



## Cue Energy Resources Limited

A.B.N. 45 066 383 971

Level 21  
114 William Street  
Melbourne Victoria 3000  
Australia

Telephone: (03) 9670 8668  
Facsimile: (03) 9670 8661  
Email: [mail@cuenrg.com.au](mailto:mail@cuenrg.com.au)  
Website: [www.cuenrg.com.au](http://www.cuenrg.com.au)

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

DATE : 24 May 2007

PAGES (including this page): 30

FROM : Andrew Knox

RE : **May Presentation**

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

Yours faithfully

A handwritten signature in black ink that reads "Andrew Knox".

Andrew M Knox  
Public Officer



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**Cue Energy Resources Limited**

**PRESENTATION  
MAY 2007**

# CORPORATE UPDATE

# CUE ENERGY STATISTICS



## 20 Largest Shareholders Update

Shareholder	Ordinary Shares	%
1 Todd Petroleum Mining Company Limited	135,919,429	21.63%
2 Octanex NL	36,380,140	5.79%
3 Berne No 132 Nominees Pty Ltd	22,978,395	3.66%
4 Todd Tasman Oil Ltd	21,600,000	3.44%
5 HSBC Custody Nominees (Australia) Limited	17,295,205	2.75%
6 Portfolio Securities Pty Ltd	10,737,130	1.71%
7 ANZ Nominees Limited	8,775,537	1.40%
8 JP Morgan Nominees Australia Limited	7,965,874	1.27%
9 Independent Asset Management Pty Limited	6,000,000	0.96%
10 CIMB-GK Securities Pte Ltd	5,807,988	0.92%
11 Bronwyn Beder & ColiIn MacEwan	5,500,000	0.88%
12 Ernest Geoffrey Albers	5,302,140	0.84%
13 National Nominees Limited	4,410,253	0.70%
14 DBS Vickers Securities (Singapore) Pte Ltd	4,300,000	0.68%
15 Trust Company of Australia Ltd	3,230,000	0.53%
16 FNZ Custodians Limited	3,017,765	0.48%
17 Mirek Haas Pty Ltd	3,000,000	0.48%
18 Michael Craft Pty Ltd	3,000,000	0.48%
19 Citicorp Nominees Pty Limited	2,937,182	0.47%
20 SCFI Pty Ltd	2,760,000	0.44%

<b>Shareholders</b>	<b>5,886</b>
<b>Listings</b>	<b>Australia/PNG</b>
<b>Ordinary Shares</b>	<b>628.2 Million</b>
<b>Top 20 Shareholders</b>	<b>311 Million Shares</b>
<b>Market Capitalisation @ A0.17 cents</b>	<b>A\$107 Million</b>
<b>Cash at 31 March 2006</b>	<b>A\$12 Million</b>
<b>Project Loan Facility</b>	<b>US\$20 Million</b>
<b>Australian Registered Company</b>	
<b>Employees</b>	<b>7</b>
<b>Share Volume last 12 months</b>	<b>1.45M per day</b>

... top 20 shareholders = 49.51%  
... cash in bank

# DIRECTORS & EXECUTIVES

## ***NON EXECUTIVE CHAIRMAN***

**Richard Tweedie LL.B**

MD Todd Energy NZ –  
25% of shares

## ***NON EXECUTIVE DIRECTORS***

**Geoffrey Albers LL.B**

Founder - 6.6% of shares

**Leon Musca LL.B**

Lawyer - 1.6% of shares

## ***CHIEF EXECUTIVE OFFICER***

**Bob Coppin B Sc (Hons)**

40 years experience, oil & gas  
Joined Cue 1994

## ***CHIEF FINANCIAL OFFICER***

**Andrew Knox B Com**

24 years experience, oil & gas  
Joined Cue 1994

## ***EXPLORATION MANAGER***

**Chris Kernick B Sc (Hons)**

23 Years experience, oil & gas  
Joined Cue 2005

**... very experienced team**

# CORPORATE PLAN

## ... Australasian & SE Asian Focus

To develop a highly valued E & P company with market capitalization greater than \$500 million

