



ABN 45 066 383 971

25 November 2016

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

Chairman's Statement

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 and 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 programme

CUE ENERGY DIRECTORS

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

CUE ENERGY MANAGEMENT

- Andrew Knox (CFO)
- Jeffrey Schroll (Exp Man)

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Cue Energy

- **Chairman's Statement**

In June 2016 Cue Energy Resources Ltd (ASX: CUE) announced its three strategic objectives to deliver short, medium and long-term prosperity:

1. to have a **sustainable business** operating within its means;
2. to deliver **disciplined growth**; whilst
3. pursuing opportunities that offer **step-change returns** to shareholders.

Until the Board re-set the Company's strategy, Cue was not a sustainable business.

Cue's share of two production assets operated by Santos and OMV in Indonesia and New Zealand are key to the Company's ability to be sustainable. Indonesia offers near term growth opportunities for Cue, and the highly prospective acreage operated by BP and BHP Billiton in the North West Shelf provide step-change opportunities for the Company.

In June Cue announced a reduction in corporate overheads and administration expenses from A\$7.2M to A\$4.4M per annum by the end of the 2016 calendar year. In parallel over the last six months, Cue has simplified its operational footprint by exiting the New Zealand exploration licences, selling the operated Pine Mills assets in the USA, and farming out WA-409-P in the North West Shelf and assigning joint venture operatorship to BP. As part of the farm out negotiations BP also has an option to acquire 42.5% of WA-359-P.

These actions have greatly improved Cue's prospects of being a sustainable business, however current and expected crude oil prices continue to remain depressed and impact the profitability of the Company. Cue is therefore taking further action to ensure the Company remains in a financial position capable of being cash sustainable and hopefully taking advantage of and investing in growth opportunities.

The Company will continue to extract value from its most valuable assets and we will aim to reduce Cue's corporate overheads and administration to circa A\$2.5M per annum by the end of the 2017 financial year. All the anticipated restructuring costs are expected to be funded by the overheads savings within the 2017 calendar year.

We thank all shareholders for their support and will continue to announce material developments throughout the implementation of the Company strategy.



Any queries regarding this announcement should be directed to the Company on +613 8610 4000 or email mail@cuenrg.com.au.

For and on behalf of the Board,

A handwritten signature in black ink, appearing to read "Grant Worner", followed by a period.

Grant Worner
Executive Chairman

About Cue:

Cue is an Australian Stock Exchange (ASX:CUE) listed oil and gas exploration and production company. Cue's FY16 revenue was A\$45.4million from oil production in the Maari field, offshore New Zealand and oil and gas production in Sampang PSC, Indonesia. Cue has operated and non-operated interests in exploration permits in the Carnarvon Basin, offshore Western Australia and onshore Indonesia.

Disclaimer:

Any forecast or other forward-looking statement contained in this announcement involves known and unknown risks and uncertainties and significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Cue Energy Resources Ltd, and may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.