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Target's Statement

Cue Energy Resources Limited

(ACN 066 383 971)

The Independent Board Committee unanimously recommends that you

REJECT

the Offer from Horizon

To reject the Offer, simply **TAKE NO ACTION**

This Target's Statement has been issued in response to the off-market takeover bid made by Horizon Oil Limited (ACN 009 799 455) (Horizon) for all the ordinary shares in Cue Energy Resources Limited (ACN 066 383 971) (Cue).

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt as to how to deal with this document, you should consult your financial, legal or other professional adviser immediately.

Azure Capital

FINANCIAL ADVISER

Gilbert + Tobin

LEGAL ADVISER

Reasons to REJECT the Offer

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The Independent Board Committee has carefully considered the Offer.

The Independent Directors' reasons for recommending that Cue Shareholders REJECT the Offer are:

1	**The premium for control implied by the Offer is inadequate**
2	**The timing of the Offer is opportunistic, coinciding with Horizon Shares trading at a 10 year high**
3	**Based on objective comparative measures, the Offer appears to undervalue Cue relative to Horizon**
4	**Cue Shareholders who accept the Offer would suffer significant dilution of their exposure to Cue's key assets**
5	**Potential synergies are likely understated by Horizon, and the Offer ascribes minimal value to them**
6	**Horizon's debt balance, and its costs, would represent a new material risk for Cue Shareholders who accept the Offer**
7	**The Offer is highly conditional and there is no certainty that it will proceed**
8	**Cue Shareholders will only receive Capital Gains Tax rollover relief on the scrip consideration if Horizon achieves 80% acceptances**

Please refer to Section 1 of this Target's Statement for further information in relation to the Independent Directors' reasons for recommending that Cue Shareholders REJECT the Offer.

This Target's Statement is an important document and requires your immediate attention. Your Independent Directors recommend that you read the entire document, including the section containing Important Notices. If you are in any doubt about what to do, you should contact your broker or your legal, financial or other professional adviser as soon as possible.

How to REJECT the Offer

1 To **REJECT** the Offer, **DO NOTHING** and **TAKE NO ACTION** in relation to all documents sent to you by Horizon.

2 You should read this Target's Statement which contains the Independent Board Committee's recommendation to **REJECT** the Offer and the reasons for this recommendation.

3 If you have any queries in relation to the Offer, please contact the Cue Shareholder Information Line on 1300 560 339 (callers within Australia) or +61 2 8011 0354 (callers outside Australia) between 9.00am and 5.00pm (Melbourne time) on business days.

To **REJECT** the Offer, **DO NOTHING** and **TAKE NO ACTION** in relation to all documents sent to you by Horizon

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Important notices

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Nature of this document

This document is a Target's Statement issued by Cue Energy Resources Limited (ACN 066 383 971) (Cue) under Part 6.5, Division 3 of the Corporations Act in response to Horizon Oil Limited's (ACN 009 799 455) (Horizon) off-market takeover bid for all Cue Shares, as set out in Replacement Bidder's Statement dated 19 March 2026.

ASIC and ASX disclaimer

A copy of this Target's Statement has been lodged with ASIC and ASX on 7 April 2026. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the content of this Target's Statement.

Defined terms and interpretation

Capitalised terms used in this Target's Statement are defined in Section 10.1. The rules of interpretation that apply to this Target's Statement are also set out in Section 10.2.

No account of personal circumstances

The Independent Board Committee recommends that you read this Target's Statement and the Replacement Bidder's Statement in full and seek independent advice if you have any queries in respect of the Offer. The information contained in this Target's Statement does not constitute personal advice. In preparing this Target's Statement, Cue has not taken into account the objectives, financial situation or needs of individual Cue Shareholders. It is important that you consider the information in this Target's Statement in light of your particular circumstances. You should seek advice from your financial, legal or other professional adviser before deciding whether to accept or reject the Offer.

Disclaimer as to forward-looking statements

Some of the statements in this Target's Statement may be in the nature of forward-looking statements. Forward-looking statements are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Cue operates as well as general economic conditions, prevailing exchange rates, interest rates and conditions in the financial markets. Actual events, results or outcomes may differ materially from the events, results or outcomes expressed or implied in any forward-looking statement. None of Cue, its Related Bodies Corporate or any of its officers or employees, agents or advisers, nor any persons named in this Target's Statement or any person involved in the preparation of this Target's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement. Except as required by applicable law or the ASX Listing Rules, Cue does not undertake to update or revise these forward-looking statements nor any other statements (written or oral) that may be made from time by or on behalf of Cue, whether as a result of new information, future events or otherwise.

Disclaimer as to information about Horizon

The information on Horizon contained in this Target's Statement has been compiled from and prepared by Cue using information obtained from Horizon or other publicly available information (including information contained in the Replacement Bidder's Statement) and has not been independently audited or verified by Cue or its officers or advisers. Accordingly, subject to the Corporations Act, neither Cue nor its officers or advisers makes any representation or warranty (express or implied) as to the accuracy or completeness of such information. If any information obtained from Horizon or the public sources is inaccurate or incomplete, this may affect the information included in this Target's Statement. In particular, if the information has been used as the basis for forward-looking statements in this Target's Statement, this may add to the risk that actual values, results, performance or achievements will differ materially from those expressed or implied by the forward-looking statements.

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Risk factors

Cue Shareholders should note that there are a number of risk factors attached to their investment in Cue and other risks which apply in the event the Offer is accepted. Section 6.3 of this Target's Statement sets out further information regarding those risks.

Reserves and Resources

This Target's Statement contains information that relates to Cue's Petroleum Reserves and Contingent Resources. Please refer to section 8.15 for further details.

Foreign jurisdictions

The release, publication or distribution of this Target's Statement may be restricted by law or regulation in some jurisdictions outside Australia. Accordingly, persons outside Australia who come into possession of this Target's Statement should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with laws and regulations outside Australia.

Cue refers all Cue Shareholders outside of Australia to the 'Foreign jurisdictions' section on page 4 of the Replacement Bidder's Statement, which are deemed to be incorporated in this Target's Statement as if set out in full in this Target's Statement, with any necessary amendments.

Past performance

This Target's Statement includes information regarding the past performance of Cue and Horizon. Investors should be aware that past performance should not be relied on as being indicative of future performance.

Privacy

Cue has collected your information from the Share Registry for the purpose of providing you with this Target's Statement. Such information may include the name, contact details and shareholdings of Cue Shareholders and the names of persons appointed to act as proxy, attorney or corporate representative of Cue Shareholders. Without this information, Cue would be hindered in its ability to issue this Target's Statement.

The Corporations Act requires the name and address of shareholders to be held in a public register. Personal information of the type described above may be disclosed on a confidential basis to Cue and its Related Bodies Corporate, holders of Cue Shares, and external service providers (including the Share Registry), and may be required to be disclosed to regulators, such as ASIC. If you would like details of information about you held by Cue, please contact the Share Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (overseas).

Diagrams

Diagrams appearing in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in charts, graphs and tables is based on information available at the Last Practicable Date.

Effect of rounding

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Target's Statement may be subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Target's Statement.

Currencies

In this Target's Statement, references to "Australian dollars", "AUD", "$", "A$" or "cents" are to the lawful currency of Australia. Any references to US$ are to the lawful currency of the United States.

This Target's Statement may contain conversions of relevant currencies to other currencies for convenience. These conversions should not be construed as representations that the relevant currency could be converted into the other currency at the rate used or at any other rate. Conversions that have been calculated at the date of this Target's Statement (or any other relevant date) may not correspond to the amounts shown in the historic or future financial statements of Cue in respect of which different exchange rates may have been, or may be, used.

Enquiries

If you have any questions in relation to the Offer or this Target's Statement, please contact the Cue Shareholder Information Line on 1300 560 339 (callers within Australia) or +61 2 8011 0354 (callers outside Australia) between 9.00am and 5.00pm (Melbourne time) on business days.

If you have any enquiries in relation to your Cue shareholding, please contact the Share Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (overseas).

Key Dates

Event	Date
Announcement Date	2 March 2026
Original Bidder's Statement lodged with Cue, ASIC and ASX	2 March 2026
Replacement Bidder's Statement lodged with Cue, ASIC and ASX	19 March 2026
Date of this Target's Statement	7 April 2026
Date of the Offer	19 March 2026
Date for Notice of Status of Conditions	29 May 2026
Close of the Offer (unless extended or withdrawn)	7.00pm (Sydney time) on 5 June 2026

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Letter from the Chair of the Independent Board Committee

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7 April 2026

Dear Cue Shareholder

The Independent Board Committee unanimously recommends that you REJECT the Offer by TAKING NO ACTION

You would recently have received a Replacement Bidder's Statement from Horizon Oil Limited (**Horizon**) in relation to its unsolicited offer to acquire your shares in Cue Energy Resources Limited (**Cue**) for consideration comprising 0.5625 Horizon Shares and A$0.008 (0.8 cents) cash for each Cue Share (the **Offer**).

The Cue Board has established an independent committee of the board (the **Independent Board Committee**) for the purposes of considering and responding to the Offer. The Independent Board Committee is chaired by lead independent director, Mr Peter Hood AO and comprised of Richard (Ric) Malcolm and Greg Bishop (the **Independent Directors**) who are independent of Echelon Offshore Limited (**Echelon**).

The other directors of Cue (the **Non-Independent Directors**) are regarded as representatives of Echelon. Echelon has:

- entered into a Pre-Bid Agreement to sell its interest in 19.99% of Cue Shares on issue to Horizon via an off-market transaction at $0.115 in cash per Cue Share; and
- announced to the ASX that, in the absence of a superior proposal, it intends to accept the Offer for all other Cue Shares that it holds or controls at the time, 21 days from the opening of the Offer Period.

Given the actual or perceived conflicts of interest that arose as a result of the above matters, the Independent Board Committee was formed to have sole and exclusive authority for all decisions, communications and negotiations on behalf of Cue relating to the Offer.

The Independent Board Committee appointed Azure Capital as financial advisor and Gilbert + Tobin as legal advisor to assist the Independent Directors to evaluate and respond to the Offer by Horizon.

The Independent Board Committee has carefully assessed the Offer and unanimously recommends that you REJECT the Offer and simply **TAKE NO ACTION** in relation to all documents sent to you by Horizon. Each of the Directors on the Independent Board Committee intends to REJECT the Offer in relation to the Cue Shares they hold or control.

The Non-Independent Directors are not making a recommendation to Cue Shareholders in relation to the Offer.

This Target's Statement, which I encourage you to read in its entirety, sets out the recommendation of the Independent Board Committee in relation to the Offer and the key reasons for its recommendation to REJECT the Offer.

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Key reasons for the Independent Board Committee's recommendation

The Independent Board Committee unanimously recommends that you REJECT the Offer for the key reasons set out below:

- the premium for control implied by the Offer is inadequate;
- the timing of the Offer is opportunistic, coinciding with Horizon's share price trading at a 10 year high;
- based on objective comparative measures, the Offer appears to undervalue Cue relative to Horizon;
- Cue Shareholders who accept the Offer would suffer significant dilution of their exposure to Cue's key assets;
- potential synergies are likely understated by Horizon, and the Offer ascribes minimal value to them;
- Horizon's debt balance, and its costs, would represent a new material risk for Cue Shareholders who accept the Offer;
- the Offer is highly conditional and there is no certainty that it will proceed; and
- Cue Shareholders will only receive Capital Gains Tax rollover relief on the scrip consideration if Horizon achieves 80% acceptances.

These reasons are further detailed in Section 1 of this Target's Statement.

While the Independent Board Committee recommends Cue Shareholders REJECT the Offer, it recognises that there are risks associated with continued ownership of Cue Shares and depending on your risk profile, acknowledges some Cue Shareholders may wish to accept the Offer. Section 6.3 of this Target's Statement sets out further information regarding those risks.

How to REJECT the Offer

To REJECT the Offer, you should **DO NOTHING** and **TAKE NO ACTION** in relation to all documents sent to you by Horizon.

Further information

You are encouraged to read this Target's Statement in its entirety and consider the Offer, having regard to your own personal risk profile, investment strategy and tax circumstances. You should seek independent financial, legal, taxation or other professional advice that you require prior to deciding what action you should take in respect of the Offer.

The Offer is scheduled to close at 7.00pm (Sydney time) on 5 June 2026, unless extended or withdrawn by Horizon.

If you have any questions in relation to the Offer or this Target's Statement, please contact the Cue Shareholder Information Line on 1300 560 339 (callers within Australia) or +61 2 8011 0354 (callers outside Australia) between 9.00am and 5.00pm (Melbourne time) on business days.

The Independent Board Committee will continue to keep you fully informed of key material developments in respect of the Offer.

Yours faithfully

Peter Hood AO
Chair of the Independent Board Committee

Recommendation of the Independent Board Committee

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Independent Board Committee

The Independent Board Committee as at the date of this Target's Statement, being the Directors who have considered the Offer, comprises:

- Mr Peter Hood AO, Independent Non-Executive Director;
- Mr Richard (Ric) Malcolm, Independent Non-Executive Director; and
- Mr Greg Bishop, Independent Non-Executive Director.

Recommendation and intentions

In assessing the Offer, the Independent Board Committee has had regard to a number of considerations, including the information set out in this Target's Statement and the Replacement Bidder's Statement.

Based on this assessment and for the reasons set out in this Target's Statement (in particular those set out in Section 1), **each of the Independent Directors recommend that you REJECT the Offer.**

Each of the Independent Directors who, as at the date of this Target's Statement, holds or controls Cue Shares intends to REJECT the Offer under its current terms in relation to those Cue Shares. Refer to Section 8.3 for more information on the respective Cue shareholdings of your Directors, including the Independent Directors.

To REJECT the Offer you should **DO NOTHING** and **TAKE NO ACTION** in relation to all documents sent to you by Horizon.

Mr McGregor, Mr Argentieri, Mr Jefferies, Mr Ritchie and Mr Kellner's reason for not making a recommendation

Mr Alastair McGregor, Mr Marco Argentieri, Mr Andrew Jefferies, Mr Rod Ritchie and Mr Samuel Kellner are director nominees of Echelon. Echelon has entered into a Pre-Bid Agreement to sell 19.99% of Cue Shares on issue to Horizon via an off-market transaction at $0.115 in cash per Cue Share. Echelon has also announced to the ASX that, in the absence of a superior proposal, it intends to accept the Offer for all other Cue Shares that it holds or controls at the time, 21 days from the opening of the Offer Period.

Given the actual or perceived conflicts of interest that arose as a result of the above matters, the Cue Board determined that the Independent Board Committee has sole and exclusive authority for all decisions, communications and negotiations on behalf of Cue relating to the Offer and any competing transaction, including the preparation of this Target's Statement, engagement with Cue's advisers and (either directly or through its advisers) engagement with Horizon and its advisers.

For the reasons set out above, Mr Alastair McGregor, Mr Marco Argentieri, Mr Andrew Jefferies, Mr Rod Ritchie and Mr Samuel Kellner have not participated in the Independent Board Committee nor made a recommendation on whether the Offer should be accepted and have not at any time been involved in any Cue Board decisions in relation to the Offer.

1 Reasons to REJECT the Offer

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1.1 Summary of reasons to REJECT the Offer

The Independent Board Committee has carefully considered the Offer to assess whether it is in the best interests of Cue Shareholders.

The Independent Directors' reasons for recommending that Cue Shareholders REJECT the Offer are:

1	**The premium for control implied by the Offer is inadequate**
2	**The timing of the Offer is opportunistic, coinciding with Horizon Shares trading at a 10 year high**
3	**Based on objective comparative measures, the Offer appears to undervalue Cue relative to Horizon**
4	**Cue Shareholders who accept the Offer would suffer significant dilution of their exposure to Cue's key assets**
5	**Potential synergies are likely understated by Horizon, and the Offer ascribes minimal value to them**
6	**Horizon's debt balance, and its costs, would represent a new material risk for Cue Shareholders who accept the Offer**
7	**The Offer is highly conditional and there is no certainty that it will proceed**
8	**Cue Shareholders will only receive Capital Gains Tax rollover relief on the scrip consideration if Horizon achieves 80% acceptances**

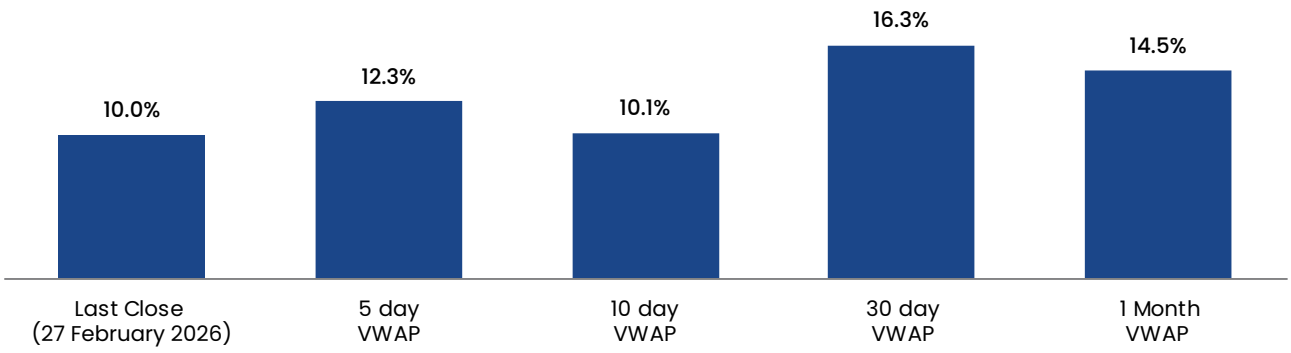
1.2 Further information on the reasons to REJECT the Offer

Further information in relation to the Independent Directors' reasons for recommending that Cue Shareholders **REJECT** the Offer are set out below:

1. The premium for control implied by the Offer is inadequate

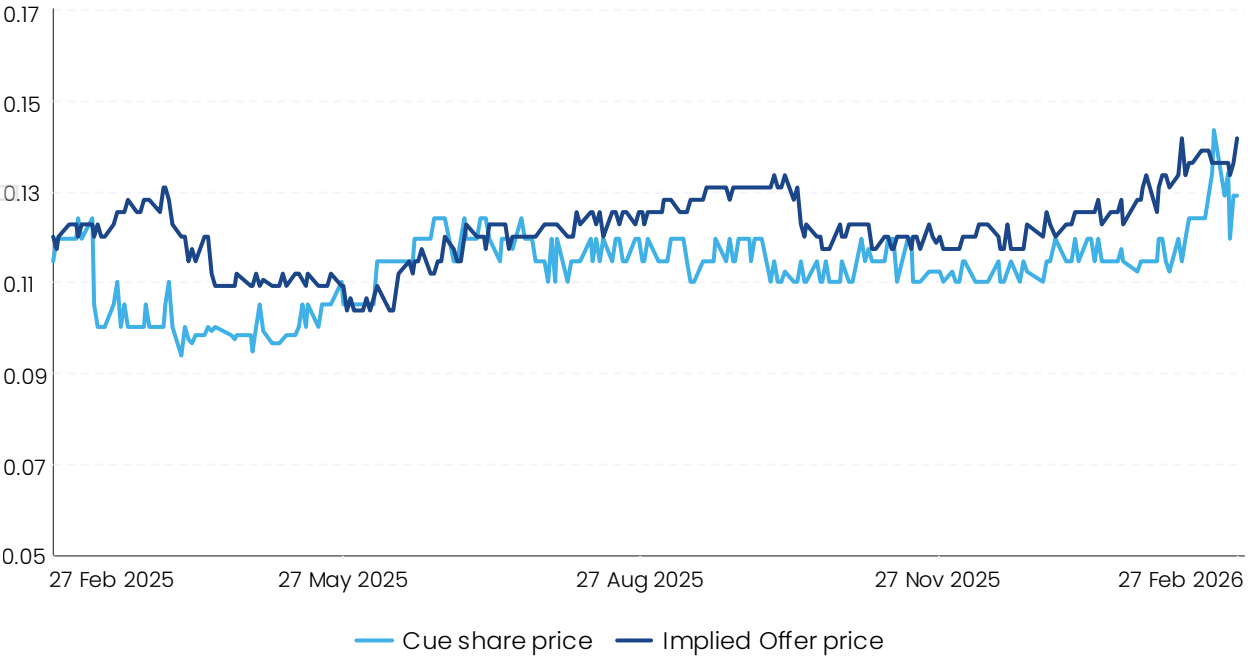
In the opinion of Cue's Independent Directors, Horizon is seeking to gain control of Cue without paying an adequate premium to Cue Shareholders. The premium offered is also materially below the premiums paid in many comparable oil and gas sector control transactions on the ASX.

The Offer implies a premium of only 10.0% to the closing price of Cue Shares on the last date prior to the Announcement Date, and 16.3% to the 30-day VWAP of Cue Shares up to the Announcement Date. In fact, as shown in the chart below, the Offer implies low premiums to all relevant Cue share prices and VWAPs.



Implied Offer Premiums to Cue Share Prices (%)

Further, as shown in the chart below, the implied Offer price for Cue does not represent a meaningful premium to Cue's prevailing share price **at any point** over the 12 months leading up to the Announcement Date.



1 Implied Offer price calculated based on Cue Shareholders receiving 0.5625 Horizon shares for every 1 Cue Share, plus cash of $0.008/share.

