

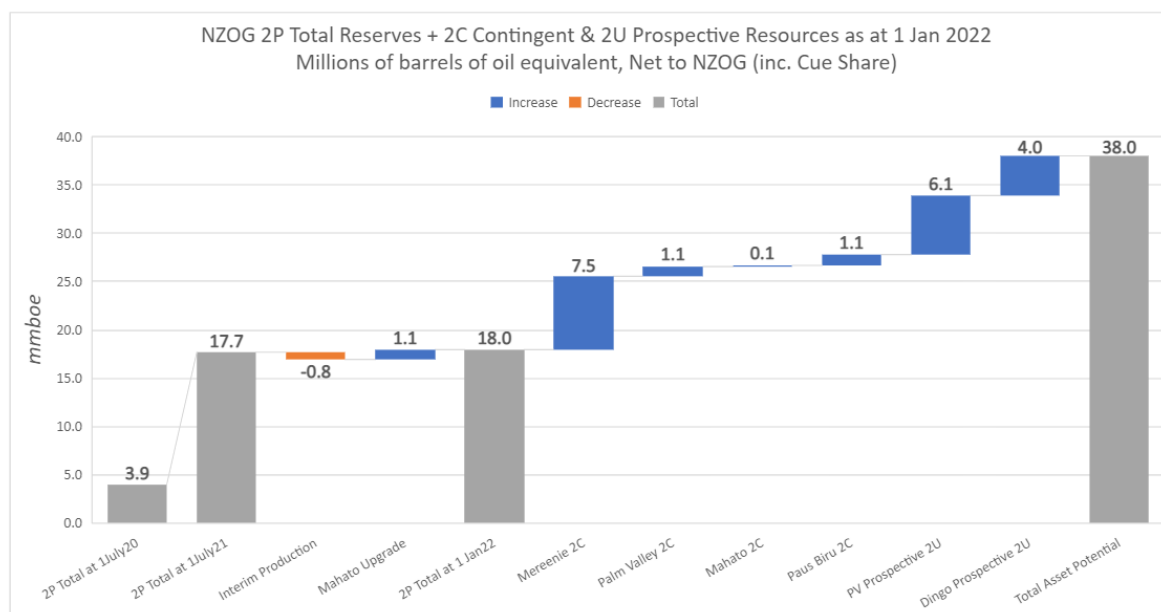
29 March 2022

MAHATO PSC UPDATE – RESERVES UPGRADE AND COMPANY RESERVES AS AT 1 JANUARY 2022

New Zealand Oil & Gas subsidiary, Cue Energy Resources (ASX:CUE), has undertaken a review of the reserves and recoverable volumes in the Mahato PSC as of 1 January 2022. This is following the successfully drilling of 8 production wells (PB-1 to PB-8) in 2021 with the field currently producing at approximately 5,500 barrels of oil per day (bopd).

The update release is attached.

Given Cue's review, New Zealand Oil & Gas provides below a summary of the Company's combined net 2P Total, net 2C Contingent and net 2U Unrisked Prospective Resources as at 1 January 2022. This shows the impact of the Mahato upgrade, along with production volumes produced since 1 July 2021 and the potentially accessible resources across our assets:



We also note the impact of this on our 1P total reserves position, where at 1 July 2021 we held 12.9mmboe, with this upgrade the company's 1P Total reserves as at 1 Jan 2022 is now 13.0mmboe.

"It is gratifying to be able to share more positive news at Mahato. These results convert opportunity into actuality, at a time of high oil prices" CEO Andrew Jefferies says. "We are excited to continue to build value through the drill-bit. As the graph above shows we have a raft of projects on the go, looking to move the resources on the right to the reserves on the left. I look forward to delivery of the upcoming drilling programme at Palm Valley and Dingo, as well as the other projects, which we will be talking to the market about as we finalise financing options over the next short while."

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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Reserves Compliance Statement

Oil and gas reserves, and contingent and prospective resources, are reported as at 1 January 2022 and follow the SPE PRMS Guidelines (2018). The volumes presented are net to New Zealand Oil & Gas, including Cue Energy's share.

In the Amadeus basin, all fields and prospects are non-operated, with the operator being Central Petroleum Limited. NZOG holds 17.5% equity in Mereenie and Cue hold 7.5%. At Palm Valley and Dingo, NZOG holds 35% and Cue hold 15% equity.

