



A.B.N. 45 066 383 971

28 October 2013

PAGES (including this page):20

Company Announcements Office
10th Floor
20 Bond Street
Sydney NSW 2000

Quarterly Report Ended 30 September 2013

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 PNG.

THE COMPANY HAS:

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

CUE ENERGY DIRECTORS

- Geoffrey King (Chairman)
- Timothy Dibb
- Paul Moore
- Andrew Young

CUE ENERGY MANAGEMENT

- David Biggs (CEO)
- Andrew Knox (CFO)
- David Whittam (Exp Man)

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LISTINGS

ASX:	CUE
NZX:	CUE
POMSOX:	CUE
ADR/OTCQX:	CUEYY



QUARTERLY REPORT

FOR THE QUARTER ENDED 30 September 2013

HIGHLIGHTS

Exploration

- The Manaia-2 and Naga Utara-2 appraisal/exploration wells are currently drilling.
- Cue renewed its interest in WA-389-P in the Carnarvon Basin at 40% and BHP Billiton Petroleum is operator with a 60% participating interest.

Production

- The Maari field has been shut in since 20 June 2013 to effect repairs and maintenance to the production facilities. It is expected to resume production in January 2014.

Financial

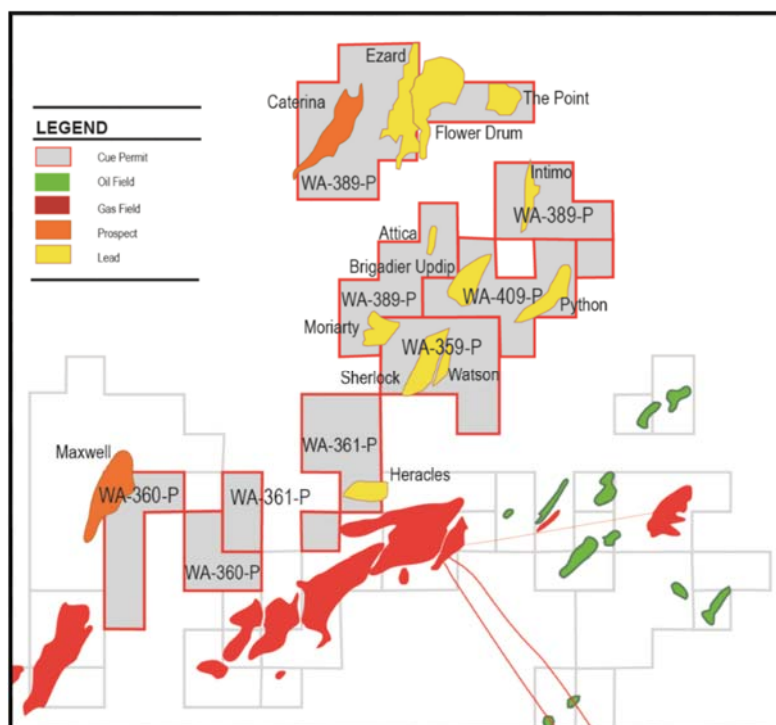
- **Quarterly Revenue:**
Revenue receipts from hydrocarbon production for the quarter were A\$7.89 million on sales of 28,047 barrels of oil at an average price US\$99 per barrel and 962,235 thousand cubic feet (Mcf) of gas at an average price A\$5.04 per Mcf.
- Cue has no hedging in place.
- Cue has no debt.
- Cash on hand at the end of the quarter is A\$57.62 million.

PRODUCTION & FINANCIAL SUMMARY

		Sept 2013 Quarter	Jun 2013 Quarter	Change %
Production bbls (net to Cue)	<i>bbl</i>	20,954	53,752	(61.02)
Production mcf (net to Cue)	<i>mmcf</i>	900.67	958.74	(6.06)
Liftings bbls (net to Cue receipts)	<i>bbl</i>	28,047	112,156	(74.99)
Liftings mcf (net to Cue receipts)	<i>mmcf</i>	962.24	969.89	(0.79)
Total Revenue	<i>A\$m</i>	7.89	16.96	(53.48)
Production Expenditure	<i>A\$m</i>	3.89	4.85	(20.00)
Closing Cash Position	<i>A\$m</i>	57.62	58.83	(2.06)

ACTIVITY REVIEW

AUSTRALIA - Carnarvon Basin



EXPLORATION

WA-359-P

Cue Interest: 100%

Operator: Cue Exploration Pty Ltd

Reprocessing of the existing multi-client 3D over the permit commenced in July 2013 and is nearing completion. Cue will commence a farmdown of its interest in the permit during the fourth quarter of calendar 2013.

