



ABN 45 066 383 971

22 October 2015

PAGES (including this page): 15

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

Quarterly Report for Period Ended 30 September 2015

Attached please find Cue Energy Resources Limited's release with respect to the above mentioned.

Yours faithfully

Andrew M Knox
Chief Financial Officer

CUE ENERGY OVERVIEW

Cue is an Australian based oil & gas company with activities in Australia, New Zealand, Indonesia and the USA.

THE COMPANY HAS:

- Long life production
- A strong balance sheet
- An active exploration program

CUE ENERGY DIRECTORS

- Paul Foley (Chairman)
- Stuart Brown
- Peter Hazledine
- Koh Ban Heng
- Brian Smith

CUE ENERGY MANAGEMENT

- David Biggs (CEO)
- Andrew Knox (CFO)
- Jeffrey Schrull (Exp Man)

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LISTINGS

ASX: CUE
ADR/OTC: CUEYY

SUMMARY OF ACTIVITIES

Production

- The Maari development drilling programme is now complete with current production at ~16,000 barrels of oil per day (bopd). Over the 18 month project, a total of four new production wells were drilled using the Ensco 107 jack-up rig. The Joint Venture is planning to further increase the field's production rate up to 20,000 bopd with the optimisation of production and 2015/16 work-over campaign, which commenced in August, with the workover of the MR3 and MR9 wells.
- The Sampang PSC well workover programme in Indonesia, to increase production and extend field life, has concluded and Oyong production is now averaging 1300 bopd (100%). Installation of onshore gas compression at the Grati gas plant has also now been completed resulting in increased deliverability from Wortel to 45 mmcf of gas per day(100%). This will maintain gas production from Oyong and Wortel and extend field life beyond 2018.

Exploration

- Preparations in Indonesia continue for drilling in the Mahakam Hilir PSC at the Naga Selatan-2 location. Construction of the road and drilling location has commenced and a rig contract is under negotiation. The estimated spud date for this exploration well is early January, 2016.
- Planning is underway by the operator to drill two wells in the Mahato PSC in Indonesia in 2016.
- Cue has identified and matured the 15 TCF Mungaroo Formation Ironbark gas prospect which straddles both the WA-359-P and WA-409-P permits offshore Western Australia (Cue 100% and operator). A process is now underway to farm-out a material interest in both permits and initial industry response to the opportunity has been very positive.

Financial

- Quarterly revenue receipts from hydrocarbon production for the quarter were \$10.57 million on sales of 66,120 barrels of oil at an average price of US\$51 per barrel and 669,199 thousand cubic feet (Mcf) of gas at an average price of \$8.72 per Mcf.
- Cue has no hedging in place.
- Cue has no debt.
- \$26.61 million cash on hand at the end of the quarter.

Production & Financial Summary

KEY PERFORMANCE METRICS		Sept Quarter Q1 FY16	June Quarter Q4 FY15	Change %
Oil Production (net to Cue)	bbl	86,800	75,532	14.92
Gas Production (net to Cue)	mmcf	764.19	606.52	26.00
Oil Liftings (net to Cue receipts)	bbl	66,120	82,012	(19.38)
Gas Liftings (net to Cue receipts)	mmcf	669.20	622.75	7.46
Total Revenue Receipts	\$m	10.57	11.72	(9.81)
Production Expenditure	\$m	5.14	3.51	46.44
Closing Cash Position	\$m	26.61	27.61	(3.62)

ACTIVITY REVIEW AUSTRALIA EXPLORATION - Carnarvon Basin

WA-359-P

Cue Interest: 100%

Operator: Cue Exploration Pty Ltd

Cue has evaluated the regional prospectivity in all of its Western Australia offshore permits and has identified an exciting new play type associated with the prolific gas-bearing Mungaroo Formation. The “Ironbark” prospect, a Mungaroo Formation prospect with multiple objectives, has been identified as the primary candidate for drilling and Cue estimates that it holds a success case best technical estimate of 15TCF of gas reserves. Cue has received approval from the Federal regulator, NOPTA, to have the year 3 well commitment date extended until October 2016. Cue has commenced a farm-out process to find suitable joint venture partner(s) to participate in the drilling of the well and will be hosting potential partners in a data-room in Melbourne in Q4 this year.

