

21 April 2020

MAHATO PSC UPDATE

New Zealand Oil & Gas subsidiary, Cue Energy Resources (ASX:CUE), has provided an update that it has become aware that the Indonesian Ministry of Energy and Mineral Resources has announced a 61.8 million barrel oil discovery in 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.

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Mahato Oil Discovery - Indonesian Government Announcement

Melbourne, Australia 21 April 2020: Cue Energy Resources Limited advises that through its 100% subsidiary, Cue Mahato Pty Ltd (Cue), it has become aware that the Indonesian Ministry of Energy and Mineral Resources has announced a 61.8 million barrel oil discovery in the Mahato PSC.

The announcement was made by Mr Dwi Soetjipto, Head of the Special Oil and Gas Working Unit of the Ministry of Energy and Mineral Resources (SKK Migas) during a press conference on 16 April 2020.

A press release dated 18 April, 2020, with details of the announcement, can be found under the Berita Utama (headlines) section of the Government of Indonesia Ministry of Energy and Mineral Resources (ESDM) website (www.esdm.go.id).

A translation of the relevant section of the release reads:

“Head of SKK Migas Dwi Soetjipto explained, the discovery consisted of an oil resource find by Texcal Mahato after completing the drilling of PB-2 exploration well of Mahato Block totalling 61.8 million barrels of oil.”

As previously disclosed, two wells have been drilled in the Mahato PSC. The operator, Texcal Mahato EP Ltd (Texcal) 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). Cue is evaluating all available options and is asserting all its legal rights under the JOA.

Cue is not receiving information from the operator as required under the JOA to enable full assessment of the SKK Migas announcement but interprets the 61.8 million barrels reference as an oil in place P50 resource estimate.

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

Authorised by the CEO

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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. It is located in the Central Sumatra basin, Indonesia.

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.