



ABN 45 066 383 971

29 April 2015

PAGES (including this page):18

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

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### Quarterly Report for Period Ended 31 March 2015

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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 and Indonesia.

#### THE COMPANY HAS:

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

#### CUE ENERGY DIRECTORS

- Geoffrey King (Chairman)
- Stuart Brown
- Peter Foley
- Peter Hazledine
- Brian Smith
- Andrew Young

#### CUE ENERGY MANAGEMENT

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

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Melbourne Vic 3000

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#### WEBSITE

www.cuenrg.com.au

#### LISTINGS

ASX: CUE

## SUMMARY OF ACTIVITIES

### Permit Activity

### Production

- Maari Growth Project proceeding with MR6A well now on production averaging about 7000 bopd and the MR7A well currently drilling. Growth Project drilling expected to be completed in June 2015.
- Sampang PSC well workover programme resulted in the Oyong-9 well being put on production at 430 bopd, with work continuing this quarter. Compression installation is underway which will extend field life and maintain gas production from Oyong and Wortel.

### Exploration

- Drilling planning continues for the Naga Selatan-2 well in the Mahakam Hilir PSC which is to be drilled in 2015.
- Government approval received for Cue's 12.5% interest acquired in the Mahato PSC in Indonesia.
- Cue acquired 100% of WA-409-P in February 2015 and is now operator of the permit. Cue is compiling a prospect portfolio across both WA-409-P and its other 100% owned permit, WA-359-P, with a view to seeking a joint venture partner(s) to participate in the newly identified significant "Ironbark" prospect.

### Financial

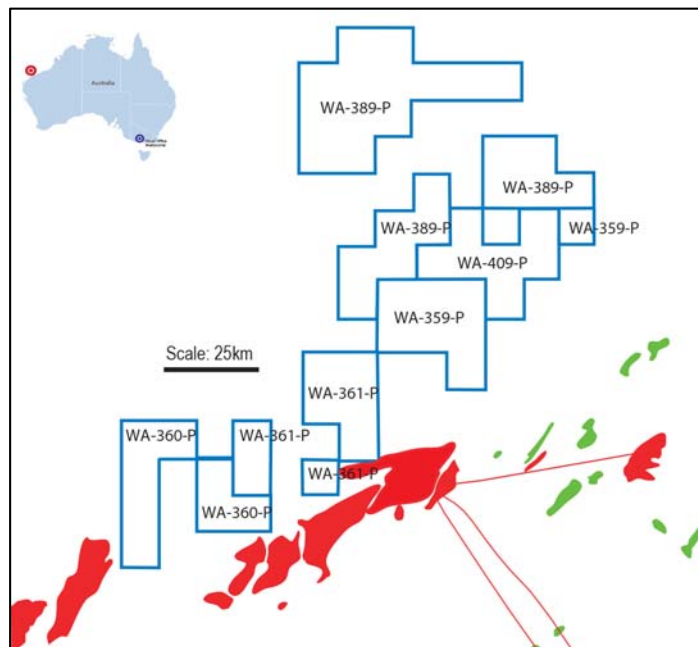
- Quarterly Revenue:  
Revenue receipts from hydrocarbon production for the quarter were A\$7.07 million on sales of 44,693 barrels of oil at an average price of US\$52 per barrel and 565,191 thousand cubic feet (Mcf) of gas at an average price of A\$7.21 per Mcf.
- Cue has no hedging in place.
- Cue has no debt.
- Cash on hand at the end of the quarter is \$30.09 million.

### Production & Financial Summary

		March 2015 Quarter	December 2014 Quarter	Change %
Production (net to Cue)	<i>bbl</i>	45,561	38,865	17.23
Production (net to Cue)	<i>mmcf</i>	613.17	640.14	-4.21
Liftings (net to Cue receipts)	<i>bbl</i>	44,693	22,868	95.44
Liftings (net to Cue receipts)	<i>mmcf</i>	565.19	799.30	-29.29
Total Revenue Receipts	<i>A\$m</i>	7.07	7.34	-3.68
Production Expenditure	<i>A\$m</i>	6.00	3.92	53.06
Closing Cash Position	<i>A\$m</i>	30.09	37.10	-18.89

# ACTIVITY REVIEW

## AUSTRALIA - Carnarvon Basin



### EXPLORATION

#### WA-359-P

Cue Interest: 100%

Operator: Cue Exploration Pty Ltd

Cue is evaluating the regional prospectivity in all of its WA permits and is maturing an exciting new play type associated with the prolific gas-bearing Mungaroo formation.

