

Cue Energy Resources Limited
Appendix 4D
Half-year report

1. Company details

Name of entity: Cue Energy Resources Limited
ABN: 45 066 383 971
Reporting period: For the half-year ended 31 December 2024
Previous period: For the half-year ended 31 December 2023

2. Results for announcement to the market

\$'000

Revenues from operations	down	7.4% to	27,114
Profit from ordinary activities after tax attributable to the owners of Cue Energy Resources Limited	down	52.2% to	4,340
Gross profit	down	30.3% to	12,863
Total comprehensive income for the half-year attributable to the owners of Cue Energy Resources Limited	down	29.9% to	5,964
Net assets	down	1.5% to	63,953
Cash and cash equivalents	up	5.5% to	17,147

Dividends

On 25 February 2025, the Board of Directors declared an interim dividend of \$0.01 (1 cent) per fully paid ordinary share. This distribution has been declared as a Conduit Foreign Income (CFI), unfranked dividend and will be paid on 26 March 2025.

Operating results for the half year

	Consolidated	
	Period ended 31 December 2024	Period ended 31 December 2023
	\$'000	\$'000
Profit before tax	9,952	15,266
Finance costs	273	245
Depreciation and amortisation	3,976	3,569
EBITDA	14,201	19,080
Business development expenses	2	29
Share based payments	62	51
Exploration and evaluation expenses	943	130
EBITDAX	15,208	19,290

*EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for depreciation, amortisation, interest and tax. EBITDAX is EBITDA adjusted to exclude business development costs, exploration and evaluation expenses, share based payments and one-off legal expenses.

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3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	9.13	10.42

4. Dividends

Reporting period	Amount per security Cents	Franked amount per security Cents
Interim dividend per ordinary share (to be paid 26 March 2025)	1	-
Previous period	Amount per security Cents	Franked amount per security Cents
Final dividend per ordinary share (paid 26 September 2024)	1	-
Interim dividend per ordinary share (paid 5 April 2024)	2	-

5. Other matters

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half-year Financial Report.

6. Signed

Signed 

Alastair McGregor
Non-Executive Chairman

Date: 25 February 2025

Cue Energy Resources Limited

ABN 45 066 383 971

Half-year Financial Report - 31 December 2024

Cue Energy Resources Limited
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31 December 2024

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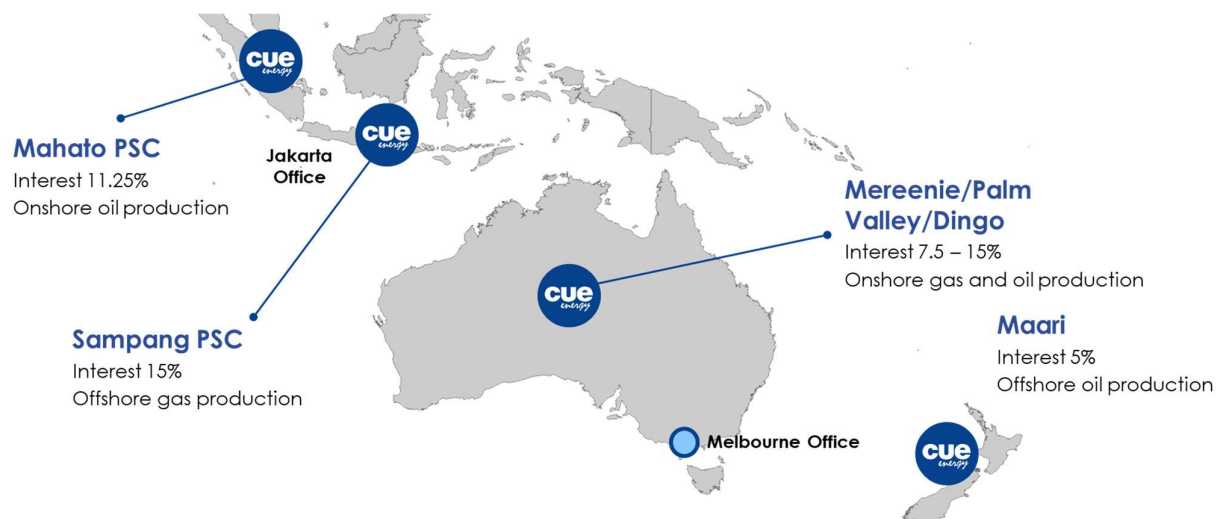
Cue Energy Resources Limited
Corporate directory
31 December 2024