WA-359-P is located on the western flank of the Victoria Syncline which is a potential source of hydrocarbons generated from Jurassic-aged oil-prone source rocks.

WA-389-P

Cue Interest: 40%

Operator: BHP Billiton Petroleum (Australia) Pty Ltd

The permit was renewed by NOPTA on 9th October 2013 for a five year term on a reduced area. The Primary Term work commitment includes reprocessing of existing 2D and 3D seismic data with a well obligation in the fifth year of the renewal.

WA-409-P
Cue Interest: 30%
Operator: Apache Northwest Pty Ltd

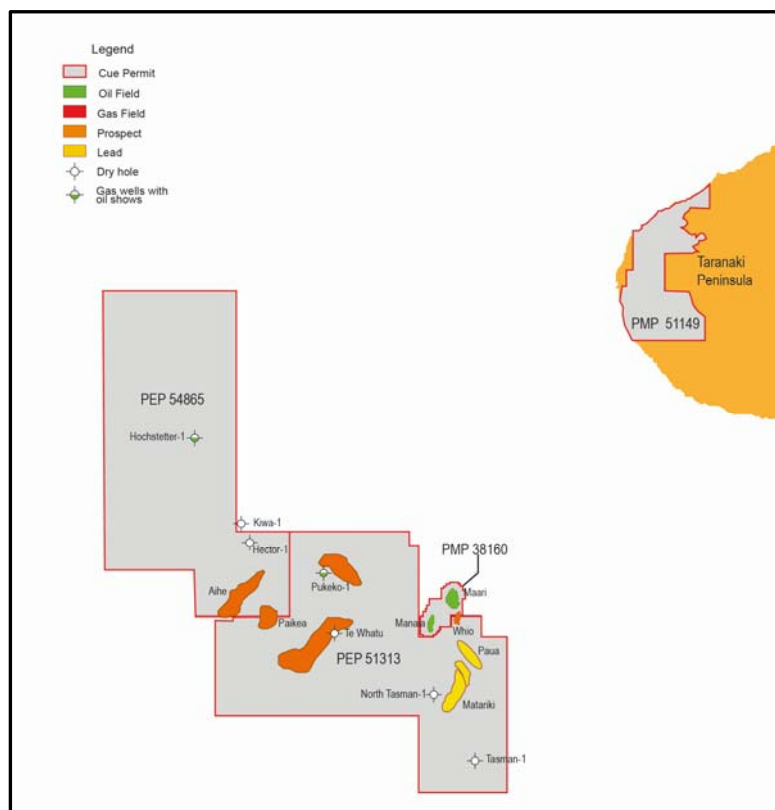
NOPTA approved a variation in the work programme for the final year of the current permit term (Year 6), which commenced on 30th April 2013. The work programme now includes reprocessing of existing multi-client 3D seismic data, seismic attribute studies and other technical work to assess the petroleum potential of the permit and select a drilling location. Drilling will now be deferred until after renewal of the permit in 2014. Under the terms of the farmout agreement with Apache, Cue is carried through the work programme and any well the Joint Venture elects to drill.

WA-360-P
Cue Interest: 37.5%
Operator: MEO Australia Ltd

WA-361-P
Cue Interest: 15%
Operator: MEO Australia Ltd

Cue has decided to reduce its interest in both permits. MEO and Cue are jointly marketing their respective interests to potential new entrants.

