

cue
energy

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Good Oil Conference
11 Sept 2019

Cue Energy Resources Limited
www.cuenrg.com.au

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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

Corporate overview

ASX:CUE



Capital Structure

Share Price (9 Sept 2019)	9.7c
Shares on Issue	698,119,720
Market capitalisation (9 Sept 2019)	A\$68 million
Cash (June 30 2019)	A\$26.2 million

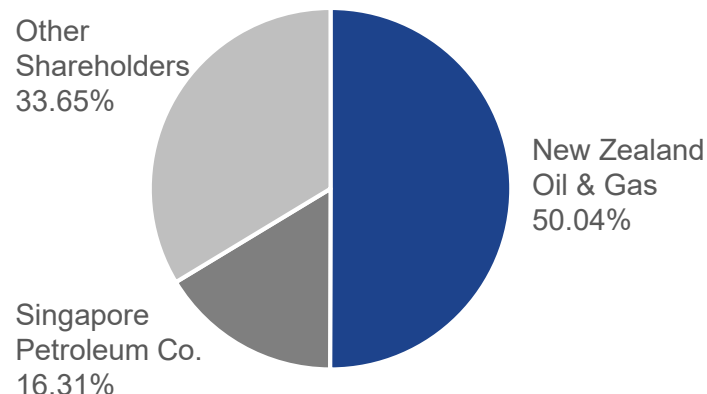
Directors

Alastair McGregor Non Exec Chairman	<ul style="list-style-type: none"> Chief Executive O.G Energy Director – New Zealand Oil & Gas
Andrew Jefferies Non Exec Director	<ul style="list-style-type: none"> MD - New Zealand Oil & Gas Petroleum Engineer
Peter Hood Non Exec Director	<ul style="list-style-type: none"> 45 years resource experience Past APPEA Vice Chair
Rebecca DeLaet Non Exec Director	<ul style="list-style-type: none"> CFO O.G Energy Director – New Zealand Oil & Gas
Richard Malcolm Non Exec Director	<ul style="list-style-type: none"> Geoscientist 30+ years experience Woodside, Ampolex, OMV
Rod Ritchie Non Exec Director	<ul style="list-style-type: none"> HSE Executive 30+ years experience Director – New Zealand Oil & Gas
Samuel Kellner Non Exec Director	<ul style="list-style-type: none"> Chairman – New Zealand oil & Gas Director – O.G Energy