Directors	Alastair McGregor (Non-Executive Chairman) Andrew Jefferies (Non-Executive Director) Peter Hood (Non-Executive Director) Richard Malcolm (Non-Executive Director) Rod Ritchie (Non-Executive Director) Samuel Kellner (Non-Executive Director) Marco Argentieri (Non-Executive Director)
Chief Executive Officer	Matthew Boyall
Company Secretary	Anita Addorisio
Registered office	Level 3, 10-16 Queen Street Melbourne, VIC 3000 Australia Telephone: 61 3 8610 4000 Fax: 61 3 9614 2142
Principal place of business	Level 3, 10-16 Queen Street Melbourne, VIC 3000 Australia Telephone: 61 3 8610 4000 Fax: 61 3 9614 2142
Share register	Computershare Investor Services Pty Limited Yarra Falls, 452 Johnston Street Abbotsford, VIC 3067 Australia Telephone: 61 3 9415 5000 Fax: 61 3 9473 2500
Auditor	KPMG Level 36, Tower Two, Collins Square 727 Collins Street Melbourne, VIC 3008 Australia
Stock exchange listing	Cue Energy Resources Limited securities are listed on the Australian Securities Exchange. (ASX code: CUE)
Website	www.cuenrg.com.au

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Highlights

- 1 cent per share interim dividend declared, returning an additional \$7 million to shareholders. When combined with last calendar year, a total of \$28 million will have been returned to shareholders
- Cash increased by 5% to \$17.1 million from 30 June 2024 due to continued strong cash generation
- Production assets continue to deliver strong performance, generating \$27.1 million in revenue for the half-year
- Half-year profit, including underlying EBITDAX of \$15.2 million, was impacted by production costs and lower revenue
- Future growth underpinned by positive progress across three project areas: Paus Biru advancing towards FID, Mahato ongoing development drilling, and further onshore Australia drilling



AUSTRALIA

Cue Interests

MEREENIE [OL4 & OL5]: 7.5%

PALM VALLEY[OL3]: 15%

DINGO[L7]: 15%

Operator: Central Petroleum Limited

Total revenue from the Australia Onshore asset (Amadeus Basin: Mereenie, Palm Valley and Dingo fields) was \$5.5 million, \$0.8 million lower than the previous year, primarily because Dingo prior period revenue was higher from take-or-pay revenue of \$1 million.

The Northern Gas Pipeline that connects Mereenie and Palm Valley to East Coast gas markets was closed for the half-year. All gas was supplied to the Northern Territory (NT) and the fields were the major gas supplier to the NT as other sources of gas were curtailed.

Cue announced the execution of six-year Gas Sales Agreements (GSA), with the Northern Territory Government for the supply of gas from Mereenie and Palm Valley. The GSA covers the period from 2025-2030. These contracts include firm supply, additional supply in 2025 for any gas that cannot be delivered to existing East Coast customers if the NGP is closed, and additional gas from new production wells at Mereenie. The conditions precedent for the previously announced gas contract with Arafura Nolans Ltd was extended to 4 February 2025 during the half-year, and subsequently further extended until 31 March 2025.

Two development wells were completed in the Mereenie field post the end of the half-year. The first, West Mereenie 29 (WM29), is online at a established production rate of approximately 5 TJ/d (100% JV), commencing gas sales to the Northern Territory on 20 January 2025. The second, West Mereenie 30 (WM30), was successfully air-drilled through the primary Pacoota-3 reservoir target to a total measured depth of 1,620m. Tie-in of WM30 to the Mereenie production facilities is

expected in the coming month. The Ventia Rig 101 has been released following the completion of both wells WM29 and WM30.

Up to 6 TJ/d of firm gas from the two wells can be sold to the Northern Territory Government under existing contracts. Other gas will be available for sale into the supply-constrained NT market.

INDONESIA

MAHATO PSC (PB field)

Cue Interest: 11.25% (Cue Mahato Pty Ltd)

Operator: Texcal Energy Mahato Inc

The PB field in the Mahato PSC, contributed \$11.6 million revenue to Cue during the half, in line with the previous year. Sales volumes were 7% higher, offset by a decrease in average per barrel price received in Australian dollars.

Six new development wells were drilled during the period as part of the Field Development Optimization (OPL) phase 2, approved in June 2024. OPL Phase 2 includes the drilling of 14 development wells, converting an existing production well to a water injection well and constructing new drilling locations and production facilities. All wells are expected to be completed by December 2025.

By the end of the half, 27 wells were in production in the field, with PB-30, the first horizontal well, commencing production in early January at 600 barrels of oil per day.

Exploration well PC-01 was spud on 4 November 2024 and drilled to a depth of 5,800 feet. Following the completion of drilling, wireline logging identified zones of interest within the Bekasap formation, however subsequent testing did not produce hydrocarbons and the well was plugged and abandoned.