NEW ZEALAND - Taranaki Basin



EXPLORATION

PEP 51149

Cue Interest: 20%

Operator: Todd Exploration Limited

The Joint Venture has submitted an application to New Zealand Petroleum & Minerals (NZP&M) to extend the duration of the permit for a further five years. The application includes an obligation well, which is likely to be drilled in the second half of calendar 2014, and relinquishment of approximately half of the surface area of the permit. The Joint Venture is currently awaiting notification from NZP&M that the application has been successful.

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 2015, at which time the Joint Venture may elect to drill a well before December 2016 to test Early Tertiary and Late Cretaceous reservoir objectives, or surrender the permit. Planning for the 3D seismic survey is in progress and it is expected that the survey will be acquired during the first half of 2014.

PEP 51313

Cue Interest: 14% interest

Operator: Todd Exploration Ltd/OMV New Zealand Ltd

During 2012, the PEP 51313 Joint Venture agreed to farm-out a 30% interest in the permit to OMV New Zealand Ltd. OMV will earn its interest by funding all of the drilling, testing and completion of the first well on the Whio prospect to an agreed total depth which is located approximately 4 km from the Maari production facilities. OMV assumed the operatorship of the permit (from Todd Exploration) at the beginning of April 2013. Cue will retain a 14% interest in the permit.

Planning is in progress for drilling the Whio well in the fifth slot of the Kan Tan IV, a semi-submersible drilling unit, drilling programme. It is expected that Whio will spud during the first quarter of 2014. If Whio is a commercial discovery (or additional activity is required to determine commerciality), OMV will increase its interest to 69% within a predefined area of the permit that covers the Whio prospect.

Cue will, in this event, retain a 5% interest in a Whio development and any oil discovered will flow through the Maari facilities at minimal cost.

Processing of the 450 km² "Pipeline" 3D seismic survey (acquired in the second quarter of 2013) was completed in mid August and the Joint Venture is currently undertaking a depth migration of the data which will be completed in the first quarter of 2014.

Cue anticipates that the Joint Venture will make a decision regarding the drilling of a well in the Te Whatu area during the fourth quarter of 2013. An option slot is available on the Kan Tan IV for the well with a likely spud in the first half of 2014.



Kan Tan IV

PRODUCTION

PMP 38160

Cue Interest: 5%

Operator: OMV New Zealand Ltd

Maari and Manaia Fields

Cue's net share of oil sales receipts in the quarter from the Maari and Manaia fields was 23,563 barrels which generated A\$2.54 million in revenue. Oil from Maari and Manaia is being commingled and produced jointly.

The production facilities were shut in on 20 July 2013 to effect works on the mooring system. Since that date, there has been a failure of a bearing in the FPSO swivel. The swivel was planned to be replaced in 2014 and the Maari Joint Venture has decided to bring that activity forward which will require the FPSO to be disconnected and taken to a New Zealand port. Production will not now resume until the swivel has been replaced and the vessel reconnected on location, which is currently expected to be January 2014. While the FPSO is in port, the opportunity will be taken to carry out other scheduled work on the Raroa, fully reinstate the mooring system and carry out upgrades to the Maari wellhead platform.

The Kan Tan IV drilling rig arrived in New Zealand waters in August and following float-off from the transport vessel was taken under tow to the Manaia-2 drilling location. The Manaia-2 appraisal well spud on 1st September 2013 and has a proposed total depth of 2,850m. Objectives of the well are the appraisal of the oil-bearing Mangahewa Formation (which is currently being developed via an extended-reach well from the Maari Wellhead Platform) and evaluation of potential hydrocarbon-bearing zones in the Moki and Farewell formations that were intersected by Maui-4. The well was originally planned to take 30 days, however adverse weather conditions (high winds) and issues with equipment on the rig has resulted in significant delays and it is now expected that the well will now take closer to 60 days.