### **EXPLORATION**

Quality existing areas, new areas



### **APPRAISAL**

Jeruk - oil

Manaia - oil

Barikewa, Kimu - gas



### **DEVELOPMENT**

Oyong Field – oil/gas

Wortel Field – gas

Maari Field – oil



### **PRODUCTION**

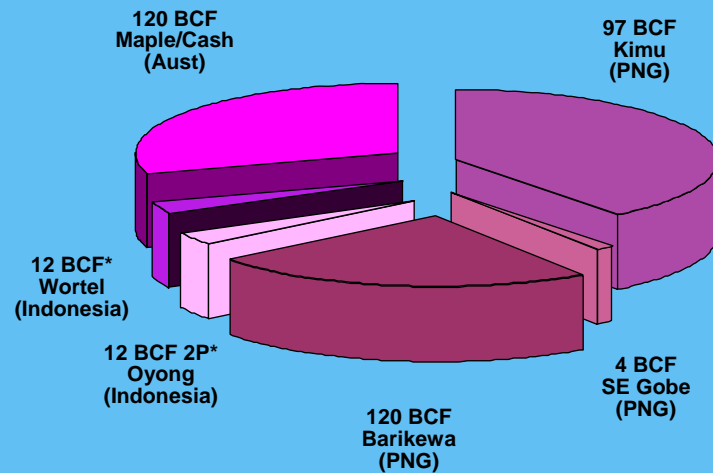
SE Gobe oil provides base income

... balanced portfolio

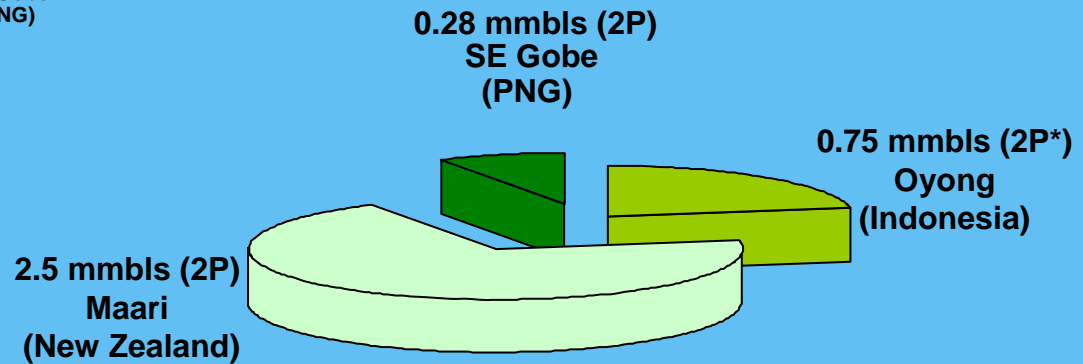
# CUE HYDROCARBON INVENTORY

...Large future gas potential

## GAS RESOURCES



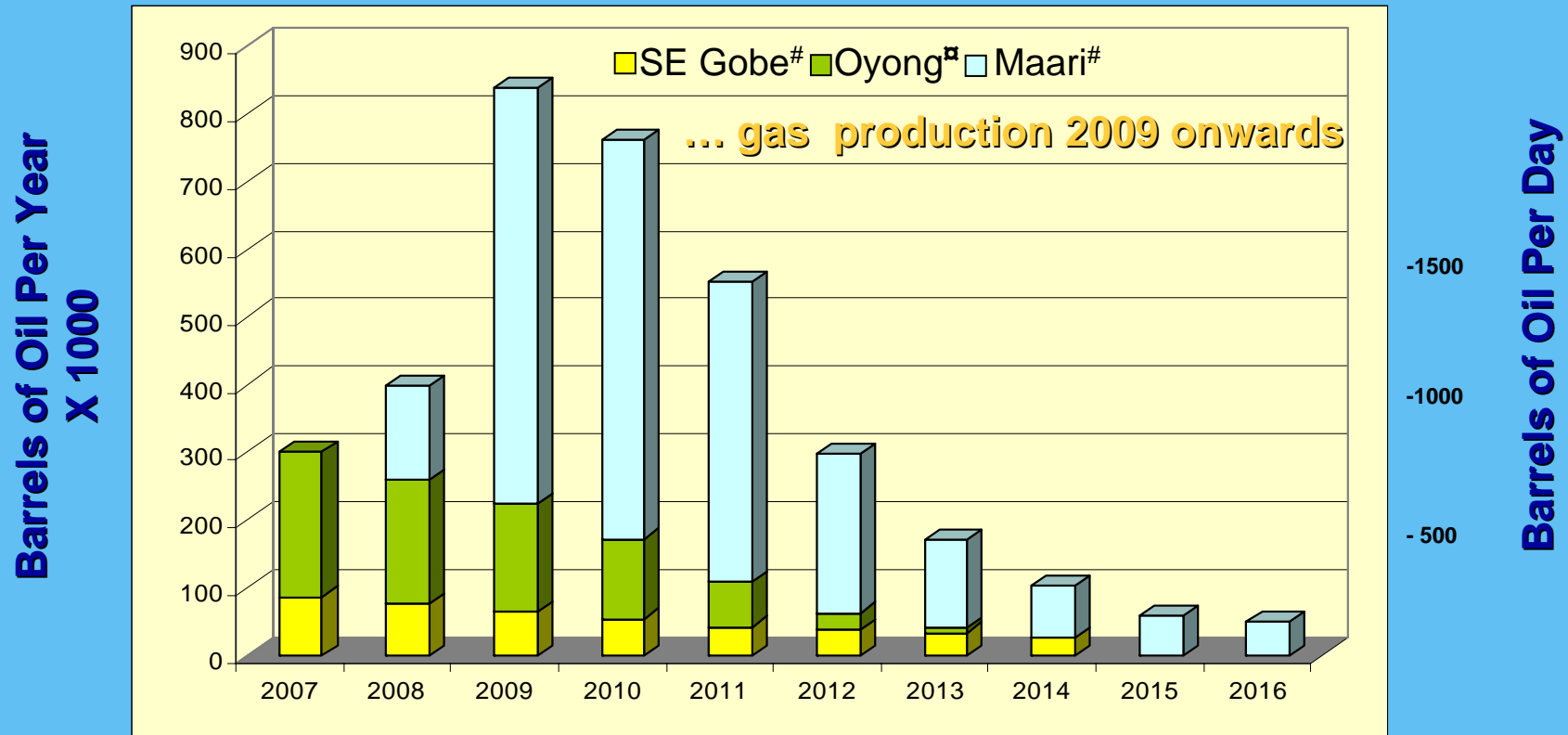
## OIL RESERVES



\* Cue estimate after government take

... drives cash flow increase

# NET OIL PRODUCTION FORECAST

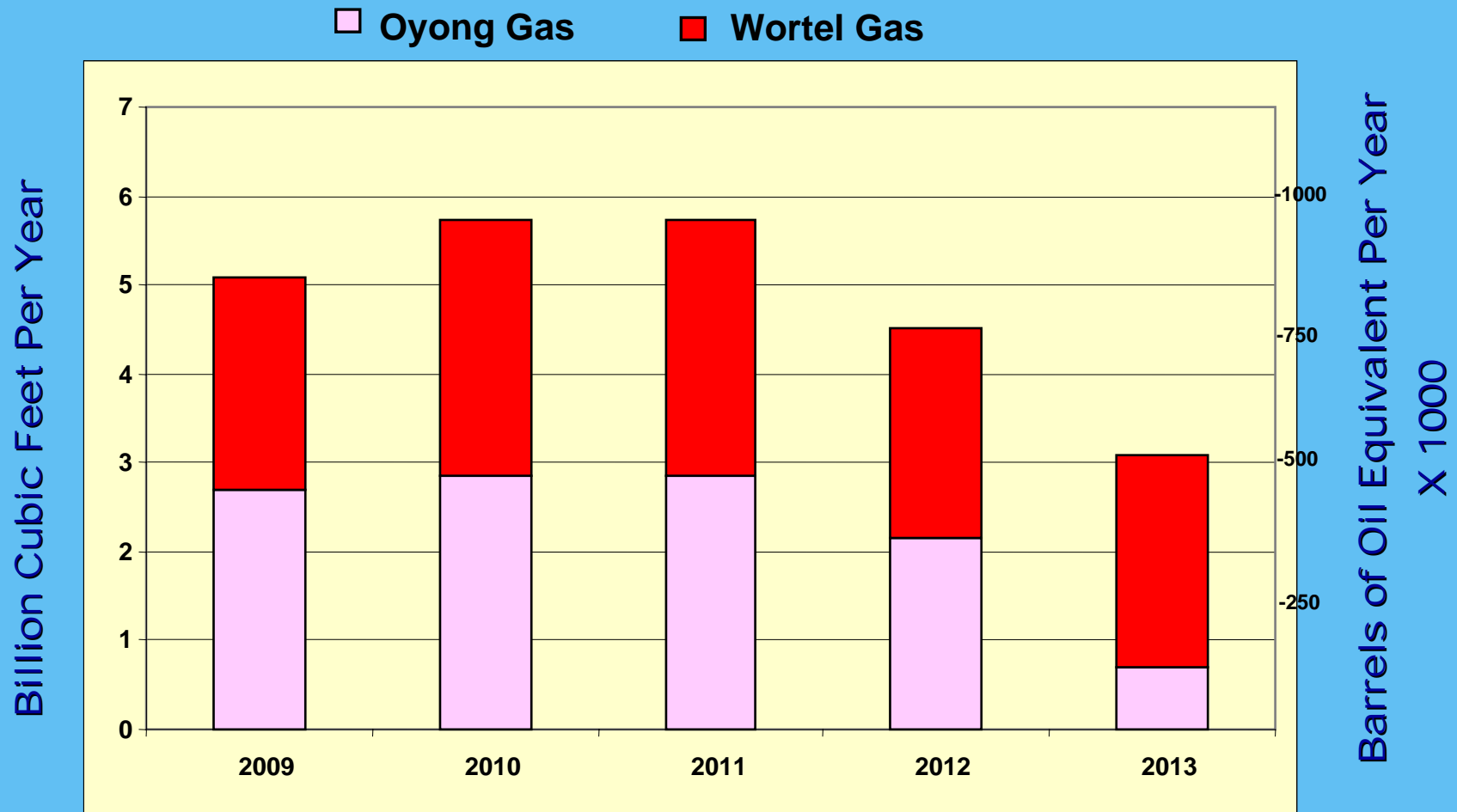


# Cue estimate  
 □ Cue entitlement estimate (after government take)

... substantial cash flow increase 2007 onwards



# NET GAS PRODUCTION FORECAST



■ Cue entitlement estimate after government take, using contract and estimated gas prices.

