

8 October 2026

Palm Valley drilling update

- PV14 has reached a total depth of 2,942 m MD and completion operations are underway.
- An initial 90-minute open-hole flow test through a $\frac{3}{4}$ -inch choke reached a final estimated gas rate of approximately 3.2 TJ/d (100% JV), with subsequent flow rates reaching an estimated rate of approximately 3.6 TJ/d before declining to around 3.2 TJ/d (100%JV).
- No water was recovered at surface during the flow test periods, although subsequent flow-back operations showed evidence of water in the wellbore.
- Subject to successful completion and tie-in activities, commissioning is targeted by the end of October 2026.
- Drilling of PV15 is planned to commence following completion of PV14 activities.

Cue Energy Resources Limited (**ASX: CUE**) provides the following update on the PV14 well in the Palm Valley gas field, Australia.

Drilling of PV14 commenced in late July 2026. The well reached a total depth of 2,942m measured depth (MD), equivalent to 2,096m true vertical depth (TVD). Open-hole packers were installed to isolate anticipated water-entry points, with the shallowest packer set at 2,729m MD, equivalent to 2,041m TVD.

Before completion operations commenced, the well was flowed through the drilling rig from the open-hole interval between 2,102m and 2,729m MD, equivalent to 1,903m to 2,041m TVD, in the Pacoota P1 Sandstone. During an initial 90-minute flow through a $\frac{3}{4}$ -inch choke, the well reached a final estimated gas rate of approximately 3.2 TJ/d on a 100% JV basis. No water or oil was recovered at surface during this initial flow period. The estimated gas rate had not stabilised and was continuing to increase slowly at the end of the initial test, at a flowing tubing-head pressure of 210 psi.

A second 90-minute flow period was conducted through a $\frac{1}{2}$ -inch choke, during which the flow rate reached 2.3 TJ/d. After a 90-minute shut-in, the well was reopened again through the $\frac{3}{4}$ -inch choke. The estimated gas rate initially increased to approximately 3.6 TJ/d but subsequently declined, together with flowing tubing-head pressure. By the end of this flow period, the estimated rate had returned to approximately the level recorded at the end of the initial test.

Laboratory analysis of the PV14 gas composition has not yet been completed. For context, current production from the P1 reservoir contains approximately 98% hydrocarbons with minimal inert content. PV14 gas composition may differ. The well has not been hydraulically stimulated.

Although no water was recovered at surface during the flow periods, subsequent flow-back operations showed evidence of water. The source and likely production impact of the water have not yet been determined. Palm Valley is a tight, naturally fractured reservoir. The water may be standing or perched water that reduces as the well cleans up, as occurred at PV12. Alternatively, it may be entering through connected fractures within the open reservoir interval and require further isolation work. If water remains and cannot be effectively isolated or managed, sustained gas production from PV14 may not be possible.

PV14 is planned to be completed as a gas producer and connected to the Palm Valley gathering system. Subject to successful completion and tie-in activities, commissioning is

targeted by the end of October 2026. A period of sustained production will be required before reliable longer-term production estimates can be made.

Following completion of PV14 activities, the rig is planned to move to PV15, the second well in the campaign. If successfully completed and commissioned, PV14 and PV15 may increase Palm Valley's available production capacity. The field's existing processing infrastructure has gross joint venture sales capacity of approximately 14 TJ/d. This figure represents infrastructure capacity and is not a production forecast. Actual production will depend on individual well performance and decline from existing wells.

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 on +61 3 8610 4000 or email mail@cuenrg.com.au.

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About CUE

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

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