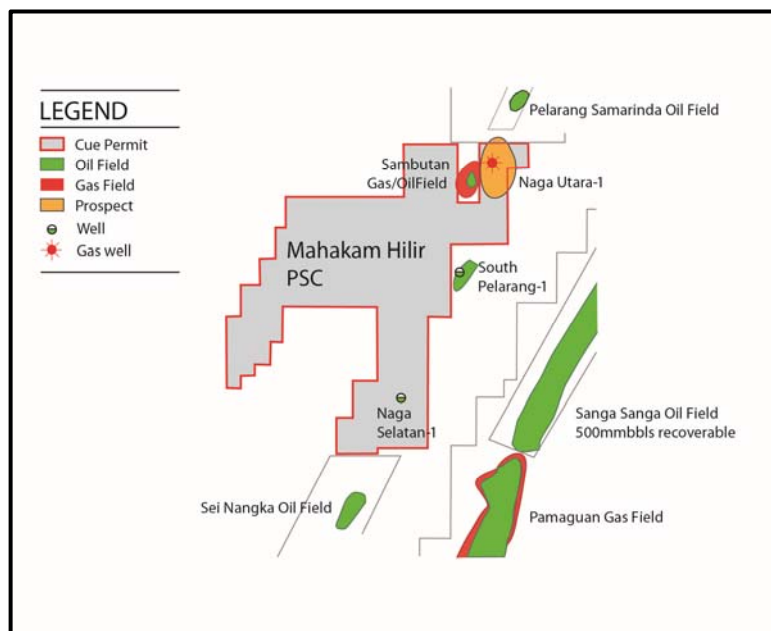
The well has reached the 9.625 inch casing point at 2,005m after seeing indications of hydrocarbons in the Moki Formation. An extensive programme of wireline logging, pressure measurements and sampling of both the formation and the fluids has been undertaken, the results of which are under evaluation.

Planning for the Maari Growth Project is continuing with a final investment decision taken by the Joint Venture in July 2013. The Ensco 107 jack-up rig has been contracted for drilling activities to support the Maari Growth Project and is expected to arrive in the first quarter of 2014. The programme will include drilling a second production well to exploit the Mangahewa reservoir at Manaia, and three producers and a water injection well at Maari. During the quarter a workover to convert an existing oil producer to a water injection well was commenced, but work was suspended following the shut-in of the FPSO.



Maari WHP and WFPSO Raroa

INDONESIA



EXPLORATION

Mahakam Hilir PSC

Kutei Basin

Cue Interest: 40%

Operator: SPC Mahakam Hilir Pte Ltd

Naga Utara

The Naga Utara-2 well spud on 5th October 2013. The well is being drilled from the same pad as Naga Utara-1 and the well path will be deviated to a location approximately 500m north of the first well. In addition to further evaluating the gas-bearing intervals seen in Naga Utara-1, the well will be deepened to intersect additional potential pay sands below the total depth (TD) of the first well.

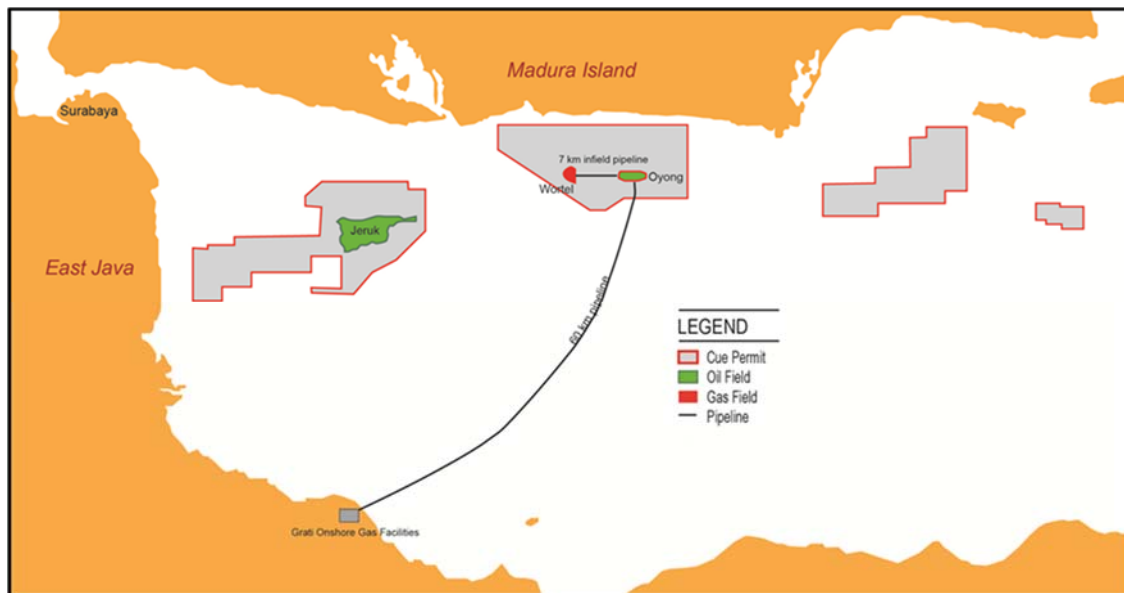
Naga Utara-2 has a proposed TD of 1,980m (measured depth). Drilling and testing (if required) is expected to take approximately two months.