... added cashflow

# CUE INDICATIVE VALUATION

## Project NPV valuation @ USD55 /bbl (2P un-risked)

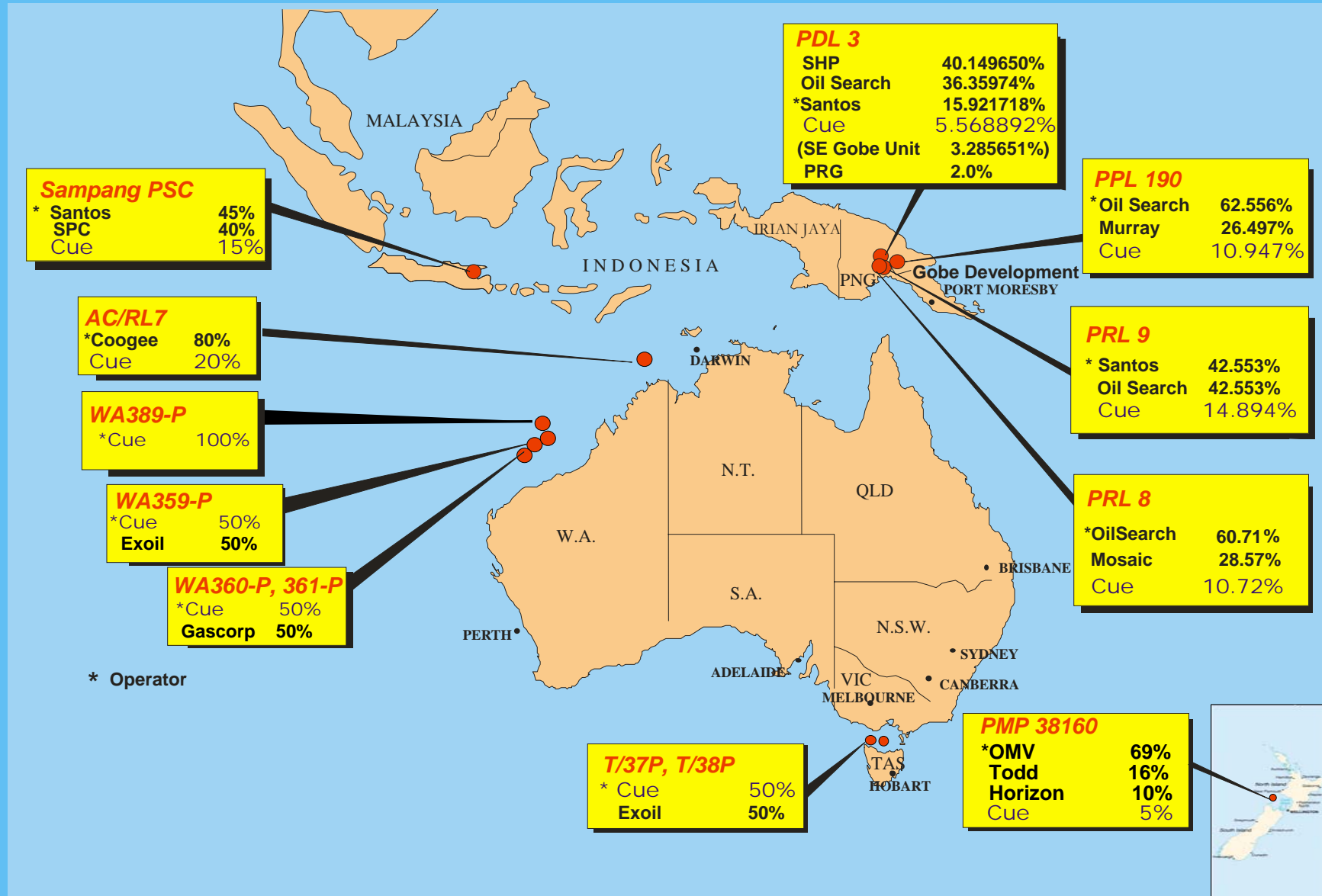
Stage	Asset	Mid case value (cps)
	Cash (A\$12 million)	2
Production	SE Gobe	2
Development	Maari	8
Development	Oyong oil and gas	4
Pre-development	Wortel	2
Appraisal	Maari other zones/Manaia	2
Appraisal	Timor Sea AC/RL7	4
Appraisal	Papua New Guinea (Kimu & Barikewa)	6
<b>Implied value of discoveries</b>		<b>30</b>
Exploration	Indonesia	3
Exploration	Papua New Guinea	3
Exploration	Australia	2
<b>Total value</b>		<b>38</b>

# PROJECT UPDATES

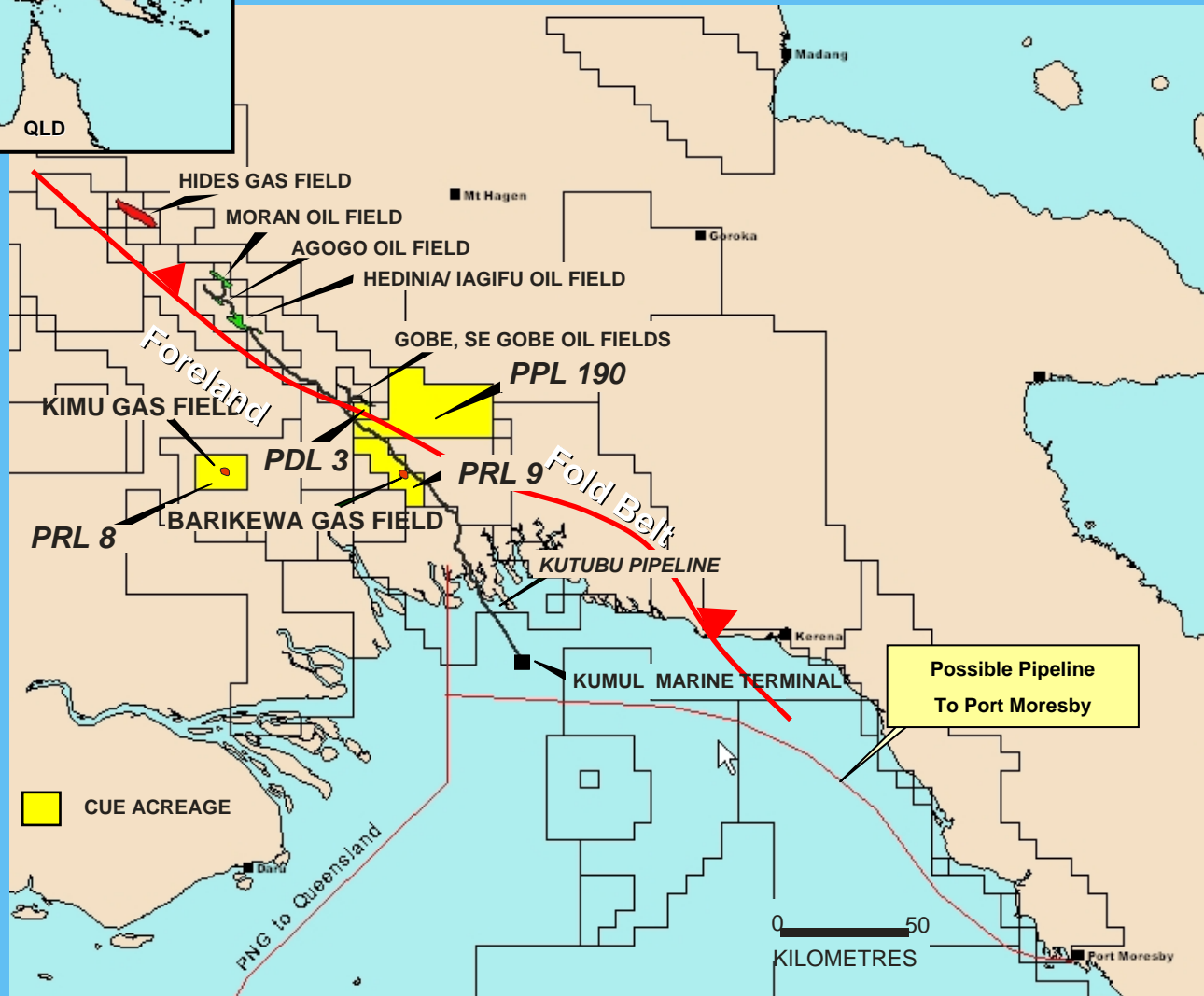
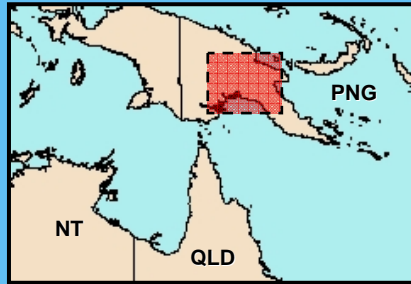
# JOINT VENTURE INTERESTS



