Activities Report

Quarter ending 30 September 2020

29 October 2020

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HIGHLIGHTS

- Ocean Apex rig mobilised and Ironbark-1 exploration well expected to start shortly
- Paus Biru Plan of Development approved and contingent resource booked
- Mahato development cash call paid
- $27.4m in cash and no debt

Cue has been granted Appendix 5B reporting relief by the Australian Securities Exchange (ASX). The company will continue to provide a Quarterly activities report.

PRODUCTION AND FINANCE SUMMARY

$3.4 million in revenue was received during the quarter from Sampang gas and condensate production. There were no Maari oil sales during the quarter due to lower production. The next Maari oil sale is scheduled for October 2020.

Closing cash was $27.42 million, a reduction from previous quarter due to significant Mahato development expenditure, timing of cash calls and $1.1 million of negative foreign exchange effects.

Significant expenditure on the Ironbark-1 exploration well is expected during the current quarter. Cue has approximately US$8 million escrowed for its estimated uncarried portion of the well cost.

			Q1 FY2021	Q4 FY2020	Change %
Production	Oil	bbl	18,027	21,348	(16)
	Gas	mmcf	439	355	24
Sales	Oil	bbl	692	29,322	(98)
	Gas	mmcf	383	360	6
Revenue (cash basis)	Oil	$ million	0.03	1.06	(97)
	Gas	$ million	3.37	4.01	(16)
Expenditure	Production and Development	$ million	4.16	1.51	176
	Exploration	$ million	0.38	0.57	(33)
Closing Cash		$ million	27.42	31.94	(14)

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PRODUCTION AND DEVELOPMENT

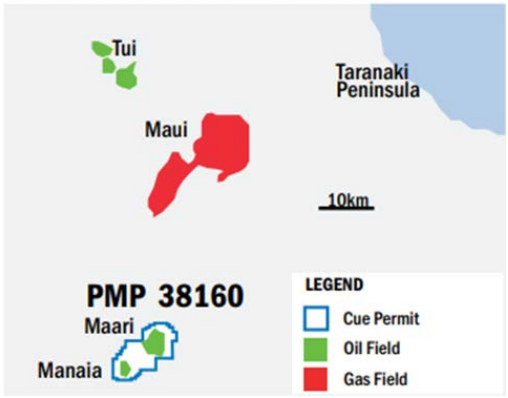
NEW ZEALAND

PMP 38160
Cue Interest: 5% (Cue Taranaki Pty Ltd)
Operator: OMV New Zealand Limited

Oil production from Maari and Manaia fields was lower than the previous quarter due to production disruptions in several wells.

MR7 and MR9 wells underwent workovers to replace Electric Submersible Pumps. Both workovers were completed safely in time and budget and the wells returned to production.

TARANAKI PENINSULA LOCATION MAP – NEW ZEALAND



New Zealand is currnetly under level 1 COVID-19 Restrictions, which are having a minimal impact on the operations.

On 25 September 2020, Jadestone Energy announced that it had agreed with OMV to amend the longstop date for its acquisition of OMV's interest in PMP 38160 to January 31 2021. New Zealand Governement regulatory approval of the transacation has not been received.

INDONESIA

SAMPANG PSC
Cue Interest: 15% (Cue Sampang Pty Ltd)
Operator: Medco Energi Sampang Pty Ltd

Gas Production from the Sampang PSC remained unaffected by COVID-19 restrictions in Indonesia during the quarter. Production was 24% higher than the previous quarter, due to extra customer demand from commissioning activities.

The Plan of Development (POD) for the Paus Biru gas field, in the Sampang PSC has been approved by SKK Migas, the Indonesian upstream regulator. The field was discovered by the Paus Biru-1 exploration well and announced as a gas discovery in December 2018.The approved POD consists of a single horizontal development well with an unmanned wellhead platform (WHP), connected by a subsea pipeline to the existing WHP at the Oyong field, approximately 27km away.

SAMPANG PSC LOCATION MAP – INDONESIA



The joint venture will now proceed into the Front End Engineering and Design (FEED) phase and negotiation of gas sales agreements. A Final Investment Decision (FID) for the development is currently targeted for mid 2021.