WA-409-P

Cue Interest: 100%

Operator: Cue Exploration Pty Ltd

Cue acquired 100% of WA-409-P in February 2015 and is now operator of the permit. A 12 month extension to year 6 of WA-409-P until April 2016 has been granted by NOPTA to allow further technical analysis of the Ironbark prospect which has been mapped as straddling both WA-359-P and WA-409-P. Cue plans to farm-out a material interest in both the WA-359-P and WA-409-P permits which ensures the entire prospect is included in the commercial offer. Ironbark is planned for testing by a well in WA-359-P and if successful, subsequent possible appraisal drilling would take place in WA-409-P.

WA-360-P

Cue Interest: 37.5%

Operator: MEO Australia Limited

The WA-360-P Joint Venture is completing the reprocessing of approximately 650 km² of existing 3D seismic data over the Maxwell prospect to improve imaging of the structure. There is no well commitment in the current licence term which ends on 5 March 2016.

WA-361-P

Cue Interest: 15%

Operator: MEO Australia Limited

NOPTA has approved an application for a work programme variation to allow the Joint Venture to complete geotechnical studies ahead of deciding whether to make any commitment to drill a well. The work programme term concludes on 30 January 2016.

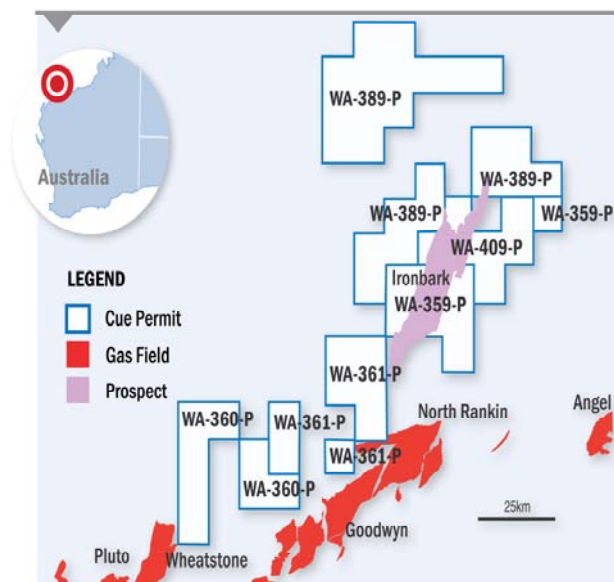
WA-389-P

Cue Interest: 40%

Operator: BHP Billiton Petroleum (Australia) Pty Ltd

Reprocessing of existing 2D and 3D seismic data has been approved by the Joint Venture and is underway.

CARNARVON BASIN LOCATION MAP



NEW ZEALAND EXPLORATION - Taranaki Basin

PEP 51149

Cue Interest: 20%

Operator: Todd Exploration Limited

The Te Kiri North-1 well is now expected to be drilled in late Q4 2015 or early Q1 2016. The operator has proposed a well which will be deviated from the surface location to intersect a potentially oil-bearing objective in the Miocene-age Mount Messenger Formation and a deeper Eocene-age gas-bearing objective.

Cue's estimate of the mean prospective recoverable resource is 2 million boe net to Cue. Existing infrastructure nearby will facilitate early commercialisation in a success case.