Share price and volume



Shareholders



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Production

- \$25.7 million production revenue
- \$12.8m net cash flow from operations

Development

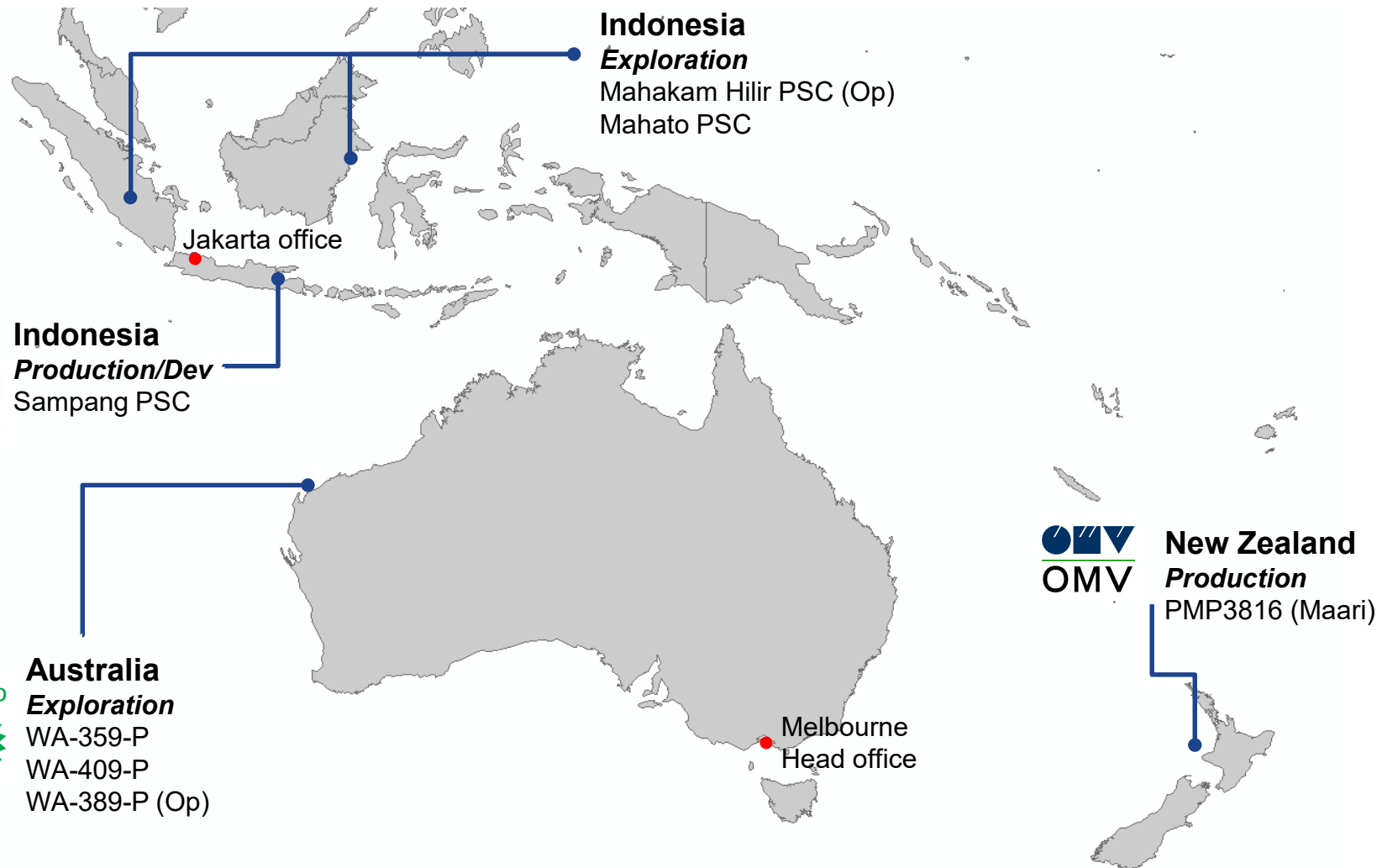
- Paus Biru gas discovery

Exploration

- Farmouts secured and Ironbark-1 drilling 2020
- PB-1 well drilling November + 2 other Indonesian wells planned

Regional Assets

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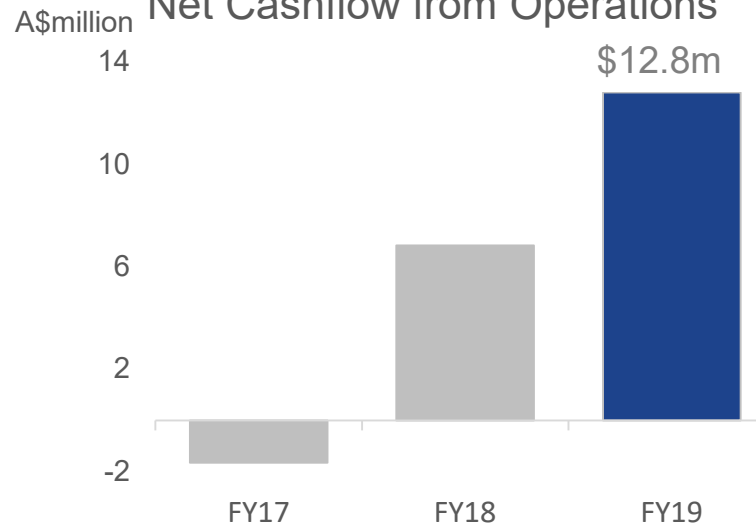
FY19 Full Year Results



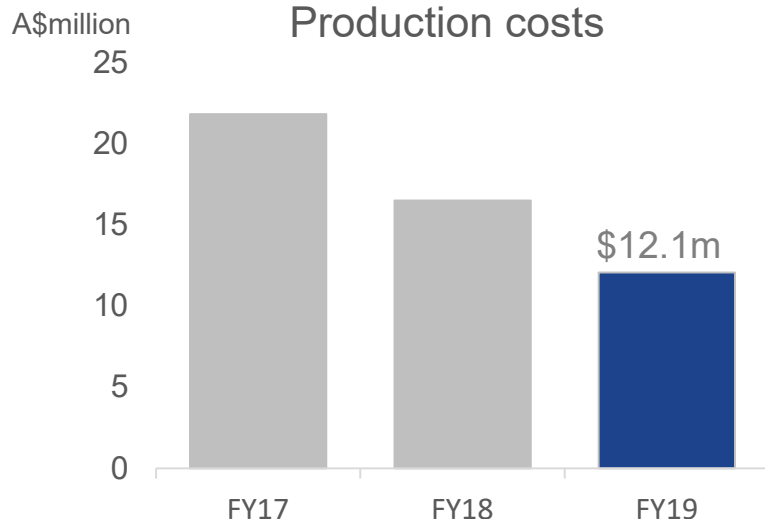
Cash up, costs down

- Revenue \$25.7 million
- Profit \$8.5 million
- Production costs down 27%
- 54% increase in cash
- No debt