In New Zealand, all fields and prospects are non-operated, the operator at Kupe is Beach Energy and at Maari is OMV.

Cue currently holds an equity position of 5%, 15% and 12.5% in the Maari, Sampang and Mahato assets respectively, though Production Sharing Contract adjustments at the Sampang & Mahato fields affect the net equity differently across reserve categories.

The Paus Biru discovery, sits on the Sampang PSC where the field is operated by Medco and Cue holds 15% equity.

Mereenie, Palm Valley and Dingo reserves are based on historical field production data and various well intervention and drilling campaigns. This data has been combined with available seismic data, analytical and numerical analysis methods and set of deterministic reservoir simulation and network models. In place volumes have been developed using probabilistic methods, with deterministic workflows used for recoverable volumes. The reserves and resource volumes stated have not been adjusted for risk.

Kupe reserves are determined by deterministic reservoir simulation modelling conducted by the operator Beach Energy. At Maari, a combination of deterministic and analytical methods have been applied by NZOG in determining remaining reserves.

At Maari and Sampang deterministic methods are used to evaluate the reserves on the basis of historical production.

Mahato reserves & resources are based on the available historical field production data and drilling results in the first 8 wells in the field. This data has been combined with available seismic data, and petrophysical models along with a network reservoir model. In place volumes have been developed using probabilistic methods, with deterministic workflows used for recoverable volumes. The reserves and resource volumes stated have not been adjusted for risk. The Mahato volumes reflect the SKK Migas approved Plan of Development (PoD) and the approved 2022 work program and budget for 5 additional wells (taking the total producers to 13), as well as a view of further potential drilling opportunities beyond this which will require further evaluation and approvals prior to drilling and hence are placed in Contingent Resources.

The new Mahato reserves use an average oil futures price for the next 2 years and a long-term analysts average. Estimates for OPEX and CAPEX underpinning this analysis are based on recent field actuals, AFEs and contracts. The extraction method for Mahato is via an export pipeline to local pipeline networks (ultimately through to the Dumai terminal).

Paus Biru Contingent Resources have been sub-classified as "Development Unclassified" under the PRMS by Lemigas (who are the competent person for these resources), which represents a discovered accumulation where project activities are under evaluation and where justification as a commercial development is unknown based on available information and plans to develop are not yet considered near-term. As such, further work is required on the development and commercialisation options before bringing forward to reserves status. A deterministic methodology was used to categorise the contingent resources.

The Amadeus 2C Contingent and 2U Prospective Resources (Best Estimate) included are as per the Project Riesling acquisition release, dated 25 May 2021. New Zealand Oil & Gas confirms it is not aware of any new information or data that materially affects the information included in that 25 May 2021 release and all the material assumptions and technical parameters underpinning the 2C Contingent and 2U Prospective Resources continue to apply and have not materially changed.

The Paus Biru 2C Contingent Resources as per the market announcement made by Cue on 19 August 2020. New Zealand Oil & Gas confirms it is not aware of any new information or data that materially affects the information included in the 19 August 2021 release and all the material assumptions and technical parameters underpinning the 2C Contingent Resources continue to apply and have not materially changed.

For the Prospective Resources; 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. These risks for discovery and development for the Prospective Resources are as stated in the 25 May 2021 announcement, they will be evaluated through the drilling of the upcoming Palm Valley-12 and Dingo-5 wells.

Net reserves are net of equity portion, government take under all relevant agreements and including, royalties, taxes and fuel and flare (as applicable).

All reserves and resources reported refer to hydrocarbon volumes post-processing, net of fuel, and immediately prior to point of sale. The volumes refer to standard conditions, defined as 14.7psia and 60°F.

Tables combining reserves have been calculated arithmetically and some differences may be present due to rounding.

At all fields, economic modelling has been conducted to determine the economically recoverable quantities. For the conversion to equivalent units, standard industry factors have been used of 6Bcf to 1mmboe, 1Bcf to 1.05PJ, 1 tonne of LPG to 8.15 boe and 1TJ of gas to 163.4 boe.