PEP 54865

Cue Interest: 20%

Operator: Todd Exploration Limited

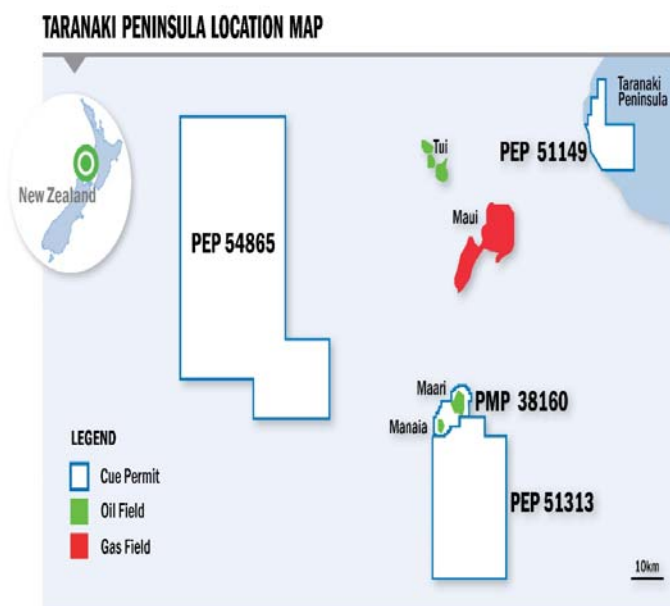
The permit carries a minimum work program of 285 km² of 3D seismic to be acquired, processed and interpreted prior to June 2016. The Joint Venture may elect to commit to a well before December 2017 or surrender the permit. Planning for the 3D seismic survey has commenced and acquisition is planned for early 2016 subject to vessel availability.

PEP 51313

Cue Interest: 14% interest

Operator: OMV New Zealand Limited

The Joint Venture is focused on assessing the remaining potential associated with the Matariki trend, up-dip of the Maari field. Studies are being completed by the operator to determine the feasibility of acquiring additional 3D seismic to reduce the geologic risk of the remaining prospects.



NEW ZEALAND PRODUCTION

PMP 38160

Cue Interest: 5%

Operator: OMV New Zealand Limited

Maari and Manaia Fields

Cue's net share of oil sales in the quarter from the Maari and Manaia fields was 62,558 barrels which generated \$4.51 million in revenue received.

The average oil production rate in the quarter was approximately 14,718 gross bopd (Cue net: 736 bopd).

The Maari development drilling programme is now complete and both the MR3 and MR9 wells have been worked over and are back on production. The field is now averaging ~16,000 bopd from nine Maari field producers and one Manaia producer. Over the 18 month long project, a total of four new production wells were drilled using the Ensco 107 jack-up rig. The Joint Venture is planning to further increase the field's production rate up to 20,000 bopd with the optimisation of production and 2015/2016 work-over campaign.



INDONESIA EXPLORATION

Mahakam Hilir
PSC Kutei Basin
Cue Interest: 100%
Operator: Cue Kalimantan Pte Ltd

Cue now holds a 100% interest in, and is the operator of, the Mahakam Hilir PSC in the prolific Kutei Basin onshore Kalimantan, Indonesia.

Naga Selatan 2 well planning is progressing, with construction of the drilling pad and access roads now underway. The technical work on the prospect is complete and a final well proposal will soon be submitted to SKKMIGAS for approval to drill in early January 2016. Signing of a firm rig contract is imminent and all relevant remaining tenders are almost complete.

Extensive field mapping in the block has helped identify a final location for the Naga Selatan-2 well. Field geologists have identified several active oil seeps during their work and this critical information has been used in updating the structural interpretation of the prospect and selecting an initial drill location which is very close to an active seep. Regional work has also established the near-by Sanga Sanga oilfield as an analogy to the trap type that Cue are pursuing. Cue plans to suspend the well as a future producer and carry out a production test in 2016 if the drilling successfully calibrates our prospect model.