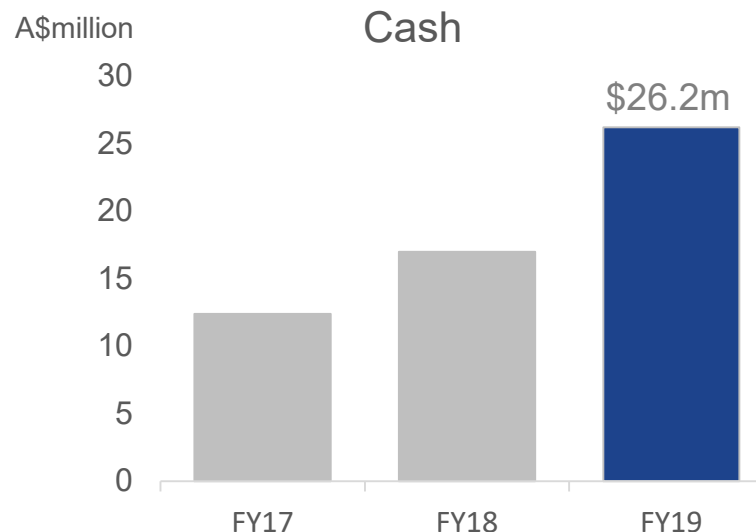
Net Cashflow from Operations



Production costs



Cash

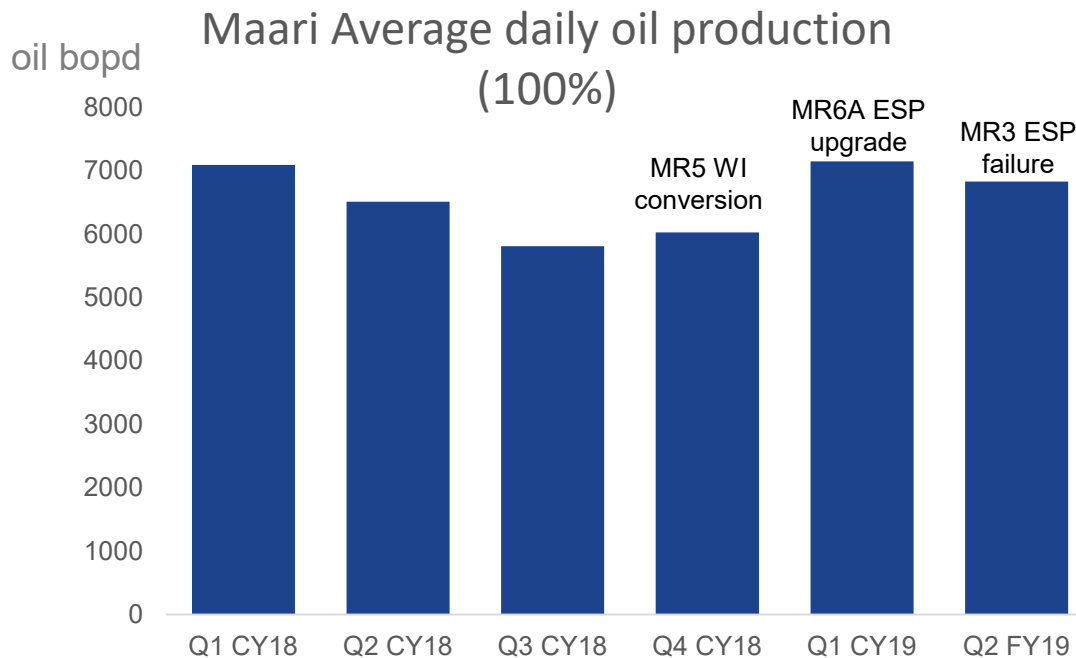


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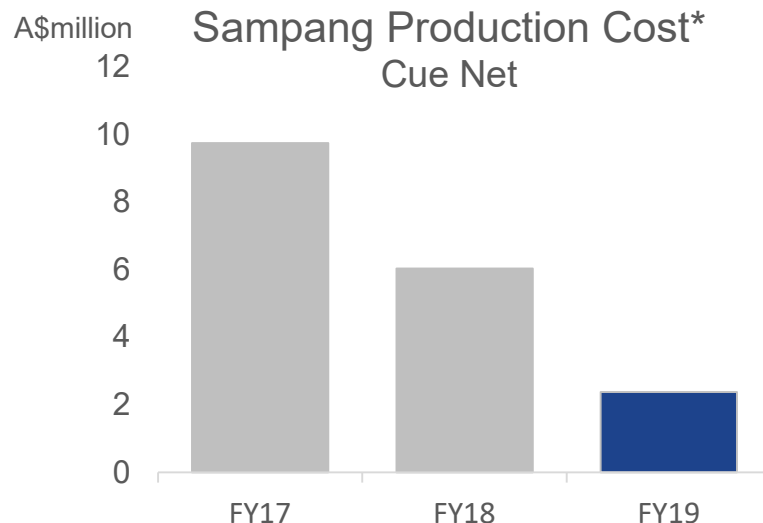
Production

- \$11 million FY19 revenue
- Significant production increase in 2019 attributable to
 - MR6A ESP upgrade
 - MR5 Conversion to water injector & increased injection rates
- Sustained increase in production has focussed JV on planning for a longer life asset
- MR3 workover underway to reinstate ~450bopd production



Sampang Gas

- \$15 million FY19 revenue from Oyong and Wortel gas fields
- Direct production costs down 60% YoY due to simplified gas production system
- Fixed priced gas contracts with high demand electricity producer
- Additional compression at Grati onshore processing plant aimed at enhancing long term recovery
- Further near field exploration at Wortel East prospect being considered for 2020 drilling



Oyong Well Head platform as a simplified gas production system.