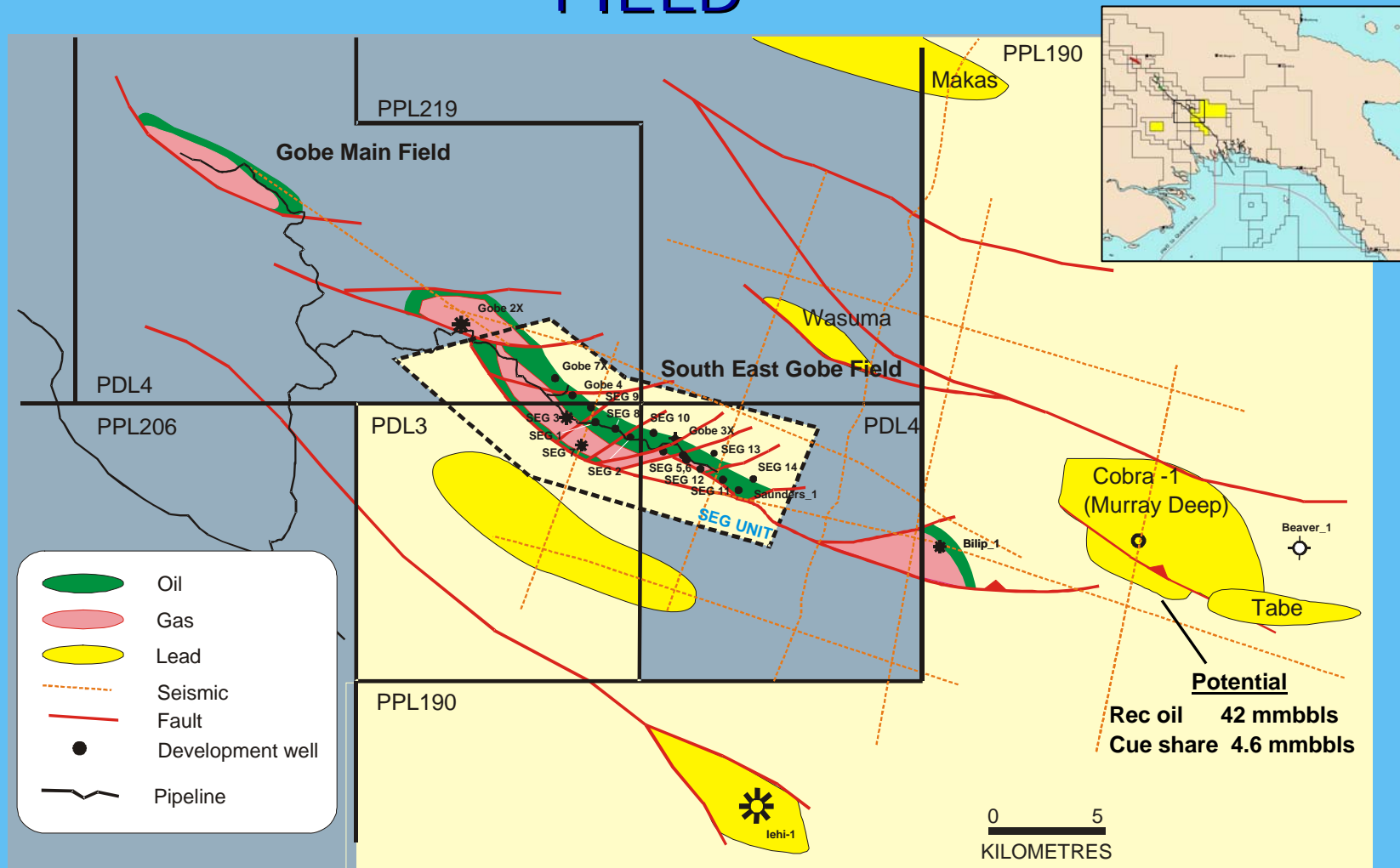
Cue Energy Resources Limited



# PAPUA NEW GUINEA

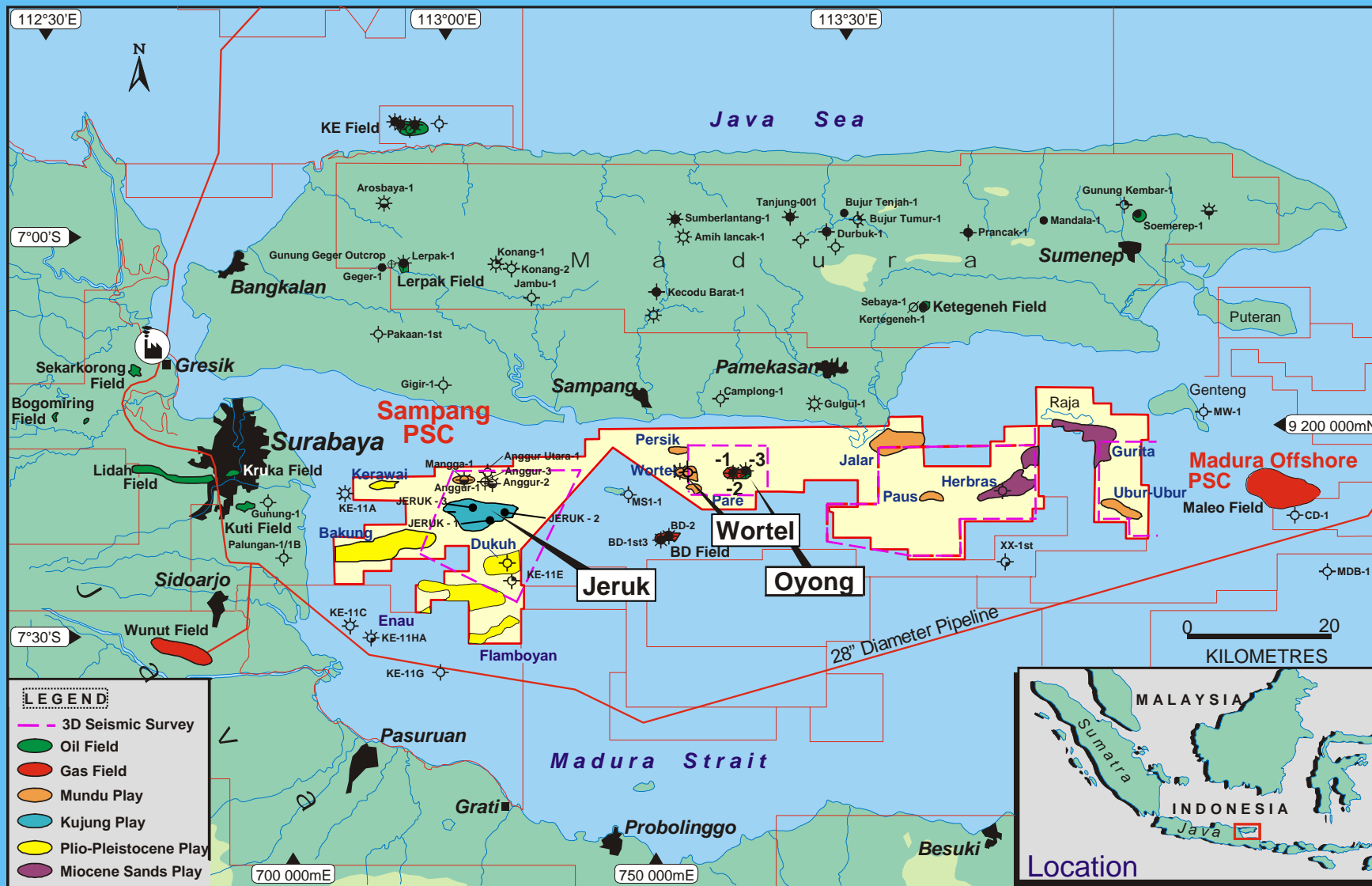


# PAPUA NEW GUINEA SOUTH EAST GOBE FIELD



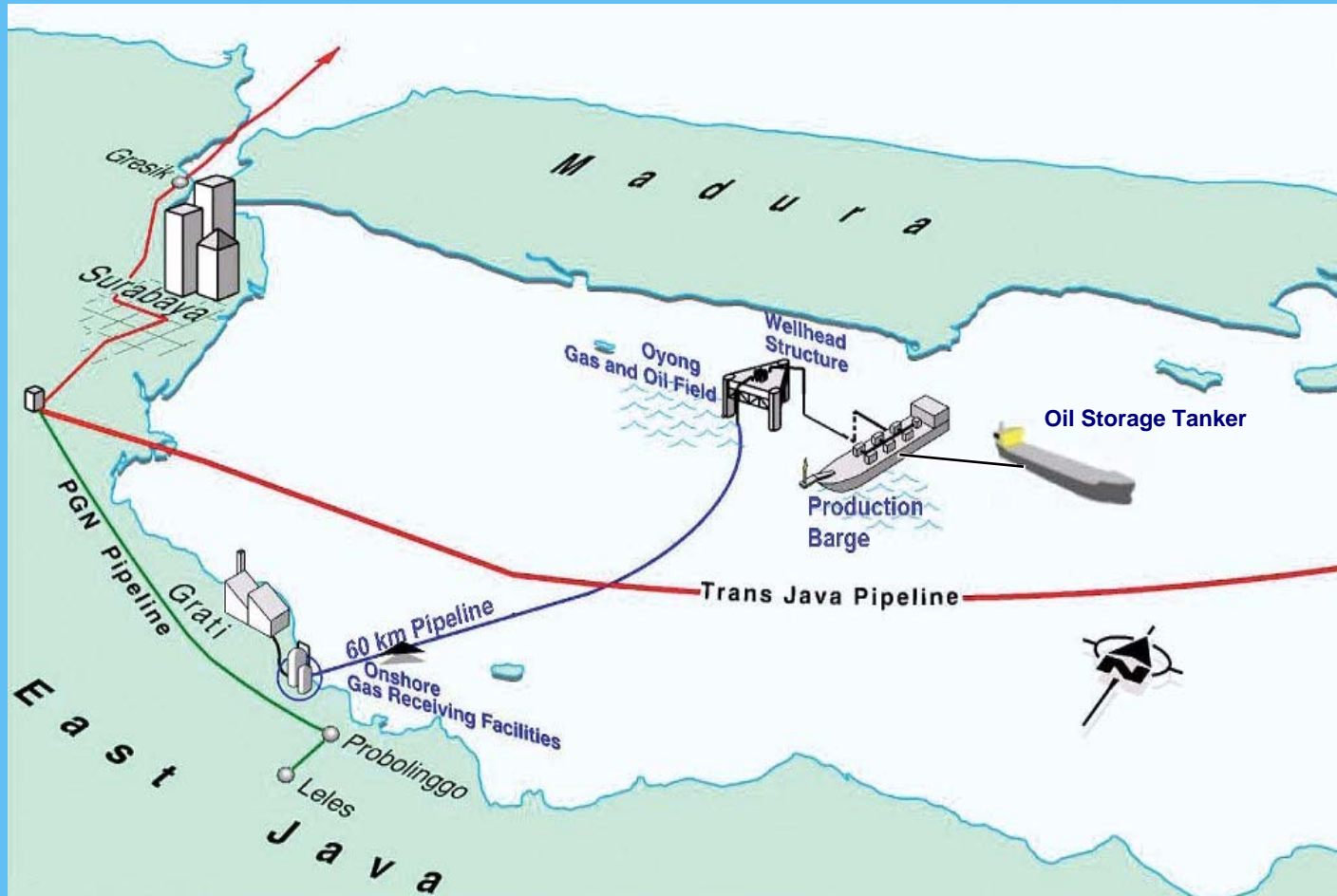
... provides long term base income

# SAMPANG PSC – INDONESIA



Source Santos Ltd

# OYONG DEVELOPMENT CONCEPT



Source Santos Ltd

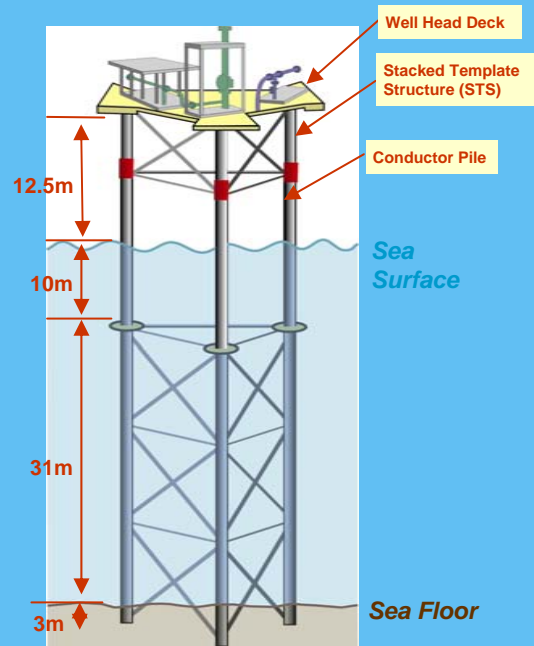
... two stage development



# PRODUCTION BARGE SITE PHOTOS

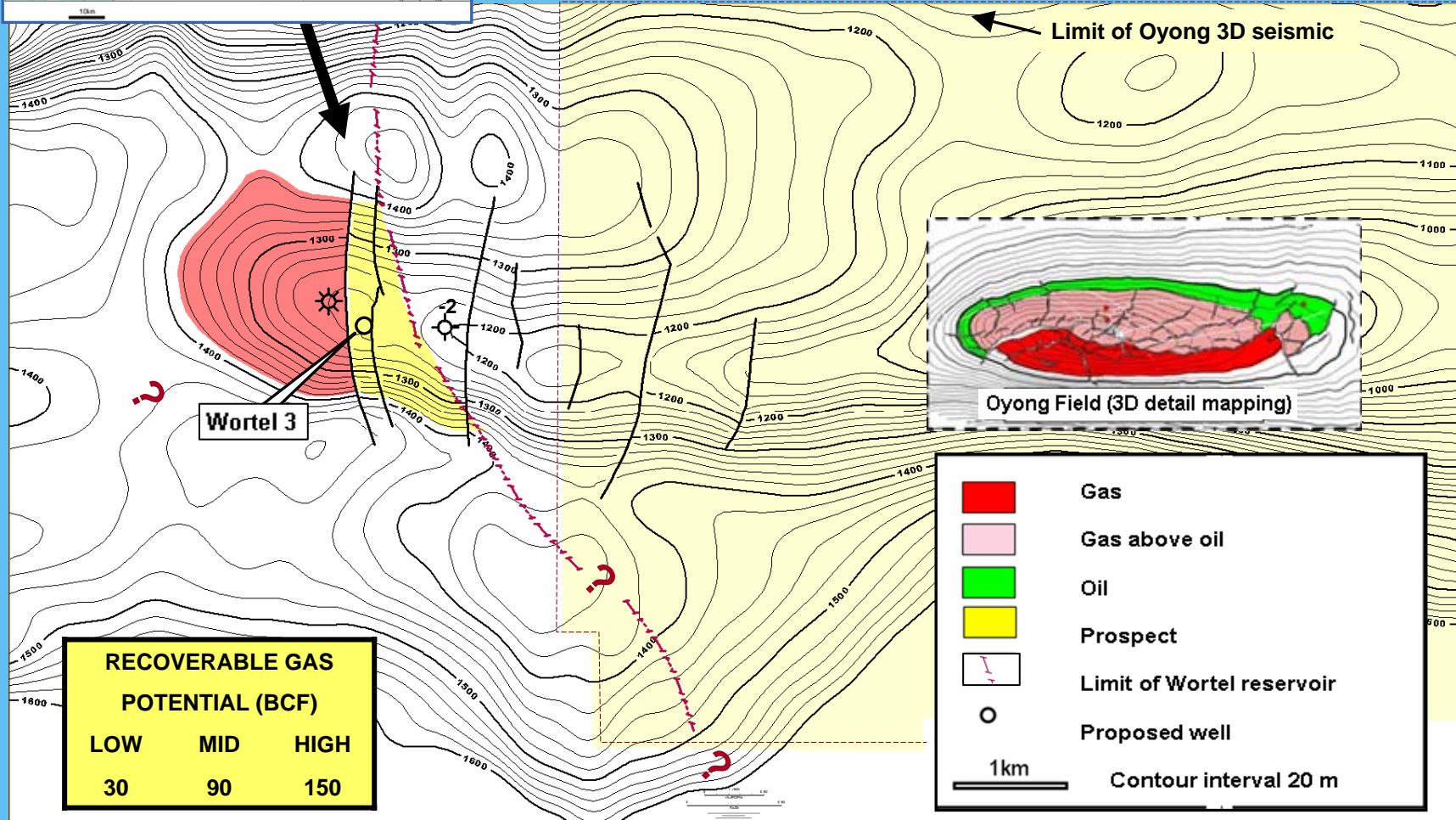
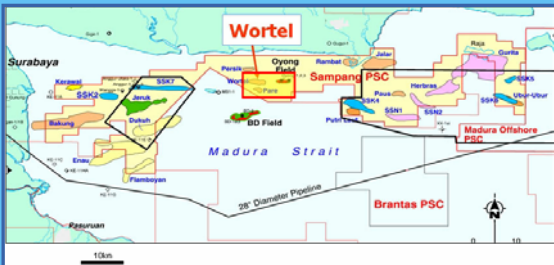


# OYONG DEVELOPMENT STATUS



- Platform installed, drilling completed
- Storage tanker on location
- Production barge being modified
- Capital costs ~ USD130 million gross
- Cue cost ~ USD19.5 million
- First oil production mid 2007, 10,000 bopd gross
- 6 million barrels recoverable in mid case
- Gas Sales Agreement signed
- Gas development phase underway
- First gas production end 2008 @ 60 million cfd gross
- 97 billion cubic feet recoverable in mid case