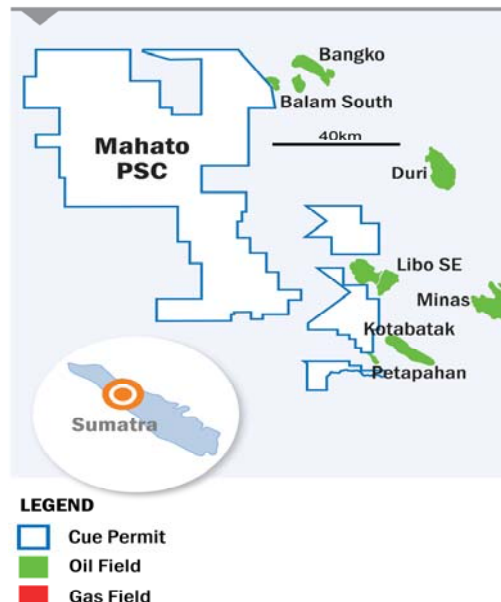
Mahato PSC
Central Sumatra Basin
Cue Interest: 12.5%
Operator: Texcal Mahato Ltd

The Mahato PSC covers a highly prospective area close to several large producing oil fields. Multiple appraisal and exploration opportunities have been mapped and 2 wells are currently planned for 2016. A 2D seismic programme to high grade further exploration prospects is also planned for late 2015/early 2016.

MAHAKAM HILIR PSC LOCATION MAP



MAHATO PSC LOCATION MAP



INDONESIA PRODUCTION

Sampang PSC- Madura Strait

Cue Interest: 15%

Operator: Santos (Sampang) Pty Ltd

Oyong Field

During the quarter Cue's share of condensate sales receipts was \$1,237 from the sale of 27 barrels and gas sales receipts was \$1.86 million from the sale of 237.33 mmcf. Cue did not lift any Oyong oil in the quarter.

The Oyong average oil production rate for the quarter was 1,256 bopd (gross) and the daily gas average rate was 24.37 mmcf (gross) (Cue net: 162 bopd and 2.99 mmcf - both net of government take under the PSC).

The Sampang PSC well workover programme to increase production and extend field life has concluded and Oyong is now averaging 1300 bopd. Oyong is also now benefitting from an amendment to the existing gas contract, which included a significant price increase and became effective in July. The field maintains an average rate of 30mmcf/d primarily produced as associated gas from the oil producing wells.

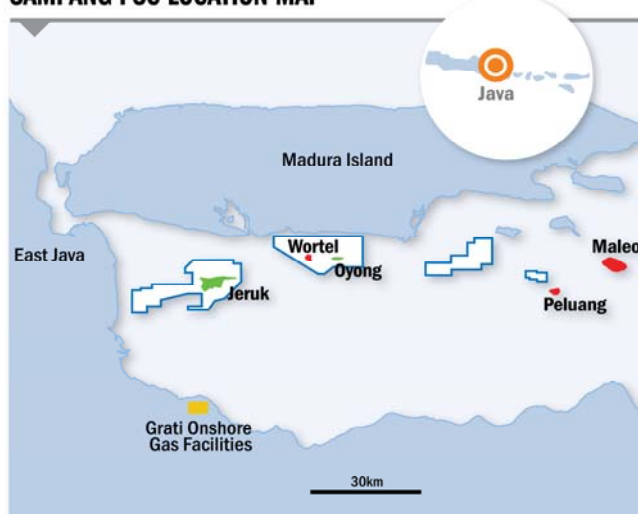
Wortel Field

During the quarter Cue's share of gas sales receipts was \$3.97 million from the sale of 431.87 mmcf. Cue's share of condensate sales from the Wortel field was 40 barrels which generated \$1,769 in revenue.

Wortel-3 and Wortel-4 flowed gas at a combined average daily rate of 38.27 mmcf (gross) during the quarter (Cue net 5.31 mmcf net of government take under the PSC.)

Installation of onshore gas compression at the Grati gas plant has also now been completed and all three compressors are fully functional. Compression capacity has resulted in increased deliverability from Wortel to 45mmcf/d. This will also help maintain gas production from Oyong and Wortel and extend field life.