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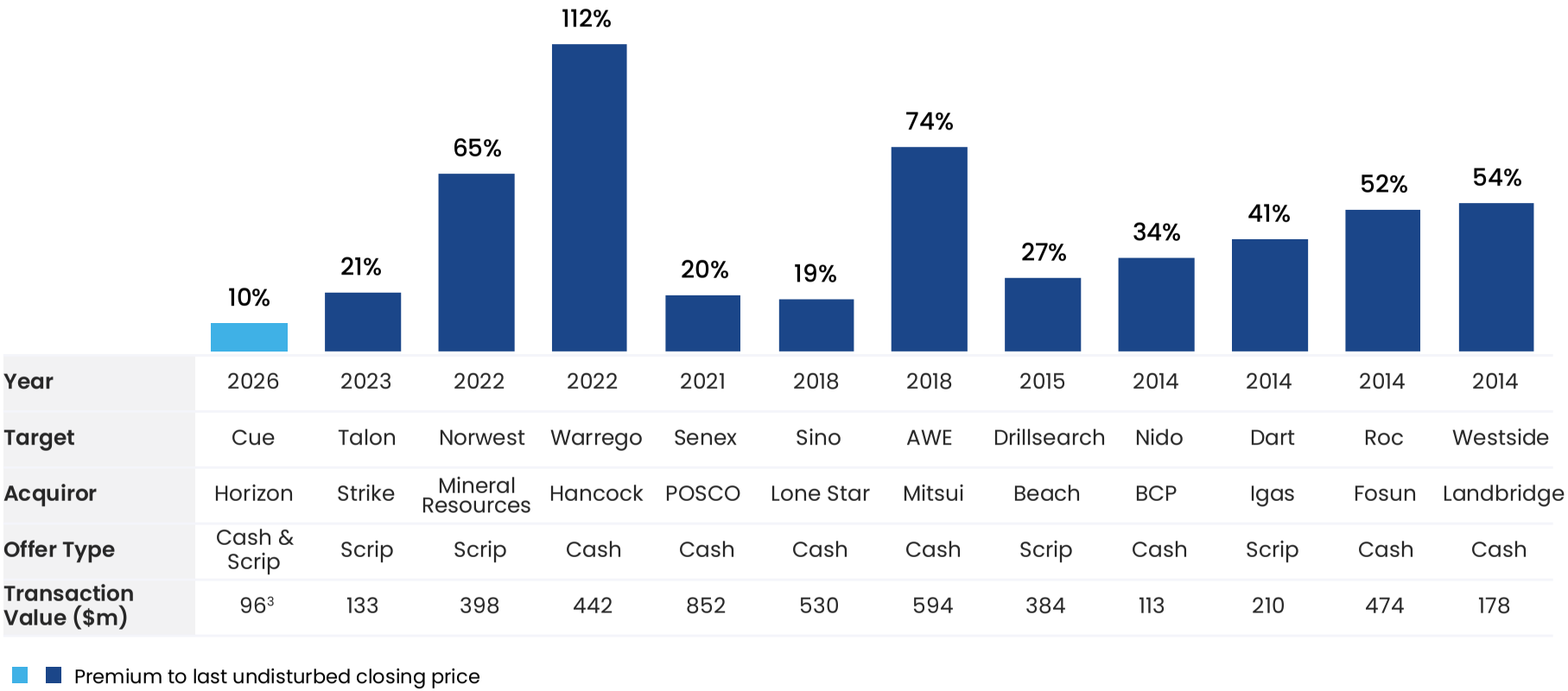
Cue's Independent Directors also note that the premium implied by the Offer is materially below the premiums paid in many comparable oil and gas sector control transactions on the ASX, as shown in the chart below.[2]



Year	2026	2023	2022	2022	2021	2018	2018	2015	2014	2014	2014	2014
Target	Cue	Talon	Norwest	Warrego	Senex	Sino	AWE	Drillsearch	Nido	Dart	Roc	Westside
Acquiror	Horizon	Strike	Mineral Resources	Hancock	POSCO	Lone Star	Mitsui	Beach	BCP	Igas	Fosun	Landbridge
Offer Type	Cash & Scrip	Scrip	Scrip	Cash	Cash	Cash	Cash	Scrip	Cash	Scrip	Cash	Cash
Transaction Value ($m)	96[3]	133	398	442	852	530	594	384	113	210	474	178

Offer Premiums of Comparable Oil & Gas Control Transactions on the ASX

2 Comparable control transactions in the oil and gas sector on the ASX, with transaction values equal to or greater than the value of the Offer, up to a maximum of A$1 billion.

3 Inclusive of Pre-Bid Agreement value, calculated as Cue Shares subject to the Pre-Bid Agreement multiplied by $0.115, in addition to the remaining Cue Shares multiplied by the implied Offer price of $0.143.

2. The timing of the Offer is opportunistic, coinciding with Horizon Shares trading at a 10 year high

The implied value of the Offer is tied to the traded price of Horizon Shares. On the last date prior to the Announcement Date, Horizon Shares closed at a price of $0.24 per share. This is the highest closing price of Horizon Shares during the last 10 years. The Independent Directors believe the Offer was opportunistically timed to take advantage of this fact.

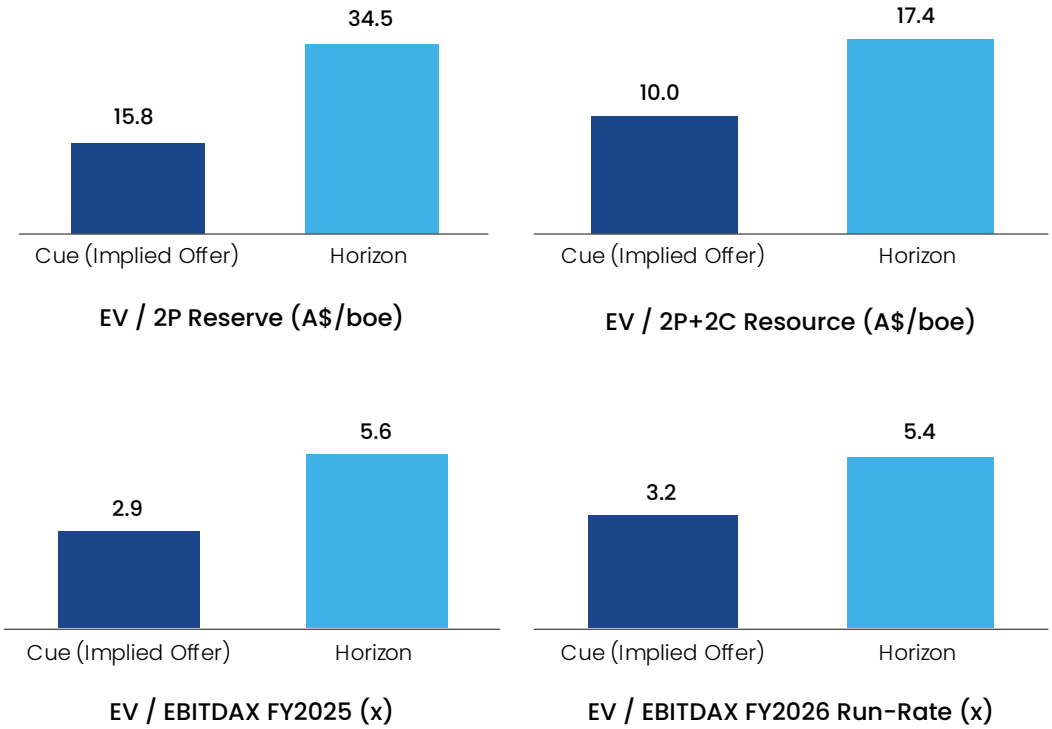
3. Based on objective comparative measures, the Offer appears to undervalue Cue relative to Horizon

Based on analysis of common trading multiples used to benchmark the value of oil and gas companies, relative to Horizon, the Offer appears to undervalue Cue.

The multiples assessed are:

- Enterprise Value[4] / 2P Reserves;
- Enterprise Value[4] / 2P+2C Resources;[5]
- Enterprise Value[4] / EBITDAX (FY25);[6] and
- Enterprise Value[4] / EBITDAX (FY26 run-rate).[7]

The chart below illustrates that in each case, as at the Announcement Date, the relevant multiple implied by the Offer for Cue is lower than the equivalent trading multiple for Horizon. This suggests that the Offer undervalues Cue relative to Horizon. Accordingly, the Independent Directors believe Horizon should offer a higher price for Cue.



Cue Shareholders Indirect Ownership of 2P Reserves and 2P+2C Resources

4 Cue's Enterprise Value is estimated as $86.7 million, which is equal to Cue's undiluted equity value of $96.2 million (based on the Pre-Bid Agreement value calculated as Cue Shares subject to the Pre-Bid Agreement multiplied by $0.115, in addition to the remaining Cue Shares multiplied by the implied Offer price of $0.143) less pro-forma cash of $9.4 million (i.e. cash at 31 December 2025 of $11.2 million less the value of the 1H26 interim dividend declared by Cue of $1.7 million). Horizon's Enterprise Value of $431.8 million is equal to Horizon's undiluted equity value of $390.6 million based on last close prior to the Announcement Date of $0.24, plus net debt of $41.1 million (i.e. cash at 31 December 2025 of $50.2 million less the value of the 1H26 interim dividend declared by Horizon of $24.4 million) plus debt of $66.9 million. All Horizon figures reported in USD converted at AUD:USD exchange rate as at Announcement Date of 0.7094.

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4. Cue Shareholders who accept the Offer would suffer significant dilution of their exposure to Cue's key assets

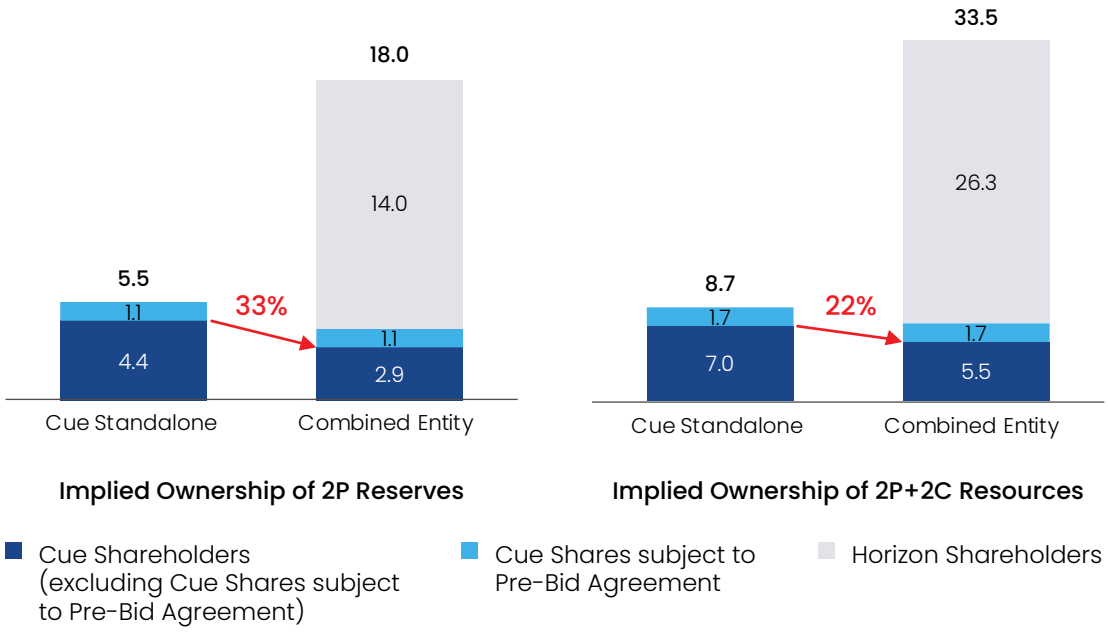
If the Offer is successful, Cue Shareholders (excluding the Cue Shares the subject of the Pre-bid Agreement) will hold only approximately 16.3% of the Combined Entity,[8] but will have contributed:

- 24.4% of the 2P Reserves of the Combined Entity; and
- 20.8% of the 2P+2C Resources of the Combined Entity.[9]

Consequently, Cue Shareholders who accept the Offer will suffer significant dilution in their implied exposure to the underlying asset base in the Combined Entity.

As shown in the chart below, if the Offer is successful, Cue Shareholders (excluding the Cue Shares the subject of the Pre-bid Agreement) will indirectly own approximately 2.9 mmboe of 2P Reserves and 5.5 mmboe of 2P+2C Resources in the Combined Entity.[10] This compares to those Cue Shareholders indirectly owning approximately 4.4 mmboe of 2P Reserves and 7.0 mmboe of 2P+2C Resources prior to the Offer.[11]

This represents potential dilution to those Cue Shareholders of approximately 33.3% for 2P Reserves and 21.5% for 2P+2C Resources respectively.



5 Excludes Paus Biru and Jeruk 2C resource.

6 Cue's FY25 EBITDAX was $30.3 million. Horizon's FY25 EBITDAX was $77.2 million (converted at AUD:USD exchange rate as at Announcement Date of 0.7094).

7 Cue's FY26 run-rate EBITDAX is $27.0 million, calculated as 2 x 1HFY26 EBITDAX of $13.5 million. Horizon's FY26 run-rate EBITDAX is $80.5 million, calculated as 2 x 1HFY26 EBITDAX of $40.3 million (converted at AUD:USD exchange rate as at Announcement Date of 0.7094).

8 Calculated as 563,769,401 Cue Shares multiplied by 0.5625, divided by pro-forma Horizon Shares (including the Offer) of 1,944,708,791.

9 Excludes 2C Resources for Paus Biru and Jeruk of 2.4 mmboe.

10 Calculated as 16.31% Combined Entity's total 2P Reserves of 18.0 mmboe and 2P+2C Resources (excluding Paus Biru and Jeruk 2C Resources) of 33.5 mmboe respectively.

11 Calculated as 80.0% of Cue's total 2P Reserves of 5.5 mmboe and total 2P+2C Resources (excluding Paus Biru and Jeruk 2C Resources) of 8.7 mmboe.

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5. Potential synergies are likely understated by Horizon, and the Offer ascribes minimal value to them

Cue's Independent Directors agree with Horizon's assertion in its Replacement Bidder's Statement that, if the Offer is successful, the Combined Entity would potentially benefit from cost synergies and operational efficiencies.

In its Replacement Bidder's Statement, Horizon estimated potential cost synergies at $2 million per annum, arising primarily from the elimination of duplicated corporate and administrative costs and the integration of overlapping activities, including in respect of assets in which Horizon and Cue both hold interests. Cue's Independent Directors believe the cost synergies available to the Combined Entity from these sources are higher than this estimate, and are likely more than $3.2 million per annum.

In addition to this, Cue's Independent Directors note that as at 31 December 2025, Cue's unutilised carry forward tax loss balance was approximately $91 million. This balance may be available to the Combined Entity to reduce tax payable on profits it generates, representing a further potential transaction synergy.

Notwithstanding these potential synergies, as noted above Horizon's Offer implies a premium of only 10% to the closing price of Cue Shares on the last date prior to the Announcement Date. For Cue Shares (excluding those the subject of the Pre-Bid Agreement), this premium equates to only $7.3 million in absolute value.[12] This is likely only a small fraction of the value of the synergies potentially available to be realised by the Combined Entity.

6. Horizon's debt balance, and its costs, would represent a new material risk for Cue Shareholders who accept the Offer

Cue is currently a debt free company with no external financial borrowings. Cue currently funds its operations and dividends through internal cashflow generation. Cue reported a cash balance of $11.2 million as at 31 December 2025.

Unlike Cue, Horizon is not debt free. As at the date of the Replacement Bidder's Statement, Horizon has drawn secured debt of $50 million that amortises to maturity (unless terminated or cancelled early) at 30 June 2029, plus a further drawn secured debt of US$22 million that amortises to maturity (unless terminated or cancelled early) at 31 December 2027.

Horizon's secured debt position would represent a new risk for Cue Shareholders who accept the Offer, that does not currently exist for Cue.

Horizon's debt facilities are subject to various onerous financial covenants, such as a minimum liquidity cash balance of US$10 million and a loan life coverage ratio (being the ratio between the net present value of estimated future cashflows and the aggregate debt balance outstanding). These covenants are regularly tested by lenders for compliance.

The debt facilities are also exposed to interest rate movements, due to interest being payable on variable rates. Cue estimates the current weighted average cost of Horizon's debt to be approximately 9.2% per annum,[13] which equates to an annual interest expense of approximately $7.5 million.[14]

12 Calculated as the implied Offer price of $0.143 less the last closing price prior to the Announcement Date of $0.13, multiplied by 559,893,407 Cue Shares.

13 Assuming $50 million of debt at BBSW + 5%, US$12 million of debt at SOFR + 5% and US$10 million of debt at SOFR + 6%. BBSW is estimated as at the Last Practicable Date to be 4.30% per annum and SOFR is estimated as at the Last Practicable Date to be 3.65% per annum.

14 Converted at AUD:USD exchange rate as at the Announcement Date of 0.7094.

7. The Offer is highly conditional and there is no certainty that it will proceed

The Offer is subject to an extensive list of 15 Conditions. The triggering of any of the Conditions may cause the Offer to lapse. These Conditions apply for the length of the Offer Period, which is currently approximately 11 weeks, with the Offer currently scheduled to close on 5 June 2026 unless withdrawn or extended.

As described in Section 4.3, many of the Conditions are wholly or partially outside the control of Cue and there is a possibility that during the Offer Period, several of the Conditions may be triggered by Cue undertaking ordinary course actions in the context of its business. The effect of this would be to provide Horizon with an option to waive the relevant Conditions or to let the Offer lapse.

If you accept the Offer whilst it remains subject to Conditions, you will lose control of your Cue Shares and give up your right to trade your shares for the duration of the Offer Period (subject to limited rights to revoke or withdraw your acceptance), without any certainty the Offer will succeed.

The details of all 15 Conditions are set out in full in Appendix 2 to the Replacement Bidder's Statement. Cue Shareholders should refer to Section 4.3 of this Target's Statement for more information on the status of the Conditions.

8. Cue Shareholders will only receive Capital Gains Tax rollover relief if Horizon achieves 80% acceptance

Scrip-for-scrip capital gains tax rollover relief provides for a capital gain to be deferred until the disposal of the Horizon Shares you receive as Offer Consideration, where certain conditions are met. However, it is important to note that scrip-for-scrip rollover relief is only available to Cue shareholders if Horizon becomes the owner of at least 80% of all Cue Shares.

It is possible the transaction may proceed and Horizon does not become the owner of 80% or more of the Cue Shares. You may not know at the time you accept the Offer whether rollover relief will be available. If rollover relief is not available, and you have made a capital gain in respect of the disposal of your Cue Shares under the Offer, you may have to pay tax (in cash) on those gains.

No CGT roll-over relief is available for any cash component paid as part of the Offer Consideration.

Ineligible Foreign Shareholders and Small Parcel Shareholders who are not entitled to receive Horizon Shares as consideration under the Offer will not be entitled to claim scrip-for-scrip rollover relief.

Accordingly, Cue Shareholders may incur an adverse tax consequence as a result of accepting the Offer.

The Independent Directors encourage Cue Shareholders to consult with their own independent taxation advisers regarding the taxation implications of accepting the Offer given their own particular circumstances.

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Reasons why you may choose not to reject the Offer

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The key reasons why you may choose to accept the Offer are as follows:

1. Horizon may have the capacity to exert greater influence over the manner in which Cue's business is conducted

If Horizon does not proceed to Compulsory Acquisition, but obtains effective control of Cue (for example by acquiring a Relevant Interest in more than 50% of Cue Shares), Horizon will have greater influence over Cue including:

- if Horizon appoints nominees to the Cue Board which constitute a majority of Cue Directors (as per its stated intention at section 6.4 of the Replacement Bidder's Statement), Horizon will have control over Cue's capital allocation policy, including the payment of dividends; and
- if Horizon (together with its Associates) were to acquire a Relevant Interest in 75% or more of Cue Shares, it would be in a position to cast the votes required to determine the outcome of a special resolution. The ability to pass a special resolution would enable Horizon to, amongst other things, amend Cue's Constitution without the need for support from other Cue Shareholders.

2. If Horizon acquires a controlling stake in Cue, non-accepting Cue Shareholders could remain as minority shareholders in Cue that would then be controlled by Horizon

Horizon has disclosed a Relevant Interest in 21.18% of Cue Shares.

Section 6 of the Replacement Bidder's Statement sets out Horizon's intentions as it relates to Cue, including Horizon's intentions where it acquires some, but not all, of Cue Shares.

If Horizon obtains control of Cue but does not proceed to Compulsory Acquisition, non-accepting Cue Shareholders risk becoming minority Cue Shareholders in a company which would be controlled by one large Cue Shareholder, being Horizon. This may reduce the liquidity of Cue Shares and may make it more difficult to sell your Cue Shares outside the Offer at current price levels. Refer to Section 4.13 in relation to the potential implications of becoming a minority Cue Shareholder.

3. No superior proposal has emerged

As at the date of this Target's Statement, Cue has not received any competing proposal from a third party, nor have any discussions occurred that the Independent Board Committee believes are likely to lead to any superior proposal being made. If Cue receives a competing proposal, the Independent Board Committee will need to consider all aspects of the proposal in determining whether it is superior to the Offer.

4. You may not agree with the recommendation of the Independent Board Committee

Despite the recommendation provided by the Independent Board Committee in this Target's Statement to REJECT the Offer, you may take a different view and believe that Offer Consideration represents fair value.

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2 Frequently asked questions

This section answers some commonly asked questions in relation to the Offer. It is not intended to address all relevant issues for Cue Shareholders. This section should be read together with all other parts of this Target's Statement and the Replacement Bidder's Statement.