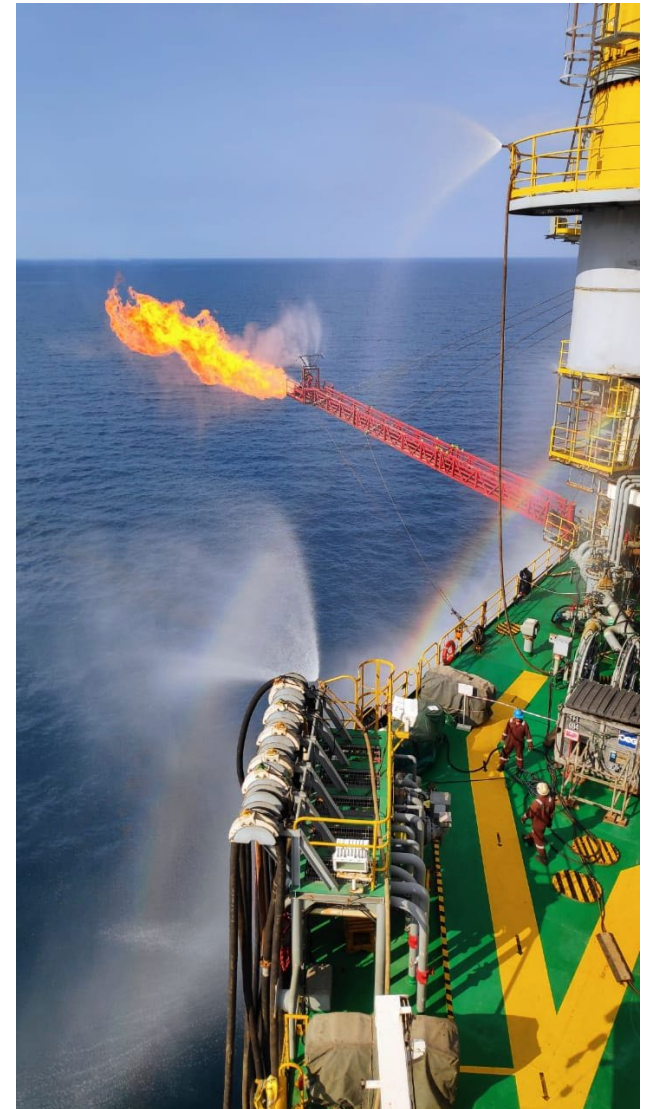
*Excluding Amortisation

Development

Paus Biru Gas Discovery

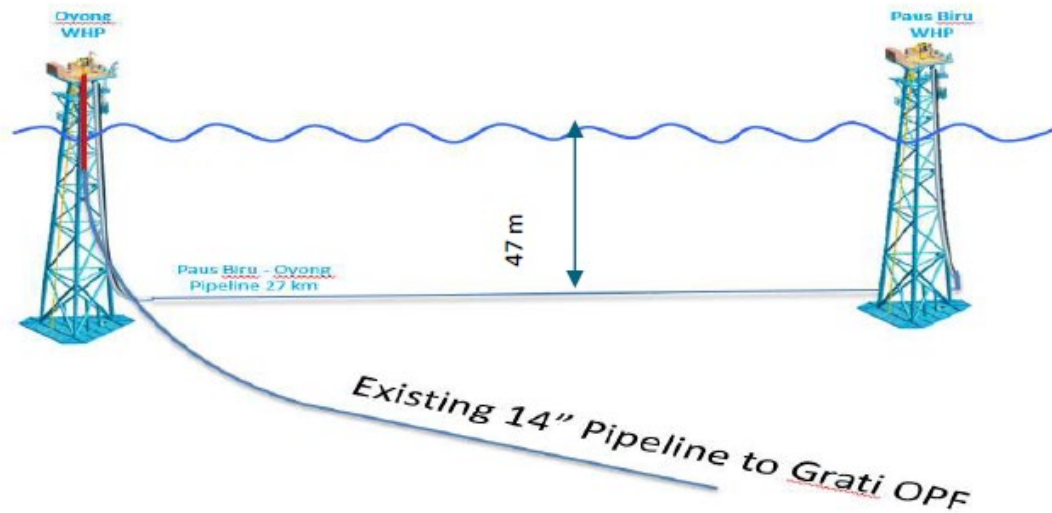
Successful near field exploration

- Paus Biru-1 exploration well in the Sampang PSC, Indonesia, drilled to 710m
- Gas discovery with 13.8 mmcfd flow achieved on test
- Estimated net gas pay of 29 metres intersected across the primary Mundu reservoir target
- Plan of Development being prepared by JV for Indonesian Government approval
- Paus Biru production to provide new cash flow and enhance later life Oyong and Wortel economics



Paus Biru Development Planning

- Paus Biru Plan of Development (POD) process underway
- Simple, proven, development concept is being considered
 - Single production well with well head platform (WHP)
 - 27km pipeline to existing Oyong WHP
- Commercialisation through existing onshore Grati gas processing plant into existing customer or other high demand market



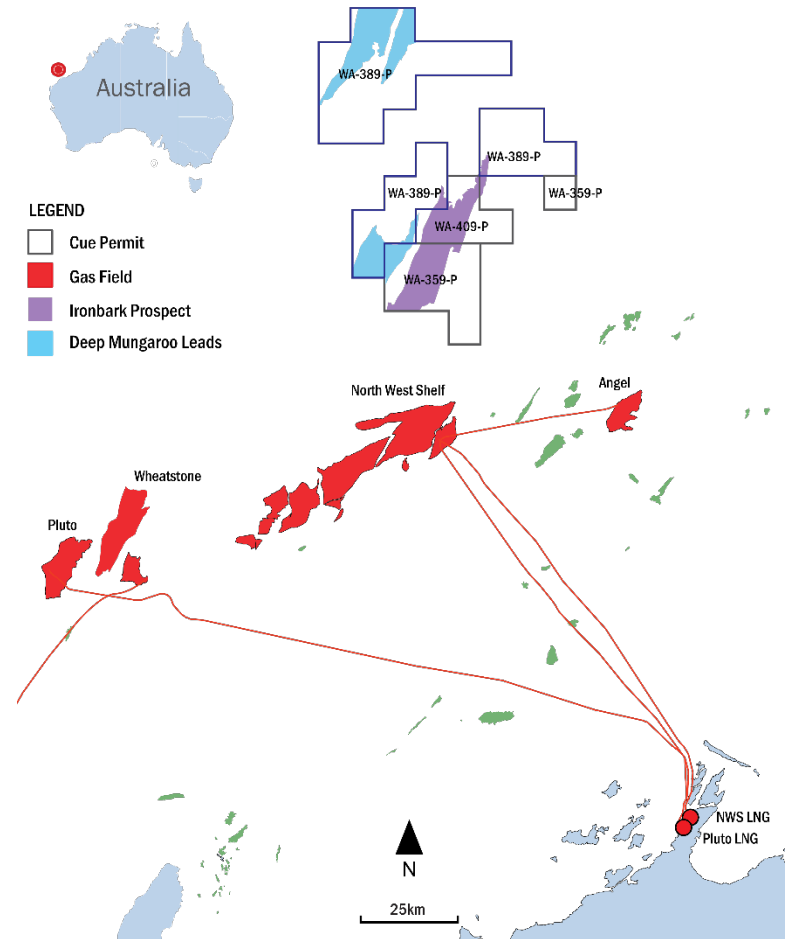
Exploration

Ironbark (WA-359-P)