In the event of a success with Naga Utara-2, a second well (Naga Utara-3) will be drilled.



Naga Utara-2 Drilling preparations

PRODUCTION



Sampang PSC- Madura Strait

Cue interest: 15%

Operator: Santos

Oyong Field

During the quarter, Cue's share of oil sales receipts from the Oyong field was nil barrels which generated nil in revenue; condensate sales receipts were 165 barrels, which generated A\$0.011 million in revenue and gas sales receipts of 451,346 Mcf which generated A\$1.35 million in revenue received during the quarter.

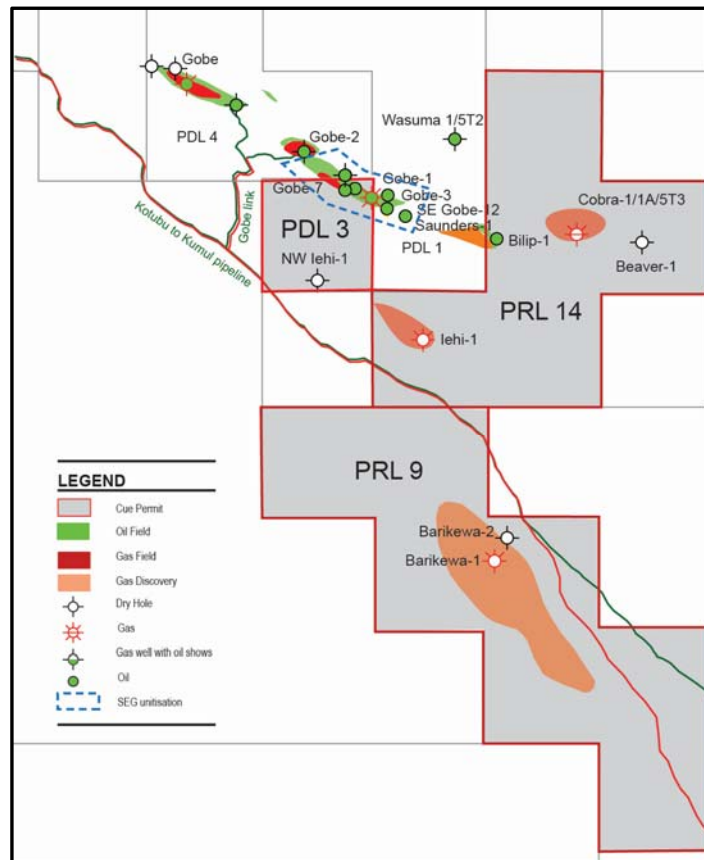
The Oyong average oil production rate for the quarter was 1,260 bopd (gross) and the gas rate was 34.65 MMscfd (gross) respectively.

Wortel Field

Cue's receipts from gas sales during the quarter was 510,889 Mcf, which generated A\$3.49 million in revenue. Condensate sales receipts were 202 barrels which generated A\$0.014 million in revenue.

Wortel-3 and Wortel-4 are both flowing gas at a combined rate of 47.14 MMscfd. The combined rate of Oyong and Wortel gas production is 81.79 MMscfd (87.52 BBTU/d) (Billion British thermal units per day).