2.1 Information about Cue

Question	Answer	Further Information
Who is Cue?	Cue is an oil and gas production and exploration company with a diversified portfolio of gas and oil production assets in Australia, Indonesia and New Zealand.	Section 5.1
What is Cue's business strategy?	Cue has a clear strategy to deliver growth and shareholder value, by: • maximising value from existing assets through development and exploration across its current project portfolio • delivering attractive returns to Cue Shareholders; and • pursuing new project growth in areas known to the Cue Cue continues to balance disciplined reinvestment with sustainable shareholder returns, having returned more than $33 million to shareholders since the beginning of calendar year 2024, supported by strong cash generation from its diversified production portfolio across Australia, New Zealand and Indonesia.	Section 5.1

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2.2 Information about the Offer

Question	Answer	Further Information
Who is making the Offer?	The Offer is made by Horizon. Information in relation to Horizon is set out in Section 4 of this Target's Statement.	Section 4.1
What is Horizon offering for my Cue Shares?	Horizon is offering an Offer Consideration of 0.5625 Horizon Shares and A$0.008 cash (0.8 cents) per Cue Share. Please refer to Sections 4.16 and 4.17 for further details on the consideration payable to Ineligible Foreign Shareholders and Small Parcel Shareholders.	Sections 4.2(a), 4.16 and 4.17
What is this Target's Statement?	This Target's Statement is the formal response by the Independent Board Committee to the Offer, as required by the Corporations Act. This document has been prepared by Cue and contains important information to help you decide whether to accept or reject the Offer.	N/A
What is the Replacement Bidder's Statement?	The Replacement Bidder's Statement is the document prepared by Horizon and was lodged with ASIC and ASX on 19 March 2026 setting out the terms of the Offer. The Replacement Bidder's Statement replaces the Original Bidder's Statement that was lodged with ASIC on 2 March 2026. All Cue Shareholders should have recently received a copy of the Replacement Bidder's Statement by way of an email or letter containing a link to an electronic copy of the Replacement Bidder's Statement.	N/A
When does the Offer close?	The Offer is presently scheduled to close at 7:00pm (Sydney time) on 5 June 2026, but the Offer Period can be extended in certain circumstances.	Section 4.2(c)
Can the Offer Period be extended?	Yes. Horizon may extend the Offer at any time before giving the Notice of Status of Conditions (see Section 4.5 of this Target's	Section 4.2(d)

Question	Answer	Further Information
	Statement) while the Offer remains subject to Conditions.	
Does Horizon already have an interest in Cue Shares?	As at the Last Practicable Date: • Horizon has disclosed a Relevant Interest in 148,234,357 Cue Shares; and • Horizon's voting power in Cue is 21.18%.	Section 4.1(b)
Why has Echelon entered into the Pre-Bid Agreement and provided the Intention Statement?	Cue is not in a position to speculate as to the reasons why Echelon entered into the Pre-bid Agreement or provided the Intention Statement. Your Independent Directors note that the cash consideration that Echelon will receive if completion occurs under the Pre-bid Agreement represents a 19.6% discount to implied value of the Offer on the Announcement Date and a 11.5% discount on the closing price of Cue Shares on the ASX on the last trading day prior to the Announcement Date.	N/A

2.3 Information about the recommendation of the Independent Directors

Question	Answer	Further Information
What are your Independent Directors recommending?	Your Independent Directors unanimously recommends that Cue Shareholders **REJECT** the Offer. To follow your Independent Directors' recommendation, you should **DO NOTHING**. The Independent Board Committee recommendation is given as at the date of this Target's Statement. If there is any change to this recommendation or any material development in relation to the Offer, Cue will lodge a supplementary Target's Statement.	Page 2 and Section 1

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Question	Answer	Further Information
Why do your Independent Directors recommend you **REJECT** the Offer?	The key reasons why your Independent Directors recommend you **REJECT** the Offer are: • the premium for control implied by the Offer is inadequate; • the timing of the Offer is opportunistic, coinciding with Horizon Shares trading at a 10 year high; • based on objective comparative measures, the Offer appears to undervalue Cue relative to Horizon; • Cue Shareholders who accept the Offer would suffer significant dilution of their exposure to Cue's key assets; • potential synergies are likely understated by Horizon, and the Offer ascribes minimal value to them; • Horizon's debt balance, and its costs, would represent a new material risk for Cue Shareholders who accept the Offer; • the Offer is highly conditional and there is no certainty that it will proceed; and • Cue Shareholders will only receive CGT rollover relief on the scrip consideration if Horizon achieves 80% acceptances.	Section 1
What do the Independent Directors intend to do with their Cue Shares	The Independent Directors intend to **REJECT** the Offer for any Cue Shares they own or control.	Section 1
What happens if the Offer Consideration is improved?	If Horizon improves the Offer Consideration, your Independent Directors will carefully consider the revised Offer and advise you accordingly.	Section 4.8

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Question	Answer	Further Information
	If Horizon increases the Offer Consideration, you will obtain the benefit of that higher Offer Consideration even if you have already accepted the Offer.	
What will happen if a superior proposal emerges?	Your Independent Directors will carefully consider any competing proposal or superior proposal and will advise Cue Shareholders accordingly.	Section 4.11
Why did Cue decide not to appoint an independent expert to assess the Offer?	Appointment and production of an independent expert report is not a legal requirement in the context of the Offer. It is only required where a bidder owns more than 30% of the target or if there is a common director. This does not apply in relation to the Offer.	N/A

2.4 Information regarding your choices as a Cue Shareholder

Question	Answer	Further Information
What choices do I have in response to the Offer?	As a Cue Shareholder, you have the following choices in respect of your Cue Shares: • **REJECT the Offer and DO NOTHING** and remain a Cue Shareholder (unless your Cue Shares are Compulsorily Acquired). If you agree with the Cue Directors' recommendation to **REJECT** the Offer then do not fill in or return any of the Offer documentation. Ignore all correspondence, documents and communications received from Horizon. You are not required to do anything; • **Sell your Cue Shares on ASX** (unless you have already accepted the Offer and have not validly withdrawn your acceptance as permitted in limited circumstances (see Section 4.9)) which may be at a higher or lower price than the implied value of the Offer Consideration. If you wish to sell your	Section 3

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Question	Answer	Further Information
	Cue Shares on ASX, you should not accept the Offer and should instruct your broker at the time you wish to sell. • **Accept the Offer** for all of your Cue Shares. If you choose to accept the Offer you should follow the instructions in the Bidder's Statement. However, you should note that the unanimous recommendation of your Independent Directors is that you **REJECT** the Offer. Once you accept the Offer, you may only validly withdraw your acceptance in limited circumstances (see Section 4.9).	
What happens if I do nothing?	You will remain a Cue Shareholder. However, if Horizon acquires 90% or more of Cue Shares, Horizon has stated that it intends to Compulsorily Acquire your Cue Shares. If Horizon acquires between 50% and 90% of Cue Shares under the Offer and all of the Conditions of the Offer are satisfied or waived, you will remain a minority shareholder in Cue that would then be controlled by Horizon.	Sections 4.12, 4.13, 4.14 and 6.3
How do I REJECT the Offer?	To **REJECT** the Offer, you do not need to do anything. You should **TAKE NO ACTION** in relation to all documents from Horizon regarding the Offer.	Section 3.1
How do I accept the Offer?	To accept the Offer, you should refer to clause 6 of Appendix 1 to the Replacement Bidder's Statement. However, the Independent Board Committee unanimously recommends that you **REJECT** the Offer.	Section 3.3
What are the risks of rejecting the Offer?	If you **REJECT** the Offer you will continue to hold Cue Shares and your investment will remain subject to the risks associated with Cue and possibly being a minority shareholder in Cue.	Section 6.3

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Question	Answer	Further Information
What are the risks of accepting the Offer?	If you accept the Offer and become a shareholder of Horizon, your investment will become subject to the risks associated with Horizon. Once you accept the Offer, you may only validly withdraw your acceptance in limited circumstances (see Section 4.9). Further information about the risks associated with an investment in Horizon are described in detail in section 8 of the Replacement Bidder's Statement.	Section 6.2
What are the consequences of accepting the Offer now?	If you accept the Offer, unless you become entitled to withdraw your acceptance (see below), you will: • limit your right to sell your Cue Shares on ASX (or any other trading platform) or otherwise deal with your Cue Shares while the Offer remains open (this may prevent you from accepting any superior proposal, if such an offer were to emerge); and • relinquish control of your Cue Shares with no guarantee of receiving the Offer Consideration until if and when the Offer becomes unconditional. The effect of accepting the Offer is set out in section 7 of the Replacement Bidder's Statement and in clause 7 of Appendix 1 to the Replacement Bidder's Statement. You should read those provisions in full to understand the effect that acceptance will have on your ability to exercise rights attaching to your Cue Shares and the representations and warranties which you make if you accept the Offer.	Section 4.8
Can I accept the Offer for only some of my Cue Shares?	No, you can only accept for your entire holding. Your acceptance will be treated as being for all your Cue Shares, plus any additional Cue Shares registered as held by you at the date your acceptance is processed.	Section 4.2

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Question	Answer	Further Information
If I accept the Offer, can I withdraw my acceptance?	If you accept the Offer, you are only able to withdraw your acceptance if: • the Offer lapses without becoming unconditional; or • Horizon extends its Offer so that it postpones for more than one month the time when you will receive your Offer Consideration, and the Offer remains subject to one or more of the Conditions at that time. If you accept the Offer after all of the Conditions have been satisfied or waived, you will not be able to withdraw your acceptance.	Section 4.9
When will I receive the Offer Consideration if I accept the Offer?	Full details of when the Offer Consideration will be provided are set out in clause 8 of Appendix 1 to the Replacement Bidder's Statement, but in any case not later than 21 days after the end of the Offer Period. If you have already accepted the Offer and Horizon improves the Offer Consideration, including if the improved Offer Consideration becomes payable, you will receive the benefit of the improved Offer Consideration in accordance with the requirements of the Corporations Act.	Section 4.10
Can I be forced to sell my Cue Shares?	You cannot be forced to sell your Cue Shares unless Horizon proceeds to Compulsorily Acquire Cue Shares under Chapter 6A of the Corporations Act. If Horizon obtains more than 90% voting power in Cue, then (subject to satisfaction of various legal requirements) Horizon will be entitled to proceed to Compulsory Acquisition of Cue Shares held by Cue Shareholders who did not accept the Offer, in which case you will receive the same consideration as the Offer Consideration, but	Section 4.12

Question	Answer	Further Information
	it will take longer for you to receive your Offer Consideration.	
During the period of the Offer, can I sell my Cue Shares on the ASX?	Yes, unless you have accepted the Offer in respect of those Cue Shares and have not validly withdrawn your acceptance (see Section 4.9). If you sell your Cue Shares on market: • you will not benefit from any possible increase in the value of Cue Shares; and • you will not benefit from any possible increase in the consideration that may be provided under the Offer or any other offer, should one emerge.	Section 3

2.5 Information regarding Conditions and their implications

Question	Answer	Further Information
What are the conditions to the Offer?	The Offer is highly conditional. The Conditions include (in summary form only): • **50.1% Minimum Acceptance Condition**: Horizon acquiring a Relevant Interest in at least 50.1% (by number) of Cue Shares (on a fully diluted basis); • **No Prescribed Occurrences Condition**: none of the prescribed occurrences listed in section 652C of the Corporations Act occurring; • **no material adverse change**: no material adverse change occurring or being discovered or becoming public during the Offer Period in respect of Cue, which have or could reasonably be expected to have, the effect of (a) a diminution in the value of the Cue Group's net assets by A$10 million or more, or (b) reducing the consolidated net	Section 4.3

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Question	Answer	Further Information
	profit after tax of the Cue Group by A$10 million or more; • **NZ Crown Minerals**: consent under the *Crown Minerals Act 1991* (NZ) to the change of control of Cue's interests being obtained; • **NT Petroleum Act**: Horizon obtaining any required Ministerial approval or consent under the *Petroleum Act 1984* (NT) or the *Petroleum (Prospecting and Mining) Act 1980* (NT) (as applicable) in relation to or arising out of the change of control of Cue's interests, such consent being unconditional; • **Minimum Bid Price Condition**: no requirement arises to increase the Offer Consideration due to any fall in the value of a Horizon Share; • **certain agreements and instruments**: no person asserts or exercises rights under any joint venture or material agreement to which Cue or any Cue Group Member is a party, which materially accelerates debt of the Cue Group, terminates or varies agreements, forces a sale or transfer of assets or interests of the Cue Group or otherwise adversely affects the business of the Cue Group; • **petroleum tenements**: no Cue Group Member relinquishes, sells or disposes of any interest or creates any Encumbrances over any Key Tenement, or takes any action which results or might be expected to result in a breach of any Key Tenement; • **no material acquisitions, disposals or new commitments**: no Cue Group Member acquires, offers or agrees to acquire or, disposes or offers to dispose of any company, business or asset for an amount greater than A$10 million, or enters into any	

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Question	Answer	Further Information
	commitment more than A$10 million, other than in the ordinary course of business; • **no capital expenditures**: Cue does not incur or commit to incur an amount of capital expenditure in excess of A$10 million, other than where it has been pre-announced or it is in the day-to-day operating activities of the business; • **no financial accommodation**: no Cue Group Member incurs, increases or guarantees any financial indebtedness of any kind or provides any financial accommodation to any entity in excess of A$10 million, other than to Cue or to a Cue Group Member that is directly or indirectly wholly-owned by Cue; • **no distributions**: Cue does not make, declare or pay any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie), except for distributions which have been publicly announced by Cue before the date of the Original Bidder's Statement; • **no regulatory action**: there being no regulatory decisions, actions or applications (other than by ASIC or the Takeovers Panel) which would prevent Horizon from making the Offer and the completion of the transaction; • **no litigation**: no litigation against any Cue Group Member which may reasonably result in a judgement of A$5 million or more is commenced, threatened, announced or made known to Horizon; and • **Cue Options**: all Cue Options are exercised, cancelled, lapsed or subject to cancellation agreements before the end of the Offer Period. This is only a summary of the Conditions of the Offer. See Section 4.3 for further details and	

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Question	Answer	Further Information
	the views of the Independent Directors on the likelihood of the Conditions being satisfied. The Conditions are also set out in full in Appendix 2 of the Replacement Bidder's Statement.	
Can Horizon waive the Conditions?	Yes, Horizon can waive any or all of the Conditions.	Section 4.6
What happens if the Conditions of the Offer are not satisfied or waived by Horizon?	If the Conditions are not satisfied or waived by Horizon before the Offer closes, the Offer will lapse, and you will not receive the Offer Consideration (even if you had accepted the Offer). However, you would then be free to deal with your Cue Shares.	Section 4.4
What happens if I accept the Offer and the Conditions are satisfied or waived?	If you have accepted the Offer and each of the Conditions are satisfied or waived, then the Offer will become unconditional, you will relinquish control of your Cue Shares and the rights attaching to them to Horizon and receive the Offer Consideration from Horizon. Once you accept the Offer, you may only validly revoke or withdraw your acceptance in limited circumstances (see Section 4.9).	Sections 4.6 and 4.8

2.6 Other Information

Question	Answer	Further Information
What impact does the Offer have on any Cue dividends or other rights?	Horizon has confirmed in the Replacement Bidder's Statement that it will not reduce or adjust the Offer Consideration in any way for the Cue Interim Dividend. Except for the Cue Interim Dividend, Horizon will be entitled to all Rights (including any other Cue dividends) declared, paid, made, or which arise or accrue after the Announcement Date in respect of any Cue	N/A

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Question	Answer	Further Information
	Shares that it acquires pursuant to acceptances of the Offer. If any Rights are declared, paid, made or arise or accrue in cash after the Announcement Date, Horizon will (provided the same has not been paid to Horizon) be entitled to reduce the Offer Consideration payable by it to any Cue Shareholders who accept the Offer by an amount equal to the value of the cash Rights in respect of their accepted Cue Shares. If any non-cash Rights are issued or made or arise or accrue after the Announcement Date, Horizon will (provided the same has not been issued to Horizon) be entitled to reduce the Offer Consideration payable by it to any Cue Shareholders who accept the Offer by an amount equal to the value of the non-cash Rights (as reasonably assessed by Horizon) in respect of their accepted Cue Shares. See clause 7.3 in Appendix 1 to the Replacement Bidder's Statement for more information.	
Are there any tax consequences of accepting the Offer?	A general outline of the tax consequences for certain Cue Shareholders of accepting the Offer is set out in section 9 of the Replacement Bidder's Statement and Section 7 of this Target's Statement. Your Independent Directors note that 'scrip for scrip' CGT rollover relief will not be available to Cue Shareholders if Horizon does not obtain at least 80% of Cue Shares. Unless CGT rollover relief is available, accepting Cue Shareholders who are Australian residents (and in certain circumstances, non-Australian residents) for tax purposes and who make a capital gain from accepting the Offer may be required to pay (in cash) tax on those gains. The cash	Section 7

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Question	Answer	Further Information
	component in the Offer may not be sufficient to pay any such tax. You should not rely on the outline in the Replacement Bidder's Statement or this Target's Statement as advice on your own affairs. It is not advice to any particular Cue Shareholder and does not set out all tax considerations that may be applicable. Your Independent Directors encourage you to seek your own professional financial and taxation advice before making a decision whether or not to accept the Offer.	
Will I need to pay brokerage if I accept?	If you accept the Offer and your Cue Shares are registered in an Issuer Sponsored Holding in your name, you will not incur any brokerage fees in connection with your acceptance of the Offer. If Your Cue Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Cue Shares are registered in the name of a broker, bank custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transactional fees or service charges in connection with the acceptance of the Offer. If you are an Ineligible Foreign Shareholder or Small Parcel Shareholder, the cash proceeds that you will be sent (following the sale of the Horizon Shares that you would otherwise have been entitled to receive under the Offer) will be net of transaction costs. See clauses 8.5 and 12.4 of Appendix 1 to the Replacement Bidder's Statement.	N/A
Will I need to pay stamp duty if I accept the Offer?	Cue Shareholders will not be liable to any stamp duty in respect of their disposal of Cue Shares.	Section 7.8

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Question	Answer	Further Information
Can Horizon withdraw its Offer?	Horizon may only withdraw the Offer with the written consent of ASIC in accordance with the requirements of the Corporations Act and subject to the conditions (if any) specified in such consent.	Section 4.7
I am a Cue Shareholder based overseas. How does the Offer affect me?	If you are an Ineligible Foreign Shareholder and accept the Offer, you will not be entitled to receive Horizon Shares under the Offer. Instead, if you accept the Offer, you will be paid by the Nominee the net proceeds of the sale (on the ASX by the Nominee) of the Horizon Shares you would have otherwise been entitled to.	Section 4.16
What happens if I am a Small Parcel Shareholder?	If you are a Small Parcel Shareholder and accept the Offer, you will not be entitled to receive Horizon Shares under the Offer. Instead, if you accept the Offer, you will be paid by the Nominee the net proceeds of the sale (on the ASX by the Nominee) of the Horizon Shares you would have otherwise been entitled to.	Section 4.17
Is the Offer open to exercised Cue Options?	The Offer extends to Cue Shares that are issued or otherwise come into existence during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of rights attached to, other securities convertible into Cue Shares (including Cue Options) that are on issue at the Register Date.	Section 4.2(b)
Is there a number I can call if I have any questions?	You should contact your financial, legal or other professional adviser. If you have any questions in relation to the Offer or this Target's Statement, please contact the Cue Shareholder Information Line on 1300 560 339 (callers within Australia) or +61 2 8011 0354 (callers outside Australia) between 9.00am and 5.00pm (Melbourne time) on business days.	N/A

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3 Your choices as a Cue Shareholder

The Independent Board Committee has carefully considered the Offer to assess whether it is in the best interests of Cue Shareholders. The Independent Directors unanimously recommend that you **REJECT** the Offer for the reasons set out in Section 1 of this Target's Statement.

Cue encourages you to consider your personal risk profile, investment objectives and tax and financial circumstances before making any decision in relation to your Cue Shares.

As a Cue Shareholder, you have the following three choices available to you in relation to the Offer:

3.1 Option 1: REJECT the Offer by doing nothing

If you do not wish to accept the Offer and want to retain your Cue Shares, simply **DO NOTHING** and **TAKE NO ACTION** in relation to any documents sent to you by Horizon.

If you decide to do nothing, you should be aware of the risks associated with rejecting the Offer, including the rights of Horizon to compulsorily acquire your Cue Shares in certain circumstances. For further information on these risks, refer to Section 6 of this Target's Statement.

This is the unanimous recommendation of the Independent Directors. This recommendation is given as at the date of this Target's Statement and the Independent Directors reserve the right to change their recommendation.

3.2 Option 2: Sell your Cue Shares on market to a third party

During the Offer Period, you can still sell your Cue Shares on market through the ASX at any time at the prevailing market price for cash (less any brokerage), provided you have not already accepted the Offer.

As at the Last Practicable Date, the closing price of Cue Shares was $0.15 (15 cents), being $0.007 (0.7 cents) higher than the implied value of the Offer Consideration per Cue Share offered under the Offer at the Announcement Date.

If you sell your Cue Shares on the ASX, you:

(a) will not receive the benefits of:

(i) the potential upside of Cue, including its projects and asset portfolio;

(ii) any superior proposal received from a third party, whether for the whole of Cue or in relation to any of its assets; or

(iii) any potential increase in the Offer Price from Horizon,

(although there is no certainty as to whether such events will occur);

(b) may incur a brokerage charge; and

(c) may be liable for tax on gains you make on the sale.

You should contact your broker for information on how to sell your Cue Shares on the ASX and your tax adviser to determine your tax implications from such a sale.

3.3 Option 3: Accept the Offer

(a) How to accept the Offer

The Independent Board Committee unanimously recommends that you **REJECT** the Offer.

However, if you choose to accept the Offer, your acceptance must be received before the close of the Offer Period which is currently scheduled to occur at 7.00pm (Sydney time) on 5 June 2026 unless the Offer Period is extended in accordance with the Corporations Act.

Instructions on how to accept the Offer are set out in clause 6 of Appendix 1 to the Replacement Bidder's Statement and in the Acceptance Form accompanying the Replacement Bidder's Statement. If you want to accept the Offer, you should follow these instructions carefully to ensure that your acceptance is valid.

(b) Effect of acceptance

If you accept the Offer you will be entitled to be issued and paid the Offer Consideration by Horizon in accordance with the terms of the Offer (see clause 8 of Appendix 1 to the Replacement Bidder's Statement for further information on timing of payment of the Offer Consideration).

If you choose to accept the Offer (subject to the possible withdrawal rights set out in Section 4.9 of this Target's Statement), you will:

(a) you will not be able to withdraw your acceptance, meaning that you will not be able to sell your Cue Shares on market or accept a higher price as part of a superior proposal if one emerges; and

(b) you may be liable for tax on the disposal of your Cue Shares as a result of your acceptance. An overview of the tax consequences for certain Australian resident Cue Shareholders of selling Cue Shares is provided in section 9 of the Replacement Bidder's Statement. See also Section 7 of this Target's Statement for further information on the tax consequences of the Offer.

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The information contained in section 9 of the Replacement Bidder's Statement has not been independently verified by Cue or its officers or advisers. Accordingly, subject to the Corporations Act, neither Cue nor its officers or advisers makes any representation or warranty (express or implied) as to the accuracy or completeness of such information.

The effect of acceptance of the Offer is explained in more detail in clause 7 of Appendix 1 to the Replacement Bidder's Statement. You should read those provisions in full to understand the effect that acceptance will have on your ability to exercise the rights attaching to your Cue Shares and the representations and warranties that you are deemed by Horizon to give to it by accepting the Offer.

Cue Shareholders should note that if Horizon has a Relevant Interest in:

(a) at least 90% (by number) of the Cue Shares on issue; and

(b) 75% (by number) of the Cue Shares that Horizon has offered to acquire under the Offer,

Horizon will be entitled to (and has stated that it intends to) compulsorily acquire the Cue Shares that it does not already own (see Section 4.12 of this Target's Statement).

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4 Information about Horizon and the Offer

4.1 Information about Horizon[15]

(a) Overview

Horizon is an ASX listed (ASX: HZN), Australia-based exploration and production company with more than 50 years of operations, focused on conventional oil and gas assets across the Asia-Pacific with non-operating interests in oil and gas production assets in China, New Zealand, Australia and Thailand.

Horizon's assets include interests in the Mereenie oil and gas field (Australia) and the Maari and Manaia oil fields (New Zealand), these being assets in which Cue also has a participating interest.

Horizon reported FY25 EBITDAX of ~US$54.8 million (A$84 million) and operating cashflow of ~US$35.9 million (A$55 million).

As at the Last Practicable Date, Horizon had a market capitalisation of approximately A$463.9 million.

(b) Overview of Horizon's interest in Cue

According to section 10.8 of the Replacement Bidder's Statement, Horizon had a Relevant Interest in 139,885,879 Cue Shares at the Announcement Date (relating to 139,885,879 Cue Shares in which Horizon has obtained a Relevant Interest due to Horizon's entry into the Pre-Bid Agreement with Echelon), giving Horizon Voting Power in Cue of 19.99%.

