Mahato PSC, Indonesia is preparing for drilling
- Prospective Oil in Place Resource Estimate of 93mmbbl (Gross Best case)
- Drilling expected to commence this quarter, subject to final environmental clearances
- Mahato PSC has seen little recent exploration and is located in a very oil rich region, with multiple future drilling targets identified

Cue Energy Limited (ASX: CUE) is pleased to announce that the high impact exploration well BA-01 is preparing for drilling in the Mahato PSC (Production Sharing Contract). Spudding of the well is expected to commence this quarter, subject to final environmental clearances.

The well aims to test the presence of hydrocarbons in the BA prospect, with a primary target of the Miocene-age Telisa Formation sandstone reservoir at a depth of 900ft. A secondary target is the Menggala Formation, expected at approximately 2500ft. Both targets are producing reservoirs in the Central Sumatra Basin.

BA-01 is planned as a vertical well approximately 2800ft in depth and will be suspended if successful.

The Operator of the Mahato joint venture, Texcal Mahato, has assessed the following Prospective Resource estimates for the BA prospect. Combined primary and secondary target estimates are shown in the table below.

| | Low | Best | High |
|--|--------------------|--------------------|---------------------|
| BA Prospect: Prospective Oil in Place Resource Estimate* | 67 million barrels | 93 million barrels | 172 million barrels |

The geological chance of success of the BA-01 well has been assessed by the Operator as 38%.

CEO Matthew Boyall commented; *"We are pleased to be exploring again in the Mahato PSC. The Central Sumatra Basin is a very oil rich area and contains the largest onshore oilfields in Indonesia. The Mahato PSC, in which Cue has a 12.5% interest, has had little recent exploration and is close to the large, producing oil fields to our East. The PB field* is a good example of the success that is possible in the Mahato PSC and we hope to replicate this with the BA-01 well."*

The BA prospect is one of a number of prospects and leads identified in the Mahato PSC, which could be suitable candidates for future drilling.

*Prospective Resources Cautionary Statement

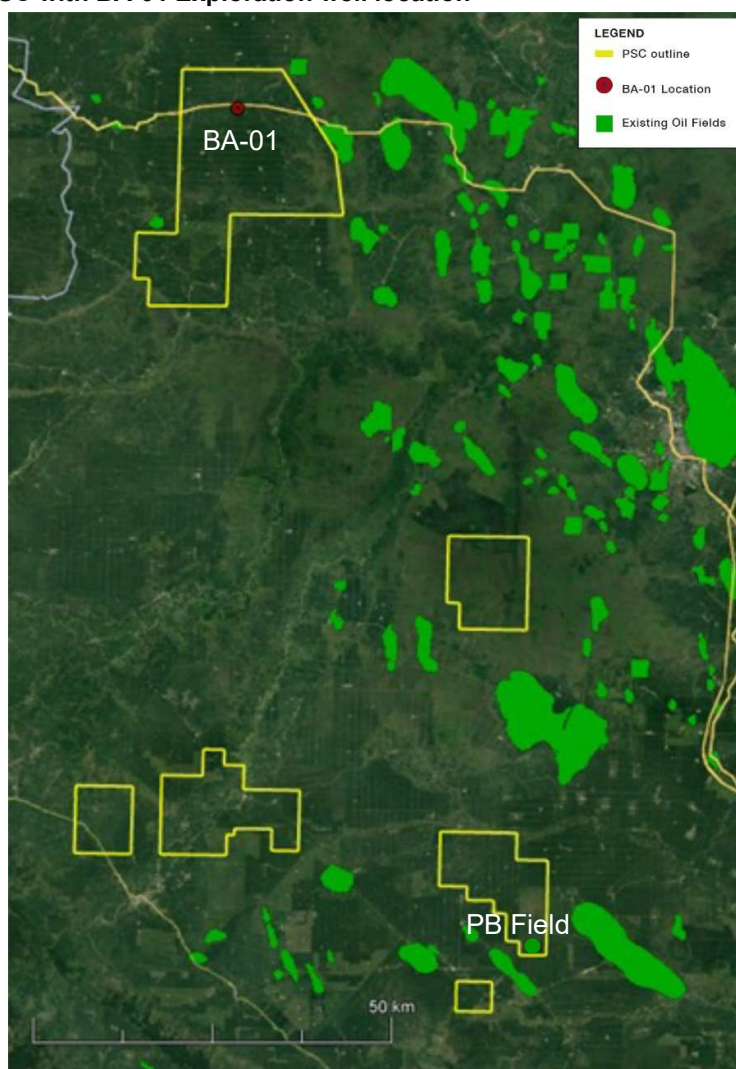
The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required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

<https://www.spe.org/en/industry/petroleum-resources-classification-system-definitions/>

*The PB Oilfield in the Mahato PSC was discovered by Cue Energy and partners in late 2019. The field contains a large resource with estimated 92.8 mmbbl STOIP and 20.9 mmbbl gross recoverable oil ⁽¹⁾. There has been significant output growth from the oilfield since first production in January 2021. The Mahato PSC generated \$14.9 million FY22 revenue net to Cue, contributing \$7.8 million profit after tax. Approval was received in June 2022 for further field development to add 13 production wells to the originally approved seven. 12 wells are currently in production at over 5500 bopd.

<https://www.cuenrg.com.au/site/projects/indonesia/mahato>

Fig 1. Mahato PSC with BA-01 Exploration well location



Participants in the Mahato PSC Joint Venture are:

| | |
|------------------------|--------------|
| Texcal (Operator) | 51% |
| Bukit Energy | 25% |
| Cue | 12.5% |
| Central Sumatra Energy | 11.5% |

1) Refer to Cue ASX announcement on 29 March 2022 - *Mahato Reserves Increase*, and Cue FY22 Annual Report - Reserves and Resources. The company is not aware of any circumstances since the releases which would have a material impact on the reserves reported.

Authorised by 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.

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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.

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About Cue Energy

Cue Energy Resources Limited is an Australian Securities Exchange (ASX:CUE) listed oil and gas production and exploration company based in Melbourne. Cue's FY2022 revenue was A\$44 million from gas and oil production from the Mahato and Sampang PSCs, Indonesia and Mereenie, Palm Valley and Dingo fields, onshore Australia and the Maari field, offshore New Zealand

<https://www.cuenrg.com.au/site/content/>