# WORTEL GAS DISCOVERY

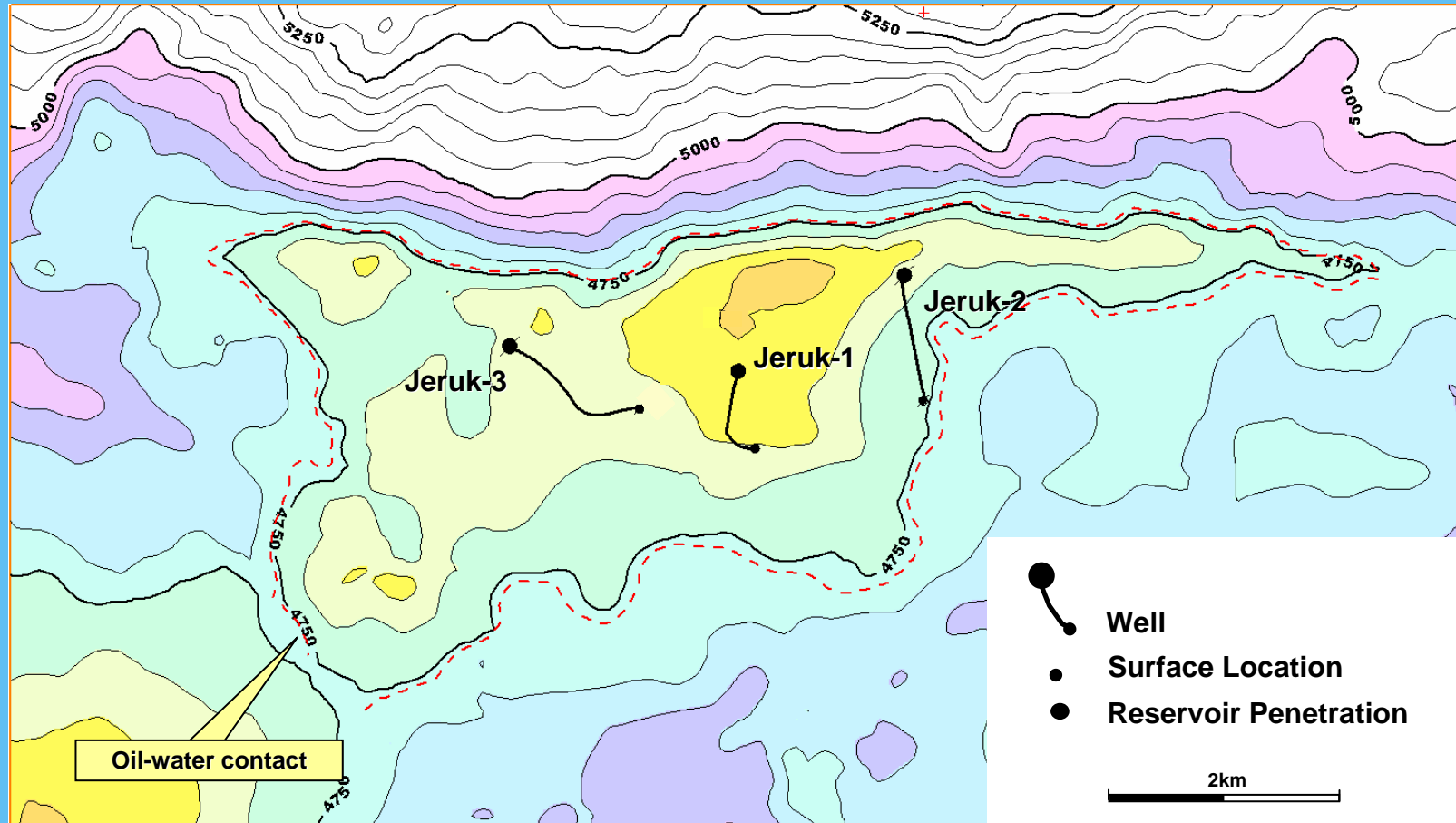


RECOVERABLE GAS POTENTIAL (BCF)		
LOW	MID	HIGH
30	90	150

Depth Map

... tie to Oyong

# JERUK OIL DISCOVERY



Cue Mapping

## Top Kujung Limestone Depth Structure

## JERUK OIL DISCOVERY

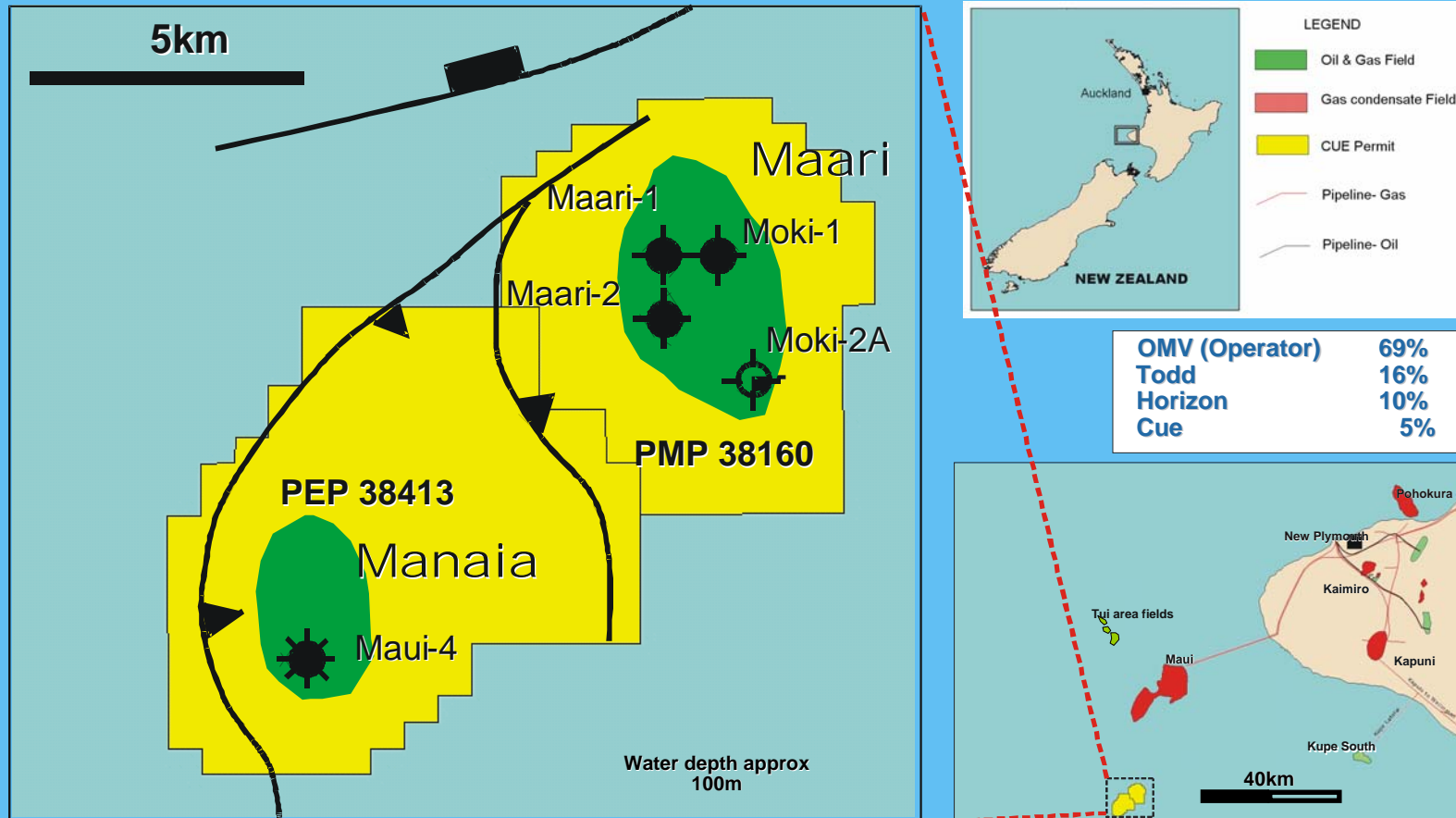
- **Shallow water ~ 42 metres, deep wells ~ 5000 metres**
- **Kujung limestone reservoir**
- **Oil flows from all three wells**
- **Reduced oil column ~ approximately 145 metres**