As at the Last Practicable Date, Horizon has disclosed Voting Power in Cue of 21.18% (relating to 139,885,879 Cue Shares in which Horizon has obtained a Relevant Interest due to Horizon's entry into the Pre-Bid Agreement with Echelon and disclosed acceptances under the Offer as at the Last Practicable Date).

4.2 Summary of the Offer

Horizon has lodged with ASIC and served on Cue a copy of its Replacement Bidder's Statement, which contains the Offer to Cue Shareholders to acquire all of your Cue Shares.

This section contains a summary of the terms and conditions of the Offer. The full terms and conditions of the Offer are set out in Appendices 1 and 2 of the Replacement Bidder's Statement.

[15] This information regarding Horizon has been collated from public sources, including the Replacement Bidder's Statement and the website of Horizon at https://horizonoil.com.au/ and has not been independently verified. The information included should not be considered comprehensive.

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(a) Offer Consideration

Under the Offer, Horizon is offering to issue Cue Shareholders $0.008 cash (0.8 cents) and 0.5625 Horizon Share for every 1 Cue Share they hold.

Each new Horizon Share will rank equally with the Horizon Shares currently on issue. If the number of Horizon Shares to which you are entitled is not a whole number, then any fractional entitlement will be rounded up to the nearest whole number, if equal to a fraction of 0.5 or greater, or rounded down to the nearest whole number, if equal to a fraction of less than 0.5. If you accept the Offer made to you, the value of the consideration you will receive will depend on the price of Horizon Shares at the time or times that the Horizon Shares are issued to you under the Offer.

You may only accept the Offer in respect of all (and not a part) of your Cue Shares.

Horizon has confirmed in its Replacement Bidder's Statement that the Offer Consideration will not be reduced or adjusted in any way for the Cue Interim Dividend.

(b) Options

The Offer does not extend to the acquisition of any Cue Options.

However, the Offer extends to any Cue Shares that are issued before the end of the Offer Period as a result of the vesting and exercise of Cue Options. Refer to Section 8.7(b) of this Target's Statement for details as to the impact of the Offer on the Cue Options.

The Offer is conditional on all Cue Options being exercised, cancelled for nil consideration, lapsed or subject to cancellation agreements before the end of the Offer Period.

(c) Offer Period

The Offer will remain open for acceptance during the period commencing 19 March 2026 and is scheduled to close at 7.00pm (Sydney time) on 5 June 2026 unless the Offer is extended or withdrawn.

(d) Extension of Offer Period

The Offer Period may be extended at any time prior to the last seven (7) days of the Offer Period, or in limited circumstances, at any time prior to the end of the Offer Period (in accordance with the Corporations Act).

In addition, there will be an automatic extension of the Offer Period if, within the

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last seven (7) days of the Offer Period, Horizon's Voting Power in Cue increases to more than 50%. If that occurs, the Offer Period is automatically extended so that it ends fourteen (14) days after Horizon's Voting Power increasing to more than 50%.

The maximum duration of the Offer Period is 12 months.

(e) Horizon has not yet declared its Offer final

Horizon has not declared its Offer final. Accordingly, it remains open for Horizon to potentially increase the Offer Consideration, which Horizon may at its discretion choose to do.

If Horizon increases the Offer Consideration, all Cue Shareholders, whether or not they have already accepted the Offer before then, will be entitled to receive that increased Offer Consideration.

4.3 Conditions of the Offer

The Offer is subject to a number of conditions (collectively, the **Conditions**) which are set out in full in Appendix 2 of the Replacement Bidder's Statement.

If all of these Conditions are not satisfied, or waived by Horizon, before the end of the Offer Period (including any extended Offer Period), then the Offer will lapse and the Offer Consideration will not be issued to Cue Shareholders who have accepted the Offer. Furthermore, Cue Shareholders who accept the Offer will, in the meantime, lose their ability to deal with their Cue Shares (sell them on market) or accept any superior proposal, should one eventuate, except in limited circumstances where Cue Shareholders have validly withdrawn their acceptance of the Offer (see Section 4.9 of this Target's Statement).

When considering how these Conditions may affect the prospects of success of the Offer, you should be aware of the information set out in this Section 4.3

(a) Conditions wholly or partly outside of Cue's control

Many of the Conditions are wholly or partly outside the control of Cue. These Conditions include those set out in the table below.

Condition	Summary of Condition	Likely to be satisfied?
NZ Crown Minerals Condition (d) in Appendix 2 to the Replacement	Prior to the end of the Offer Period, any required consent under the *Crown Minerals Act 1991* (NZ) to the change of control of Cue's interests in the Maari and Manaia Petroleum Mining Permit (PMP) 38160 is obtained, such	Unknown. This Condition is wholly outside of Cue's control. This Condition relates to a regulatory approval that Horizon must obtain from applicable regulatory authorities in New Zealand in

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Condition	Summary of Condition	Likely to be satisfied?
Bidder's Statement	consent being unconditional or subject to conditions acceptable to Horizon.	order to obtain a Relevant Interest in more than 50% of Cue. Horizon has provided relatively few details in the Replacement Bidder's Statement concerning the nature of its engagement with applicable regulatory authorities other than to note that Horizon submitted its application for the necessary approval on 13 March 2026 and has engaged with the New Zealand Petroleum & Minerals Department. In this context, it is not possible for Cue to assess the prospects of Horizon obtaining the requisite regulatory approval or the likely timeframe in which such approval could be obtained.
NT Petroleum Act Condition (e) in Appendix 2 to the Replacement Bidder's Statement	Prior to the end of the Offer Period, any required Ministerial consent or approval under the *Petroleum Act 1984* (NT) or the *Petroleum (Prospecting and Mining) Act 1980* (NT) (as applicable) in relation to or arising out of the change of control of Cue's interests in each of the Mereenie gas and oil field (OL4 and OL5 Production Licences), Palm Valley gas field (OL3 Production Licence) and Dingo gas field (L7 Production Licence) is obtained, such consent being unconditional or subject to	Unknown. This Condition is wholly outside of Cue's control. This Condition relates to a regulatory approval that Horizon must obtain from applicable regulatory authorities in the Northern Territory in order to acquire Cue Shares or obtain a Relevant Interest in more than 50% of Cue. Horizon has provided relatively few details in the Replacement Bidder's Statement concerning the nature of its engagement with applicable regulatory authorities other than to note that Horizon expects to submit

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Condition	Summary of Condition	Likely to be satisfied?
	conditions acceptable to Horizon.	its application for the necessary approval on the week commencing 16 March 2026 and has engaged with the Department of Mining and Energy in the Northern Territory. In this context, it is not possible for Cue to assess the prospects of Horizon obtaining the requisite regulatory approval or the likely timeframe in which such approval could be obtained.
No material adverse change Condition (c) in Appendix 2 to the Replacement Bidder's Statement	No material adverse change occurring (or being discovered or becoming public) in the specified time period in respect of Cue, being certain occurrences or changes having, or being reasonably likely to have, the effect of (a) a diminution in the value of the Cue Group's net assets by at least A$10 million; or (b) reducing the consolidated net profits after tax of the Cue Group for the financial year ending 30 June 2026 by an amount equal to A$10 million or more compared to what would have been reasonably expected but for the specified event.	Unknown. Cue is not currently aware of any material adverse change which it considers would be reasonably likely to trigger this Condition. However, unforeseen events may emerge during the Offer Period which are wholly or partially outside of Cue's control and which may trigger this Condition.

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Condition	Summary of Condition	Likely to be satisfied?
No persons entitled to exercise rights under certain agreements or instruments Condition (g) in Appendix 2 to the Replacement Bidder's Statement	No person entitled to exercise, exercising or purporting to exercise, stating an intention to exercise, or asserting a right to exercise, any rights under any provision of any material agreements, which could result in certain specified consequences, including the termination of any material contract, the interest of Cue being terminated or modified, the assets or interests of Cue being sold, transferred or offered for sale or the business of Cue being adversely affected.	Unknown. This Condition is wholly or partially outside Cue's control. Cue Group Members are parties to certain contracts which contain counterparty change of control rights which could potentially be triggered in connection with the Offer, as set out further in Section 8.9. However, Cue is not currently aware of any person having exercised, or stated that they intended to exercise, any such rights thereunder which would be reasonably likely to trigger this Condition.
No litigation Condition (n) in Appendix 2 to the Replacement Bidder's Statement	No litigation against any Cue Group Member which may reasonably result in a judgment of A$5 million or more is commenced, is threatened to be commenced, is announced, or is made known to Horizon or Cue.	This Condition is wholly or partially outside Cue's control, and it is possible Cue may not meet this Condition. Please refer to section 8.8 for further details concerning an existing dispute in relation to the development of the Paus Biru project.

(b) Conditions which may require Cue to take or refrain from taking actions where this may not be in interests of Cue Shareholders

Many of the Conditions require Cue to take (or refrain from taking) various actions, where satisfying those Conditions may not necessarily be in the interests of Cue Shareholders.

These Conditions include those set out in the table below.

In the context of an extended Offer Period which is due to last until 5 June 2026 at the earliest, Cue considers that the drafting of many of the Conditions is unduly restrictive on the ordinary course of business for Cue. This may give rise to situations where undertaking ordinary course actions (which are not

material in the overall context of Cue's operations) results in certain Conditions becoming incapable of being satisfied.

On this basis, it is possible that by Cue continuing its ordinary operations, certain Conditions (as set out in the table below) may become incapable of being satisfied in the future.

In such circumstances, if a Condition is not satisfied during the Offer Period, Horizon will have discretion as to whether to declare the Offer free of the Condition or to allow the Offer to lapse.

The Cue Directors and the Independent Board Committee will make a decision to pursue any opportunity, or take any action, having regard to the best interests of Cue and Cue Shareholders, the fiduciary duties of the Cue Directors and the applicable policies and guidance of the Takeovers Panel.

Condition	Summary of Condition	Likely to be satisfied?
No prescribed occurrences Condition (b) in Appendix 2 to the Replacement Bidder's Statement	None of the prescribed occurrences listed in section 652C of the Corporations Act occurring	Potentially not. As this Condition will be on foot for the duration of the extended Offer Period, it is possible that this Condition could become incapable of being fulfilled in the future as a result of Cue operating in the ordinary course of its business and in the interests of Cue Shareholders. For example, Cue agreeing to make an issue of Cue Options under ordinary course employee incentive arrangements, could trigger limb (iv) of the Prescribed Occurrences Condition.
No material acquisitions, disposals or new commitments Condition (i) in Appendix 2 to the Replacement Bidder's Statement	Cue not: (a) undertaking any material acquisitions in excess of A$10 million (in aggregate); (b) undertaking any material disposals in excess of A$10 million (in aggregate); or	Potentially not. It is possible Cue will not meet this Condition. Given the extent to which this Condition restricts Cue's activities over a lengthy period of time (noting the Offer Period is scheduled to close on 5 June 2026 and may be further extended by Horizon) and the limited latitude and flexibility afforded by this

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Condition	Summary of Condition	Likely to be satisfied?
	(c) entering into joint venture arrangements with expected commitments in excess of A$10 million.	Condition, the Independent Directors consider that, by Cue conducting its business in the ordinary course and in the interests of Cue Shareholders, it is possible that this Condition will become incapable of being fulfilled in the future.
No capital expenditures Condition (j) in Appendix 2 to the Replacement Bidder's Statement	Except as announced prior to 2 March 2026 or in the day-to-day operations of the business, Cue not: (a) incurring or committing to incur capital expenditure in excess of A$10 million; or (b) announcing an event that would require capital expenditure in excess of A$10 million to remedy.	Potentially not. It is possible Cue will not meet this Condition. Given the extent to which this Condition restricts Cue's activities over a lengthy period of time (noting the Offer Period is scheduled to close on 5 June 2026 and may be further extended by Horizon) and the limited latitude and flexibility afforded by this Condition, the Independent Directors consider that, by Cue conducting its business in the ordinary course and in the interests of Cue Shareholders, it is possible that this Condition will become incapable of being fulfilled in the future.
Cue Options Condition (o) in Appendix 2 to the Replacement Bidder's Statement	All Cue Options having either been exercised, cancelled for nil consideration, lapsed or are the subject of cancellation agreements between Horizon and the relevant Cue Option holder.	Unknown. Any treatment of Cue Options under the Offer will be determined in accordance with their applicable terms and the Independent Board Committee will exercise any discretions under those terms at the appropriate time having regard to the best interests of Cue and Cue Shareholders. See Section 8.7(b) for further details of the impact of the Offer on Cue Options.

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4.4 Consequences of Conditions not being satisfied

As discussed in Section 4.3, there is no certainty that the Conditions of the Offer will be satisfied.

You should be aware that, even if the Conditions of the Offer are not satisfied (or are triggered, as appropriate), they may be waived by Horizon.

If any Condition is unsatisfied (or has been triggered), and has not been waived, Horizon will have an option as to whether to proceed with the acquisition of Cue Shares under its Offer (by waiving the relevant Conditions, other than any regulatory approvals required by law) or allow its Offer to lapse with unsatisfied Conditions. Generally speaking, Horizon would not have to decide whether to proceed with the acquisition of Cue Shares under its Offer until the date that it is required to provide its Notice of Status of Conditions which, as discussed in Section 4.5, can be postponed if the Offer Period is extended.

If, by the end of the Offer Period the Conditions have not been satisfied or waived, the Offer will lapse and all acceptances of the Offer will be void and have no effect.

4.5 Notice of Status of the Conditions

Section 10.1 of the Replacement Bidder's Statement states that Horizon will give a Notice of Status of Conditions to ASIC and Cue on 29 May 2026 (subject to extension in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).

Horizon is required to set out in its Notice of Status of Conditions:

- whether Horizon's Offer is free of any or all of the Conditions;
- whether, so far as Horizon knows, any of the Conditions have been satisfied; and
- Horizon's Voting Power in Cue.

If the Offer Period is extended before the time by which the Notice of Status of Conditions is to be given, the date for giving the Notice of Status of Conditions will be taken to be postponed for the same period. In the event of such an extension, Horizon is required, as soon as practicable after the extension, to give a notice to ASX and Cue that states the new date for giving the Notice of Status of Conditions.

If a Condition is fulfilled (so that the Offer becomes free of that Condition) during the Offer Period but before the date for giving the Notice of Status of Conditions is required to be given, Horizon must, as soon as practicable, give ASIC and Cue a notice that states that the particular Condition has been fulfilled.

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4.6 Waiver of Conditions

Horizon may waive (in its sole discretion) any of the Conditions prior to giving the Notice of Status of Conditions.

4.7 Withdrawal of Offer

Horizon may withdraw its Offer at any time but only in limited circumstances with the written consent of ASIC and subject to the conditions (if any) specified in ASIC's consent. See clause 10 of Appendix 1 to the Replacement Bidder's Statement for more information.

4.8 Effect of acceptance

Accepting the Offer while it is conditional may (subject to the limited revocation and withdrawal rights set out at Section 4.9):

(a) prevent you from accepting any superior proposal that may be made or any alternative superior transaction that may be recommended by the Independent Board Committee (noting that as at the date of this Target's Statement the Independent Board Committee is not aware of any other takeover offer or transaction which may be made or announced for Cue Shares);

(b) prevent you from selling or otherwise dealing with your Cue Shares on market during the Offer Period;

(c) result in you relinquishing control of your Cue Shares to Horizon and the rights attaching to them with no guarantee of payment until the Offer becomes, or is declared, unconditional – and as the Offer Period could be extended by Horizon so that its Offer is open for up to 12 months, this could result in further delays in Horizon issuing the Offer Consideration; and

(d) result in you being liable to pay tax on the disposal of your Cue Shares which may have financial consequences (as discussed in Section 7 of this Target's Statement).

The effect of acceptance of the Offer is set out in section 7 of the Replacement Bidder's Statement and in clause 7 of Appendix 1 to the Replacement Bidder's Statement. Cue Shareholders should read these provisions in full to understand the effect that acceptance will have on the rights attaching to their Cue Shares, and the representations and warranties that they give by accepting the Offer made to them.

4.9 Limited ability to withdraw your acceptance

If you accept the Offer made to you, you will have limited rights to withdraw that acceptance. Under the Corporations Act, you may withdraw your acceptance of the Offer if Horizon varies the Offer in a way that postpones, for more than one month, the time when Horizon needs to meet its obligations under the Offer (for example, by

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extending the Offer Period by more than one month) and the Offer is still subject to any Conditions at that time.

If this occurs, Horizon is required to send you a notice at the time explaining your rights in this regard.

In these circumstances, you will have a period of one month after the date of receiving notice to withdraw your acceptance. Your statutory withdrawal rights will terminate upon the expiry of that one month period, although if the Offer Period is then further extended, you may receive further statutory withdrawal rights.

4.10 When you will receive the Offer Consideration

If you accept the Offer, you will be paid the Offer Consideration on or before the later of:

(a) one month after the date the Offer becomes or is declared unconditional or one month after the date you accept the Offer (whichever is later), and

(b) 21 days after the end of the Offer Period.

Full details of when the Offer Consideration will be provided are set out in clause 8 of Appendix 1 to the Replacement Bidder's Statement.

4.11 Superior proposal

If you accept the Offer, you may be unable to accept a superior proposal if one is made.

Echelon, a Cue Shareholder that collectively owns or controls 349,368,803 Cue Shares (representing 49.97% of all Cue Shares currently on issue) has indicated an intention to accept, or procure the acceptance of, the Offer by Horizon for the remaining 29.98% of Cue Shares not subject to the Pre-Bid Agreement, in the absence of a superior proposal.[16] This may discourage other potential bidders from making a competing bid for Cue. No superior proposal has materialised to date, and the Independent Board Committee does not anticipate a superior proposal in the circumstances.

Refer to Section 8.11 of this Target's Statement for more information.

4.12 Consequences of Horizon acquiring 90% or more of Cue Shares

(a) Overview

Horizon's intentions with respect to compulsory acquisition are set out in section 6.3 of the Replacement Bidder's Statement. In summary, Horizon has stated that it will:

[16] Refer to Section 8.11.

- proceed with Compulsory Acquisition of the outstanding Cue Shares in accordance with Chapter 6A of the Corporations Act;
- upon acquiring ownership of 100% of Cue, seek to have Cue removed from the official list of the ASX;
- reconstitute the Cue Board to replace all of the Directors with nominees of Horizon; and
- conduct a general review of the operations, assets, structure and employees of Cue.

(b) Post Bid Compulsory Acquisition

Horizon will be entitled to Compulsorily Acquire any Cue Shares in respect of which it has not received an acceptance of the Offer on the same terms as the Offer if, during or at the end of the Offer Period, Horizon (together with its Associates):

- has a Relevant Interest in at least 90% (by number) of the Cue Shares; and
- has acquired a Relevant Interest in at least 75% (by number) of the Cue Shares that Horizon offered to acquire under the Offer.

If these thresholds are met, Horizon will have up to one month after the end of the Offer Period within which to give Compulsory Acquisition notices to Cue Shareholders who have not accepted the Offer. Cue Shareholders have statutory rights to challenge the compulsory acquisition, subject to the Corporations Act.

(c) General Compulsory Acquisition

If Horizon does not become entitled to proceed to Post Bid Compulsory Acquisition, Horizon will nevertheless become entitled to compulsorily acquire any outstanding Cue Shares if Horizon's Voting Power in Cue is at least 90%, and Horizon (either in its own right or with Related Bodies Corporate) acquires full beneficial interests in at least 90% of the aggregate of all Cue Shares, and Horizon:

- lodges a compulsory acquisition notice with ASIC within six months of achieving that 90% holding;
- proposes a cash sum for the compulsory acquisition of the Cue Shares;
- obtains the report of an expert stating whether, in the expert's opinion, the terms proposed in the notice represent fair value for the Cue Shares; and

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- gives each person who is a holder of Cue Shares the compulsory acquisition notice described above, a copy of the expert report describe above, and an objection form which specifies a period of at least one month during which the holder may return the objection form (**Objection Period**).

If Cue Shareholders with at least 10% of Cue Shares the subject of the compulsory acquisition notice object to the acquisition, Horizon must notify each recipient of the compulsory acquisition notice within one month after the end of the Objection Period that:

- the proposed acquisition of Cue Shares the subject of the compulsory acquisition notice will not occur; or
- Horizon has applied to a court for approval of the acquisition of the Cue Shares the subject of the compulsory acquisition notice.

4.13 Consequences of Horizon acquiring more than 50% and less than 90% of Cue Shares

If Horizon acquires more than 50% but less than 90% of the Cue Shares then Horizon will acquire a majority shareholding in Cue and effectively control Cue, but will not be entitled to Compulsorily Acquire the remaining Cue Shares.

Accordingly, Cue Shareholders who do not accept the Offer in that scenario will remain minority shareholders in Cue that would then be controlled by Horizon. This has a number of possible implications, including:

(a) Horizon will be in a position to cast the majority of votes at a general meeting of Cue. This will enable it to control the composition of the Cue Board and senior management of the Company, determine Cue' dividend policy and control the strategic direction of the businesses of Cue and its Subsidiaries;

(b) the Cue Share price may fall immediately following the end of the Offer Period, and it is unlikely that the Cue Share price will contain any takeover premium;

(c) it may be less likely that another party will seek to acquire all of the Cue Shares in the future;

(d) liquidity of Cue Shares may be lower than at present. This may make it more difficult for Cue Shareholders to sell Cue Shares on the ASX at a future date, and may result in a lower price for your Cue Shares should you wish to sell them;

(e) if the number of Cue Shareholders is less than that required by the Listing Rules to maintain an ASX listing, then Horizon may seek to have Cue removed from the official list of the ASX. If this occurs, Cue Shares will not be able to be bought or sold on the ASX, and will only be able to be bought or sold privately; and

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(f) if Horizon acquires 75% or more of the Cue Shares it will be able to pass a special resolution of Cue. This will enable Horizon to, among other things, change Cue' constitution and may enable Horizon to delist Cue from ASX.

Horizon has indicated in section 6.4 of the Replacement Bidder's Statement that if it acquires more than 50% and less than 90% of the Cue Shares, its intentions are as follows:

(a) **Cue Board representation**: Horizon intends to reconstitute the Cue Board with certain Horizon nominee directors to reflect Horizon's majority ownership of the Company;

(b) **ASX listing**: Subject to continued compliance by Cue with the ASX Listing Rules and Horizon being of the view that the benefits of a listing on the ASX outweigh the additional corporate and compliance costs of doing so, Horizon intends to maintain Cue's listing on the ASX. However, if Cue ceases to have the required spread of shareholders as required under the Listing Rules, Horizon has stated that it may make an application to remove Cue from the official list of the ASX;

(c) **dividend policy**: Horizon has not made any determination regarding Cue's dividend policy after the Offer in these circumstances, but noted that Horizon's view on the payment of dividends by Cue may be different to the current views of the Cue Board;

(d) **further acquisitions of Cue Shares**: Horizon noted that even if it does not become entitled to proceed to Post Bid Compulsory Acquisition, it may exercise other Compulsory Acquisition rights if it becomes entitled to do so as a result of further acquisition of Cue Shares as permitted by the Corporations Act; and

(e) **general review**: Horizon will attempt to procure that the Cue Board conducts a review of Cue' operations, assets, structure and employees.

