

24 July 2023

BA-01 Exploration Well: Rig onsite and preparing for drilling within a week

New Zealand Oil & Gas subsidiary, Cue Energy Resources (ASX:CUE) is pleased to announce rig mobilisation for the high impact exploration well BA-01 within the Mahato PSC (Production Sharing Contract) is more than 80% complete and the well is expected to spud within a week.

The update release is attached.

Cue has a 12.5% interest in the Mahato PSC. New Zealand Oil & Gas has a 50.04% interest in Cue.

21 July 2023

BA-01 Exploration Well: Rig onsite and preparing for drilling within a week

- Drill rig on site and rig up nearing completion for the BA-01 exploration well located in the Mahato PSC, Central Sumatra, Indonesia
- Final environmental clearances have been received from the Indonesian Government
- Operator estimates the BA Prospect to have a 'best' prospective oil in place resource of 93 million barrels
- Cue Energy holds a 12.5% interest in the Mahato PSC

Cue Energy Limited (ASX: CUE) is pleased to announce **rig mobilisation for the high impact exploration well BA-01** within the Mahato PSC (Production Sharing Contract) is more than **80% complete** and the **well is expected to spud within a week**.

The Operator has advised that it has **received final environmental clearances** from the Indonesian Government.

Fig 1. Drill Rig Preparation on BA-01 well site



BA-01 is planned as a **vertical exploration well approximately 2800ft in depth** and will be suspended if successful. The well aims to test the presence of hydrocarbons in the BA prospect, primarily targeting the Miocene-age Telisa Formation sandstone reservoir located at a depth of 900ft. A secondary target is the Menggala Formation, expected at approximately 2500ft. **Both targets are producing reservoirs in the Central Sumatra Basin.**

Cue Energy CEO, Matthew Boyall, said: *"This is a significant milestone for Cue, as we approach the spudding of this highly anticipated well. BA-01 has the potential to have a comparable impact for us as the PB-01 well discovery did in 2019. The PB field, is currently producing approximately 6,300 barrels of oil per day and generated \$9.5 million revenue in H1 FY23.*

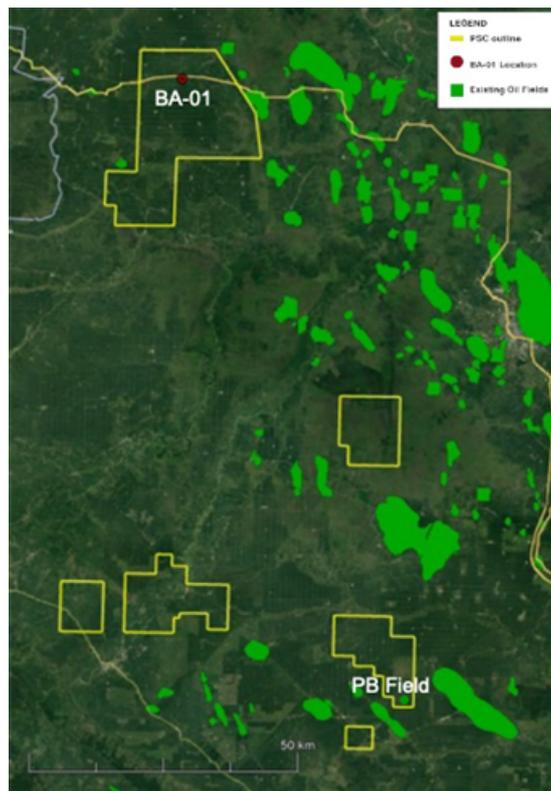
“In addition to BA-01, we have a robust pipeline of potential production expansion projects lined up for the remainder of 2023. This includes the continued drilling of production wells at the PB field, progressing the final investment decision (FID) on the Paus Biru gas field, ongoing production optimisation projects at the Maari Field, and the potential for new development wells at Mereenie. BA-01 serves as an integral part of this comprehensive portfolio of projects.

All of this activity is underpinned by our strong balance sheet and free cash generation. We eagerly look forward to updating our supportive shareholders and the market on these significant developments as they occur.”

Fig 2. Operator Prospective Resource estimates for combined primary and secondary target*

	Low	Best	High
BA Prospect: Prospective Oil in Place Resource Estimate*	67 million barrels	93 million barrels	172 million barrels

Fig 3. Mahato PSC with BA-01 Exploration well location



* Refer also to Cue ASX release “ Exploration drilling in the Mahato PSC” dated 27 January 2023

*** Prospective Resources Cautionary Statement**

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. <https://www.spe.org/en/industry/petroleum-resources-classification-system-definitions/>

Participants in the Mahato PSC are:

Texcal Energy Mahato Inc.	25%
Texcal Mahato EP FZCO	51%
Cue	12.5%
Central Sumatra Energy	11.5%

Authorised by 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.

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About Cue Energy

Cue Energy Resources Limited is an Australian Securities Exchange (ASX:CUE) listed oil and gas production and exploration company based in Melbourne. Cue's FY2022 revenue was A\$44 million from gas and oil production from the Mahato and Sampang PSCs, Indonesia and Mereenie, Palm Valley and Dingo fields, onshore Australia and the Maari field, offshore New Zealand

<https://www.cuenrg.com.au/site/content/>