- **Estimated recoverable oil less than 50 mmbbls**
- **Possible development scenarios being reviewed**
- **Cue reduced interest for removal of sole risk premium and back costs payment**

**... being re-evaluated**



Cue Energy Resources Limited

# NEW ZEALAND MAARI OIL FIELD



... upside potential in Maari & Manaia

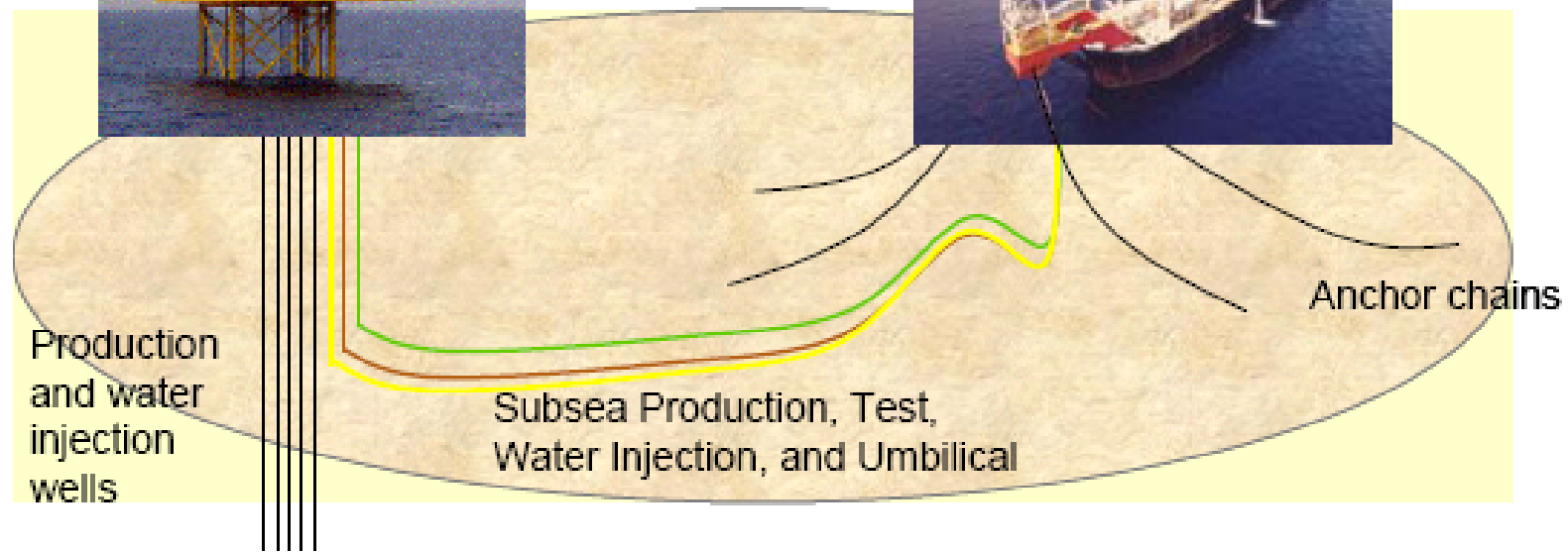


# MAARI DEVELOPMENT SCHEME

Wellhead Platform

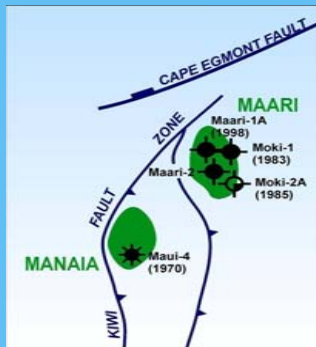


Floating Production Storage Offloading (FPSO)