4.14 Consequences of Horizon acquiring less than 50% of Cue Shares

If Horizon waives the 50.1% Minimum Acceptance Condition and acquires a Relevant Interest in less than 50.1% of Cue Shares, it may not control Cue. Horizon has indicated at section 6.5 of the Replacement Bidder's Statement that if it acquires less than 50.1% of the Cue Shares, its intentions are to seek sufficient representation on the Cue Board such that the number of Horizon nominee directors will be approximately proportionate to Horizon's holding of Cue Shares and to remain actively involved as a Cue Shareholder. Horizon has also indicated that, to the extent possible and appropriate, Horizon intends to acquire additional Cue Shares as permitted by the Corporations Act.

4.15 How to accept the Offer

Instructions on how to accept the Offer are set out in clause 6 of Appendix 1 to the Replacement Bidder's Statement.

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4.16 Ineligible Foreign Shareholders

Ineligible Foreign Shareholders are not entitled to receive Horizon Shares under the Offer.

The Replacement Bidder's Statement defines Ineligible Foreign Shareholders as those Cue Shareholders whose registered address is in a jurisdiction other than Australia or its external territories, New Zealand or Singapore or any other person or jurisdiction in respect of which Horizon reasonably believes that it is not prohibited and not unduly onerous or impractical to issue Horizon Shares to a Cue Shareholder with a registered address in such jurisdiction). Refer to section 10.7(c) of the Replacement Bidder's Statement for more information.

If you are an Ineligible Foreign Shareholder, you will not be entitled to receive Horizon Shares under the Offer and will not receive (or participate in) any of the expected or potential benefits of being a Horizon Shareholder after completion of the Offer. Instead, if you accept the Offer, you will be paid by the Nominee the net proceeds of the sale (on ASX by the Nominee) of the Horizon Shares you would have otherwise been entitled to. See section 10.7 of the Replacement Bidder's Statement and clause 8.4 of Appendix 1 to the Replacement Bidder's Statement for more information.

If you require further information to determine whether you are an Ineligible Foreign Shareholder, you should contact Horizon.

4.17 Small Parcel Shareholders

Small Parcel Shareholders are not entitled to receive Horizon Shares under the Offer.

The Replacement Bidder's Statement considers a Small Parcel Shareholder as a Cue Shareholder who would be entitled to receive a total number of Horizon Shares as consideration under the Offer which constitute a parcel of Horizon Shares having a value of less than $500 based on the highest closing price of Horizon Shares on the ASX during the period from 2 March 2026 until the earlier of the end of the Offer Period and five ASX trading days before the first day on which Horizon must provide the Offer Consideration under the Offer.

If you are a Small Parcel Shareholder, you will not be entitled to receive Horizon Shares under the Offer and will not receive (or participate in) any of the expected or potential benefits of being a Horizon Shareholder after completion of the Offer. Instead, if you accept the Offer, you will be paid by the Nominee the net proceeds of the sale (on the ASX by the Nominee) of the Horizon Shares you would have otherwise been entitled to. See section 10.7 of the Replacement Bidder's Statement and clause 8.4 of Appendix 1 to the Replacement Bidder's Statement for more information.

If you require further information to determine whether you are a Small Parcel Shareholder, you should contact Horizon.

5 Information about Cue

5.1 Overview of Cue

Cue is an ASX listed oil and gas production and exploration company with a diversified portfolio of gas and oil assets in Australia, Indonesia and New Zealand.

Cue's objective is to sustainably build a robust and substantial energy company by maximising the value of its existing assets and acquiring or developing production assets.

Cue has a clear strategy to deliver growth and shareholder value, by:

- maximising value from existing assets through development and exploration across its current project portfolio, which may include:
  - further development wells at Mereenie and Palm Valley;
  - Mahato development plan OPL3 and the GA-1 exploration well; and
  - Maari subsurface opportunities which are currently under review;
- delivering attractive returns to Cue Shareholders in the form of dividends and capital growth, including $33 million returned to Cue Shareholders since the establishment of Cue's dividend policy in February 2024; and
- pursuing new project growth in areas known to Cue, including growth opportunities in Indonesia and Australia.

Cue reported revenue in FY25 of $54.8 million and EBITDAX of $30.3 million. Production for FY25 was 602,000 barrels of oil equivalent (**boe**), consistent with production levels over the last four years.

Cue continues to balance disciplined reinvestment with shareholder returns, having returned more than $33 million to shareholders since the beginning of CY24, supported by strong cash generation from its diversified production base.

Cue maintains corporate offices in Melbourne, Australia and Jakarta, Indonesia. Details of Cue's corporate offices and operating projects are set out below:

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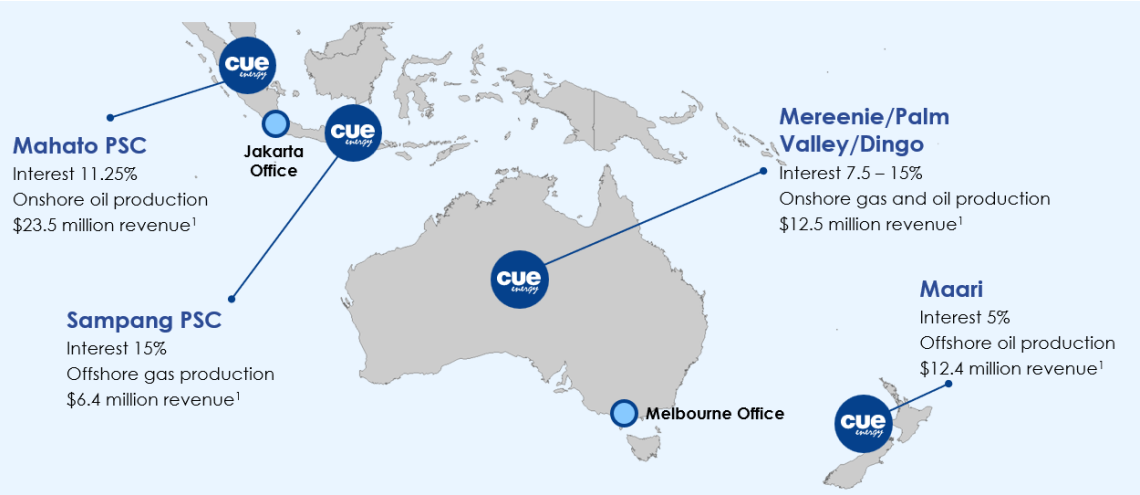


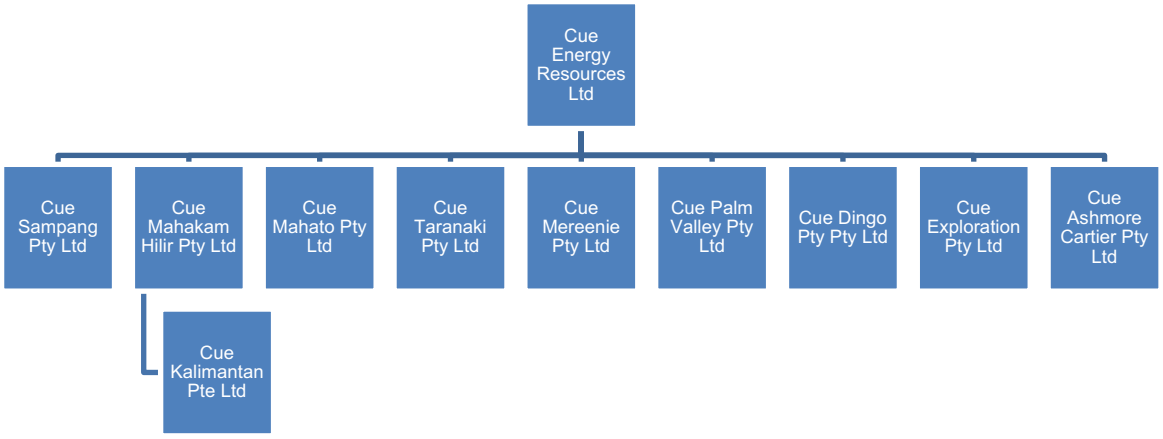
Cue Assets with FY25 Revenue and Corporate Offices

5.2 Corporate History

Cue was incorporated in 1981 in New Zealand and transferred its incorporation from New Zealand and reincorporated as an Australian oil and gas exploration and production company in 2005. Cue has been listed on the ASX since 11 December 1995.

5.3 Corporate Structure

An overview of the corporate structure of Cue is set out below:



Cue Structure Diagram

All subsidiaries are 100% owned by Cue Energy Resources Ltd, except Cue Kalimantan Pte Ltd which is 100% owned by Cue Mahakam Hilir Pty Ltd.

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5.4 Cue Assets and Operations

(a) Australia

Cue holds interests in three onshore production assets in the Amadeus Basin in the Northern Territory, being the Mereenie, Palm Valley and Dingo fields. Further details regarding each of the production assets are set out below.

These assets were acquired by Cue in 2021 and produce gas which can be sold in the Northern Territory and East Coast gas markets.

Mereenie Gas and Oil Field (OL4/OL5)

Production

Located the Amadeus Basin, the Mereenie Gas and Oil Field is the largest onshore field in the Northern Territory. It was discovered in 1963 and commenced production in 1984.

Gas produced from the field is transported through the Amadeus Gas pipeline to customers in the Northern Territory. Access to the Australian East Coast gas markets is available through the Northern Gas Pipeline.

Gas production from Mereenie field averaged approximately 25 Terajoules per day (**TJ/d**)(100%) in 2Q FY26 with the majority of the gas sold under long term take or pay contracts, including a 5 year contract with the Northern Territory Power and Water Corporation (**PWC**).

Development

On 15 Dec 2025, Cue announced the execution of a Letter of Intent (the **LOI**) with PWC to support the immediate work for a 2 well development program at Mereenie and progress conditional gas supply terms into a binding Gas Sales Agreement that will provide for firm gas supply through to 2034. The LOI has subsequently been extended with a deadline to execute binding Gas Sales Agreements by 10 April 2026. The finalisation and execution of any binding gas sales agreements remain subject to negotiation and there is no guarantee of the outcome of the discussion or the subsequent drilling of wells in the Mereenie field.

The Mereenie joint venture is also evaluating the opportunity to appraise and develop an undeveloped reservoir in the Mereenie field (the Stairway Sandstone).

Participating Interests

Participating interests in the production licence for the Mereenie Gas and Oil Field are:

Participant	Interest (%)
Echelon	42.5
Central Petroleum (Operator)	25.0
Horizon	25.0
Cue	7.5

Palm Valley Gas Field

Production

The Palm Valley gas field is located approximately 100 km west of Alice Springs and produces gas that can be transported through the Amadeus Gas Pipeline and the Northern Gas pipeline and be sold into the Northern Territory and East Coast gas markets.

Average production from Palm Valley for 2Q FY26 was 6.1 Tj/d (100%), which is sold on fixed term take or pay contracts.

Development

On 15 Dec 2025, Cue announced the execution of a Letter of Intent (the **LOI**) with PWC to support the immediate work for a 2 well development program at Palm Valley and progress conditional gas supply terms into a binding Gas Sales Agreement that will provide for firm gas supply through to 2034. The LOI has subsequently been extended with a deadline to execute binding Gas Sales Agreements by 10 April 2026. The finalisation and execution of any binding gas sales agreements remains subject to negotiation and there is no guarantee of the outcome of the discussions or the subsequent drilling of wells in the Palm Valley field.

Participating Interests

Participating interests in the production licence for the Palm Valley Gas Field are:

Participant	Interest (%)
Central Petroleum (Operator)	50
Echelon	35
Cue	15

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Dingo Gas Field

The Dingo field produces gas, that is processed at the Brewer Estate processing facility located near Alice Springs and is transported via a pipeline to the Owen Springs Power Station, which provides electricity for Alice Springs.

Gas from the Dingo field is sold under a long term contract.

Participating interests in the production licence for the Dingo Gas Field are:

Participant	Interest (%)
Central Petroleum (Operator)	50
Echelon	35
Cue	15

(b) Indonesia

Mahato PSC

Production

Cue holds a 11.25% interest in the Mahato PSC located in Central Sumatra, Indonesia. Oil production from the PB field within the PSC has been ongoing since early 2021, following the drilling of a discovery well in late 2019.

The Central Sumatra Basin hosts some of Indonesia's largest oil fields, including the Minas and Duri fields. Cue entered the Mahato PSC in 2014 during the exploration phase and participated in the PB-1 exploration well which successfully resulted in the discovery of the PB oil field.

Commercial production from the PB oilfield commenced in 2021. A total of 40 wells have been drilled under three Government of Indonesia development approvals, the original Plan of Development (POD) and 2 subsequent plans of development (OPL1 and OPL2). The primary reservoir in the PB field is the Bekasap reservoir.

Net production for 2Q FY26 reported by Cue was approximately 650 barrels of oil per day (bbl/d). Oil is exported and sold on Brent based pricing

Exploration and Development

The field operator is preparing a Phase 3 development plan (OPL3) targeting additional production from the Telisa reservoir, which is not currently producing. Approval of the development plan is expected mid CY26 with operations anticipated to commence 2H CY26

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An exploration well, GA-01 is planned in the Mahato PSC and is currently undergoing permitting and approvals. Drilling is expected to take place before the end of CY26.

Participating interests

Participating interests in the Mahato PSC are:

Participant	Interest (%)
Texcal Energy Mahato (Operator)	72.25
Central Sumatra Energy	11.50
Cue	11.25
Riau Petroleum	5.00

Sampang PSC

Cue holds a 15% interest in the Sampang PSC located in the Madura Strait, East Java, Indonesia. The Sampang PSC comprises two producing fields, Oyong and Wortel gas fields, along with a gas discovery at Paus Biru.

Gas produced from the Oyong and Wortel fields is transported via a subsea pipeline to the Grati gas processing plant, where it is then supplied to PT Indonesia Power as fuel for the Grati electricity generation plant.

Production from the Oyong and Wortel fields continues to decline as the fields approach the late stages of their production life. The operator is actively reviewing all available options to optimise output from existing wells.

Joint Venture partner Singapore Petroleum Sampang has advised it will not participate in the Paus Biru development and does not intend to remain in the Sampang PSC beyond its current expiry in December 2027.

Cue has advised the joint venture partners in the Sampang PSC that it will not participate in the Paus Biru development and does not intend to remain in the Sampang PSC beyond its current expiry in December 2027.

Please refer to Section 8.8 for further details of an existing dispute with the Operator of the Sampang PSC in relation to the Paus Biru development.

Participating interests in the Sampang PSC are:

Participant	Interest (%)
Medco Energi (Operator)	45
Singapore Petroleum Corporation	40
Cue	15

(c) New Zealand

Production

Cue holds a 5% interest in Petroleum Mining Permit (PMP) 38160 which contains the Maari and Manaia producing oilfields, and is located in the Taranaki Basin, approximately 80 km offshore New Zealand.

Oil is produced through a wellhead platform adjacent to the Maari field and is connected to the Floating Production Storage and Offtake (FPSO) vessel Raroa.

Oil is marketed to nearby refineries via tanker shipments and is sold at Brent benchmark pricing, usually with a modest premium.

Oil production from the Maari field for the quarter ended 31 December 2025 was consistent with previous quarters at over 5,400 barrels (100%) of oil per day, which has been supported by ongoing field optimisation activities by the joint venturers.

Development

The New Zealand Government has recently granted a 10 year extension to the permit, which now expires in 2037, providing additional time to pursue new development opportunities. The joint venture is currently assessing subsurface opportunities to enhance oil recovery and extend field life, which may include infill drilling and recompletions in existing wells.

Participating Interests

Participating interests in the Petroleum Mining Permit (PMP) 38160 are:

Participant	Interest (%)
OMV (Operator)	69
Horizon	26
Cue	5

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5.5 Reserves and Resources

As at 1 July 2025, Cue was estimated to hold 5.5 million barrels of oil equivalent (**mmboe**) of 2P Petroleum Reserves and 5.6 mmboe of 2C Contingent Resources.

Summaries of Cue's Petroleum Reserves and Contingent Resources estimates are set out below.

(a) 2P Reserves Summary

RESERVES PROVEN & PROBABLE (2P)		2P DEVELOPED			2P UNDEVELOPED			2P TOTAL		
		GAS	OIL	EQUIVALENT	GAS	OIL	EQUIVALENT	GAS	OIL	EQUIVALENT
Country	Field / Permit	PJ	mmstb	mmboe	PJ	mmstb	mmboe	PJ	mmstb	mmboe
Australia	Mereenie	11.0	0.1	1.5	0.4	0.0	0.1	11.4	0.1	2.0
	Palm Valley	3.1	0.0	0.5	0.0	0.0	0.0	3.1	0.0	0.5
	Dingo	3.3	0.0	0.5	3.2	0.0	0.5	6.5	0.0	1.1
New Zealand	Maari	0.0	0.2	0.2	0.0	0.3	0.3	0.0	0.5	0.5
Indonesia[1]	Sampang	1.2	0.0	0.2	0.9	0.0	0.1	2.1	0.0	0.4
	Mahato	0.0	1.1	1.1	0.0	0.0	0.0	0.0	1.1	1.1
TOTAL RESERVES		**18.6**	**1.4**	**3.9**	**4.5**	**0.3**	**1.0**	**23.1**	**1.7**	**5.5**

Notes

1 Indonesian Reserves are net of Indonesian Government share of Production. Production Sharing Contract (PSC) adjustments affect the net equity across the various reserve categories.

(b) 2C (Best Estimate) Contingent Resources Summary

Contingent Resources (2C) Field[1]	Equity	Gas (PJ)	Oil (mmstb)	Total (mmboe)
Mereenie	7.5%	13.7	0.0	2.3
Palm Valley	15%	0.6	0.0	0.1
Mahato - Telisa	11.25%	0.0	0.8	0.8
Total		**14.3**	**0.8**	**3.2**

Notes

1 Given Cue has advised the joint venture partners in the Sampang PSC that it will not participate in the Paus Biru development or any extension of the Sampang PSC, no contingent resources relating to the Paus Biru development or Jeruk field have been included in the summary of Cue's Contingent Resources (2C).

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5.6 Cue Directors and management

(a) Board of Directors

Director	Experience and Qualifications	Independence
Alastair McGregor Non-Executive Chairman	Mr McGregor has worked in the oil and gas sector since 2003 and is the Chief Executive of O.G. Oil & Gas Limited, overseeing its onshore and offshore exploration and production interests and leading the O.G. Energy Senior Management Committee. He also serves as a director of Echelon Resources Ltd and as Chief Executive of Omni Offshore Terminals Limited, a global provider of FSO/FPSO solutions with operations across New Zealand, Australia, Southeast Asia, the Middle East and South America. Earlier in his career, he spent 12 years in banking with Citigroup and Salomon Smith Barney. He holds a BEng (Hons) and an MSc in Aeronautical Engineering.	Not Independent
Marco Argentieri Non-Executive Director	Mr Argentieri is a Director of Echelon and Executive Vice President of O.G. Energy, and serves on the Boards of O.G. Energy and O.G. Oil & Gas. His prior experience spans finance, offshore oil services and shipping. He began his career as an attorney in the New York offices of Skadden, Arps, Slate, Meagher & Flom LLP and Latham & Watkins LLP. He holds a B.A. from the University of Rochester, a J.D. from New York University and an MBA from Columbia University.	Not Independent
Andrew Jefferies Non-Executive Director	Mr Jefferies is the Managing Director of Echelon. He commenced his career with Shell in Australia following completion of a Bachelor of Engineering (Mechanical) (Hons) from the University of Sydney in 1991. He also holds an MBA in Technology Management from Deakin University (Australia) and a Master of Science in Petroleum Engineering from Heriot-Watt University (Scotland). Mr Jefferies is a graduate of the Australian Institute of Company Directors (GAICD) and is a Certified Petroleum Engineer with the Society of Petroleum Engineers. Over the course of his career, he has held technical and leadership	Not Independent

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Director	Experience and Qualifications	Independence
	roles across multiple international jurisdictions, including Australia, Germany, the United Kingdom, Thailand and the Netherlands, and is currently based in New Zealand.	
Peter Hood AO Non-Executive Director and Chair of the Independent Board Committee	Mr Hood is a professional chemical engineer with 55 years' experience in resource and chemical industry project development. He began his career with WMC Ltd and later served as CEO of Coogee Chemicals Pty Ltd and Coogee Resources Ltd from 1998 to 2009. A graduate of the Harvard Business School Advanced Management Programme, he is currently Chairman of Matrix Composites and Engineering Ltd and a Non-Executive Director of GR Engineering Ltd. He has also held senior industry leadership roles, including Vice-Chairman of APPEA, Chairman of the APPEA Health, Safety and Operations Committee, and President of both the Western Australian and Australian Chambers of Commerce and Industry.	Independent
Richard Malcolm Non-Executive Director and member of the Independent Board Committee	Mr Malcolm is a professional geoscientist with over 40 years of international oil and gas experience across seven markets, including Australia, New Zealand, Papua New Guinea, the UK North Sea/West of Shetlands, the Gulf of Mexico, and the Middle East/North Africa. From 2006 to 2013, he served as Managing Director of OMV UK and later as Managing Director of Gulfsands Petroleum Plc, an AIM-listed exploration and production company with operations in Syria, Tunisia, Morocco, the USA and Colombia. He is currently a Non-Executive Director of Larus Energy Limited.	Independent
Rod Ritchie Non-Executive Director	Mr Ritchie is a seasoned non-executive director with more than 45 years' global oil and gas experience, including senior leadership positions and extensive work in Health, Safety, Environment and Security (HSSE). He previously served as OMV's Senior Vice President of HSSE and Sustainability in Vienna and worked closely with the International Association of Oil and Gas	Not Independent

Director	Experience and Qualifications	Independence
	Producers (IOGP) to develop industry best-practice standards. He is also an active leadership and cultural-change consultant and has authored works on safety leadership, including several papers for the Society of Petroleum Engineers. More recently, he qualified as an executive and leadership coach with the Australian Institute of Professional Coaches and serves as a syndicate chair with the CEO Institute in Perth, Western Australia.	
Samuel Kellner Non-Executive Director	Mr Kellner has held a variety of senior executive Mr Kellner across Ofer Global since joining the group in 1980, with extensive involvement in its offshore oil and gas, shipping and real estate businesses, as well as advising on investments across managers, hedge funds and private equity. He most recently served as President of Global Holdings Management Group (US) Inc., leading North American real estate acquisition, development and financing activities. Mr Kellner is a director of O.G. Energy, O.G. Oil & Gas and Echelon, and is Chairman of Echelon's Board. As a member of the O.G. Energy Senior Management Committee, he contributes to strategy for Ofer Global's energy portfolio. He is also an Executive Director of the main holding companies for the Zodiac Maritime Limited shipping group and Omni Offshore Terminals Limited, a leading global FSO/FPSO provider. Mr Kellner holds a BA from the Hebrew University of Jerusalem and an MBA from the University of Toronto, where he also taught while undertaking PhD studies in Applied Economics.	Not Independent
Greg Bishop Non-Executive Director and member of the Independent Board Committee	Mr Bishop is a finance and governance leader with over 25 years of executive and board-level experience, including 27 years as a partner at KPMG. He previously held senior roles including Managing Partner of KPMG Wellington and co-led KPMG's energy and natural resources practice, advising major oil and gas companies including Shell, Chevron, OMV and Echelon.	Independent

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Director	Experience and Qualifications	Independence
	In 2024, he became CEO of Texel Air Australasia, where he launched a four-jet operation for Team Global Express, achieving over 98% on-time performance. Mr Bishop holds a Bachelor of Commerce, is a Fellow Chartered Accountant, and is a Chartered Member of the Institute of Directors New Zealand.	

