ABN 45 066 383 971

12 January 2017 **PAGES (including this page): 3**

ASX Market Announcements
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
Sydney NSW 2000

Maari oil field: production resumes this week

Please see attached a media release issued by OMV New Zealand this morning.

Yours faithfully

Andrew M Knox
Chief Financial Officer

CUE ENERGY OVERVIEW
Cue is an Australian based oil and gas company with activities in Australia, New Zealand and Indonesia.

THE COMPANY HAS:
- Long life production
- A strong balance sheet
- An active exploration programme

CUE ENERGY DIRECTORS
- Grant Worner (Executive Chairman)
- Koh Ban Heng
- Duncan Saville

CUE ENERGY MANAGEMENT
- Andrew Knox (CFO)

OFFICE
Level 19
357 Collins Street
Melbourne Vic 3000

CONTACT DETAILS
Tel: +613 8610 4000
Fax: +613 9614 2142

EMAIL
mail@cuenrg.com.au

WEBSITE
www.cuenrg.com.au

LISTINGS
ASX: CUE
ADR/OTC: CUEYY

Maari oil field: production resumes this week

- **Crack repair completed and independently verified**
- **Postponed subsea work completed**

The Maari oil-field, 80km off the Taranaki Coast, is set to progressively resume production this week says its operator, OMV New Zealand.

The company stopped production in late November last year as a precaution, following discovery of a crack in one of the well-head platform's 12 horizontal struts during a scheduled inspection.

As an intermediate solution devised by specialist advisors AMOG, three clamps were installed in December by air divers. Fitzroy Engineering and NZ Diving and Salvage were both contracted to undertake the repair.

This secured the damaged strut on level 3, about 4 metres below the waterline. The repair was independently verified by Lloyds, both during the design phase and post-installation. OMV has also completed a full electromagnetic inspection of all nodes (strut and leg connections) on level 3 and undertook a Remotely Operated Vehicle (ROV) inspection of the entire platform structure which stands in approximately 100m of water.

Two options for a permanent solution are currently being investigated by AMOG and Worley Parsons (Melbourne). This work is expected to be completed this month and a preferred concept selected. The subsequent permanent repair will likely be completed by mid-2017.

During the interim repair period OMV resumed its planned shutdown maintenance programme that had been scheduled to start 5 December. This included completing the replacement of a water injection flowline. Two specialist support vessels, from Maersk and DOF, were contracted for this work.

Maintenance work on the field's production risers (flexible pipes connected between the wellhead platform and the floating production vessel Raroa) was also undertaken during the shutdown.

Regulatory agencies WorkSafe, Maritime New Zealand and the Environmental Protection Authority were consulted on an on-going basis throughout the work.

ENDS

Media contact: Brian Small 021 362 730

The Maari oilfield

The Maari field is located 80 km off the Taranaki coast in water depths of about 100m. It is operated by OMV New Zealand Ltd (69%) on behalf of the Maari JV which includes Todd Maari Ltd (16%), Horizon Oil International Ltd (10%) and Cue Taranaki Pty Ltd (5%).

OMV New Zealand

OMV New Zealand is one of the country's largest liquid hydrocarbon producers, the third largest gas producer, and a major explorer in a number of offshore basins around New Zealand, particularly the Taranaki Basin. It has been active here since 1999 when it acquired shares in the Maari oil discovery which it developed and now operates. Focusing strictly on exploration and production in New Zealand, OMV New Zealand also holds shares in the Maui and Pohokura gas fields. It also currently holds interests in ten exploration permits, eight as operator. OMV New Zealand is a subsidiary of OMV Aktiengesellschaft, parent company of OMV Group.

OMV Aktiengesellschaft

With Group sales of EUR 23 bn and a workforce of around 24,100 employees in 2015, OMV Aktiengesellschaft is one of Austria's largest listed industrial companies. In upstream, OMV focuses on three core regions – CEE (Romania, Austria), North Sea as well as Middle East and Africa – and selected development areas. 2015 daily production stood at approximately 303 kboe/d. In downstream, OMV has an annual refining capacity of 17.8 mn tonnes and approximately 3,800 filling stations in 11 countries as of end of 2015. OMV operates a gas pipeline network in Austria and gas storage facilities in Austria and Germany. In 2015, gas sales volumes amounted to 110 TWh.

ENDS