



ABN 45 066 383 971

Paus Biru-1 Exploration Well Approval

- Sampang PSC Joint Venture approves drilling of Paus Biru-1 Exploration Well
- Site surveys underway with well planned for Q4 2018

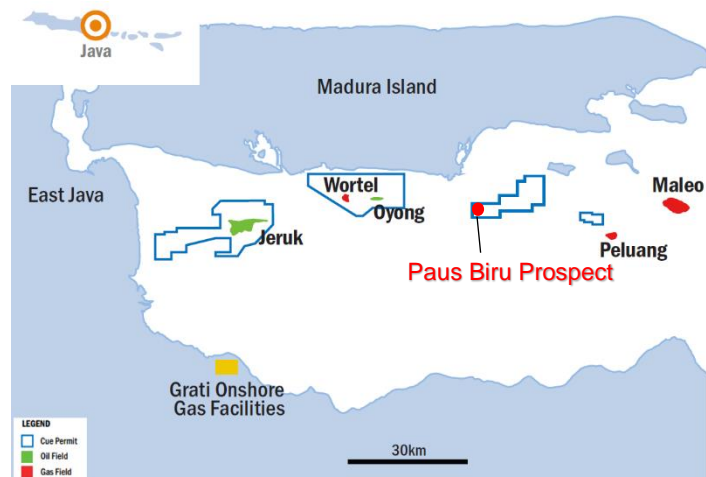
Melbourne, Australia 27 Dec 2017; Cue Energy Resources Limited (ASX:CUE) is pleased to announce that the Sampang PSC Joint Venture has approved the drilling of the Paus Biru-1 exploration well.

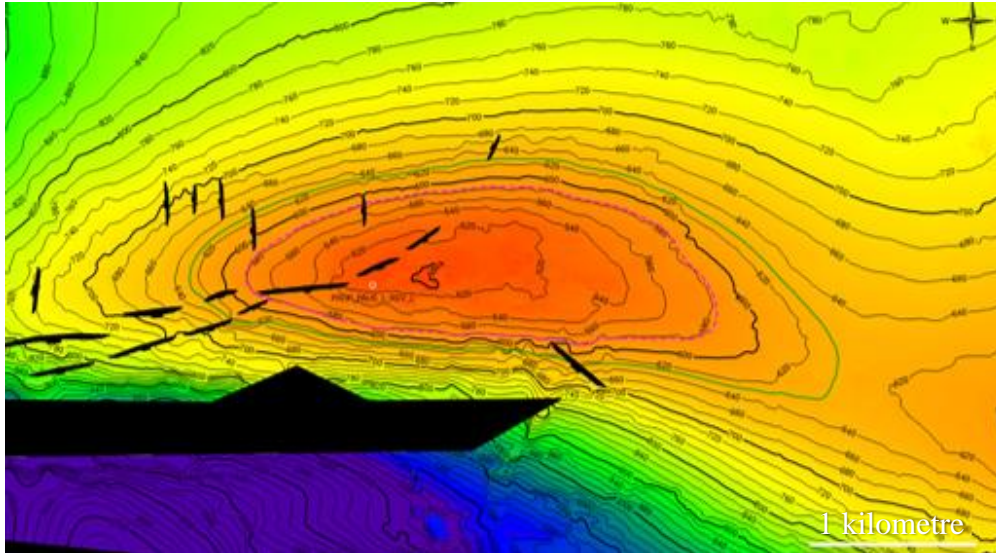
The Paus Biru prospect is located in the Sampang PSC, Indonesia, 27km east from the producing Oyong gas field.

Paus Biru-1 will test a four way dip structural closure targeting the Pliocene Mundu Formation analogous to the hydrocarbon producing zone in Oyong and Wortel gas fields.

The location of the well was determined based on recent 3D seismic mapping with visible amplitude anomalies. Geophysical and geotechnical site surveys are currently underway to determine the final well location. The water depth in the area is approximately 48 metres and the well is planned to be drilled in Q4 2018 to a depth of 650 metres using a jack up drilling rig, which is currently being sourced.

Paus Biru-1 will fully evaluate the Paus Biru prospect and a comprehensive evaluation suite will be run on the well. Post drilling, the well will be plugged and abandoned in all outcomes. If successful, a horizontal development well would be drilled at a later date and tied into Oyong and the Grati onshore gas processing facility.





Paus Biru Prospect Top Mundu structure Map

Santos, as Operator of the PSC, will operate the drilling of the well. Santos have significant experience safely operating well drilling in the Sampang PSC and the adjoining Madura Offshore PSC, including 2 wells in 2016.

The Paus Biru-1 well aligns with Cue's strategy of disciplined growth and realising value from existing assets. If successful, the Paus Biru prospect will not only directly add reserves to the Sampang PSC but also further extend the life of the Oyong and Wortel fields by supporting the field economics.

Participants in the Sampang PSC are:

Santos (Operator)	45%
Singapore Petroleum Company	40%
Cue	15%

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

Matthew Boyall
Chief Executive Officer

About Cue Energy:

Cue Energy Resources Limited is an Australian Stock Exchange (ASX:CUE) listed oil and gas exploration and production company. Cue's FY17 revenue was A\$35million from oil production in the Maari field, offshore New Zealand and oil and gas production in Sampang PSC, Indonesia. Cue has operated and non-operated interests in exploration permits in the Carnarvon Basin, offshore Western Australia and onshore Indonesia.