During the half, the Indonesian government approval for the Participating Interest transfer to Riau Petroleum was finalized, confirming Cue's 11.25% interest.

SAMPANG PSC (Oyong and Wortel fields)

Cue Interest: 15% (Cue Sampang Pty Ltd)

Operator: Medco Energi Sampang Pty Ltd

Gas Production from the Oyong and Wortel fields in the Sampang PSC contributed \$3.7 million of revenue during the half from fixed price gas contracts with production down due to natural field decline and some lower than expected individual well performance.

Opportunities to increase the field production are being progressed by the Joint Venture, including installation of further compression at the Grati gas plant to lower the field pressure, and optimisation of existing wells.

Field operator, Medco Energi Sampang Pty Ltd (Medco), is engaged in ongoing discussions with the Indonesian Government to secure an extension of the Sampang Production Sharing Contract (PSC), which expires in December 2027. Medco has also requested amendments to the terms of the PSC to facilitate the development of the Paus Biru project. Both the extension and the requested changes are essential for enabling the project to proceed to FID.

Joint venture partner Singapore Petroleum Sampang Ltd (SP Sampang) has notified Medco and Cue that it will not continue as a participant in the PSC for any renewal period beyond December 2027, including the Paus Biru Development. Under the joint operating agreement, at the expiry of the current PSC term, SP Sampang's participating interest in the current PSC will be redistributed among Medco and Cue. This could result in an additional 10% participating interest to Cue. Medco and Cue intend to continue progressing the Paus Biru development and extension of the Sampang PSC.

The Paus Biru development plan involves drilling a single well, installing a wellhead platform, and constructing a 27-kilometre subsea pipeline to connect the gas field to existing infrastructure at the Oyong field. Subject to final approvals, gas production from Paus Biru is expected to commence at a rate of 20-25 mmcf/d.

Mahakam Hilir PSC

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

Operator: Cue Kalimantan Pte Ltd

Processes continued for surrender of the permit, which expired in April 2021. During the half, a significant relinquishment step was achieved with surplus drilling material owned by the Indonesian Government auctioned and successfully removed from Cue's warehouse site.

Final processes for land certification are still outstanding and Cue is discussing a solution to some administrative barriers with the Indonesian Authorities.

NEW ZEALAND

PMP 38160 (Maari/Manaia Fields)

Cue Interest: 5% (Cue Taranaki Pty Ltd)

Operator: OMV New Zealand Limited

Revenue reported for the half was 3% lower than the previous period, with higher sales volumes offset by a lower average price received of A\$127/bbl. Oil production continues to be stable above 5,000 bopd as the benefits of water injection and other production optimisation projects are realised.

A number of well workover projects were undertaken during the half, with MR8 and MR10 production wells undergoing repairs and resuming full production early in the half. A workover to the MR6a well, aimed at suspending the existing production zone and perforating the Matapo and Kap100 reservoirs, was also completed. Well clean up and testing results from MR6a remain ongoing.

The Maari JV continues to evaluate and prioritise value-added projects, focusing on potential production enhancement, cost reduction, and opportunities for CO₂ reduction.

An application for the extension of the PMP 381060 (Maari) license was submitted to the New Zealand Government in Q1 FY2025. The decision-making timeframe for the government can take over a year.

During the half, the Maari Joint Venture contributed funding to the South Taranaki District Council to build a community bicycle pump track in Aotea Park, Waverly, NZ. The track was opened in December 2024.

Cue Energy Resources Limited
Directors' report
31 December 2024

The Directors present their report, together with the financial statements, on the Consolidated Entity consisting of Cue Energy Resources Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024 (1H FY2025).

Directors

The names of Directors of the Company in office during the half year and up to the date of this report were:

Alastair McGregor
 Andrew Jefferies
 Peter Hood
 Richard Malcolm
 Rod Ritchie
 Samuel Kellner
 Marco Argentieri

Chief Executive Officer

Matthew Boyall

Company Secretary

Anita Addorisio

Principal activities

The principal activities of the Consolidated Entity are petroleum exploration, development and production.

Dividends

On 25 February 2025, the Board of Directors declared an interim dividend of \$0.01 (1 cent) per fully paid ordinary share. This distribution has been declared as a Conduit Foreign Income (CFI), unfranked dividend and will be paid on 26 March 2025.

Review of operations

The Consolidated Entity reported a net profit after tax for the 1H FY2025 of \$4.34 million (1H FY2024: \$9.07 million) and EBITDAX of \$15.21 million (1H FY2024: \$19.29 million), as detailed below. The lower profit for the period was driven by lower revenue in Sampang and Australia Onshore, higher production costs and cost-recoverable tax charges in Mahato, and an unplanned workover and general cost increases at Maari.