Cue will market the permit as part of a farm-down of its portfolio of WA opportunities to interested parties in 2015. Additional technical work has been undertaken and has led to the identification of the "Ironbark" prospect, a Mungaroo formation prospect with multiple objectives. Cue will be seeking Joint Venture partner(s) to farm-in to the drilling of the well.

#### 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. Cue is compiling a prospect portfolio across both WA-409-P and its other 100% owned permit, WA-359-P, with a view to seeking a joint venture partner(s) to participate in the newly identified, significant "Ironbark" prospect.

A 12 month extension to year 6 of the permit has recently been granted to allow completion of technical work associated with the newly identified prospects.

WA-360-P

Cue Interest: 37.5%

Operator: MEO Australia Limited

The WA-360-P Joint Venture is completing the reprocessing of approximately 650 km<sup>2</sup> of existing 3D seismic data over the Maxwell prospect to improve imaging of the structure. On completion of the reprocessing, it is expected that activity to farm-down our interest in the permit will recommence before the end of the primary term of the permit in 2016. There is no well commitment in the primary term.

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 making any commitment to drill a well. The reduced work programme term concludes on 30 January 2016.

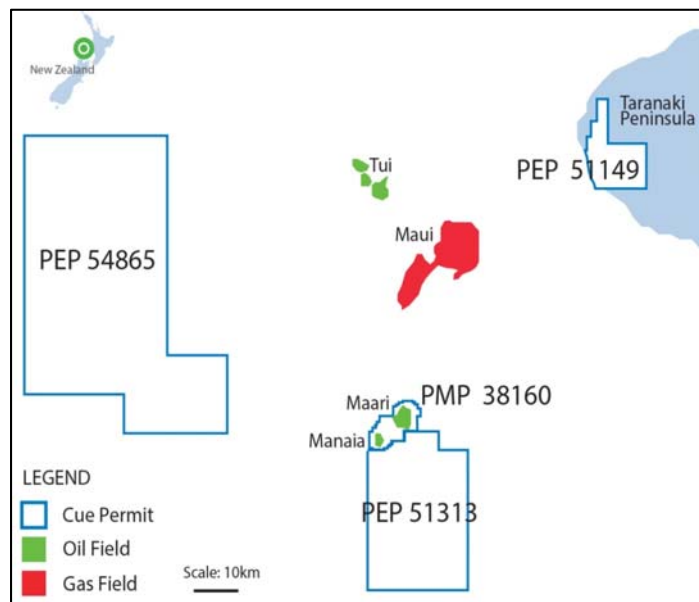
WA-389-P

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 expected to be complete in mid 2015.

## NEW ZEALAND - Taranaki Basin



### EXPLORATION

PEP 51149

Cue Interest: 20%

Operator: Todd Exploration Limited

The drilling of the Te Kiri North-1 well is expected in Q4 2015. The operator has proposed a well that 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. Te Kiri North-1 will be drilled up dip of hydrocarbon shows in the Te Kiri-1 well. Cue's estimate of the mean prospective recoverable resource of the well 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 km<sup>2</sup> 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 2016 to test Early Tertiary and Late Cretaceous reservoir objectives, or surrender the permit. Planning for the 3D seismic survey has commenced and is planned for early 2016 pending boat availability.

The Joint Venture is seeking a farminee to fund the seismic programme.

PEP 51313  
Cue Interest: 14% interest  
Operator: OMV New Zealand Limited

The Joint Venture is focused on the remaining potential associated with the Matariki trend which is up-dip of Maari. Studies will be undertaken in 2015 to determine the best approach to seismic processing to mature a potentially drillable prospect. Work is also continuing to address the impact of the Whio well drilled in 2014.

## 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 44,542 barrels which generated A\$2.99 million in revenue received.