Company changing opportunity in 2020

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- Ironbark prospect: 15tcf best case prospective recoverable gas resource
- Success case value has potential to be multiples of Cue current value
 - ✓ Farmout Complete
 - ✓ International Operator
 - ✓ Strong partners
 - ✓ Ironbark-1 well fully funded
 - ✓ Cue's well cost carried + US\$8m cash already escrowed
- Ironbark -1 site survey proceeding soon
- Ocean Apex drilling rig contracted
- Ironbark-1 scheduled for late 2020 drilling



Prospective Resource Estimates Cautionary Statement

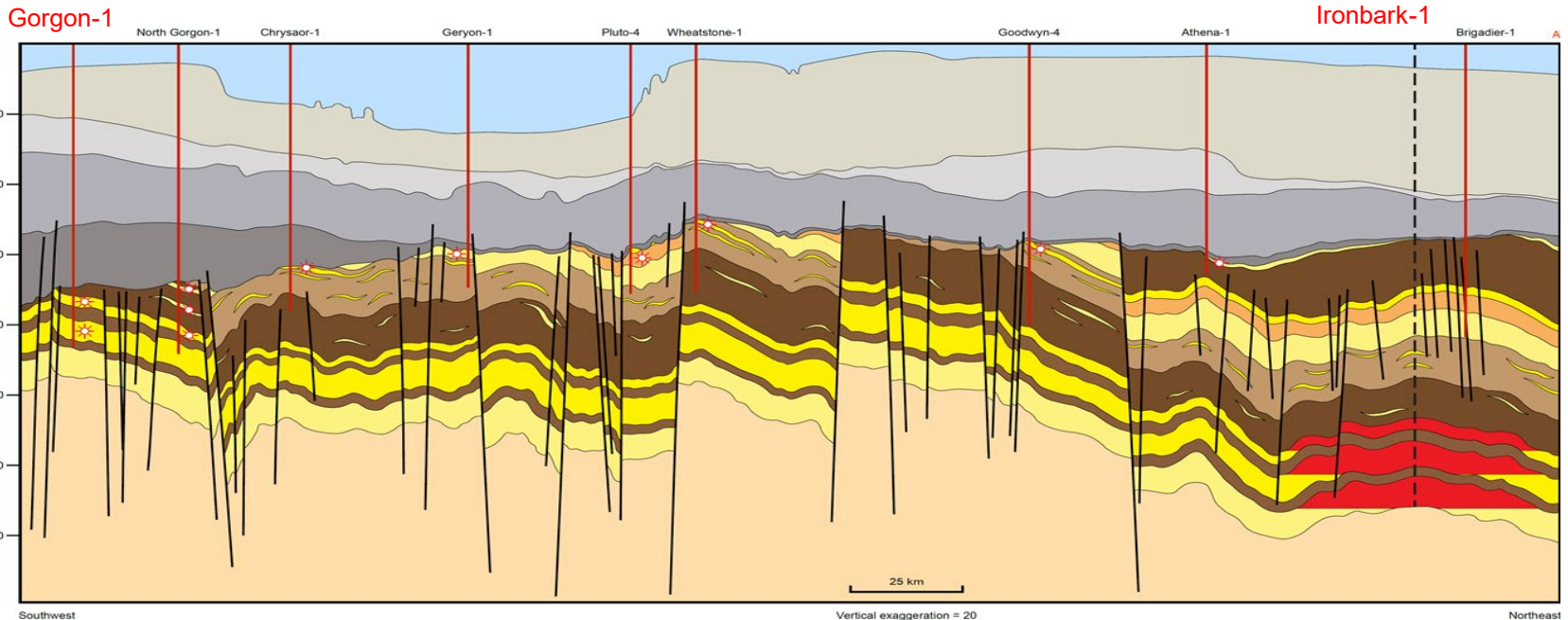
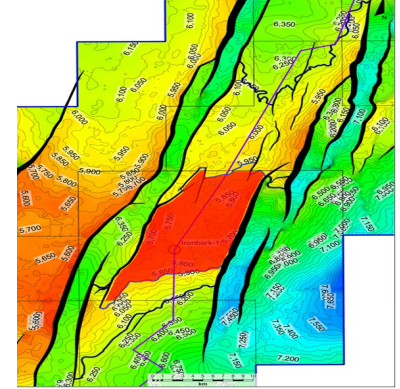
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Ironbark Prospect

A giant untested structure

- Up to 400km² fault bounded horst structure with North/South dip closure
- Deep Mungaroo reservoir interval; 150-300m reservoir thickness at Ironbark
- 500m thick regionally extensive Mungaroo shale top seal
- Triassic coal and carbonaceous shale source, proven in the area
- < 50km from North West Shelf LNG infrastructure