	Consolidated	
	Period ended	Period ended
	31 December	31 December
	2024	2023
	\$'000	\$'000
Profit before tax	9,952	15,266
Finance costs	273	245
Depreciation and amortisation	3,976	3,569
EBITDA	14,201	19,080
Business acquisition and development expenses/(reversal)	2	29
Share based payments	62	51
Exploration and evaluation expenses	943	130
EBITDAX	15,208	19,290

* EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for depreciation, amortisation, interest and tax. EBITDAX is EBITDA adjusted to exclude business development costs, exploration and evaluation expenses, share based payments and one-off legal expenses. The Directors consider that these measures are useful in gaining an understanding of the performance of the entity, consistent with internal reporting.

	Production revenue Period ended 31 December 2024 \$'000	Production revenue Period ended 31 December 2023 \$'000	Gross profit margin Period ended 31 December 2024	Gross profit margin Period ended 31 December 2023
Mahato	11,609	11,886	55.3%	76.8%
Maari	6,349	6,539	35.4%	51.9%
Sampang	3,683	4,546	45.0%	51.0%
Australia Onshore	5,473	6,320	46.0%	57.0%
Total	27,114	29,291		

Production revenue for 1H FY2025 was \$27.1 million, a decrease of \$2.2 million from 1H FY2024: \$29.3 million. This was mainly attributable to declining gas production at Sampang, and Dingo prior period revenue higher from take-or-pay revenue of \$1 million.

Exploration expenses were \$0.9 million for the period (1H FY2024: \$0.13 million), primarily in respect of the Mahato PC-01 exploration well.

The consolidated cash and cash equivalents at 31 December 2024 of \$17.1 million (30 June 2024 \$16.3 million) has increased by 5% over the period.

Significant changes in the state of affairs

On 1 July 2024, 1,370,359 options over the Company's fully paid ordinary shares expired, with an exercise price of \$0.09 (9 cents) per fully paid ordinary share.

On 15 October 2024, the Company issued 3,411,549 options over fully paid ordinary shares to employees with an exercise price of \$0.12 (12 cents) per fully paid ordinary share and which expire on 1 July 2029.

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial half-year.

Matters subsequent to the end of the financial half-year

On 22 January 2025, West Mereenie 29 well commenced gas sales to the Northern Territory.

On 3 February 2025, the condition precedent date for the existing conditional gas supply agreement to supply gas to Arafura Rare Earths Limited Nolans Project was extended to 31 March 2025.

On 19 February 2025, West Mereenie 30 well was successfully drilled and completed, and is due to be tied-in to the production system in March 2025.

On 25 February 2025, the Board of Directors declared an interim dividend of \$0.01 (1 cent) per fully paid ordinary share. This distribution has been declared as a Conduit Foreign Income (CFI), unfranked dividend and will be paid on 26 March 2025.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Auditor's independence declaration

The lead auditor's independence declaration is set out on page 9 and forms part of the Directors' report for the six months ended 31 December 2024.

Signed in accordance with a resolution of the directors:



Alastair McGregor
Non-Executive Chairman

25 February 2025

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Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Cue Energy Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Cue Energy Resources Limited for the half-year ended 31 December 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

James Dent

Partner

Melbourne

25 February 2025

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Cue Energy Resources Limited
Condensed consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

		Consolidated	
		Period ended 31 December 2024	Period ended 31 December 2023
	Note	\$'000	\$'000
Revenue from operations	5	27,114	29,291
Production costs		(14,251)	(10,845)
Gross profit		12,863	18,446
Other income		272	412
Net foreign currency exchange gain/(loss)		350	(652)
Expenses			
Exploration and evaluation expenses		(943)	(130)
Corporate & administration expenses	6	(1,521)	(1,441)
Sales and marketing expenses	7	(796)	(1,124)
Finance costs		(273)	(245)
Profit before income tax expense		9,952	15,266
Income tax expense	9	(5,612)	(6,194)
Profit after income tax expense for the half-year attributable to the owners of Cue Energy Resources Limited		4,340	9,072
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		1,624	(564)
Other comprehensive income/(loss) for the half-year, net of tax		1,624	(564)
Total comprehensive income for the half-year attributable to the owners of Cue Energy Resources Limited		5,964	8,508
		Cents	Cents
Basic earnings per share	16	0.62	1.30
Diluted earnings per share	16	0.62	1.30

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Cue Energy Resources Limited
Condensed consolidated statement of financial position
As at 31 December 2024