SAMPANG PSC LOCATION MAP



LEGEND

- Cue Permit
- Oil Field
- Gas Field

USA PRODUCTION

Pine Mills – East Texas

Cue Interest: 80%

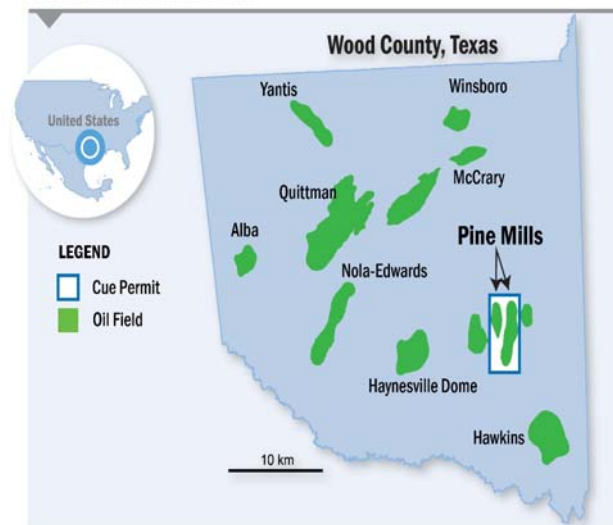
Operator: Cue Resources, Inc

On the 5 June 2015, Cue finalised an agreement to purchase an 80% working interest in a conventional Woodbine oilfield in the prolific East Texas Basin. Cue now operates the field and is implementing a plan to stabilise and grow production over the coming months by working over and reactivating existing wells.

Oil sales in the quarter from the Pine Mills field was 3,495 barrels which generated \$0.220 million in revenue received.

The average gross oil production rate for the quarter was approximately 70 gross bopd (Cue net: 44 bopd).

PINE MILLS LOCATION MAP



CORPORATE

During the quarter G.J. King and A.A. Young were removed as directors at an Extraordinary General Meeting of the Company on 29 July 2015. The Company thanks them for their contribution as directors of Cue.

Koh Ban Heng joined the board of directors on 29 July 2015.

Mr Koh joined Singapore Petroleum Co Ltd (SPC) in March 1974 and held several key positions in the company before being appointed CEO in August 2003. He retired as CEO on 30 June 2011 and subsequently served as Senior Advisor from 1 July 2011 until 31 December 2014. Currently Mr Koh is an independent director of Keppel Infrastructure Holdings Pte Ltd, a fully owned subsidiary of Keppel Corporation, Independent Director and Non-Executive Chairman of Keppel Infrastructure Fund Management Pte Ltd as Trustee-Manager of Keppel Infrastructure Trust which is listed on SGX and an independent director of Tipco Asphalt PLC, a listed company in Thailand. In addition, Mr Koh is the Chairman of the ASEAN Council of Petroleum (ASCOPE) National Committee of Singapore. He also serves as Advisor to the Chairman and CEO of Dialog Group Berhad of Malaysia.

Cue's 2015 Annual General Meeting will be held at the Langham Hotel Melbourne, Flinders Room, 1 Southgate Avenue, Southbank 3006, Victoria, Australia on Thursday 19th November 2015, commencing at 10:00am (AEDT).



Andrew Knox
Chief Financial Officer

Various statements in this report constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward looking statements and involve unknown risks, expectations, uncertainties and other important factors that could cause those future acts, events and circumstances to differ from the way or manner in which they are expressly or impliedly portrayed herein.

Some of the more important of these risks, expectations and uncertainties are pricing and production levels from the properties in which the Company has interests and the extent of the recoverable reserves at those properties. In addition, the Company has a large number of exploration permits. Exploration for oil and gas is expensive, speculative and subject to a wide range of risks. Individual investors should consider these matters in light of their personal circumstances (including financial and taxation affairs) and seek professional advice from their accountant, lawyer or other professional adviser as to the suitability for them of an investment in the Company.