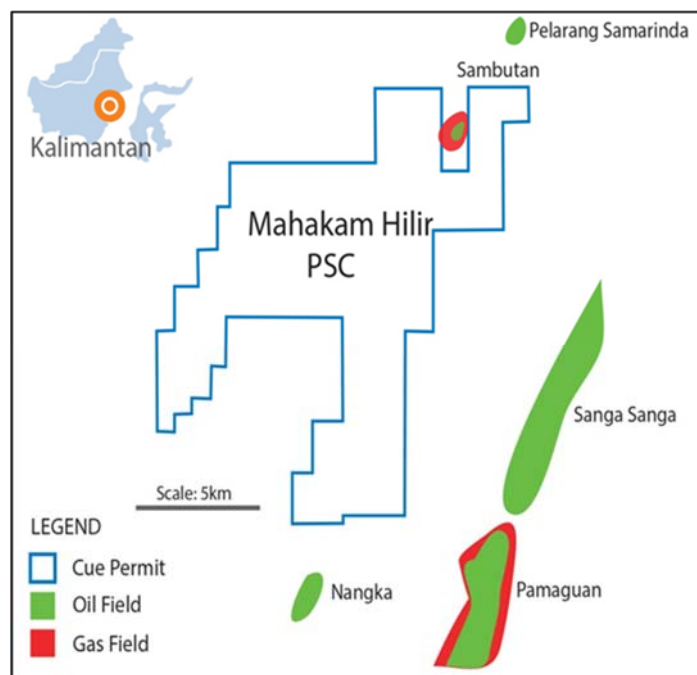
The average oil production rate in the quarter was approximately 7,649 gross barrels per day (Cue net: 382 bopd).

Maari Growth Project activities continued through the quarter. The MR6A well was completed and brought on stream and has averaged over 7000 bopd through March. This well is now expected to be a significant producer in the Maari Field. The MR7A development well is currently being drilled and will be followed by the MR10 well which will be drilled as a producer with potential be converted into an injector in the future as part of the overall field development plan. Production is expected to fluctuate whilst drilling the development wells as operations require individual wells to be temporarily shut in.



*Ensco 107 at Maari WHP*

# INDONESIA



## EXPLORATION

Mahakam Hilir PSC

Kutei Basin

Cue Interest: 100%

Operator: Cue Kalimantan Pte Ltd (formerly SPC Mahakam Hilir Pte Ltd)

Cue has received Government of Indonesia approvals for a sale and purchase agreement to acquire 100% interest in the Mahakam Hilir PSC in the prolific Kutei Basin onshore Kalimantan, Indonesia.

As part of an internal review of options around the permit Cue identified a robust drill-ready oil prospect, Naga Selatan-2 (Southern Dragon) which encouraged Cue to move to a 100% interest in the permit.

This oil prospect lies along trend from the large Sei Nangka and South Pelarang oil fields. The multiple targets are shallow, located at approximately 1000'-3000' TVD. Additional exploration objectives have also been identified on the existing seismic data.

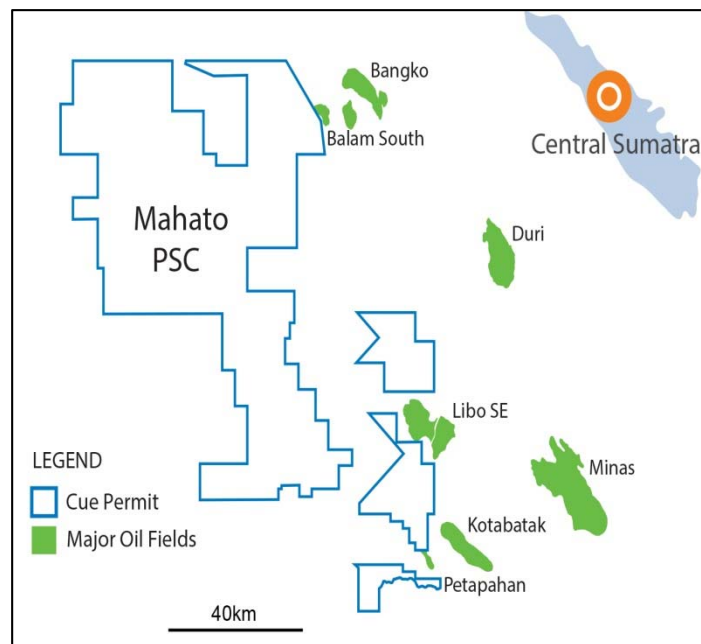
Drilling programme preparations have commenced and the well is planned for 2015.