PAPUA NEW GUINEA



EXPLORATION

PRL14 (10.947% interest)
 Operator: Oil Search (PNG) Limited
 No significant activity to report.

PRL9 (14.894% interest)
 Operator: Oil Search (PNG) Limited
 No significant activity to report.

PRODUCTION

PDL 3 SE Gobe Field, PNG
 Cue Interest 5.568892%
 SE Gobe Unit, PNG
 Cue Interest 3.285646% Operator: Oil Search (PNG) Limited

Cue's share of oil sales receipts was 4,117 barrels of oil from the SE Gobe field during the quarter, which generated A\$0.48 million in revenue received.

The construction of facilities to process the associated gas and gas cap from SE Gobe continues. The gas will be exported to the PNG LNG gas pipeline and LNG processing plant from June 2014.

The gas export rate from the SE Gobe field is expected to be approximately 35 MMscfd for ten years from June 2014.

CORPORATE

The Company has entered into a new office lease at Level 19, 357 Collins Street, Melbourne. It is expected that the Company will move office in late November 2013.



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)
T Dibb (Non Exec. Director)
P Moore (Non Exec. Director)
AA Young (Non Exec. Director)

CHIEF EXECUTIVE OFFICER:

DAJ Biggs

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

SECURITIES EXCHANGE LISTINGS:

Australian Securities Exchange Ltd
525 Collins Street
MELBOURNE VIC 3000

New Zealand Exchange Limited
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PO Box 2959
WELLINGTON, NEW ZEALAND

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

Port Moresby Stock Exchange
Cnr of Champion Parade & Hunter Street
PORT MORESBY, PAPUA NEW GUINEA

SHARE REGISTER:

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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
Website: www.computershare.com.au

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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 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date 3 months \$A'000
1.1 Receipts from product sales and related debtors	7,889	7,889
1.2 Payments for (a) exploration and evaluation (refer 2.2)	(2,892)	(2,892)
(b) development	(1,171)	(1,171)
(c) production	(3,888)	(3,888)
(d) administration	(1,207)	(1,207)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	48	48
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Hedging	-	-
Net Operating Cash Flows	(1,221)	(1,221)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(33)	(33)
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	(33)	(33)
1.13 Total operating and investing cash flows (carried forward)	(1,254)	(1,254)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,254)	(1,254)
	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	(1,254)	(1,254)
1.20	Cash at beginning of quarter/year to date	58,829	58,829
1.21	Exchange rate adjustments to item 1.20	46	46
1.22	Cash at end of quarter	57,621	57,621

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	304
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director related payments include Directors' fees and Directors' consulting 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

-

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	5,236
4.2 Development	7,822
4.3 Production	6,666
4.4 Administration	2,026
Total	21,750

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	297	754
5.2 Deposits at call	57,324	58,075
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	57,621	58,829

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:

Date: 28 October 2013

Chief Financial Officer

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 2013

Amended List of Mining Tenements

PERMIT	OPERATOR	CUE INTEREST (%)
Petroleum Properties		
Indonesia		
Sampang PSC ⁽ⁱ⁾	Santos (Sampang) Pty Ltd	15.00
Mahakam Hilir PSC	SPC (Mahakam Hilir) Pte Ltd	40.00
Papua New Guinea		
PRL 14	Oil Search (PNG) Limited	10.947
PDL 3	Barracuda Pty Ltd	5.568892
PRL 9	Oil Search (PNG) Limited	14.894
SE Gobe Field Unit	Oil Search (PNG) Limited	3.285646
Australia		
WA-359-P	Cue Exploration Pty Ltd	100.00
WA-360-P	MEO Australia Limited	37.50
WA-361-P	MEO Australia Limited	15.00
WA-389-P	BHP Billiton (Australia) Pty Ltd	40.00
WA-409-P	Apache Northwest Pty Ltd	30.00
New Zealand		
PMP 38160	OMV New Zealand Limited	5.00
PEP 51313	OMV New Zealand Limited	14.00
PEP 51149	Todd Exploration Limited	20.00
PEP 54865	Todd Exploration Limited	20.00
⁽ⁱ⁾	Economic interest in the Jeruk field	8.181818