(b) Key management

Name and Position	Experience and Qualifications
Matthew Boyall Chief Executive Officer	Matthew Boyall has been CEO of Cue since 2017. Prior to his role as CEO, from 2013 he was Cue's Commercial Manager. Matthew has over 25 years' experience in energy and natural resources with companies including Schlumberger, WMC Resources, BHP, Nexus Energy and Cue and has held positions in offshore operations, procurement, strategy, marketing and M&A, in Asia, the USA and Australia. Matthew holds Bachelor degrees in Geomatics and Science and an MBA from the University of Melbourne and is a graduate of the Australian Institute of Company Directors (GAICD).
Anita Addorisio Company Secretary	Anita has over 25 years' experience in senior finance roles within public and private entities across the technology, mining, industrial and public practice sectors, including 10+ years of ASX listed company secretary experience. Anita specialises in corporate governance, secretarial support, and statutory financial reporting. Her expertise also extends to IPOs, capital raisings, acquisitions, takeovers, and restructures. Anita holds a Masters in Accounting from Swinburne University and is a Fellow of CPA Australia and the Governance Institute of Australia.

5.7 Financial Information

(a) Historical financial information

This section sets out selected historical financial information for Cue for the financial years FY25 and FY24 and the financial half years 1H25 and 1H24 extracted from the audited consolidated financial statements of Cue for the

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financial year ended 30 June 2025 and Cue's consolidated interim financial statements for the financial half year ended 31 December 2025.

The historical consolidated financial statements have been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board, and the Corporations Act. The financial information presented in the tables below does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements.

Cue Shareholders may view complete copies of the audited and reviewed consolidated financial statements of Cue at www.asx.com.au or on the Cue website https://www.cuenrg.com.au/site/investor-information/annual-shareholders-reports.

(b) Historical consolidated statement of financial position

Below is a summary of Cue's consolidated financial position as at 31 December 2025 and 31 December 2024.

	Notes	31 Dec 2025 (A$'000)	31 Dec 2024 (A$'000)
ASSETS			
Current Assets			
Cash and cash equivalents		11,182	17,147
Trade and other receivables		13,923	10,159
Inventories		1,176	1,851
Total current assets		**26,281**	**29,157**
Non-current assets			
Advances paid for restoration works	10	6,311	6,595
Property, plant and equipment		25	24
Right-of-use assets		203	262
Production properties	8	69,854	66,063
Development assets		4,537	5,584
Deferred tax assets	9	7,162	9,955
Deposits		425	404
Total non-current assets		**88,517**	**88,887**

	Notes	31 Dec 2025 (A$'000)	31 Dec 2024 (A$'000)
TOTAL ASSETS		**114,798**	**118,044**
LIABILITIES			
Current liabilities			
Trade and other payables		3,844	5,693
Contract liabilities		113	—
Lease liabilities		70	54
Tax liabilities		4,840	4,197
Provisions		261	273
Total current liabilities		**9,128**	**10,217**
Non-current liabilities			
Contract liabilities		3,472	3,825
Lease liabilities		153	217
Deferred tax liabilities	9	12,103	10,665
Provisions	10	30,394	29,167
Total non-current liabilities		**46,122**	**43,874**
TOTAL LIABILITIES		**55,250**	**54,091**
Net assets		**59,548**	**63,953**
EQUITY			
Contributed equity	11	152,723	152,583
Reserves	12	37,958	50,901
Accumulated losses		(131,133)	(139,531)
TOTAL EQUITY		**59,548**	**63,953**

This statement should be read in conjunction with the notes to the consolidated interim statements for the financial half year ended 31 December 2025.

(c) Historical consolidated statement of profit or loss and other comprehensive income

Below is a summary of Cue's consolidated statements of profit or loss and other comprehensive income for FY25 and FY24 and 1H25 and 1H24.

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	6 months to 31 Dec 2025 (A$'000)	12 months to 30 June 2025 (A$'000)	6 months to 31 Dec 2024 (A$'000)	12 months to 30 June 2024 (A$'000)
Revenue	25,712	54,841	27,114	49,659
Production Costs	(15,354)	(29,518)	(14,251)	(19,629)
Gross profit	**10,358**	**25,323**	**12,863**	**30,030**
Other income	175	943	272	836
Net foreign currency exchange gain/(loss)	(189)	42	350	(119)
Exploration and evaluation expenses	(38)	(1,066)	(943)	(228)
Corporate and administration expenses	(1,555)	(3,319)	(1,521)	(3,148)
Sales and marketing expenses	(723)	(1,771)	(796)	(1,365)
Finance costs	(307)	(494)	(273)	(684)
Profit before income tax	**7,721**	**19,658**	**9,952**	**25,322**
Income tax expense	**(2,610)**	**(13,342)**	**(5,612)**	**(11,133)**
Profit for the half/financial year	**5,111**	**6,316**	**4,340**	**14,189**
Foreign currency translation	(196)	663	1,624	388
Total comprehensive income for the half/financial year	**4,915**	**6,979**	**5,964**	**14,577**
	A$ CENTS	A$ CENTS	A$ CENTS	A$ CENTS
Basic earnings per share	0.73	0.90	0.62	2.03
Diluted earnings per share	0.73	0.90	0.62	2.03

This statement should be read in conjunction with the notes to the audited consolidated financial statements of Cue for the financial year ended 30 June

2025 and the consolidated interim statements for the financial half year ended 31 December 2025.

(d) Historical consolidated statement of cash flows

Below is a summary of Cue's consolidated statement of cash flow for FY25 and FY24 and 1H25 and 1H24.

	6 months to 31 Dec 2025 (A$'000)	12 months to 30 June 2025 (A$'000)	6 months to 31 Dec 2024 (A$'000)	12 months to 30 June 2024 (A$'000)
Cash flows from operating activities				
Receipts from customers	23,400	51,833	25,771	56,362
Interest received	165	483	263	833
Payments to suppliers and employees	(13,113)	(21,411)	(10,131)	(19,180)
Payments for exploration and evaluation expenditure	(50)	(1,089)	(987)	(217)
Income tax paid	(283)	(4,152)	(1,339)	(9,139)
Royalties paid	(942)	(1,830)	(718)	(1,598)
Interest and other finance costs paid	–	–	–	(118)
Net cash inflows from operating activities	**9,177**	**23,834**	**12,859**	**26,943**
Cash flows from investing activities				
Payments for exploration, development and production properties/assets	(5,041)	(15,375)	(5,579)	(7,506)
Payments for plant and equipment	(5)	(9)	(8)	(4)
Payments for businesses acquired	–	–	–	(225)
Payments for security deposits	(8)	(12)	–	–
Net cash (outflows) from investing activities	**(5,054)**	**(15,396)**	**(5,587)**	**(7,735)**

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	6 months to 31 Dec 2025 (A$'000)	12 months to 30 June 2025 (A$'000)	6 months to 31 Dec 2024 (A$'000)	12 months to 30 June 2024 (A$'000)
Cash flows used in financing activities				
Dividends paid	(3,499)	(13,978)	(6,987)	(13,967)
Payments of principal element of lease liabilities	(39)	(74)	(38)	(84)
Repayment of borrowings (incl. related party)	—	—	—	(4,000)
Net cash (outflows) from financing activities	**(3,538)**	**(14,052)**	**(7,025)**	**(18,051)**
Net increase / (decrease) in cash and cash equivalents	585	(5,614)	247	1,157
Cash and cash equivalents at the beginning of the financial year	10,832	16,259	16,259	15,238
Effects of exchange rate changes on cash and cash equivalents held in foreign currencies	(235)	187	641	(136)
Cash and cash equivalents at the end of the period	**11,182**	**10,832**	**17,147**	**16,259**

This statement should be read in conjunction with the notes to the audited consolidated financial statements of Cue for the financial year ended 30 June 2025 and the consolidated interim statements for the financial half year ended 31 December 2025.

5.8 Key risks to Cue

Section 6.3 contains a non-exhaustive list of the risks associated with holding an investment in Cue.

5.9 Dividend history

On 25 February 2026, the Cue Board approved the declaration of an interim dividend of $0.0025 (0.25 cents) per Cue share, totalling approximately $1.75 million (**Cue Interim Dividend**). This interim dividend was declared as a conduit Foreign Income (CFI), unfranked dividend and paid on 26 March 2026

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On 22 August 2025, the Cue Board approved the declaration of a final dividend of $0.005 (0.5 cents) per Cue share, totally approximately $3.5 million. This final dividend was declared as a conduit Foreign Income (CFI), unfranked dividend and paid on 25 September 2025.

On 25 February 2025, the Cue Board approved the declaration of an interim dividend of $0.01 (1 cent) per Cue Share, totalling approximately $7 million. This interim dividend was declared as a conduit Foreign Income (CFI), unfranked dividend and paid on 26 March 2025.

Since the beginning of CY 2024, Cue has returned over $33 million in dividends, a strong testament to the underlying strength of its production portfolio and capital management approach.

5.10 Publicly available information about Cue

Cue is a listed disclosing entity for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Cue is subject to the Listing Rules which require continuous disclosure of any information Cue has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities (subject to certain exceptions).

ASX maintains files containing publicly disclosed information about all listed companies. Cue's file is available for inspection at ASX during normal business hours. Cue's recent ASX announcements are available from the ASX website (www2.asx.com.au). Cue's ASX announcements released between the Announcement Date and the Last Practicable Date are listed at Attachment A.

In addition, Cue is required to lodge various documents with ASIC, copies of which may be obtained from, or inspected at, an ASIC office.

A substantial amount of information about Cue is also available in electronic form at https://www.cuenrg.com.au/site/content/.

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6 Risk Factors

6.1 Introduction

In considering the Offer, Cue Shareholders should be aware that there are a number of risk factors associated with either accepting or rejecting the Offer and continuing to hold Cue Shares.

In deciding whether to accept the Offer, Cue Shareholders should read this Target's Statement and the Replacement Bidder's Statement carefully and consider these risks. While some of these risks can be mitigated, some are outside the control of Cue and the Cue Board and cannot be mitigated.

The risks set out in this Section 6 do not take into account the individual investment objectives, financial situation, position or particular needs of Cue Shareholders. If you are unclear in relation to any matter you should consult your financial, legal or other professional adviser.

This Section 6 does not set out an exhaustive list of all risks. In addition, these risks are general in nature only and do not cover every risk that may be associated with an investment in Cue now or in the future.

6.2 Risks associated with accepting the Offer

The Independent Board Committee unanimously recommends that Cue Shareholders should **REJECT** the Offer for the reasons set out in Section 1 of this Target's Statement.

Cue Shareholders should also be aware of the following risks associated with accepting the Offer:

(a) The value of the Offer Consideration is uncertain

The Offer Consideration under the Offer is a specified number of Horizon Shares per Cue Share, rather than a fixed number of Horizon Shares referable to a specific market value.

If you accept the Offer, and the Offer becomes unconditional, you will receive the Offer Consideration on or before the earlier of:

(i) one month after the date you accept the Offer and the date that the Offer becomes unconditional (whichever is later); and

(ii) 21 days after the end of the Offer Period.

In addition, there is an ongoing risk, which exists with any investment in or holding of shares listed on a public exchange, that the price of Horizon Shares (and therefore the value of the Offer Consideration received by accepting Cue Shareholders) may fall in the future. In particular, there is a risk that some

accepting Cue Shareholders may not intend to continue to hold their Horizon Shares and may wish to sell them on ASX, which would put downward pressure on the price of Horizon Shares. No guarantee can be made as to the price or value of Horizon Shares.

(b) Possible appreciation of Cue Shares in the future

You may be able to sell your Cue Shares in the future for more valuable consideration than the Offer Consideration (though the Independent Directors can give no assurances and make no forecast of whether this will occur).

(c) Possibility of a superior proposal emerging

A potential superior proposal may emerge (although the Independent Board Committee can give no assurances that this will occur).

By accepting the Offer, you will not be able to accept any superior proposal that may be made, unless you are entitled to revoke or withdraw your acceptance under limited circumstances (see Section 4.9 for further information on those rights). As such, you may not be able to obtain any potential benefit associated with any such superior proposal.

As at the date of this Target's Statement, no superior proposal has emerged and the Independent Board Committee is not aware of a proposal by anyone to make a superior proposal.

(d) Taxation consequences of accepting the Offer

The taxation consequences of disposing of your Cue Shares pursuant to the Offer depend on a number of factors and your particular circumstances. A general outline of certain Australian tax considerations of such a disposal is set out in Section 7 of this Target's Statement. You should seek your own specific professional tax advice as to the taxation implications applicable to your circumstances.

(e) Potential taxation consequences of a change of control of Cue occurring

As detailed in Section 5.4(b), certain Cue Group Members hold interests in the Mahato PSC and the Sampang PSC. The Government of Indonesia has regulations concerning the income tax treatment of consideration arising from the direct or indirect transfer of participating interests in production sharing contracts such as the Mahato PSC and the Sampang PSC.

A change of control of Cue as a result of Horizon obtaining a Relevant Interest of 50.1% or more in Cue could constitute an indirect transfer of a participating interest in the Mahato PSC and the Sampang PSC for the purpose of these regulations.

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To the extent that no exceptions apply in the circumstances, the relevant Cue Group Members which hold interests in the Mahato PSC and the Sampang PSC could become liable to pay transfer tax in connection with the change of control of Cue at a rate of up to 7% of the fair market value of the Mahato PSC and the Sampang PSC.

(f) Risks that the potential synergies or other benefits that are anticipated may not be achieved

There is a risk that the cost savings, benefits and other efficiencies, including potential synergies, arising from the combination and integration of Horizon and Cue businesses may be lower than anticipated, whether in the scenario Horizon acquires less than 100% of Cue or in the scenario where it does.

Any failure to achieve the anticipated cost savings, benefits and other efficiencies (including potential synergies) in these scenarios could impact the financial performance and position of Horizon or (in circumstances where it does acquire 100% of Cue), the Combined Entity.

Further details about the risks associated with the integration of the respective businesses of Cue and Horizon are set out in section 8.2 of the Replacement Bidder's Statement.

(g) Risks of holding Horizon Shares

If you accept the Offer, and the Offer becomes unconditional, you will become a Horizon Shareholder and be exposed to the additional risks of holding Horizon Shares. These risks are explained in section 8 of the Replacement Bidder's Statement.

In addition, as Horizon will acquire an interest in Cue through acceptances under the Offer, you will continue to be indirectly exposed to the risks associated with having an investment in Cue through Horizon's interest in Cue. As such, the risks set out in Section 6.3 below will continue to apply to you indirectly as a Horizon Shareholder. Many of those risks may also similarly apply to Horizon independently.

6.3 Risks associated with an investment in Cue

There are risks which are specific to Cue and other risks which apply to similar investments generally which may materially and adversely affect the future operating and financial performance of Cue and the price or value of Cue Shares.

This Section describes the material risks to which Cue Shareholders will continue to be exposed if they reject the Offer and retain their current investment in Cue Shares. The risks described in this Section are not the only risks that Cue faces. Other risks may not be known to Cue and some that the Cue Directors currently believe to be immaterial may subsequently turn out to be material. One or more or a combination of these risks could materially impact Cue's businesses, its operating and financial

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performance, the price or value of Cue Shares or the dividends paid in respect of Cue Shares.

(a) Risks specific to an investment in Cue

(i) Exposure to oil and gas prices

Cue is exposed to global commodity price variability for oil products produced in Indonesia, New Zealand and Australia which are sold on a US dollar Brent crude benchmark price basis.

The majority of the Cue Group's gas production is sold on fixed price contracts and is exposed to changes in the gas price on renewal or signing of new contracts. Gas sold in Australia on the short-term market is exposed to daily variations in price. In addition to normal market operations, gas prices for Australian sales are subject to risk of government intervention, including under the *Competition and Consumer Amendment (Gas Market) Bill 2022*.

The Australian Federal Government recently finalised the Gas Market Review and released a report on 22 December 2025 (the Gas Market Review Report). The Review Report provides a range of findings and recommendations relating to the gas market, including supply, security and trade, gas prices, market conduct and efficiency, market transparency and governance and reporting. The impact of any actions arising from the Gas Market review is currently unknown at this stage, but changes to the regulatory environment in which Cue operates may result in a material adverse impact on Cue's business and its operations.

Oil and gas prices can be volatile. A decline in the price of oil and gas may have a material adverse effect on Cue's financial performance.

The valuation of oil and gas assets is affected by expectations of future oil and gas prices. An extended or substantial decline in oil and/or gas prices or demand, or an expectation of such a decline, may reduce the expected cash flows and/or quantity of reserves and resources classified in relation to the associated oil and gas assets, which may lead to a reduction in the valuation of these assets.

(ii) Foreign exchange risk

Cue is exposed to foreign currency risk on cash and cash equivalents, oil sales, the recoverable value of oil and gas assets and capital commitments that are denominated in foreign currencies.

Cue's financial report is presented in Australian Dollars (AUD) and the functional currency for its operations in New Zealand and Indonesia is the United States Dollar (USD). The majority of Cue's costs are incurred in currencies other than AUD and revenue is mainly received in USD. Accordingly, it is subject to fluctuations in the rates of currency exchange between these

currencies, the primary impact of which is reflected in other comprehensive income.

Cue currently does not utilise hedging or other derivative instruments. Foreign exchange risk exposures are mitigated through natural hedging of cost and revenue currencies, where appropriate.

(iii) Ability to access funding

Exploration, development, and production can involve significant capital expenditure. If cashflows decrease or Cue is not able to access necessary funding, this may result in postponement or reduction of capital expenditures, relinquishment of rights in assets or otherwise may have an adverse effect on the Cue's operations and financial performance.

Cue's ability to raise additional funds if required would be subject to, among other things, factors beyond the control of Cue and its Directors, including cyclical factors affecting the economy, investment climate for the energy sector and share markets generally. If for any reason Cue was unable to raise future funds if required, its ability to realise its strategy could be significantly affected.

(iv) Joint operations

Cue participates in its business activities through minority interest in joint operations operated by other companies, governed by operating agreements. Under these agreements, Cue does not control the approval of work programmes and budgets and other project partners may participate in activities without Cue's approval. Cue may also be required to participate in activities which it did not approve, have its interests diluted or not gain the benefit of an activity.

Project agreements can be subject to differences in interpretation and implementation with operator responsibility for day to day operations. As a result, Cue may be exposed to operational and financial obligations outside of its control.

(v) Reserves and resources

Estimating oil and gas reserves and resources is subject to significant uncertainties associated with technical data and the interpretation of that data, future commodity prices and development and operating costs. There can be no guarantee that Cue will successfully produce the volume of hydrocarbons that it estimates as reserves or that hydrocarbon resources will be successfully converted to reserves.

Cue's reserves and resources estimates are prepared by qualified, experienced engineers in accordance with the 2018 update to the Petroleum Resources Management System sponsored by the Society of Petroleum Engineers, World

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Petroleum Council, American Association of Petroleum Geologists and Society of Petroleum Evaluation Engineers (SPE-PRMS).

(vi) Exploration and development

Cue's projects are at various stages of exploration, development and production. Oil and gas exploration and development activities can be high-risk undertakings and there can be no assurance that the exploration or development of any projects will result in the discovery of, and ability to realise any economic resources. Even if an apparently viable oil and gas resource is identified, there is no guarantee that it can be economically produced.

Exploration and development activities may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated reservoir problems which may affect production volumes and/or costs, industrial disputes, unexpected shortages and increases in the costs of plant and equipment, native title processes, changing government regulations and many other factors Cue's control.

Drilling operations and well workovers are subject to hazards normally encountered in exploration, development and production. These include unexpected geological conditions, infrastructure failure and other incidents or conditions which could result in harm to personnel, damage to plant or equipment or the environment and which could impact production throughput. Although it is intended to take adequate precautions to minimise risk, there is a possibility of a material adverse impact on Cue's operations and its financial results should any of these hazards be encountered.

(vii) Production

Cue's oil and gas production is exposed to interruptions which may result from mechanical or technical failure, pipeline and other infrastructure access, project delays or other unforeseeable events. Restrictions on the movement and supply of personnel and products due to external influences such as geopolitical unrest or conflict may also cause interruption to production.

A significant interruption to production could result in loss of revenue and additional costs to repair or replace equipment.

(viii) Decommissioning Risks

Cue has established decommissioning funds for some of its licences and permits, with financial securities lodged or in the process of being lodged, to account for decommissioning costs, financial security placements and associated obligations.

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There is a risk that Cue has not adequately provisioned for decommissioning costs, financial security placements and associated obligations which could adversely affect the financial performance and prospects of Cue. Further, applicable laws and regulations across the relevant jurisdictions remain subject to change and may result in additional requirements, including increased financial security, higher decommissioning costs, or the earlier-than-anticipated cessation of production and/or commencement of decommissioning and well plug and abandonment activities, with the potential for significant adverse financial impact to Cue.

(ix) Regulatory risks

Cue currently operates in Australia, Indonesia and New Zealand and is subject to changes in government policy or statutory changes that may affect our business operations and financial position. A change in government regime may significantly result in changes to fiscal, monetary, property rights and other issues which may result in a material adverse impact on Cue's business and its operations.

Profitability may be affected by changes in government taxation and royalty policies or the interpretation and application of policies in our operating jurisdictions.