		Consolidated	
	Note	31 December 2024	30 June 2024
		\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents		17,147	16,259
Trade and other receivables		10,159	8,134
Inventories		1,851	2,420
Total current assets		29,157	26,813
Non-current assets			
Advances paid for restoration works	10	6,595	6,069
Property, plant and equipment		24	20
Right-of-use assets		262	206
Production properties	8	66,063	63,017
Development assets		5,584	4,553
Deferred tax assets	9	9,955	12,201
Deposits		404	404
Total non-current assets		88,887	86,470
Total assets		118,044	113,283
Liabilities			
Current liabilities			
Trade and other payables		5,693	2,984
Lease liabilities		54	43
Tax liabilities		4,197	3,040
Provisions		273	239
Total current liabilities		10,217	6,306
Non-current liabilities			
Contract liabilities		3,825	4,000
Lease liabilities		217	174
Deferred tax liabilities	9	10,665	9,280
Provisions	10	29,167	28,609
Total non-current liabilities		43,874	42,063
Total liabilities		54,091	48,369
Net assets		63,953	64,914
Equity			
Contributed equity	11	152,583	152,543
Reserves	12	50,901	54,100
Accumulated losses		(139,531)	(141,729)
Total equity		63,953	64,914

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes

Cue Energy Resources Limited
Condensed consolidated statement of changes in equity
For the half-year ended 31 December 2024

Consolidated	Contributed equity \$'000	Other reserves \$'000	General reserve \$'000	Accumulated (losses)/ profits \$'000	Total equity \$'000
Balance at 1 July 2023	152,416	2,175	4,218	(94,617)	64,192
Profit after income tax expense for the half-year	-	-	-	9,072	9,072
Other comprehensive loss for the half-year, net of tax	-	(564)	-	-	(564)
Total comprehensive income/(loss) for the half-year	-	(564)	-	9,072	8,508
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	51	-	-	51
Transfer	-	(137)	36,835	(36,698)	-
Balance at 31 December 2023	<u>152,416</u>	<u>1,525</u>	<u>41,053</u>	<u>(122,243)</u>	<u>72,751</u>

Consolidated	Contributed equity \$'000	Other reserves \$'000	General reserve \$'000	Accumulated (losses)/ profits \$'000	Total equity \$'000
Balance at 1 July 2024	152,543	2,409	51,691	(141,729)	64,914
Profit after income tax expense for the half-year	-	-	-	4,340	4,340
Other comprehensive income for the half-year, net of tax	-	1,624	-	-	1,624
Total comprehensive income for the half-year	-	1,624	-	4,340	5,964
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	(22)	-	84	62
Transfer to/from accumulated losses	-	-	2,226	(2,226)	-
Dividends declared	-	-	(6,987)	-	(6,987)
Exercise of options	40	(40)	-	-	-
Balance at 31 December 2024	<u>152,583</u>	<u>3,971</u>	<u>46,930</u>	<u>(139,531)</u>	<u>63,953</u>

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Cue Energy Resources Limited
Condensed consolidated statement of cash flows
For the half-year ended 31 December 2024

Consolidated
Period ended 31 December
2024
\$'000

Period ended 31 December
2023
\$'000

Cash flows from operating activities

Receipts from customers	25,771	31,089
Interest received	263	420
Payments to suppliers	(10,131)	(9,504)
Exploration and evaluation expenditure	(987)	(110)
Income tax paid	(1,339)	(4,103)
Royalties paid	(718)	(760)
Interest paid	-	(118)

Net cash from operating activities

12,859 16,914

Cash flows used in investing activities

Payments for property, plant and equipment	(8)	(1)
Payments for exploration and development and production assets	(5,579)	(4,056)
Payments for business acquired	-	(162)

Net cash used in investing activities

(5,587) (4,219)

Cash flows used in financing activities

Dividends paid	(6,987)	-
Repayment of related party borrowings	-	(4,000)
Payments of principal element of lease liabilities	(38)	(42)

Net cash used in financing activities

(7,025) (4,042)

Net increase in cash and cash equivalents

247 8,653

Cash and cash equivalents at the beginning of the financial half-year

16,259 15,238

Effects of exchange rate changes on cash and cash equivalents

641 (718)

Cash and cash equivalents at the end of the financial half-year

17,147 23,173

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Cue Energy Resources Limited as a Consolidated Entity consisting of Cue Energy Resources Limited and the entities it controlled at the end of, or during, the half-year (1H FY2025). Cue Energy Resources Limited and its subsidiaries together are referred to in this financial report as the Consolidated Entity. The financial statements are presented in Australian dollars, which is Cue Energy Resources Limited's functional and presentation currency.

Cue Energy Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange.

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 February 2025.

