

7 June 2019

IRONBARK COMPLETION, DRILLING 2020

Partners in the WA-359-P joint venture have completed the Ironbark farm-in transaction and title to the exploration permit has been transferred. A well will be drilled in late 2020 in the Ironbark prospect, where Cue Energy has estimated 15 trillion cubic feet of prospective recoverable gas*.

A conditional farm-in agreement was announced in October 2018 between BP Developments Australia Pty Ltd, Beach Energy Limited, New Zealand Oil & Gas and its ASX-listed subsidiary Cue Energy Resources, which operated the permit.

Approvals to extend the date when the well must be drilled and to transfer the title have been received.

New Zealand Oil & Gas will have 15 per cent of the equity by paying 17.85% towards the cost of the Ironbark well, including a 2.85% carry of Cue. It will pay an initial consideration of AUD\$642,600. With its 50.04% interest in Cue, New Zealand Oil & Gas has an effective working interest of 25.7%.

BP, which holds 42.5 per cent is now operator. Environmental consenting is underway and a rig contract with Diamond offshore has been signed to secure the Ocean Apex.

New Zealand Oil & Gas chief executive Andrew Jefferies says Ironbark is a genuinely world-scale prospect in a highly prospective address.

"We are excited to join high-quality partners to explore this permit. The well is close to existing Western Australia infrastructure, simplifying commercialisation of a discovery. Some very large discoveries have been made nearby and the geology is attractive," Mr Jefferies said.

The participating interests in WA-359-P Ironbark are now:

BP (operator):	42.5%
Beach:	21%
New Zealand Oil & Gas:	15%
Cue:	21.5%

* Prospective Resource Estimates Cautionary Statement

The estimated quantities of petroleum that may potentially be recoverable 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. Exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

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