Cue monitors changes in relevant regulations and engages with regulators and governments to ensure policy and law changes are appropriately understood. Any failure to comply with or changes to applicable laws, regulations or permits, even if non-compliance is inadvertent, could result in material fines, penalties, changes in the cost of operations, additional investment or other liabilities. In extreme cases, non-compliance with or amendments applicable laws, regulations or permits could result in suspension of activities or forfeiture of one or more of Cue's projects.

(x) Access to infrastructure

Cue's oil and gas sales can be dependent on access to third party owned infrastructure. There can be no guarantee that the Cue will be able to maintain or obtain access to relevant infrastructure on commercially acceptable terms. Any delay or failure to access or properly maintain operating infrastructure or shared facilities may have a material adverse effect on the operating and financial performance of Cue.

Further, infrastructure in some developing countries for utilities such as electricity and water supply is under strain and underdeveloped. A serious failure of basic infrastructure or occurrences of power outages in the regions in which Cue operates could adversely affect production at Cue's operations.

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Infrastructure failure, such as pipelines and processing facilities, increased tariffs or restrictions on access to third party infrastructure may have a material effect on financial performance.

(xi) Supply chain risks

Cue and its joint ventures operate within a complex supply chain depending on suppliers of raw materials, services, equipment and infrastructure to ensure its exploration, development and production activities can operate, and on providers of logistics to ensure products are delivered. Failure of significant components of this supply chain due to business failure or serious operational factors, could have an adverse effect on Cue's business and results of operations.

A dispute, or a breakdown in the relationship, between Cue and governments, regulators, joint venturers, suppliers or customers, a failure to reach a suitable arrangement with a particular joint venturer, supplier or customer, the failure of a joint venturer, supplier or customer to pay or otherwise satisfy its contractual obligations, or termination of an existing arrangement by a particular counterparty, could have an adverse effect on the reputation and/or the financial performance of Cue.

Cue may also be adversely affected if a counterparty seeks to amend the terms (including pricing) of an existing contract, whether in anticipation of a potential breach of contract by such counterparty or otherwise. A breakdown in the relationship with a counterparty as a consequence of these or other factors may also adversely affect Cue's future business prospects with that counterparty.

(xii) Permit risk

All petroleum licences held by Cue are subject to the granting and approval of relevant government bodies and ongoing compliance with licence terms and conditions, including periodic requirements for renewal or extension.

Cue monitors project operators' tenure management processes and standard operating procedures to minimise the risk of losing tenure.

(xiii) Litigation

Other than as set out in Section 8.8 of this Target's Statement, Cue is not currently involved in any litigation. However, in the ordinary course of business we may become involved in litigation and disputes, for example with our partners, contractors or employees, over a broad range of matters. Any such litigation or dispute could involve significant economic costs and damage to relationships with partners or other stakeholders. Outcomes of any litigation may have an adverse impact on Cue's business, market reputation and financial condition and financial performance.

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(xiv) Health safety and environmental risk

Exploration, development, production and transportation of oil and gas involves a variety of risks which may impact the health and safety of personnel, the community and the environment.

Natural disasters, operational error and equipment failure, amongst other things, could result in oil and gas leaks or spills or loss of well control which may lead injury or loss of life, damage to equipment and facilities, legal liability and reputational damage. Losses or liabilities from such events could reduce revenue or increase costs and materially impact Cue's financial position.

Cue works with project operators to ensure processes and procedures are in place to minimise these risks and seeks to maintain appropriate insurance policies to mitigate against the financial effects of any incident.

(xv) Climate change and the development of alternative energy sources

Cue's operating environment is and will continue to be impacted by the continually developing impact of climate change and the response needed to ensure the well-being of the global community. The adverse impact of climate change continues to impact the search for and development of alternative energy sources to those historically based on the use of hydrocarbons in the generation of energy for industrial and private use.

Cue is conscious of its responsibilities in respect of minimising the impact of its operations on the environment, however, fundamental shifts in the commercial availability of alternative energy sources developed as a result of the adverse impact of climate change may impact Cue's future operational and financial performance.

(xvi) Digital and cyber security

Any information technology system is potentially vulnerable to interruption and/or damage from a number of sources, including but not limited to computer viruses, cyber security attacks and other security breaches, power, systems, internet and data network failures, and natural disasters.

Cue is committed to preventing and reducing cyber security risks through outsourcing the IT environment which it utilizes to a reputable service provider.

(xvii) Competition

Competition exists for petroleum acquisition opportunities. As a result of this competition, including competition from other industry participants with greater financial, technical or operational resources, Cue may be unable to acquire rights to exploit additional petroleum properties on commercially acceptable terms.

Accordingly, Cue may not acquire any interest in additional operations that would yield reserves or result in commercial petroleum operations.

(xviii) Reliance on key personnel

Cue's success depends to a significant extent upon its key management personnel, as well as other staff and technical personnel including those employed on a contractual basis. The loss of the services of such personnel or the reduced ability to recruit additional personnel could have an adverse effect on Cue's performance.

Cue maintains a mix of permanent staff and expert consultants to advance its projects and ensure access to multiple skill sets. The remuneration policy is reviewed regularly to ensure it appropriately reflects current and expected employment conditions and best practices and Cue has implemented incentive plans to assist in the recruitment and retention of talented people needed to achieve its business objectives

Despite this, one or more of Cue's key employees could leave their employment and this may adversely affect Cue's ability to conduct its business and, accordingly, affect the profitability, financial position and performance and prospects of Cue. Similarly, Cue has limited control over the employment arrangements, retention strategies and workforce stability of third-party operators and their contractors.

(xix) Foreign operations

Cue's operations overseas are exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties vary from country to country and include, but are not limited to, currency exchange rate; high rates of inflation; labour unrest; renegotiation or nullification of existing concessions, licences, permits and contracts; changes in taxation policies; restrictions on foreign exchange; restrictions on revenue; changing political conditions; currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or otherwise benefit residents of that country or region.

Changes, if any, in petroleum exploration and production or investment policies or shifts in political attitude in any of the countries in which it operates may adversely affect Cue's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, employment contractor selection and safety. Failure to comply strictly with applicable laws, regulations and local practices relating to petroleum

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applications and tenure, could result in loss, reduction or expropriation of entitlements.

The occurrence of these factors adds uncertainties which cannot be accurately predicted and could have an adverse effect on Cue's operations or profitability.

(xx) Geopolitical risk

The Geopolitical conflicts can have significant global macro-economic impacts, including increasing instability in global energy prices. Related impacts include, but are not limited to volatility in commodity prices, currency movements, supply-chain and travel disruptions, disruption in banking systems and capital markets, increased costs and expenditures and cyberattacks. The development and conclusion of current conflicts are inherently uncertain and the consequences for the global economy and Cue's operations unpredictable.

Geopolitical tensions in the Middle East escalated following military strikes involving Iran, the United States and Israel, with subsequent retaliatory actions across the Gulf region. The conflict has heightened volatility in global energy markets, particularly due to threats to shipping through the Straits of Hormuz. Disruptions to shipping and regional energy infrastructure have contributed to increases in oil and gas prices and heightened uncertainty in global energy supply chains. While the Cue Group does not operate in the affected region, prolonged geopolitical instability may influence global commodity prices, sentiment and capital markets conditions relevant to the oil and gas exploration sector.

(xxi) Counterparties

The ability of the Company to achieve its stated objectives will depend on the performance of the counterparties under various agreements it has entered into. If any counterparties do not meet their obligations under the respective agreements, this may impact on operations, business and financial conditions.

Cue monitors performance across material contracts against contractual obligations to minimise counterparty risk and seeks to include terms in agreements which mitigate such risks.

(b) General risks

(i) General economic and market conditions

The operating and financial performance of Cue is influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic

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conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war or weather or natural disasters.

A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on the Company's financial performance and financial position. Cue's future possible revenues and Share price can be affected by these factors, which are beyond the control of Cue.

(ii) Inflation

Inflation may have a significant adverse impact on Cue's financial performance where expenses such as third party service costs, interest rates, wages and other overhead expenses increase as a result of rising inflation. While Cue monitors market conditions expenses may increase in an inflationary environment at a rate faster than revenue.

(iii) Future capital requirements

If Cue requires future capital, additional equity financing may be dilutive to Cue Shareholders, may be undertaken at lower prices than the Offer Consideration or the current market price or may involve restrictive covenants which limit Cue's operations and business strategy. No assurances can be made that appropriate funding, if and when needed, will be available on terms favourable to Cue or at all.

(iv) Liquidity risk

There can be no guarantee that there will continue to be an active market for Cue Shares or that the price of Cue Shares will increase. There may be relatively few buyers or sellers of Cue Shares on ASX at any given time. This may affect the volatility of the market price of Cue Shares. It may also affect the prevailing market price at which Cue Shareholders are able to sell their Cue Shares on ASX. This may result in Cue Shareholders receiving a market price for their Cue Shares that is less or more than the Offer Consideration. Further, depending on the level of acceptance of the Offer, the liquidity of the Cue Shares may further decrease.

(v) Stock market conditions

As with all stock market investments, there are risks associated with an investment in Cue. Securities listed on the stock market, and in particular securities of mining and exploration companies, have experienced price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of Shares regardless of Cue's performance.

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Share prices may rise or fall and the price of Cue Shares might trade below the Offer Price. General factors that may affect the market price of the Cue Shares include economic conditions in both Australia and internationally, investor sentiment and local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity process, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

There can be no guarantee that there will be an active market for Cue Shares or that the price of Cue Shares will increase.

(vi) Dividends

The payment of dividends on Cue Shares is dependent on a range of factors including Cue's profitability, the availability of cash and capital requirements. Any future dividend levels will be determined by the Cue Board having regard to its operating results and financial position at the relevant time. There is no guarantee that any dividends will be paid by Cue or, if paid, that they will be paid at previous levels.

(vii) Securities investment risk

The past performance of Cue is not necessarily an indication as to future performance of Cue as the trading price of the Cue Shares can go up or down. Neither Cue nor the Directors warrant the future performance of Cue or any return on an investment in Cue.

(viii) Other

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements, or in relation to employees (through personal injuries, industrial matters or otherwise), or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of Cue. The above list of risk factors ought not to be taken as exhaustive of the risks faced by Cue or by investors in Cue. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of Cue and the value of the Cue Shares.

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7 Australian taxation considerations

7.1 Introduction

This Section is a brief guide only on certain Australian tax considerations of transferring Cue Shares to Horizon under the Offer based on the law and the administrative practices of Australian revenue authorities as at the Last Practicable Date. It is not advice to any particular Cue Shareholder and does not set out all tax considerations that may be applicable. Cue Shareholders should seek their own tax advice that takes into account their personal circumstances.

The Australian tax consequences outlined below are relevant to Cue Shareholders who are individuals, companies, trusts and complying superannuation funds that hold their Cue Shares on capital account for Australian income tax purposes.

It does not consider the consequences for Cue Shareholders who:

(a) hold their Cue Shares as trading stock, as part of a profit-making undertaking, are in the business of trading or dealing in securities or otherwise hold their Cue Shares on revenue account;

(b) acquired their Cue Shares in return for services or as the result of an employee share plan or employee share option plan;

(c) acquired (or are taken to have acquired for Australian income tax purposes) their Cue Shares prior to 20 September 1985;

(d) are subject to the taxation of financial arrangements rules contained in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their Cue Shares;

(e) are subject to the Investment Manager Regime under Subdivision 842-I of the *Income Tax Assessment Act 1997* (Cth) in relation to their Cue Shares;

(f) may be subject to special rules, such as banks, insurance companies, tax exempt organisations and superannuation funds with accounts in a tax-free pension phase;

(g) are non-residents who currently hold, or have held, Cue Shares at any time through a permanent establishment in Australia;

(h) change their tax residence while holding Cue Shares; or

(i) are 'temporary residents' as that term is defined in section 995-1(1) of the *Income Tax Assessment Act 1997* (Cth).

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7.2 Taxation on disposal of Cue Shares

A Cue Shareholder who transfers their Cue Shares to Horizon under the Offer or whose Cue Shares are compulsorily acquired, will dispose of those Cue Shares for Australian tax purposes.

For Cue Shareholders who accept the Offer, the date of the relevant CGT event will be the date the contract to dispose of your Cue Shares is formed, being the date the Offer is accepted and becomes unconditional (see section 9.3 of the Replacement Bidder's Statement).

If the Cue Shares of a Cue Shareholder are compulsorily acquired, the Cue Shareholder will be taken to have disposed of the Cue Shares on the date the Cue Shareholder ceases to be the owner of the Cue Shares.

Cue is not intending to apply to the Commissioner of Taxation for a class ruling in respect of the Offer from Horizon.

The Australian tax consequences will differ depending on the residence of the Cue Shareholder.

7.3 Determination of capital gains and losses

A Cue Shareholder may make a capital gain or loss on the disposal of their Cue Shares.

A Cue Shareholder should realise a capital gain equal to the amount by which the Offer Price exceeds the cost base of that Cue Share. A Cue Shareholder will alternatively realise a capital loss equal to the amount by which the reduced cost base of the Cue Share exceeds the Offer Price. The cost base of a Cue Share should generally include the amount paid (or deemed to be paid) to acquire the Cue Share, plus certain incidental costs (such as brokerage fees of the acquisition, holding and disposal of the Cue Share). The reduced cost base of a Cue Share is usually determined in a similar, but not identical, manner.

A capital loss may be used to offset a capital gain made in the same income year and any resulting net capital loss may be carried forward to offset a capital gain made in a future income year, subject to the satisfaction of certain loss recoupment tests. Capital losses cannot reduce or offset other income or gains.

7.4 Australian resident Cue Shareholders

An Australian resident Cue Shareholder who is an individual, a trust or a complying superannuation fund may be entitled to reduce their capital gain (after first reducing the capital gain by any available capital losses) by the applicable Capital Gains Tax (**CGT**) discount (one- third in the case of a complying superannuation fund, and one-half in the case of an individual or a trust that is not a superannuation fund). To apply the CGT discount, the Cue Shares must have been acquired (for tax purposes) at least 12 months before the disposal to Horizon (excluding the date of acquisition and the

date of disposal) and the Cue Shareholder must not choose to index the cost base of their Cue Shares (where applicable).

No CGT discount is available for Cue Shareholders that are companies.

Any resulting net capital gain (i.e. the amount remaining after the application of any available capital losses, available CGT discounts and/or concessions) should be included in the Cue Shareholder's assessable income and is subject to Australian income tax at the Cue Shareholder's applicable rate of tax.

7.5 Non-resident Cue Shareholders

Any Cue Shareholder that is not a resident of Australia for Australian income tax purposes should generally not have to pay Australian income tax on any capital gain arising on the disposal of their Cue Shares, unless either of the following requirements are satisfied:

(a) the non-resident Cue Shareholder, together with its Associates, hold a "non-portfolio interest" in Cue and the Cue Shares pass the "principle asset test" (each of these concepts is discussed further below); or

(b) the Cue Shares were used at any time in carrying on a business in Australia through a permanent establishment.

Broadly, a Cue Shareholder will hold a "non-portfolio interest" at the relevant time where the Cue Shareholder, together with its Associates, owns, or owned throughout a 12 month period during the 2 years preceding the disposal of its Cue Shares, 10% or more of all the Cue Shares.

The Cue Shares will pass the "principle asset test" if the market value of Cue's direct and indirect interest in taxable Australian real property (as defined in the Tax Act) is more than the market value of its other assets at the time of disposal.

Any non-resident Cue Shareholder that holds a "non-portfolio interest" in Cue or have carried on business in Australia at any time through a permanent establishment, should contact their tax adviser to determine if any capital gain on the disposal of their Cue Shares is taxable.

7.6 Non-resident CGT withholding tax

Horizon may have an obligation to pay the Commissioner of Taxation an amount equal to 15% of the Offer Consideration. These rules may apply to the Offer if the Cue Shares of a non-resident Cue Shareholder qualify as an "indirect real property interest" and:

(a) Horizon knows or reasonably believes that a non-resident Cue Shareholder is a foreign resident; or

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(b) Horizon does not reasonably believe that the non-resident Cue Shareholder is an Australian resident, and either:

(i) the Cue Shareholder has an address outside Australia; or

(ii) Horizon is authorised to provide a related financial benefit to a place outside Australia (whether to you or to anyone else); or

(c) the non-resident Cue Shareholder has a connection outside Australia of a kind specified in the regulations.

A non-resident Cue Shareholder will hold an "indirect Australian real property interest" where both of the following tests are satisfied:

(a) the non-resident Cue Shareholder, together with its Associates, hold a "non-portfolio interest" in Cue (see Section 7.5 above); and

(b) the Cue Shares pass the "principle asset test" (see Section 7.5 above).

Non-resident Cue Shareholders should speak to their tax adviser in relation to providing a Non-Withholding Declaration or otherwise to determine whether there is any scope to vary the withholding amount from 15% or the process for obtaining a credit in respect of any amount withheld.

7.7 Partial scrip-for-scrip rollover relief

Horizon refers to partial scrip-for-scrip rollover relief which may be available to Cue Shareholders in respect of the disposal of their Cue Shares. Scrip-for-scrip rollover relief provides for a capital gain to be deferred until the disposal of the Horizon Shares you receive as Offer Consideration, where certain conditions are met. It is important to bear in mind that Horizon must acquire **80% or more** of the voting shares in Cue for Cue Shareholders to be able to claim the rollover relief.

It is possible the transaction may proceed and Horizon does not become the owner of 80% or more of the Cue Shares. You may not know at the time you accept the Offer whether rollover relief will be available. If rollover relief is not available, and you have made a capital gain in respect of the disposal of your Cue Shares under the Offer, you may have to pay tax (in cash) on those gains.

No CGT roll-over relief is available for any cash component paid as part of the Offer Consideration.

Ineligible Foreign Shareholders and Small Parcel Shareholders who are not entitled to receive Horizon Shares as consideration under the Offer will not be entitled to claim scrip-for-scrip rollover relief.

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7.8 Stamp duty

Cue Shareholders will not be liable to any stamp duty in respect of their disposal of Cue Shares.

7.9 GST

GST should not be payable on the disposal of the Cue Shares under the Offer.

Cue Shareholders may be charged GST on costs incurred in relation to the Offer (e.g. tax, legal or other advisers fees). Certain Cue Shareholders that are registered (or required to be registered) for GST may be entitled to claim input tax credits (or reduced input tax credits) in relation to GST incurred on these costs.

Cue Shareholders should seek their own independent tax advice on the impact of GST having regard to their own particular circumstances.

7.10 Horizon Shares

Cue Shareholders should consult the Replacement Bidder's Statement for general information regarding the anticipated tax treatment on the acquisition of Horizon Shares under the Offer.

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8 Additional information

8.1 Capital Structure

As at the Last Practicable Date, Cue has the following securities on issue.

Cue Shares	Number
Quoted fully paid ordinary Cue Shares on issue	699,779,286

Cue Options	Number
CUEAC: OPTION EXPIRING 22-JUL-2026 EX A$0.078	1,358,250
CUEAD: OPTION EXPIRING 01-JUL-2027 EX A$0.089	666,146
CUEAE: OPTION EXPIRING 01-JUL-2028 EX A$0.072	4,640,759
CUEAF: OPTION EXPIRING 01-JUL-2029 EX A$0.12	3,411,549
CUEAG: OPTION EXPIRING 01-JUL-2030 EX A$0.136	3,149,921

8.2 Substantial holders

Based on substantial holder notices provided to Cue, the Replacement Bidder's Statement and other publicly available information as at the Last Practicable Date, the substantial shareholders of Cue are:

Shareholder	Number of Cue Shares	Voting Power (%)
Echelon Offshore Limited	349,368,803	49.93%
Horizon Oil Limited[1]	148,234,357	21.18%
BNP Paribas Noms Pty Ltd Uobkh A/C R'miers	115,456,460	16.52%

Notes

1 Horizon has become a substantial holder in Cue as a result of Horizon's entry into the Pre-bid Agreement with Echelon which gave Horizon a Relevant Interest in the Cue Shares the subject of the Pre-bid Agreement (representing 19.99% of all Cue Shares on issue as at the date of this Target's Statement). Echelon also retains a Relevant Interest in those Cue Shares, so that the Cue Shares the subject of the Pre-bid Agreement are included in calculating both Echelon's and Horizon's voting power. Please refer to Section 8.10 of this Target's Statement for further information concerning the Pre-bid Agreement.

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8.3 Interests of Directors in Cue Securities

As at the Last Practicable Date, the Directors have the following interests in Cue equity securities:

Name	Cue Shares	Cue Options
Alastair McGregor	-	-
Marco Argentieri	-	-
Greg Bishop	7,476	-
Peter Hood AO	80,000	-
Andrew Jefferies	8,000	-
Samuel Kellner	-	-
Richard (Ric) Malcolm	300,000	-
Rod Ritchie	-	-

8.4 Dealings of Directors in Cue Securities

Except as otherwise set out in this Target's Statement, no Director has acquired or disposed of a Relevant Interest in any Cue Shares in the four month period ending on the date immediately before the Last Practicable Date.

8.5 Directors' interests and dealings in Horizon

Neither Cue nor any of the Directors have a Relevant Interest in the securities of Horizon or any Related Body Corporate of Horizon.

8.6 Impact of the Offer on Cue's Executive and Director arrangements

(a) Special exertion payments to Cue Directors and Officers

The constitution of Cue permits Cue to pay special remuneration to Directors and executive officers where they are called on to perform extra services or make any special exertions on behalf of Cue.

In March 2026, the Independent Board Committee approved the payment of the special exertion payments to the Independent Directors and Officers of Cue set out in the below table to recognise the significant additional time and services outside the scope of their ordinary duties that has been and will be required to be provided in assessing and responding to the Offer.

Recipient	Position	Special Exertion Payment[1]
Peter Hood AO	Lead Independent Non-Executive Director	Up to $3,543.25 per month
Richard (Ric) Malcolm	Independent Non-Executive Director	Up to $2,794.67 per month
Greg Bishop	Independent Non-Executive Director	Up to $2,794.67 per month
Matthew Boyall	Chief Executive Officer	One off payment of $150,000

Notes

1 Including superannuation, applicable taxes and payments equivalent to superannuation otherwise payable.

The special exertion payments are not conditional on the Offer and will cease at the end of the Offer Period. The Independent Board Committee considers these payments to be consistent with market norms and fair and reasonable given the significant additional workload of these individuals in connection with the Offer. Additionally, the Independent Board Committee does not consider that the receipt by these individuals of such payments affects their interests in the outcome of the Offer.