Paus Biru contingent gas resource has been included for the first time in the Cue's annual reserve report.

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EXPLORATION

AUSTRALIA

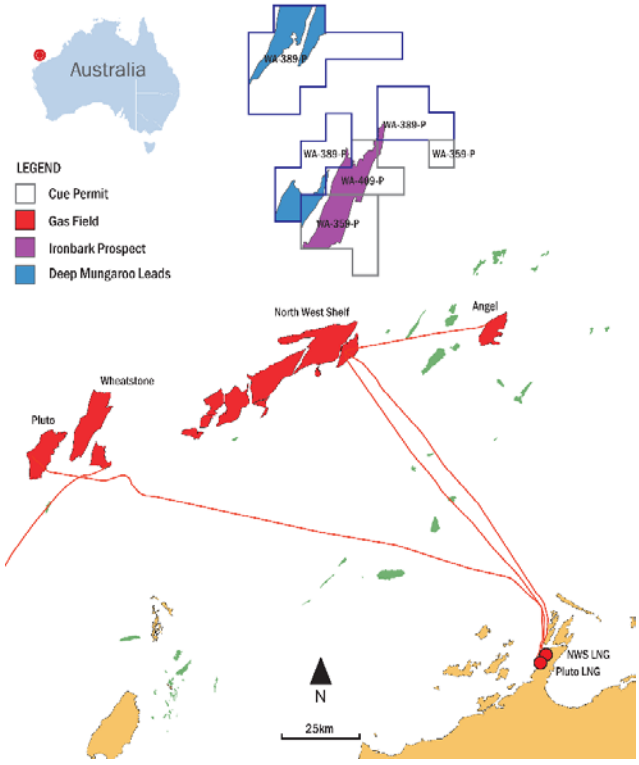
WA-359-P

Cue Interest: 21.5% (Cue Exploration Pty Ltd)
Operator: BP Developments Australia Pty Ltd

Mobilisation of the Ocean Apex drilling rig for the Ironbark-1 exploration well was announced on 12 October 2020. The Ocean Apex rig intake process is continuing but delayed by a few days due to some intake actions that require closing out prior to drilling commencing. Drilling is expected to start shortly.

Exploration permit WA-359-P is located in the Carnarvon Basin, offshore Western Australia, approximately 50km from the existing North West Shelf LNG infrastructure. The Ironbark-1 well is expected to drill to approximately 5500 metres and will be the first test of the Ironbark gas prospect.

Cue is fully funded for its expected participating interest costs of the well through funding from farm-in agreements with partners BP, Beach Energy and New Zealand Oil & Gas and approximately US$8 million cash which has been escrowed.



WA-409-P

Cue Interest: 20% (Cue Exploration Pty Ltd)
Operator: BP Developments Australia Pty Ltd

Quantitative seismic processing of the Ironbark structural extension in WA-409-P, including regional petrophysical and rock physics analysis continued during the quarter by the operator, BP.

WA-389-P

Cue Interest: 100% (Cue Exploration Pty Ltd)
Operator: Cue Exploration Pty Ltd

Interpretation of 900 km2 of FWI PSDM reprocessed data has been initiated with current focus on analysing the relationship between the updip structural extension of the Ironbark prospect within WA-389-P and the Ironbark-1 downdip extension in WA-359-P. This is being undertaken in preparation for rapid integration of the results of Ironbark-1 drilling with the prospectivity assessment of the WA-389-P Deep Mungaroo prospect.

Interpretation of other independent prospects within the permit is also being initiated.

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INDONESIA

Mahato PSC

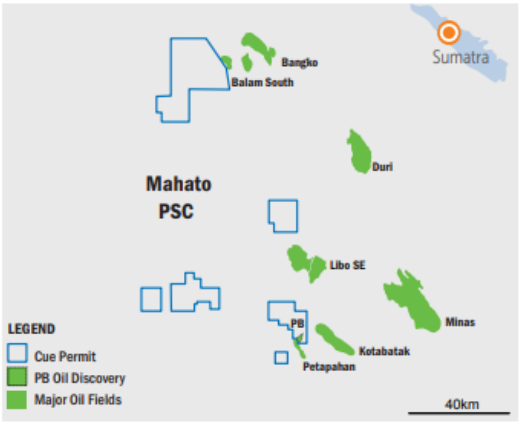
Cue Interest: 12.5% (Cue Mahato Pty Ltd)
Operator: Texcal Mahato EP Ltd

Cue has been issued with, and paid, a cash call relating to the development of the PB field for oil production. The initial development will comprise of the existing two wells, PB1 and PB2, and further development wells.