TR17 structure map with Ironbark prospect



SW/NE schematic cross section – Gorgon to Ironbark

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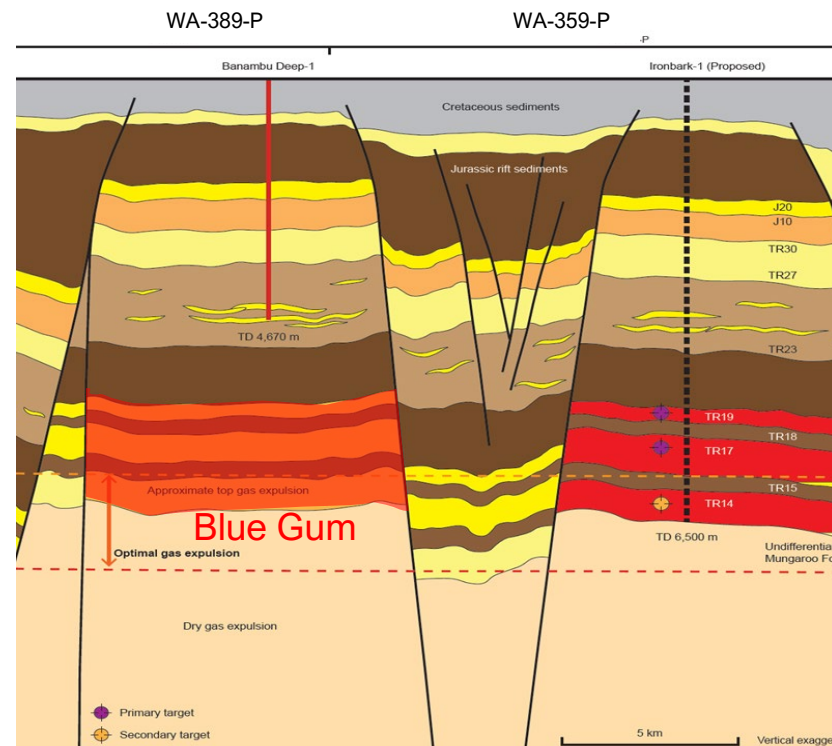
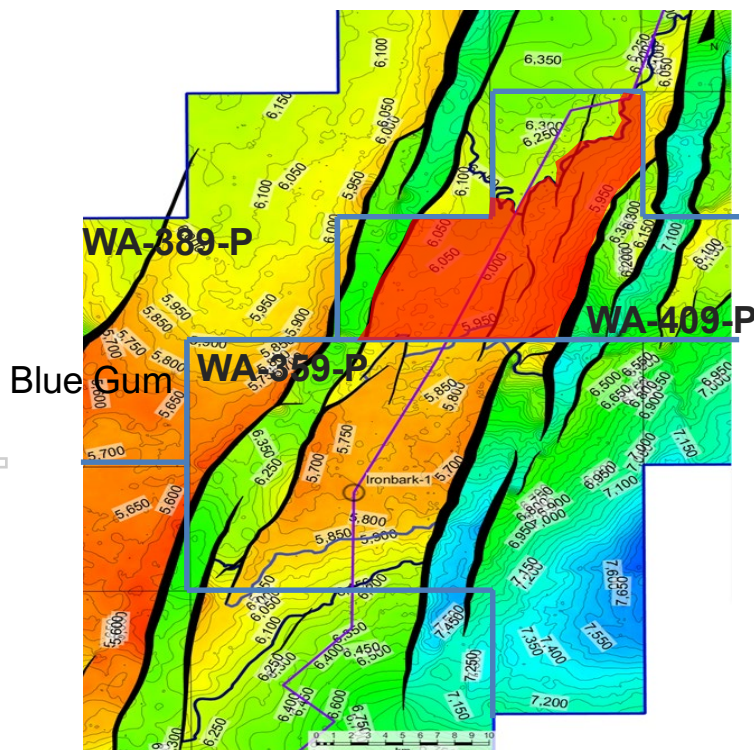
Ironbark Upside Potential

WA-409-P (Cue 20%*, BP 80%)

- Adjoining permit north of WA-359-P
- Contains high case Ironbark plus NE Ironbark prospect
- Suspension and Extension application pending

WA-389-P (Cue 100%)

- Adjoining permit northwest of WA-359-P
- Blue Gum lead within the Banambu Horst is part of the same structural trend as Ironbark with similar scale
- Suspension and Extension application pending