(b) Other benefits payable to Cue staff

Cue has offered Matthew Boyall (Chief Executive Officer) and three other members of staff a short term retention payment as set out in the table below. The payments are conditional on continued employment and maintaining acceptable levels of performance throughout the retention period and will be paid on the Retention Date, which is the earliest date on which any of the following events occur:

- Horizon, under its current Offer, acquires a relevant interest in at least 70% of Cue shares and declares the Offer unconditional;
- the date that is 5 Business days after the publishing to the ASX of Cue's FY2026 Appendix 4E and Annual Report; or
- Horizon takes any definitive steps (including a formal request) to appoint directors to, or remove directors from, the board of directors of Cue.

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Recipient	Position	Retention Amount[1]
Matthew Boyall	Chief Executive Officer	One off payment of $250,000
Other members of Cue's staff		3 months' salary

Notes

1 Excluding superannuation and applicable taxes.

The Independent Board Committee has resolved to provide the retention and incentive payments to the Chief Executive Officer and the members of Cue's senior management team in recognition of the importance of retaining Cue's senior management during the Offer Period.

(c) Benefits paid or to be paid to Directors conditional on, or related to, the Offer

No Director has agreed with Horizon to receive, or is entitled to receive, any benefit which is conditional on, or is related to, the Offer, other than in their capacity as a holder of Cue Shares or Cue Options (see Section 8.7(b) of this Target's Statement).

(d) Agreements between Directors and any person in connection with, or conditional upon, the outcome of the Offer

No agreement has been made between any Director and any person in connection with, or conditional upon, the outcome of the Offer, other than in their capacity as a holder of Cue Shares or Cue Options (see Section 8.7(b) of this Target's Statement).

(e) Directors' interests in Horizon contracts

No Director has any interest in any contract entered into by Horizon.

8.7 Cue Options

(a) Terms of Cue Options

Cue currently has a total of 13,226,625 Cue Options on issue, comprising five separate classes with different expiry dates and exercise prices as detailed in Section 8.1.

The vesting date for each class of Cue Options, together with the status of whether those Cue Options have vested, is set out in the table below.

Class	Vesting Date	Status
CUEAC	Options vested on 23 July 2024.	Vested

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Class	Vesting Date	Status
CUEAD	Options vested on 1 July 2025.	Vested
CUEAE	Options to vest on 1 July 2026.	Scheduled to vest on 1 July 2026
CUEAF	Options to vest on 1 July 2027.	Scheduled to vest on 1 July 2027
CUEAG	Options to vest on 1 July 2028.	Scheduled to vest on 1 July 2028

(b) Impact of the Offer on the Cue Options

The Cue Options were granted under Cue's Share Option Scheme (last approved by Cue Shareholders at the Annual General Meeting held on 22 October 2025) which provides that upon a 'Change of Control Event' occurring, any Cue Options granted under the Share Option Scheme which have not yet reached their vesting date will immediately vest and their vesting date will be deemed to be the date of the Change of Control Event.

The Share Option Scheme defines a 'Change of Control Event' to include the acquisition by any person, except Echelon, either alone or together with any Associates of a Relevant Interest in more than 50% of Cue Shares as a result of a takeover bid or through a scheme of arrangement.

In the context of the Offer, a 'Change of Control Event' will be taken to have occurred if Horizon acquires a Relevant Interest in more than 50% of the Cue Shares on issue. At this point, any Cue Options which had not yet reached their vesting date will immediately vest and become capable of being exercised.

In accordance with the terms of the Share Option Scheme, the Board has the discretion to permit Cue Options to be exercised on a cashless basis. The Independent Board Committee has resolved to permit the cashless exercise of any outstanding Cue Options held by existing employees of Cue in the event a 'Change of Control Event' occurs for the purpose of the Share Option Scheme.

8.8 Material litigation and disputes

Other than as set out in this Section 8.8, as at the Last Practicable Date, Cue is not aware of any material disputes or litigation being undertaken, commenced or threatened against Cue.

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Cue has been in discussions with Medco Energi Sampang Pty Ltd (**Medco**) in respect of the extension of the Sampang PSC. There are certain matters in relation to the development of the Paus Biru project that Medco has disputed, and which are expected to be agreed commercially as part of the FID process for that project. Medco has threatened to take any dispute in respect of those matters to arbitration under the Sampang Joint Operating Agreement (or litigation), however, it has not done so to date and Cue believes this is unlikely to occur given the issues in dispute.

8.9 Effect of Offer on material contracts

Cue Group Members are parties to certain contracts which contain counterparty change of control rights which could potentially be triggered in connection with the Offer. Should those rights in any such contract be triggered, this may, individually or in aggregate, have an adverse effect on the Cue Group (and potentially, the Combined Entity), depending on the relevant contract.

The following material contracts to which a member of the Cue Group is a party contain change of control clauses which may be triggered in connection with the Offer which could give rise to that contract being terminated or the business of Cue otherwise being materially adversely affected:

(a) a Cue Group Member is party to the Mahato PSC with a representative of the Government of Indonesia (the **GOI**) which contains change of control rights in favour of the GOI that may be triggered on an indirect change of control of the relevant Cue Group Member. The relevant rights provide for the GOI to consent to an indirect change of control of the relevant Cue Group Member, with such consent not able to be unreasonably withheld where the relevant Cue Group Member will continue to meet the applicable qualifications under the Mahato PSC and remains fully liable to execute the petroleum operations and the approved work plan and budget; and

(b) a Cue Group Member is party to the joint operating agreement with the other joint venturers under the Mahato PSC which contains change of control rights in favour of the counterparties that may be triggered on an indirect change of control of the relevant Cue Group Member.

As far as the Independent Directors are aware, none of Cue's other contracts, which are material in the context of Cue's business taken as a whole, contain change of control clauses which may be triggered if Horizon is successful in acquiring Control of Cue and which give rise to that contract being terminated or the business of Cue otherwise being materially adversely affected.

8.10 Pre-Bid Agreement

On 2 March 2026, Horizon entered into the Pre-bid Agreement with Echelon to acquire 139,885,879 Cue Shares (representing 19.99% of all Cue Shares on issue as at the date of this Target's Statement) via an off-market transaction at $0.115 in cash per Cue Share.

A summary of the key terms of the Pre-Bid Agreement is set in section 10.3 of the Replacement Bidder's Statement and the full terms and conditions are annexed to the ASIC Form 603 (Notice of initial substantial holder) lodged by Horizon with ASX on 2 March 2026.

8.11 Echelon Intention Statement

On 2 March 2026, Echelon issued an ASX announcement advising that it intends to accept the Offer in respect of all other Cue Shares that it holds or controls at the time (approximately 29.98%), 21 days from the opening of the Offer Period, in the absence of a superior proposal (the **Intention Statement**).

8.12 Transaction Costs

The Offer will result in Cue incurring expenses that would not otherwise have arisen in 2026. These include legal, financial and other expenses from advisers engaged by Cue to assist in responding to the Offer. The total cost of the takeover response depends on the outcome of the Offer, the duration of the Offer and required response activities, as well as the complexity of the issues addressed in the response. Therefore, it is difficult to estimate the likely total cost to Cue. These defence costs will be reflected in Cue's financial results for future reporting periods.

8.13 ASIC modifications

This Target's Statement contains statements which are made, or based on statements made, in documents lodged with ASIC or given to the ASX including the Replacement Bidder's Statement. Under the terms of *ASIC Corporations (Takeover Bids) Instrument 2023/683*, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Target's Statement.

Any Cue Shareholder who would like to receive a copy of any of those documents may obtain a copy (free of charge) during the Offer Period by contacting the Cue Shareholder Information Line on 1300 560 339 (callers within Australia) or +61 2 8011 0354 (callers outside Australia) between 9.00am and 5.00pm (Melbourne time) on business days.

As permitted by *ASIC Corporations (Consents to Statements) Instrument 2016/72*, this Target's Statement may include:

(a) certain security price trading data;

(b) publicly available historical geological data; and

(c) certain statements fairly representing a statement by an official person, or from a public official document or published book, journal or comparable publication.

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8.14 Consents

Azure Capital has consented to being named in this Target's Statement as the financial adviser to Cue in the form and context in which it is named and has not withdrawn that consent at the date of this Target's Statement.

Gilbert + Tobin has consented to being named in this Target's Statement as the legal adviser to Cue in the form and context in which it is named and has not withdrawn that consent at the date of this Target's Statement.

Computershare has consented to being named in this Target's Statement as Cue's Share Registry in the form and context in which it is named and has not withdrawn that consent at the date of this Target's Statement.

Each person named above:

(a) has not authorised or caused the issue of this Target's Statement;

(b) does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based; and

(c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement, other than a reference to its name.

As permitted by *ASIC Corporations (Takeover Bids) Instrument 2023/683*, this Target's Statement may include or be accompanied by statements which are made in documents lodged with ASIC or ASX, without the consent of the parties making those statements, provided this Target's Statement fairly represents such statements.

Cue Shareholders may, during the Offer Period, obtain a copy of the documents (free of charge) in which the aforementioned statements appear (or in which statements based on those statements appear, as the case may be), or the relevant part(s) of any of those documents, by contacting the Cue Shareholder Information Line on 1300 560 339 (callers within Australia) or +61 2 8011 0354 (callers outside Australia) between 9.00am and 5.00pm (Melbourne time) on business days.

In addition, as permitted by *ASIC Corporations (Consents to Statements) Instrument 2016/72*, this Target's Statement may include or be accompanied by statements fairly representing a statement by an official person, or statements from a public official document or a published book, journal or comparable publication.

8.15 Reserves and Resources

The information in this Target's Statement that relates to Cue's Petroleum Reserves and Contingent Resources estimates in accordance with the SPE PRMS Guidelines (2018) were released to the ASX by Cue on 28 August 2025 in an announcement titled '*2025 Reserves and Resources Statement*' available at

https://www.cuenrg.com.au/site/content/ and www.asx.com.au. Cue confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates of Petroleum Reserves and Contingent Resources in the relevant market announcement continue to apply and have not materially changed.

Given Cue has advised the joint venture partners in the Sampang PSC that it will not participate in the Paus Biru development or any extension of the Sampang PSC, no contingent resources relating to the Paus Biru development or Jeruk field have been included in this Target's Statement.

8.16 No other material information

This Target's Statement is required to include all the information that Cue Shareholders and their professional advisers would reasonably require to make an informed assessment whether or not to accept the Offer but:

(a) only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in the Target's Statement; and

(b) only if the information is known to any Director.

The Independent Board Committee is of the opinion that the only information that Cue Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer are:

(a) the information contained in the Replacement Bidder's Statement (to the extent that the information is not inconsistent or superseded by information in this Target's Statement); and

(b) the information contained in this Target's Statement.

The Independent Board Committee has assumed, for the purposes of preparing this Target's Statement, that the information in the Replacement Bidder's Statement is accurate, unless expressly indicated otherwise in this Target's Statement and subject to the following qualification.

The Independent Board Committee does not take any responsibility for the contents of the Replacement Bidder's Statement and are not to be taken as endorsing, in any way, any or all statements contained in it.

In deciding what information should be included in this Target's Statement, the Independent Board Committee has had regard to:

(a) the nature of the Cue Shares;

(b) the matters Cue Shareholders may reasonably be expected to know;

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(c) the fact that certain matters may reasonably be expected to be known to the professional advisers to Cue Shareholders;

(d) the nature of the Offer; and

(e) the time available to Cue to prepare this Target's Statement.

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9 Approval of Target's Statement

This Target's Statement has been approved by a resolution passed by the Independent Board Committee. All Independent Directors voted in favour of that resolution.

Signed for and on behalf of the Independent Board Committee by:

Peter Hood AO
Chair, Independent Board Committee
Date: 7 April 2026

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10 Glossary and Interpretation

10.1 Glossary

The following defined terms in this Target's Statement have the meanings set out below.

2C means Best Estimate of Contingent Resources.

2P or 2P Reserves means the sum of Proved Reserves and Probable Reserves. It denotes the Best Estimate scenario of Reserves.

Acceptance Form means the acceptance form enclosed within the Replacement Bidder's Statement.

Announcement Date means 2 March 2026.

ASIC means the Australian Securities and Investments Commission.

Associate has the same meaning as given to that term for the purposes of Chapter 6 of the Corporations Act (as modified by ASIC from time to time).

ASX means ASX Limited (ABN 98 008 624 691) or, where the context requires, a financial market operated by it.

ASX Listing Rules means the listing rules of ASX, as amended or replaced.

Azure Capital means Azure Capital Pty Ltd (ACN 107 416 106) (AFS Licence No. 276569).

Boe means US barrels of oil equivalent.

Business Day means a day other than a Saturday, Sunday or public holiday on which banks are open for general banking business in Sydney, Australia.

CGT means capital gains tax.

Combined Entity means the group of entities resulting from the combination of Horizon and Cue in the event Horizon acquires 100% of Cue.

Compulsory Acquisition means the compulsory acquisition process in respect of the Cue Shares held by Cue Shareholders that do not accept the Offer under Part 6A.1 and/or Part 6A.2 of the Corporations Act that is expected to occur after successful completion of the Offer (as described in Section 4.12).

Conditions means the conditions to the Offer set out in full in Appendix 2 of the Replacement Bidder's Statement and discussed in Section 4.3 of this Target's Statement.

Contingent Resources has the meaning given to that term in the ASX Listing Rules.

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Corporations Act means the *Corporations Act 2001* (Cth) and any regulations made under that Act.

Cue means Cue Energy Resources Limited (ACN 066 383 971).

Cue Board means the board of Directors of Cue.

Cue Group means Cue and each of its Related Bodies Corporate.

Cue Group Member means each of Cue and its subsidiaries (as the context requires).

Cue Interim Dividend has the meaning given to that term in Section 5.9.

Cue Option means an option to be issued one Cue Share.

Cue Optionholder means a holder of one or more Cue Options.

Cue Shares means a fully paid ordinary share in Cue.

Cue Shareholder means a holder of Cue Shares.

Director means a director of Cue.

EBITDAX means earnings before interest, tax, depreciation, amortisation and exploration expenses.

Echelon means Echelon Resources Limited (ARBN 003 064 962) or Echelon Offshore Limited (NZBN 9429033675251) as the context requires.

Encumbrance means any:

(a) security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, option, right of pre-emption, power, title retention, or flawed deposit arrangement; or

(b) right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors including any right of set-off; or

(c) right that a person (other than the owner) has to remove something from land (known as a profit à prendre), easement, public right of way, restrictive or positive covenant, lease, or licence to use or occupy; or

(d) third-party right or interest or any right arising as a consequence of the enforcement of a judgment; or

(e) any agreement to create any of them or allow them to exist.

Horizon means Horizon Oil Limited (ACN 009 799 455).

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Horizon Group means Horizon and each of its Related Bodies Corporate.

Horizon Share means a fully paid ordinary share in the capital of Horizon, including a share on issue at the end of the Offer Period.

Independent Board Committee means the independent board committee, being the committee established by the Board comprising the Independent Directors.

Independent Directors means Peter Hood AO (Chair), Richard (Ric) Malcom and Greg Bishop.

Ineligible Foreign Shareholder means a Cue Shareholder:

(a) who is (or is acting on behalf of) a citizen or resident of a jurisdiction other than Australia and its external territories, New Zealand or Singapore; or

(b) whose address shown in the Cue Register is a place outside Australia and its external territories, New Zealand or Singapore or who is acting on behalf of such a person,

unless Horizon determines that:

(c) it is lawful and not unduly onerous or unduly impracticable to issue that Cue Shareholder with Horizon Shares on completion of the Offer; and

(d) it is lawful for that Cue Shareholder to participate in the Offer by the law of the relevant place outside Australia and its external territories.

Intention Statement has the meaning given to that term in Section 8.11.

Key Tenements means Operating Licence 3 (OL3), Operating Licence 4 (OL4), Operating Licence 5 (OL5), Production Licence 7 (L7), PMP 38160, Mahato PSC and Sampang PSC.

Last Practicable Date means 5:00pm (Melbourne time) on Thursday, 2 April 2026.

Mahato PSC means the production sharing contract in relation to the Mahato contract area.

Mmboe means million barrels of oil equivalent.

Nominee means the nominee appointed by Horizon and approved by ASIC.

Non-Independent Directors means Alastair McGregor, Marco Argentieri, Andrew Jefferies, Rod Ritchie and Samuel Kellner.

Notice of Status of Conditions means a notice required to be given under section 630(3) of the Corporations Act.

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Offer means the off-market takeover offer by Horizon for all of the Cue Shares under the terms and conditions contained in Appendix 1 of the Replacement Bidder's Statement.

Offer Period means the period during which the Offer will remain open for acceptance in accordance with the terms and conditions of the Replacement Bidder's Statement.

Offer Consideration means the consideration offered for Cue Shares under the Offer, being $0.008 cash and 0.5625 Horizon Shares for every 1 Cue Share.

Original Bidder's Statement means the bidder's statement of Horizon in relation to the Offer dated 2 March 2026.

Petroleum Reserves has the meaning given to that term in the ASX Listing Rules.

Post Bid Compulsory Acquisition means the compulsory acquisition process outlined in Section 4.12(b) of this Target's Statement.

Pre-Bid Agreement means a pre-bid acceptance agreement dated 2 March 2026 between Horizon and Echelon in respect of 139,885,879 Cue Shares (representing 19.99% of all Cue Shares on issue as at the date of this Target's Statement).

PWC means the Northern Territory Power and Water Corporation.

Register Date has the meaning given to that term in the Replacement Bidder's Statement.

Related Bodies Corporate has the same meaning given it in section 50 of the Corporations Act.

Relevant Interest has the meaning given to it in section 9 of the Corporations Act.

Replacement Bidder's Statement means the replacement bidder's statement of Horizon in relation to the Offer dated 19 March 2026, which replaced the Original Bidder's Statement.

Sampang PSC means the production sharing contract in relation to the Sampang contract area.

Share Option Scheme means the Cue Employee Share Option Plan approved by Cue Shareholders at Cue's annual general meeting held on 22 October 2025.

Share Registry means Cue's share registry, being Computershare Investor Services Pty Limited.

Small Parcel means a parcel of Horizon Shares having a value of less than A$500 based on the highest closing price of Horizon Shares on the ASX during the period from the date of the Replacement Bidder's Statement until the earlier of the end of the Offer Period and five ASX trading days before the first day on which Horizon must provide the Offer Consideration under the Offer.

Small Parcel Shareholder means a Cue Shareholder (other than an Ineligible Foreign Shareholder) who, based on their holding of Cue Shares, would, on acceptance of the Offer be entitled to receive a total number of Horizon Shares as consideration under the Offer which constitute a Small Parcel.

Takeover Bid means the off-market takeover bids by Horizon for all Cue Shares pursuant to the Offer.

Target's Statement means this document (including any attachments), being the statement of Cue under Part 6.5 of the Corporations Act in respect of the Offer.

TJ/d means Terajoules per day.

Voting Power has the meaning given in section 610 of the Corporations Act.

VWAP means volume weighted average price of the relevant security as traded on ASX.

10.2 Interpretation

(a) Words and phrases to which a meaning is given by the Corporations Act have that meaning in this Target's Statement unless that meaning is inconsistent with the context in which the word or phrase is used.

(b) Headings are for convenience only and do not affect the interpretation of this Target's Statement.

(c) The singular includes the plural and vice versa and words importing any gender include the other gender, and references to persons include corporations, other bodies corporate, unincorporated bodies, partnership, joint ventures or associations.

(d) References to sections are to sections of this Target's Statement, unless stated otherwise.

(e) Where a term is defined, its other grammatical forms have a corresponding meaning.

(f) References to time are references to the time in Sydney, Australia on the relevant date, unless stated otherwise.

(g) A reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them.

(h) A reference to a 'Cue Shareholder' is a reference to a person who holds Cue Shares.

(i) '$' or 'A$' or 'AUD' is a reference to the lawful currency of Australia.

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Attachment A ASX Announcements

The following table lists the announcements made to ASX by Cue over the period between 2 March 2026 (following announcement of the Offer by Horizon) and the Last Practicable Date.

Date	Title
2 March 2025	Pause in Trading
2 March 2025	Trading Halt
3 March 2025	LOI Gas Sale Agreements Update
3 March 2025	HZN: Mereenie - LOI Gas Sales Agreement Extension
3 March 2025	CTP: LOI Gas Sale Agreements Update
4 March 2025	Cue Response to Horizon Takeover Offer
12 March 2025	Update on Horizon Takeover Offer
19 March 2025	HZN: First Supplementary Bidder's Statement (Mark-Up)
19 March 2025	HZN: Replacement Bidder's Statement (Clean)
19 March 2025	HZN: Completion of Despatch of Replacement Bidder's Statement
20 March 2025	HZN Replacement Bidders Statement Dispatch - TAKE NO ACTION
24 March 2025	CTP: LOI Gas Sale Agreements Update
25 March 2025	LOI Gas Sale Agreements Update
25 March 2025	HZN: Mereenie - LOI Gas Sales Agreement Update
25 March 2025	ECH:ECHELON EXTENDS TERMS SHEET DEADLINE
27 March 2025	HZN: Notice of Fulfilment - Minimum Bid Price Condition
30 March 2025	Change in substantial holding from HZN
31 March 2025	TOV: CUE Panel Receives Application
1 April 2026	LOI Gas Sale Agreements Update
2 April 2026	HZN: Mereenie - LOI Gas Sales Agreement Update
2 April 2026	LOI Gas Sale Agreements Update
2 April 2026	ECH: Echelon Extends Terms Sheet Deadline

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Corporate Directory

Cue Energy Resources Limited (ACN 066 383 971)

Directors

Alastair McGregor (Non-Executive Chairman)

Peter Hood AO (Independent Non-Executive Director)

Richard (Ric) Malcolm (Independent Non-Executive Director)

Andrew Jefferies (Non-Executive Director)

Rod Ritchie (Non-Executive Director)

Samuel Kellner (Non-Executive Director)

Marco Argentieri (Non-Executive Director)

Greg Bishop (Independent Non-Executive Director)

Independent Board Committee

Peter Hood AO (Independent Non-Executive Director)

Richard (Ric) Malcolm (Independent Non-Executive Director)

Greg Bishop (Independent Non-Executive Director)

Company Secretary

Anita Addorisio

Registered office / Principal place of business

Level 3, 10-16 Queen Street
Melbourne VIC 3000

Telephone: +61 3 8610 4000
Email: mail@cuenrg.com.au

Financial adviser

Azure Capital
Level 46, 108 St George Terrace
Perth WA 6000

Legal adviser

Gilbert + Tobin
Level 25
101 Collins Street
Melbourne VIC 3000

Share Registry

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford, VIC 3067

Telephone: +61 3 9415 5000
Fax: +61 3 9473 2500

Cue Shareholder Information Line

1300 560 339 (callers within Australia)

+61 2 8011 0354 (callers outside Australia)