This reserves and resources statement is approved by, based on, and fairly represents information and supporting documentation (for all fields other than Paus Biru) prepared by New Zealand Oil & Gas General Manager Assets & Engineering Daniel Leeman. Daniel is a Chartered Engineer with Engineering New Zealand and holds Master's degrees in Petroleum and Mechanical Engineering as well as a Diploma in Business Management and has over 10 years of experience. Daniel is also an active professional member of the Society of Petroleum Engineers and the Royal Society of New Zealand. New Zealand Oil & Gas reviews reserves holdings at least twice a year by reviewing data supplied from the field operator and comparing assessments with this and other information supplied at scheduled meetings. Daniel is currently an employee of New Zealand Oil & Gas Limited.

For further information please contact the Company on:

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ABN 45 066 383 971

29 March 2022

Mahato Reserves Increase

- 92.8 million barrels of oil in place assessed in the PB field, Mahato PSC
- 20.9 million barrels of gross 2P recoverable oil reserves
- 322% increase in Cue net 2P oil reserves to 1.4 million barrels

Cue Energy has significantly increased its reserves and resources estimate for the PB oilfield in the Mahato PSC, with a 322% increase in net 2P oil reserves to 1.4 million barrels (mmbbl) and an increase in 1P oil reserves to 1.1 mmbbl.

Cue Energy holds a 12.5% participating interest in the Mahato PSC, located onshore Central Sumatra, Indonesia, through its 100% owned subsidiary Cue Mahato Pty Ltd.

Due to the success of the ongoing drilling and the field production performance, Cue has undertaken a review of the PB field resource. The reserves and resources included in this statement are based on available geophysical and geological data and incorporate information from completed wells into an updated view on field performance. The range of uncertainty at this point is driven by the early nature of the production, evolving drilling results and some limitations on well data available to Cue.

The PB field is assessed to contain 92.8 mmbbl of stock tank oil initially in place (STOIIP) at the P50 confidence level, with an upper estimate of 146 mmbbl. (see Table 1)

Table 1 : PB field Stock Tank Oil Initially In Place (STOIIP)

Probability Level	STOIIP (mmbbl)
P90	58.7
P50	92.8
P10	146.2

The gross recoverable oil volumes from the field represent the total oil expected to be recovered from the field to the current end of the PSC term in 2042. Cue's net share is the effective economic interest expected to be available to Cue after FTP, cost recovery, profit split and other sharing mechanisms under the Production Sharing Contract.

Developed reserves volumes include the 8 production wells, PB-01 to PB-08, drilled as part of the original plan of development (POD). Reserves from five additional wells (PB-09 to PB-13) approved in the 2022 WP&B are included as undeveloped reserves. An announcement on completion of the PB-09 well was released on 18 March 2022.

A further view of resources available from future potential drilling opportunities is considered as contingent resource.

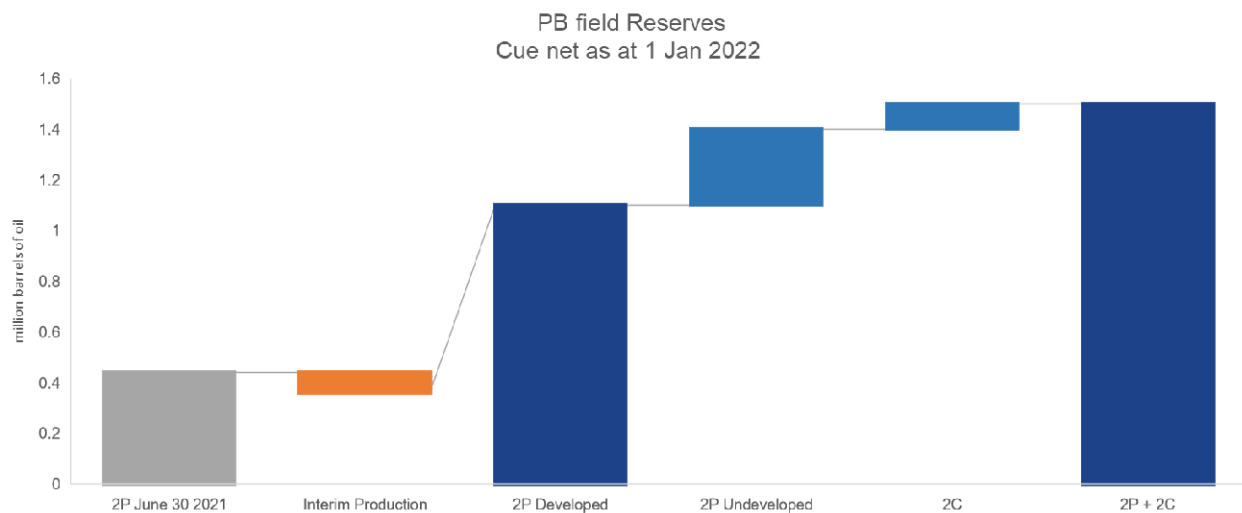
Table 2: PB field reserves as at 1 January 2022 (million barrels of oil)