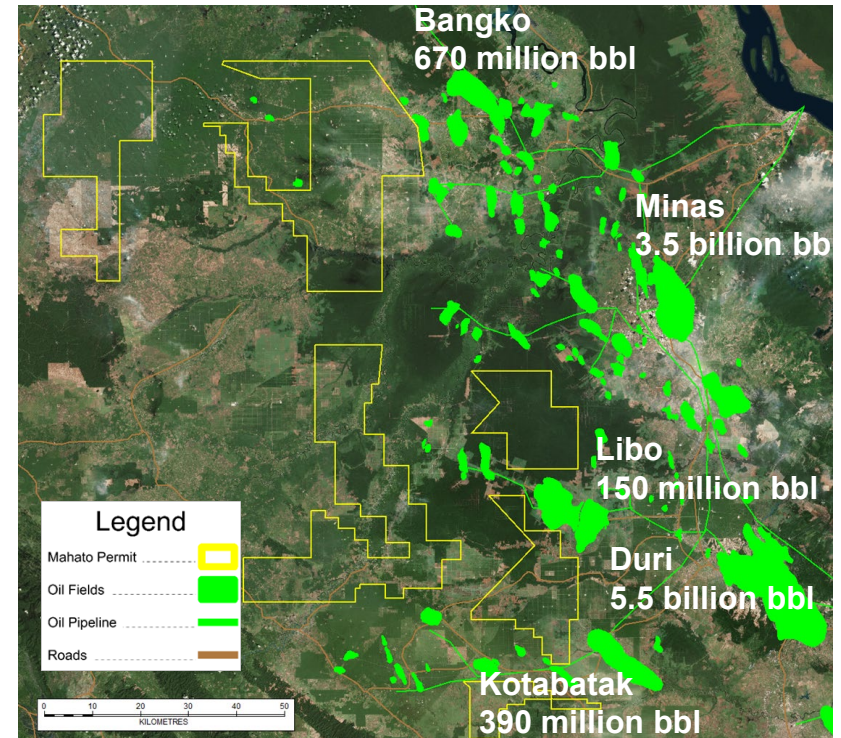


*Subject to option agreements with Beach Energy and New Zealand Oil & Gas

Mahato PSC

2 wells planned near term

- Located in the heart of the most prolific petroliferous basin in South East Asia with nearby multi billion barrel producing fields
- Underexplored since the 1980s
- Permit targets typically expected to be 5 - 20mmbbl oil
- PB-1 plus 1 other well planned for FY20



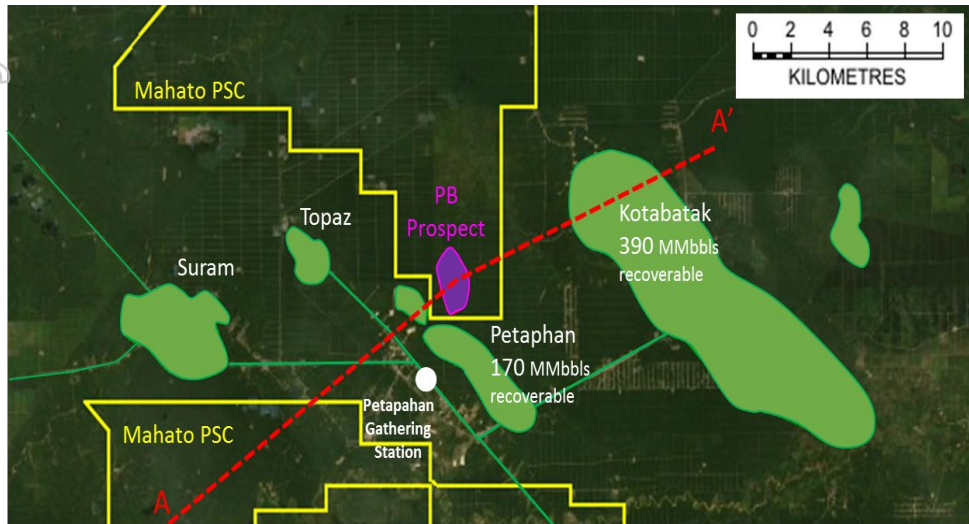
PB-1 Well site construction

PB-1 Exploration well

- Drilling planned for November 2019
- Approx. 5500ft onshore well
- Well pad preparation almost complete
- Rig tendering final stages

Mahato PB prospect

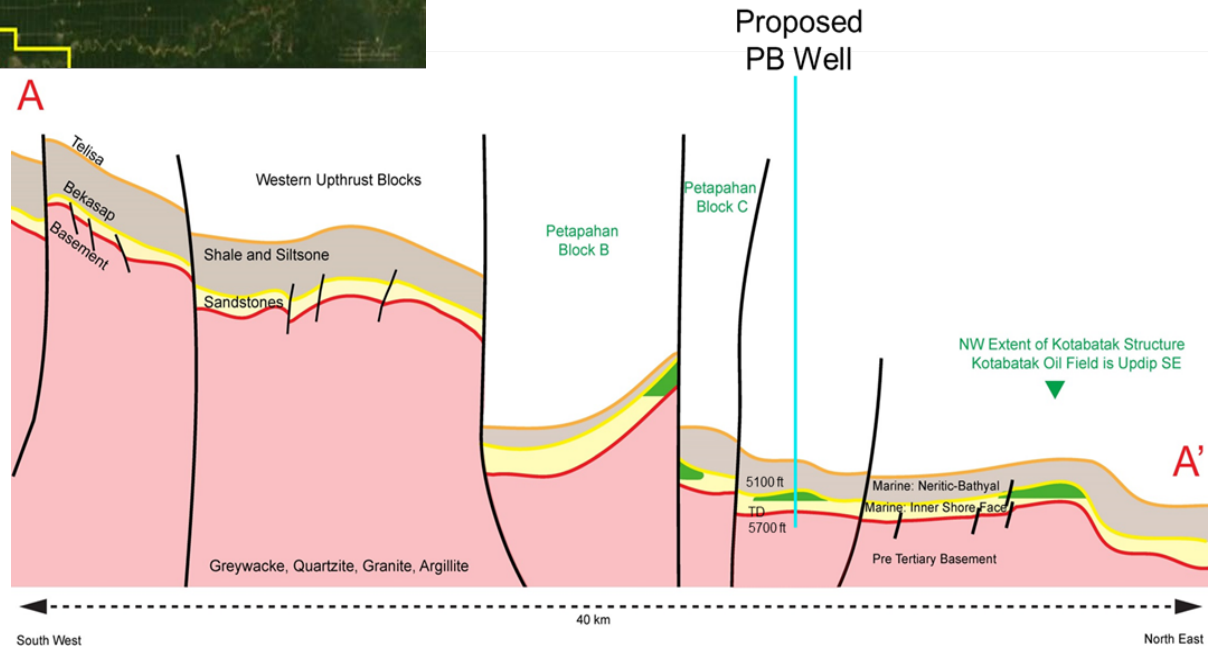
PB positioned between major producing fields



- PB prospect is 3 way dip closed structure
- Formed by splay faults coming off the main large Petapahan thrust/wrench system
- Located between Petapahan (170million bbl) & Kotabatak (390 million bbl) fields

