

26 February 2020

MAHATO PSC UPDATE

New Zealand Oil & Gas subsidiary, Cue Energy Resources (ASX:CUE), has provided an update that it has become aware that a tender has been released for the rental of oil production facility equipment for the Mahato PSC, this 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



ABN 45 066 383 971

Mahato PSC Update

Melbourne, Australia 25 February 2020: Cue Energy Resources Limited advises that through its 100% subsidiary, Cue Mahato Pty Ltd (Cue), it has become aware that a tender has been released for the rental of oil production facility equipment for the Mahato PSC.

The tender was released by Texcal Mahato EP Ltd (Texcal), the PSC operator, in Indonesia's Republika newspaper on 21 Feb 2020 and calls for companies to provide the following services for one year:

- Rental of oil and gas production equipment with a capacity of 5000 bfpd
- Procurement, construction and installation of supporting facilities
- Operation and maintenance of production facilities

As previously disclosed, two wells have recently been drilled in the Mahato PSC. The operator and other joint venture parties are claiming to have excluded Cue from participation in these operations. These claims are disputed by Cue as having no basis under the Joint Operating Agreement (JOA). Discussions between Cue and Texcal are ongoing to attempt to resolve these issues. Cue is evaluating all available options and is asserting all its legal rights under the JOA. Cue is not receiving full information from the Operator as required under the JOA.

The Company will keep the market informed of any material developments on this matter, subject to any Indonesian regulatory requirements.

For and on behalf of the 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.

About the Mahato PSC:

The Mahato PSC is operated by Texcal Mahato EP Ltd. Cue Mahato Pty Ltd (a 100% subsidiary of Cue Energy Resources Limited) holds 12.5% participating interest.

About Texcal Mahato EP Ltd:

Texcal Mahato EP Ltd is part of the Sabson Group.

Cue Energy Resources Limited is an Australian Stock Exchange (ASX:CUE) listed oil and gas exploration and production company. Cue's FY19 revenue was A\$26million from oil production in the Maari field, offshore New Zealand and gas production in the Sampang PSC, offshore Indonesia. Cue has operated and non-operated interests in exploration permits in the Carnarvon Basin, offshore Western Australia and onshore Indonesia.