Over the period since the drilling of PB-2, the operator has installed leased production facilities, gathering lines and an oil export pipeline, which is connected to existing infrastructure.

Oil production is expected to commence from existing wells during the current quarter. Further development wells will be drilled over the remainder of the year and early 2021.

MAHATO PSC LOCATION MAP – INDONESIA



Cue Mahato's participation in the future wells or the development infrastructure is not disputed by the joint venture partners. Cue remains engaged with the joint venture over the previous claims relating to the PB-1 and PB-2 wells.

Mahakam Hilir PSC

Cue Interest: 100% (Cue Mahakam Hilir Pty Ltd and Cue Kalimantan Pte Ltd)
Operator: Cue Kalimantan Pte Ltd

An extension to the exploration period of the PSC has been granted by the Indonesian regulator, extending the end date to April 2021. As part of the extension, a condition was placed on the PSC, restricting title transfers during the extension period.

Cue is assessing the impact of this restriction and current COVID-19 restrictions on any future dealings and activities.

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CORPORATE

In June 2018, Cue Energy Resources Ltd and Cue Resources Inc. were named as defendants, along with a number of other companies, in litigation in Texas, USA in relation to the Pine Mills oilfield. The case is entitled Hammerhead Managing Partners, LLC v. Nostra Terra Oil & Gas Company, PLC, et al., In the United States District Court For the Northern District of Texas, No. 3:18-cv-1160. The parties to the litigation have entered into a settlement agreement that fully and finally concludes the litigation and dismisses it in its entirety. Cue's financial contribution to the settlement was US$350,000

Cue is taking necessary precautions to look after the wellbeing of staff during the COVID-19 outbreak, with all staff in Melbourne and Jakarta offices continuing to work remotely.

Cue Energy Resources Limited Annual General Meeting will be held at 10.00am (AEDT) Friday 30th October 2020. The meeting will be held virtually by a webinar conferencing facility. Details are available in the Notice of Annual General Meeting which has been distributed to shareholders and is available on Cue's website.

-Ends-

For and on behalf of the Board

Matthew Boyall
CEO
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Any queries regarding this announcement should be directed to the Company on +613 8610 4000 or email mail@cuenrg.com.au.

All references to dollars, cents or $ in this announcement are to Australian currency, unless otherwise stated.

Various statements in this report constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward looking statements and involve unknown risks, expectations, uncertainties and other important factors that could cause those future acts, events and circumstances to differ from the way or manner in which they are expressly or impliedly portrayed herein.

Some of the more important of these risks, expectations and uncertainties are pricing and production levels from the properties in which the Company has interests and the extent of the recoverable reserves at those properties. In addition, the Company has a large 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.

DIRECTORS	REGISTERED OFFICE	SECURITIES EXCHANGE LISTING
Alastair McGregor (Non Exec. Chairman) Andrew Jefferies (Non Exec. Director) Marco Argentieri (Non Exec. Director) Peter Hood (Non Exec. Director) Richard Malcolm (Non Exec. Director) Roderick Ritchie (Non Exec. Director) Samuel Kellner (Non Exec. Director) **CHIEF EXECUTIVE OFFICER** Matthew Boyall **COMPANY SECRETARY/CHIEF FINANCIAL OFFICER** Melanie Leydin	Level 3 10-16 Queen Street MELBOURNE VIC 3000 Phone: +613 8610 4000 Fax: +613 9614 2142 Email: mail@cuenrg.com.au Web: www.cuenrg.com.au **AUDITOR** KPMG Tower Two, Collins Square 727 Collins Street MELBOURNE VIC 3008	ASX: CUE **SHARE REGISTER** Computershare Investor Services Pty Ltd Telephone: 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) Email: web.queries@computershare.com.au Website: www.computershare.com.au