Note 2. Material accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

A number of new accounting standards were effective from 1 July 2024, but the Consolidated Entity has assessed that no transactions are materially affected by the newly effective standards.

Note 3. Critical accounting estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The judgements made, assumptions applied and the consideration of sources of estimation uncertainty, are based on the application of historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of concluding on the carrying values of assets and liabilities that may not be readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the Consolidated Entity, and the judgements made, assumptions applied and consideration of sources of estimation uncertainty are reviewed on an ongoing basis.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities were the same as those applied to in the consolidated financial statements as at and for the year ended 30 June 2024.

Note 4. Financial reporting by segments

Segment Information

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ("CODM")) in assessing performance and in determining the allocation of resources.

Note 4. Financial reporting by segments (continued)

The CODM assesses the performance of the operating segments based upon EBITDAX, an adjusted measure of earnings before interest expense, tax, depreciation and amortisation, which allows peer comparison when assessing performance. EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for depreciation, amortisation, interest and tax. EBITDAX is EBITDA adjusted to exclude business development costs, exploration and evaluation expenses, share based payments and one-off legal expenses. The Directors and Management consider that these measures are useful in gaining an understanding of the performance of the entity, consistent with internal reporting.

The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the Consolidated Entity's financial statements.

Management have concluded that the Consolidated Entity operates in four principal segments: Australian Onshore operations (Mereenie, Palm Valley and Dingo), Maari in New Zealand and Sampang and Mahato in Indonesia. The Consolidated Entity has a distinct corporate function which has been presented separately in order to reconcile to the statutory results.

Australian onshore operations

The company resides in Melbourne, Australia. The Consolidated Entity, through separate wholly owned legal entities, Cue Mereenie Pty Ltd, Cue Palm Valley Pty Ltd and Cue Dingo Pty Ltd, holds 3 permits for onshore activities in Australia in the Amadeus Basin in the Northern Territory.

New Zealand

The Consolidated Entity, through its wholly owned subsidiary, Cue Taranaki Pty Ltd, holds a 5% interest in petroleum production property, PMP38160 (Maari) in New Zealand.

Indonesia

The Consolidated Entity, through its wholly owned subsidiaries, Cue Sampang Pty Ltd, holds a 15% interest in the Sampang PSC gas production property, and through Cue Mahato Pty Ltd, a 11.25% interest in the Mahato PSC oil production property.

Operating segment information

	Australia Onshore	New Zealand Maari	Indonesia		Corporate	Total
Consolidated - Period ended 31 December 2024	\$'000	\$'000	Mahato \$'000	Sampang \$'000	\$'000	\$'000
Revenue						
Revenues from operations	5,473	6,349	11,609	3,683	-	27,114
Total revenue	5,473	6,349	11,609	3,683	-	27,114
EBITDAX	3,261	3,430	7,500	1,789	(772)	15,208
Depreciation and amortisation	(1,088)	(1,643)	(1,072)	(145)	(28)	(3,976)
Share based payments	-	-	-	(14)	(48)	(62)
Business development expenses	-	-	-	-	(2)	(2)
Finance costs	(125)	(162)	(6)	22	(2)	(273)
Exploration and evaluation expenses	(51)	-	(875)	-	(17)	(943)
Profit/(loss) before income tax expense	1,997	1,625	5,547	1,652	(869)	9,952
Income tax expense						(5,612)
Profit after income tax expense						4,340

Note 4. Financial reporting by segments (continued)

	Australia Onshore	New Zealand Maari	Indonesia Mahato	Indonesia Sampang	Corporate	Total
Consolidated - Period ended 31 December 2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
Revenues from operations	6,320	6,539	11,886	4,546	-	29,291
Total revenue	6,320	6,539	11,886	4,546	-	29,291
EBITDAX	4,003	4,257	10,034	2,583	(1,587)	19,290
Depreciation and amortisation	(930)	(1,432)	(898)	(276)	(33)	(3,569)
Share based payments	-	-	-	(13)	(38)	(51)
Business development expenses	-	-	-	-	(29)	(29)
Finance costs	(83)	(56)	(3)	53	(156)	(245)
Exploration and evaluation expenses	(28)	-	(69)	-	(33)	(130)
Profit/(loss) before income tax expense	2,962	2,769	9,064	2,347	(1,876)	15,266
Income tax expense						(6,194)
Profit after income tax expense						9,072

Note 5. Revenue from operations

	Consolidated Period ended 31 December 2024 \$'000	Consolidated Period ended 31 December 2023 \$'000
Crude oil and condensate revenue	18,550	19,033
Natural gas revenue	8,564	10,258
Total revenue from operations	27,114	29,291