<p>DIRECTORS PG Foley (Non Exec. Chairman) SA Brown (Non Exec. Director) CP Hazledine (Non Exec. Director) Koh Ban Heng (Non Exec. Director) BL Smith (Non Exec. Director)</p> <p>CHIEF EXECUTIVE OFFICER DAJ Biggs</p> <p>CHIEF FINANCIAL OFFICER AM Knox</p>	<p>REGISTERED OFFICE Level 19 357 Collins Street MELBOURNE VIC 3000</p> <p>Phone: +613 8610 4000 Fax: +613 9614 2142 Email: mail@cuenrg.com.au Web: www.cuenrg.com.au</p> <p>AUDITOR BDO East Coast Partnership Level 14, 140 William Street MELBOURNE VIC 3000</p>	<p>SECURITIES EXCHANGE LISTING ASX: CUE</p> <p>SHARE REGISTER Computershare Investor Services Pty Ltd Telephone: 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) Email: web.queries@computershare.com.au Website: www.computershare.com.au</p>
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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Cue Energy Resources Limited

ABN

45 066 383 971

Quarter ended ("current quarter")

30 September 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date 3 months \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	10,571	10,571
1.2 Payments for (a) exploration and evaluation (refer 2.2)	(2,302)	(2,302)
(b) development	(4,241)	(4,241)
(c) production	(5,139)	(5,139)
(d) administration	(2,245)	(2,245)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	16	16
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(3,340)	(3,340)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(3,340)	(3,340)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(3,340)	(3,340)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings (refer 3.1(i))	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Share Issue Costs	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held		
1.20	Cash at beginning of quarter/year to date	27,605	27,605
1.21	Exchange rate adjustments to item 1.20	2,347	2,347
1.22	Cash at end of quarter	26,612	26,612

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	176
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors' fees / consultancy

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

-

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	7,224
4.2 Development	1,342
4.3 Production	3,905
4.4 Administration	1,658
Total	14,129

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	678	226
5.2 Deposits at call	25,934	27,379
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	26,612	27,605

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2 Interests in mining tenements acquired or increased	-	-	-	-

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	698,119,720	698,119,720	-	-
7.4 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	-	-	-	-
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures (totals only)	-	-	-	-
7.12 Unsecured notes (totals only)	-	-	-	-

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
 Chief Financial Officer

Date: 22 October 2015

Print name: Andrew Knox

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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Appendix 5B
Mining exploration entity quarterly report

APPENDIX A

QUARTERLY REPORT OF CONSOLIDATED CASHFLOWS
- QUARTER ENDED 30 SEPTEMBER 2015

Amended List of Mining Tenements

PERMIT	OPERATOR	LOCATION	CUE INTEREST (%)
Petroleum Properties			
		USA	
Pine Mills	Cue Resources, Inc	Wood County Onshore	80.00
		Indonesia	
Sampang PSC ⁽ⁱ⁾	Santos (Sampang) Pty Ltd	Madura Strait Offshore	15.00
Mahakam Hilir PSC	Cue Kalimantan Pte Ltd	Kalimantan Onshore	100.00
Mahato PSC	Texcal Mahato Pte Ltd	Central Sumatra Onshore	12.50
		Australia	
WA-359-P	Cue Exploration Pty Ltd	Carnarvon Offshore	100.00
WA-360-P	MEO Australia Limited	Carnarvon Offshore	37.50
WA-361-P	MEO Australia Limited	Carnarvon Offshore	15.00
WA-389-P	BHP Billiton Petroleum (Australia) Pty Ltd	Carnarvon Offshore	40.00
WA-409-P	Cue Exploration Pty Ltd	Carnarvon Offshore	100.00
		New Zealand	
PMP 38160	OMV New Zealand Limited	Taranaki Offshore	5.00
PEP 51313	OMV New Zealand Limited	Taranaki Offshore	14.00
PEP 51149	Todd Exploration Limited	Taranaki Onshore	20.00
PEP 54865	Todd Exploration Limited	Taranaki Offshore	20.00
⁽ⁱ⁾	Economic interest in the Jeruk field		8.18181