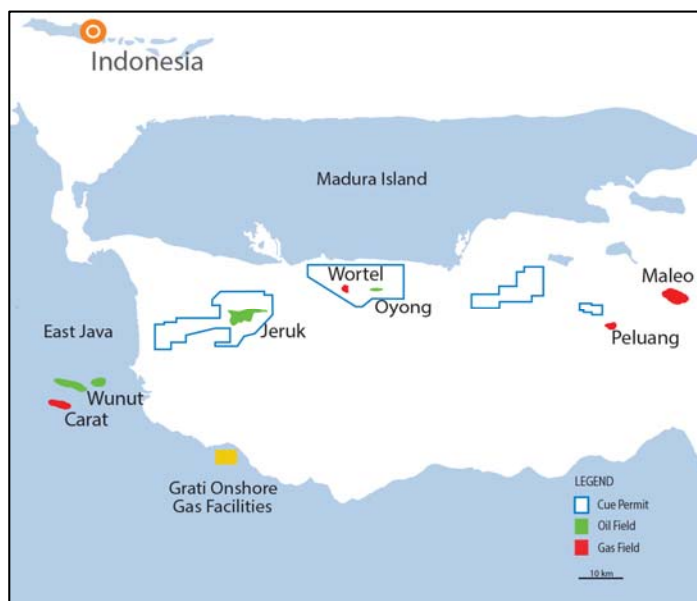
Mahato PSC  
Central Sumatra Basin  
Cue Interest: 12.5%  
Operator: Texcal Mahato Ltd

On the 21<sup>st</sup> November 2014, Cue announced the execution of a farm-in agreement with Bukit Energy to acquire a 12.5% interest in the Mahato PSC, onshore Central Sumatra, Indonesia. Government approvals have been received for this transaction and Cue is now an active member of the Joint Venture.

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 2015. A 2D seismic programme to high grade further exploration prospects is also planned for 2015.



## 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 A\$0.003 million from the sale of 59 barrels and gas sales receipts was A\$0.453 million from the sale of 128,925 Mcf. Cue did not lift any Oyong oil in the quarter.

The Oyong average oil production rate for the quarter was 924 bopd (gross) and the gas average rate was 11.69 Mcf (gross) (Cue net: 119 bopd/1.62 MMscfd - both net of government take under the PSC.)

Based on continued improved production rates, the Joint Venture approved an extension of the contracts for the Oyong production barge and FSO until September 2015. A programme of well interventions and recompletions is currently underway, with the Oyong-9 well being put on production at 430 bopd. Further work on Oyong 7, 8 and 11 wells continues this quarter. The workovers are expected to improve Oyong oil production and extend field life for an additional 1-2 years until 2017.

### Wortel Field

During the quarter, Cue's share of condensate sales receipts was A\$0.004 million from the sale of 92 barrels and gas sales receipts was A\$3.621 million from the sale of 436,266 Mcf.

Wortel-3 and Wortel-4 flowed gas at a combined average rate of 37.36 MMscfd (gross) during the quarter (Cue net 5.19 MMscfd net of government take under the PSC.)

The Joint Venture has approved the installation of compression at the Grati gas plant which will ensure that the Wortel project will continue to meet its gas sales contract volumes. Installation of the compressors is progressing and is scheduled to be complete by end May 2015.

## CORPORATE

On the 10 March 2015 Cue completed the acquisition of 100% of SPC Mahakam Hilir Pte Ltd, which held 60% of the Mahakam Hilir PSC in the Kutei basin, onshore Kalimantan, Indonesia. Cue now holds a 100% interest in the PSC

### Resignation of Director

Post the March 2015 quarter, due to other commitments, Rowena Sylvester resigned as a Director of Cue with effect from 10 April 2015

### Appointment of Directors

Consequent upon New Zealand Oil and Gas Limited holding 48.11% of the Company post its recent takeover bid, Cue was pleased to announce the appointment of;

Paul Foley  
Peter Hazledine; and  
Brian Smith

each as a Director of the Company with effect from 13 April 2015.