Note 6. Corporate & administration expenses

	Consolidated Period ended 31 December 2024 \$'000	Consolidated Period ended 31 December 2023 \$'000
Employee expenses	847	694
Accounting and audit fees	224	345
Superannuation contribution expense	43	29
Depreciation expense	41	47
Other expenses	106	139
Share based payments	62	51
Communication expenses	131	118
IT charges	67	18
Total administration expenses	1,521	1,441

Note 7. Sales and marketing expenses

	Consolidated	
	Period ended 31 December 2024	Period ended 31 December 2023
	\$'000	\$'000
Royalty expenses	480	482
Freight and other transportation costs	254	556
Marketing expenses	-	24
Tariffs	62	62
Total sales and marketing expenses	<u>796</u>	<u>1,124</u>

Note 8. Non-current assets - production properties

Reconciliation	\$'000
The reconciliation of the written down values at the beginning and end of the current financial half-year are set out below:	
Balance at 1 July 2024	63,017
Additions during the period	6,385
Changes in restoration provision – production	(1,474)
Amortisation expense	(4,122)
Changes in foreign currency translation	<u>2,257</u>
Balance at 31 December 2024	<u>66,063</u>

Note 9. Non-current assets - deferred taxes

	Consolidated	
	31 December 2024	30 June 2024
	\$'000	\$'000
<i>Deferred tax assets comprise temporary differences attributable to:</i>		
Tax losses	8,556	10,289
Restoration provisions	13,328	13,106
Other	146	164
Gross deferred tax assets	<u>22,030</u>	<u>23,559</u>
Set off against deferred tax liabilities	<u>(12,075)</u>	<u>(11,358)</u>
Deferred tax assets	<u>9,955</u>	<u>12,201</u>

	Consolidated	
	31 December 2024	30 June 2024
	\$'000	\$'000
<i>Deferred tax liability comprises temporary differences attributable to:</i>		
Production, development and exploration and evaluation assets	22,740	20,638
Set off against deferred tax assets	<u>(12,075)</u>	<u>(11,358)</u>
Deferred tax liabilities	<u>10,665</u>	<u>9,280</u>

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Note 9. Non-current assets - deferred taxes (continued)

At 31 December 2024, the Consolidated Entity recognised a deferred tax asset in respect of carried forward tax losses of \$8.56 million (30 June 2024: \$10.29 million), comprised of \$6.74 million in respect of the Australian tax group (30 June 2024: \$7.91 million) and \$1.77 million (30 June 2024: \$2.33 million) in respect of the New Zealand tax group.

The Consolidated Entity has unutilised carried forward tax losses of \$70.3 million not recognised, the tax effect of which is \$21.1 million at 31 December 2024 (30 June 2024: \$64.74 million of unutilised carried forward tax losses, the tax effect of which is \$19.42 million).

	Consolidated	
	Period ended 31 December 2024	Period ended 31 December 2023
	\$'000	\$'000
Income tax expense	(5,612)	(6,194)

The Consolidated Entity's effective tax rate for the period ended 31 December 2024 was 56% (30 June 2024: 44%). The increase is mainly due to derecognition of future losses in Australia.

Note 10. Non-current liabilities - provisions

	Consolidated	
	31 December 2024	30 June 2024
	\$'000	\$'000
Employee benefits	3	2
Restoration provisions	29,164	28,607
	<u>29,167</u>	<u>28,609</u>

Restoration provisions

Provision for future environmental restoration are recognised where there is a present obligation as a result of exploration, development, production, transportation or storage activities having been undertaken, and it is probable that an outflow of economic benefits will be required to settle the obligation. The estimated future obligations include the costs of removing facilities, abandoning wells and restoring the affected areas. The expected timing of outflows for restoration liabilities is not within 12 months from the reporting date.

	Consolidated	
	31 December 2024	30 June 2024
	\$'000	\$'000
Restoration provisions	29,164	28,607
Advances paid for restoration works	(6,595)	(6,069)
Net unfunded restoration provisions	<u>22,569</u>	<u>22,538</u>

In accordance with legislative obligations in some of the respective jurisdictions in which the Consolidated Entity operates, contributions are made to special purpose funds established solely for the purpose of financing future restoration works, any amounts which have been funded are not available for general use and restricted solely for the purpose of funding future restoration works. As at 31 December 2024, \$6.59 million (30 June 2024: \$6.07 million) has been contributed to such a fund established in Sampang asset in Indonesia.