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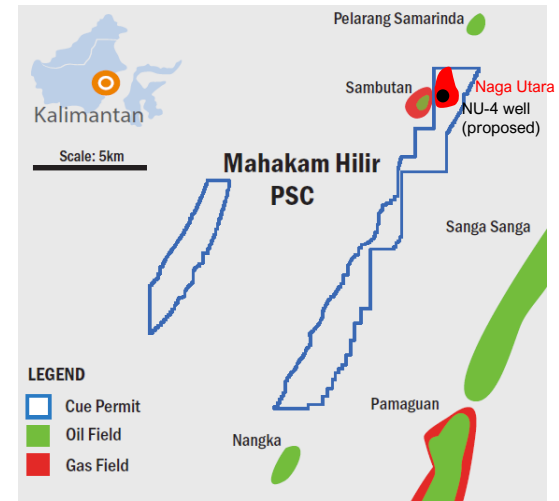
- Early Miocene Bekasap reservoirs being targeted
- Tight well control
- Proven charge



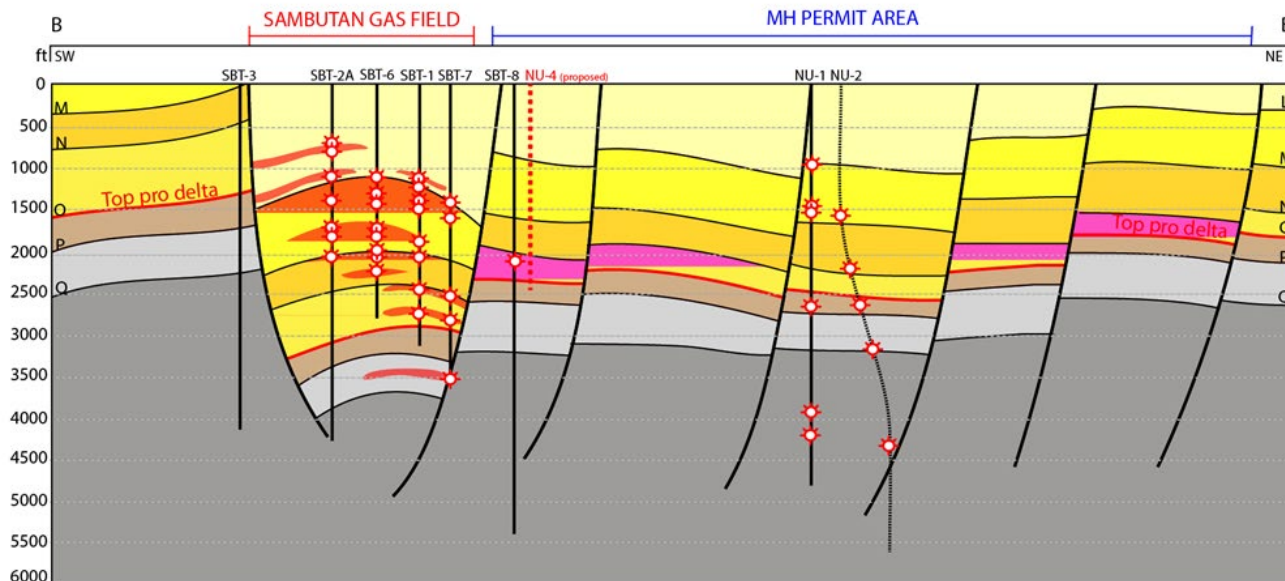
Mahakam Hilir PSC

Indonesian onshore Appraisal

- Onshore Kutei Basin, East Kalimantan, a proven petroleum province
- East Kalimantan announced as new Indonesian capital city – increased demand from 1 to 2 million people
- Low cost Naga Utara 4 (NU-4) well planned as appraisal of 100m interpreted gas pay in Sambutan-8 well
- Gas processing plant and established market access <1km from well site
- Data room open with farm out process underway



Mahakam Hilir PSC Location



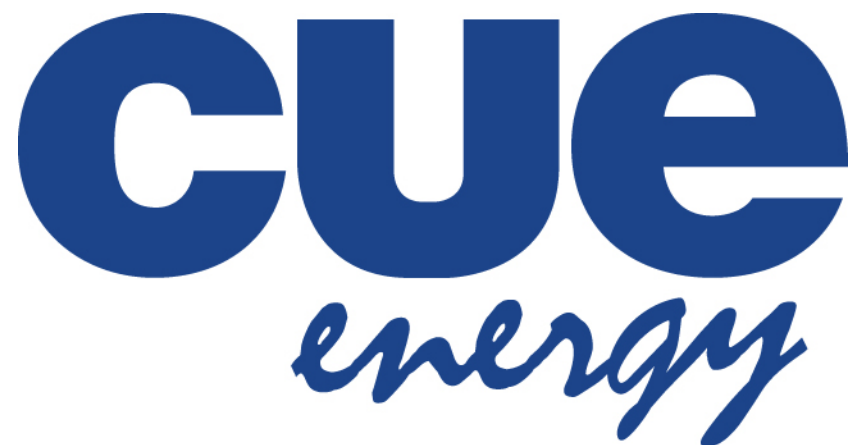
Schematic section through Sambutan and Naga Utara Prospect

Investment Highlights



- Stable revenue and strong cashflow
- Cash for growth and no debt
- Paus Biru gas discovery POD underway
- PB-1 well drilling onshore Indonesia this year
- 2 further Indonesian wells planned near term
- Ironbark: potential company changing well in 2020

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