**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.*

## CORPORATE DIRECTORY

### DIRECTORS:

GJ King (Non Exec. Chairman)  
SA Brown (Non Exec. Director)  
PG Foley (Non Exec. Director)  
CP Hazledine (Non Exec. Director)  
BL Smith (Non Exec. Director)  
AA Young (Non Exec. Director)

### CHIEF EXECUTIVE OFFICER:

DAJ Biggs

### CHIEF FINANCIAL OFFICER:

AM Knox

### ADMINISTRATION OFFICE:

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### AUDITORS:

BDO East Coast Partnership  
Level 14, 140 William Street  
MELBOURNE VIC 3000

## SECURITIES EXCHANGE LISTINGS:

Australian Securities Exchange Ltd  
525 Collins Street  
MELBOURNE, VICTORIA 3000

OTC Markets  
304 Hudson Street 3rd Floor  
New York, NY 10013-1015

### SHARE REGISTER:

AUSTRALIA  
Computershare Investor Services Pty Ltd  
Yarra Falls, 452 Johnston Street  
Abbotsford, Victoria 3067 Australia  
GPO Box 2975  
Melbourne, Victoria 3000 Australia  
Telephone: 1300 850 505 (within Australia)  
or +61 3 9415 4000 (outside Australia)  
Email: [web.queries@computershare.com.au](mailto:web.queries@computershare.com.au)  
Website: [www.computershare.com.au](http://www.computershare.com.au)

# 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")

31 March 2015

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date 9 months \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	7,072	23,324
1.2 Payments for (a) exploration and evaluation (refer 2.2)	(1,217)	(14,374)
(b) development	(3,420)	(13,095)
(c) production	(5,999)	(13,572)
(d) administration	(1,118)	(4,034)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	31	94
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(5,159)	(5,159)
1.7 Other	-	-
<b>Net Operating Cash Flows</b>	<b>(9,810)</b>	<b>(26,816)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(7)
1.9 Proceeds from sale of:		
(a) prospects	193	8,729
(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)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(9,617)</b>	<b>(18,094)</b>

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(9,617)	(18,094)
	<b>Cash flows related to financing activities</b>		
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	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(9,617)	(18,094)
1.20	Cash at beginning of quarter/year to date	37,103	40,558
1.21	Exchange rate adjustments to item 1.20	2,608	7,630
1.22	<b>Cash at end of quarter</b>	30,094	30,094

**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	22
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.

**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

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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	1,332
4.2 Development	2,673
4.3 Production	4,039
4.4 Administration	2,756
<b>Total</b>	<b>10,800</b>

### 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	349	336
5.2 Deposits at call	29,745	36,767
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>30,094</b>	<b>37,103</b>

### 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	WA-409-P	Working	30%	100%

**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 <b>Preference securities</b> <i>(description)</i>	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 <b>+Ordinary securities</b>	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 <b>+Convertible debt securities</b> <i>(description)</i>	-	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 <b>Options</b> <i>(description and conversion factor)</i>	-	-	-	-
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 <b>Debentures (totals only)</b>	-	-	-	-
7.12 <b>Unsecured notes (totals only)</b>	-	-	-	-

**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: 29 April 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 31 MARCH 2015**

**Amended List of Mining Tenements**

<b>PERMIT</b>	<b>OPERATOR</b>	<b>LOCATION</b>	<b>CUE INTEREST (%)</b>
<b>Petroleum Properties</b>			
<b>Indonesia</b>			
Sampang PSC <sup>(i)</sup>	Santos (Sampang) Pty Ltd	Madura Strait Offshore	15.00
Mahakam Hilir PSC	Cue Kalimantan Pte Ltd (formerly SPC Mahakam Hilir Pte Ltd)	Kalimantan Onshore	100.00
Mahato PSC	Texcal Mahato Pte Ltd	Central Sumatra	12.50
<b>Australia</b>			
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
<b>New Zealand</b>			
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
<sup>(i)</sup>	Economic interest in the Jeruk field		8.181818