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Note 11. Equity - contributed equity

	31 December 2024 Shares	30 June 2024 Shares	Consolidated 31 December 2024 \$'000	30 June 2024 \$'000
Ordinary shares - fully paid	698,676,960	698,372,282	152,583	152,543

Ordinary shares entitle the holder to the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid on the shares held. Ordinary shares entitle holders to one vote, either in person or by proxy at a meeting of the Company. The Company has an unlimited authorised capital and the shares have no par value.

Note 12. Equity - reserves

	Consolidated 31 December 2024 \$'000	30 June 2024 \$'000
General reserve	46,930	51,691
Foreign currency reserve	3,540	1,916
Options reserve	431	493
	<u>50,901</u>	<u>54,100</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Exchange differences arising on translation of subsidiaries with a functional currency different to the Consolidated Entity's presentation currency are taken to the foreign currency translation reserve. The reserve is subsequently reclassified from equity to profit or loss when the net investment is disposed of.

Option reserve

The reserve is used to recognise the value of equity benefits provided to employees as part of their remuneration, and other parties as part of their compensation for services.

General reserve

The reserve is used to quarantine the Consolidated Entity's accumulated profits generated in a reporting period by each entity within the Consolidated Entity.

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Foreign currency reserve \$'000	General reserve \$'000	Options reserve \$'000	Total \$'000
Balance at 1 July 2024	1,916	51,691	493	54,100
Foreign currency translation	1,624	-	-	1,624
Transfer to/from accumulated losses	-	2,226	-	2,226
Share-based payments	-	-	(22)	(22)
Exercise of option	-	-	(40)	(40)
Dividends declared	-	(6,987)	-	(6,987)
Balance at 31 December 2024	<u>3,540</u>	<u>46,930</u>	<u>431</u>	<u>50,901</u>

Note 13. Contingent assets and liabilities

The Directors are not aware of any other contingent assets or contingent liabilities as at 31 December 2024 (30 June 2024: Nil).

Note 14. Commitments for expenditure

Commitments reflect the Consolidated Entity's interest in future financial obligations, based on existing facts and circumstances, where the Consolidated Entity is contractually or substantively committed to making future expenditure. These commitments may be either direct obligations or, as is the case with most commitments, obligations which the respective projects' operators enter into on the Consolidated Entity's behalf with suppliers and service providers.

As of 31 December 2024, exploration and development expenditure commitments were \$16.3 million, primarily consisting of \$15.4 million in costs to be incurred on the drilling of development wells in the Mahato PSC.

Note 15. Events after the reporting period

On 22 January 2025, West Mereenie 29 well commenced gas sales to the Northern Territory.

On 3 February 2025, the condition precedent date for the existing conditional gas supply agreement to supply gas to Arafura Rare Earths Limited Nolans Project was extended to 31 March 2025.

On 19 February 2025, West Mereenie 30 well was successfully drilled and completed, and is due to be tied-in to the production system in March 2025.

On 25 February 2025, the Board of Directors declared an interim dividend of \$0.01 (1 cent) per fully paid ordinary share. This distribution has been declared as a Conduit Foreign Income (CFI), unfranked dividend and will be paid on 26 March 2025.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Note 16. Earnings per share

	Consolidated	
	31 December 2024	31 December 2023
	\$'000	\$'000
Profit after income tax attributable to the owners of Cue Energy Resources Limited	4,340	9,072
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	698,475,789	698,119,720
Weighted average number of ordinary shares used in calculating diluted earnings per share	699,817,730	698,119,720
	Cents	Cents*
Basic earnings per share	0.62	1.30
Diluted earnings per share	0.62	1.30

* Previously, the potentially dilutive effects of any contingently issuable ordinary shares had not been considered in the diluted earnings per share calculation for the six months ended 31 December 2023 as the effect of contingently issuable ordinary shares would have been anti-dilutive.

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Cue Energy Resources Limited
Directors' declaration
31 December 2024

In the opinion of the directors of Cue Energy Resources Limited ("the Company"):

The condensed consolidated financial statements and notes are set out on pages 10 to 20, are in accordance with the *Corporation Act 2001*, including:

- (a) giving a true and fair view of the Consolidated Entity 's financial position as at 31 December 2024 and of its performance for the six month period ended on that date;
- (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors:



Alastair McGregor
Non-Executive Chairman

25 February 2025

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Independent Auditor's Review Report

To the shareholders of Cue Energy Resources Limited,

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying **Half-year Financial Report** of Cue Energy Resources Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Cue Energy Resources Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Half-year Financial Report** comprises:

- Condensed consolidated statement of financial position as at 31 December 2024
- Condensed consolidated statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the half-year ended on that date
- Notes 1 to 16 including selected explanatory notes
- The Directors' Declaration.

The **Group** comprises Cue Energy Resources Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



KPMG



James Dent

Partner

Melbourne

25 February 2025