	Gross			Cue Net		
	Developed (On Production)	Undeveloped (Approved for Development)	Total	Developed (On Production)	Undeveloped (Approved for Development)	Total
1P	12.2	2.9	15.1	0.9	0.2	1.1
2P	16.6	4.3	20.9	1.1	0.3	1.4
3P	21.7	7.1	27.8	1.4	0.4	1.8

Table 3: PB field Contingent resources as at 1 January 2022 (million barrels of oil)

	Gross	Cue Net
	Development Pending	Development Pending
1C	1.1	0.1
2C	1.8	0.1
3C	3.0	0.2

The impact of this new resource view on the Mahato field, compared with the previous assessment at 30 June 2021 is shown below:



Commenting on the increased reserves, Cue CEO Matthew Boyall said:

“The Mahato PSC is an exciting growth asset in Cue’s portfolio and this upgrade in reserves demonstrates the value that it holds for Cue. Cue reported \$6.5 million revenue from the PB field in H1 FY2022, in a lower oil price environment than now.

The increased reserves reflect the better than expected production performance of the field and information gained through phase one of the development. We will continue to review the reserves as more information from the field is gained.

Nine production wells have now been drilled in the field and four more are planned for the coming months. Our analysis shows that there is continued potential for development after the current drilling program.”

Cue retains the right and will undertake regular reserves reviews in-line with actual drilling and production performance from the PB field as it is obtained over the coming months and years. This will be incorporated into an economic model and any changes to reserves will be updated and communicated in due course.

The Company intends to include any updates in its reserves and resources statement as part of its FY2022 Annual reporting.

Authorised by the CEO, Matthew Boyall
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About Cue Energy Resources

Cue Energy Resources Limited is an Australian Stock Exchange (ASX:CUE) listed oil and gas exploration and production company. Cue's H1 FY2022 revenue was A\$18.0 million from gas and oil production in Indonesia and onshore Australia and oil production offshore New Zealand.

General Legal Disclaimer

Various statements in this document constitute statements relating to intentions, opinion, expectations, present and future operations, possible future events and future financial prospects. Such statements are not statements of fact and are generally classified as forward looking statements that involve unknown risks, expectations, uncertainties, variables, changes and other important factors that could cause those future matters to differ from the way or manner in which they are expressly or impliedly portrayed in this document. Some of the more important of these risks, expectations, uncertainties, variables, changes and other factors are pricing and production levels from the properties in which the Company has interests, or will acquire interests, and the extent of the recoverable reserves at those properties. In addition, the Company has a number of exploration permits. Exploration for oil and gas is expensive, speculative and subject to a wide range of risks.

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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Reference to "CUE" or "the Company" may be references to Cue Energy Resources Limited or its applicable subsidiaries.

Reserves Compliance Statement

Oil and gas reserves, are reported as at 1 January 2022 and follow the SPE PRMS Guidelines (2018). The volumes presented are net to Cue Energy. The Mahato field is operated by Texcal and Cue holds 12.5% equity.

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Tables combining reserves have been calculated arithmetically and some differences may be present due to rounding.

This reserves and resources statement is approved by, based on, and fairly represents information and supporting documentation prepared by New Zealand Oil & Gas General Manager Assets & Engineering Daniel Leeman. Daniel is a Chartered Engineer with Engineering New Zealand and holds Master's degrees in Petroleum and Mechanical Engineering as well as a Diploma in Business Management and has over 10 years of experience. Daniel is also an active professional member of the Society of Petroleum Engineers and the Royal Society of New Zealand. Cue Energy reviews reserves holdings at least twice a year by reviewing data supplied from the field operator and comparing assessments with this and other information supplied at scheduled meetings. Daniel is currently an employee of New Zealand Oil & Gas Limited whom, at the time of this report, are a related party to Cue Energy. Daniel has been retained under a services contract by Cue Energy Resources Ltd (Cue) to prepare an independent report on the current status of the entity's reserves. As of the 17th of January 2017, NZOG held an equity of 50.04% of Cue.