18 September 2026

Mahato and Palm Valley Drilling Update

Cue Energy Resources Limited (ASX:CUE) provides the following update on drilling activities at the Mahato PSC and Palm Valley.

Mahato PSC, Indonesia

The PB-42 development well in the PB field has recently been successfully drilled into the Bekasap reservoir and connected to the PB production system. The well is producing at a rate of 520 barrels of oil per day (bopd, 100%), exceeding pre-drill expectations.

Also in the PB field, the PB-41 development well and two well workovers have recently been completed and are adding to field production. One workover remains to be completed under the programme.

Further development of the PB field is expected to commence in Q4 2026, subject to approval of the Phase 3 Development Plan (OPL-3) by the Indonesian Government. OPL-3 is expected to include further development of the Bekasap reservoir, which is the producing reservoir in the PB field, and development of the Telisa reservoir, which is currently undeveloped.

Cue holds an 11.25% interest in the Mahato PSC. Other participants in the permit are Texcal Energy Mahato Inc. (Operator, 72.25%), Central Sumatra Energy (11.5%) and Riau Petroleum (5%).

Palm Valley, Australia

Drilling of PV14, the first well in the two-well Palm Valley drilling campaign, commenced in late July and the rig remains on site. Gas has been observed and flared while air-drilling through the target reservoir.

First gas sales remain targeted for October 2026, subject to successful completion, tie-in, commissioning and satisfactory well performance of PV14. The well’s sustainable production capability will be assessed following commissioning and an initial period of production.

PV15 will commence after the completion of PV14. If successfully completed and commissioned, the two wells are expected to increase Palm Valley’s available production capacity and support utilisation of the field’s existing processing infrastructure, which has gross joint venture sales capacity of approximately 14 TJ/day and current utilisation of 5.5 TJ/day. Actual future production rates will depend on well performance and field decline.

Cue holds a 15% participating interest in the Palm Valley permit OL3. Other participants in the permit are Central Petroleum (NT) Pty Ltd (Operator, 50%) and Echelon Palm Valley Pty Ltd (35%).

Authorised by Matthew Boyall, CEO

Any queries regarding this announcement should be directed to the Company by telephone on +61 3 8610 4000 or by email at mail@cuenrg.com.au

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About CUE

Cue Energy Resources Limited is an Australian Securities Exchange (ASX:CUE) listed oil and gas production and exploration company based in Melbourne. Cue's FY2026 revenue was $50.3 million from gas and oil production from the Mahato and Sampang PSCs, Indonesia and Mereenie, Palm Valley and Dingo fields, onshore Australia, and the Maari field, offshore New Zealand.
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