... development underway

# MAARI OIL DEVELOPMENT

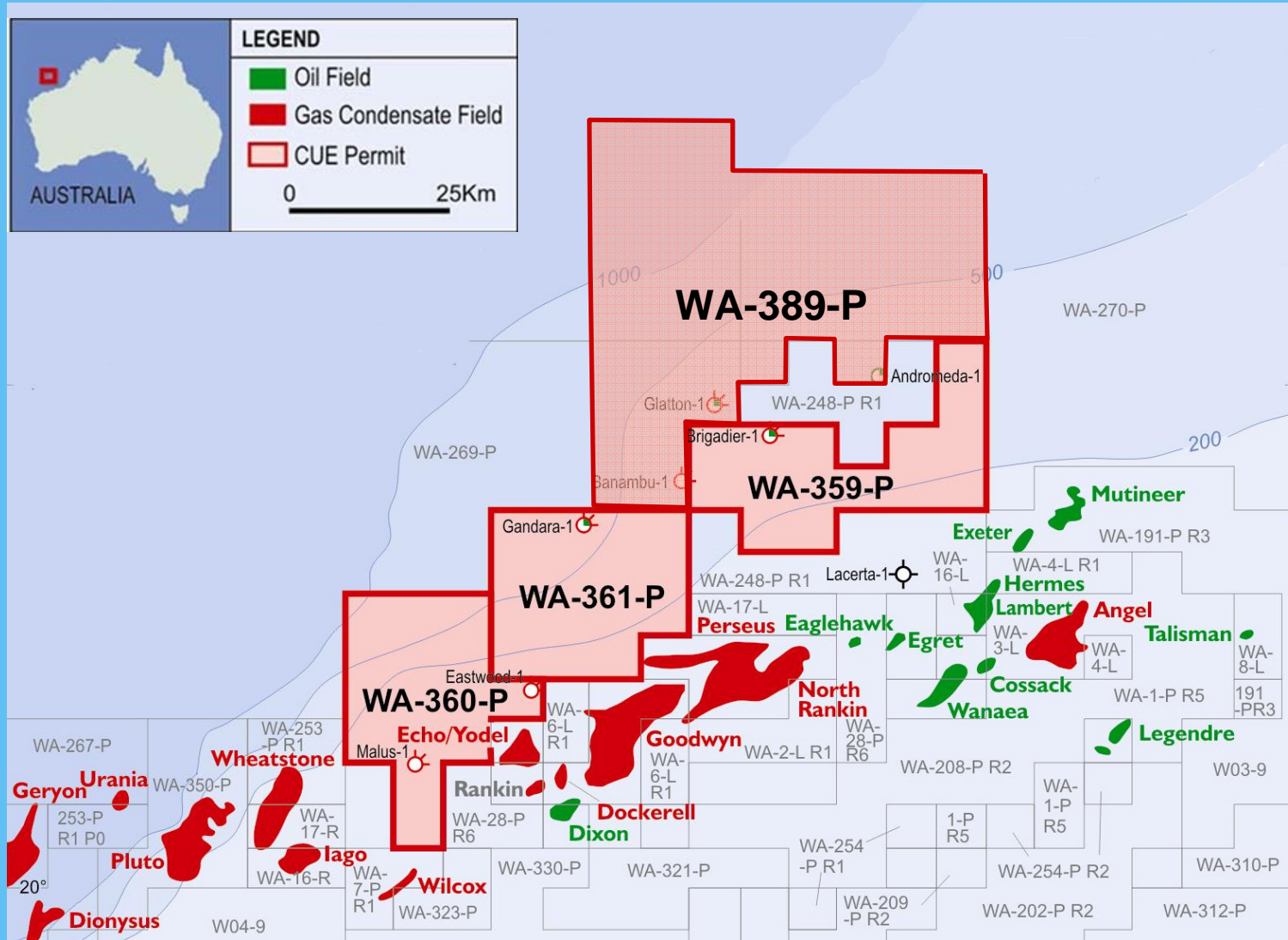


- **P<sub>50</sub> oil reserves ~ 50 million barrels**
  - Cue share ~ 2.5 million barrels
  - (area upside ~ 10-20 mmbbls)
- **Capital costs ~ US\$460 million gross**
  - Cue share ~ US\$23 million
- **Project loan facility US\$20 million**
- **Platform being constructed**
- **FPSO being modified**
- **First oil 2008**
- **35,000 bopd initial rate**
  - Cue share 1,750 bopd

**... substantial oil production increase**

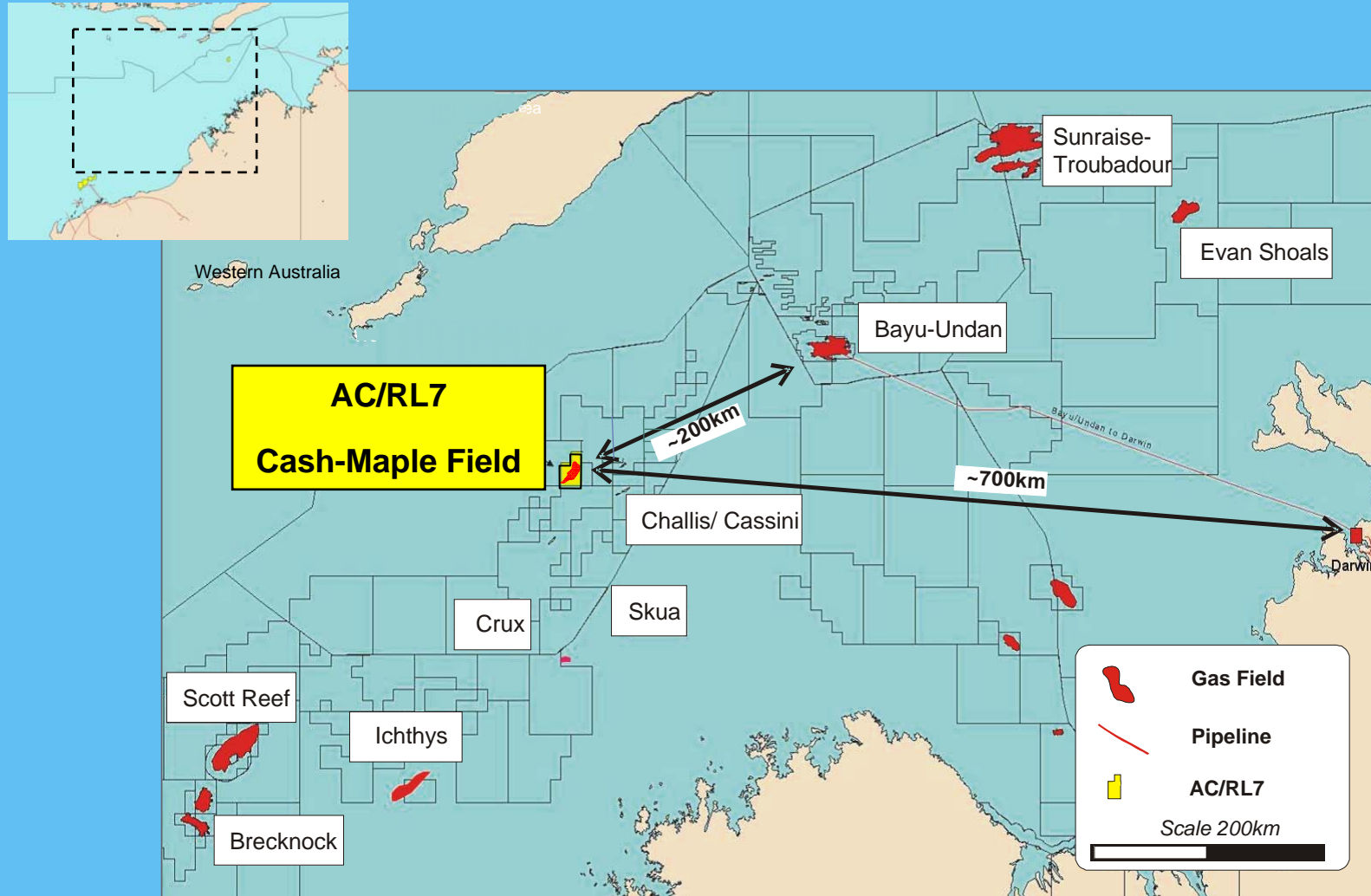


# LOCATION CARNARVON BASIN PERMITS



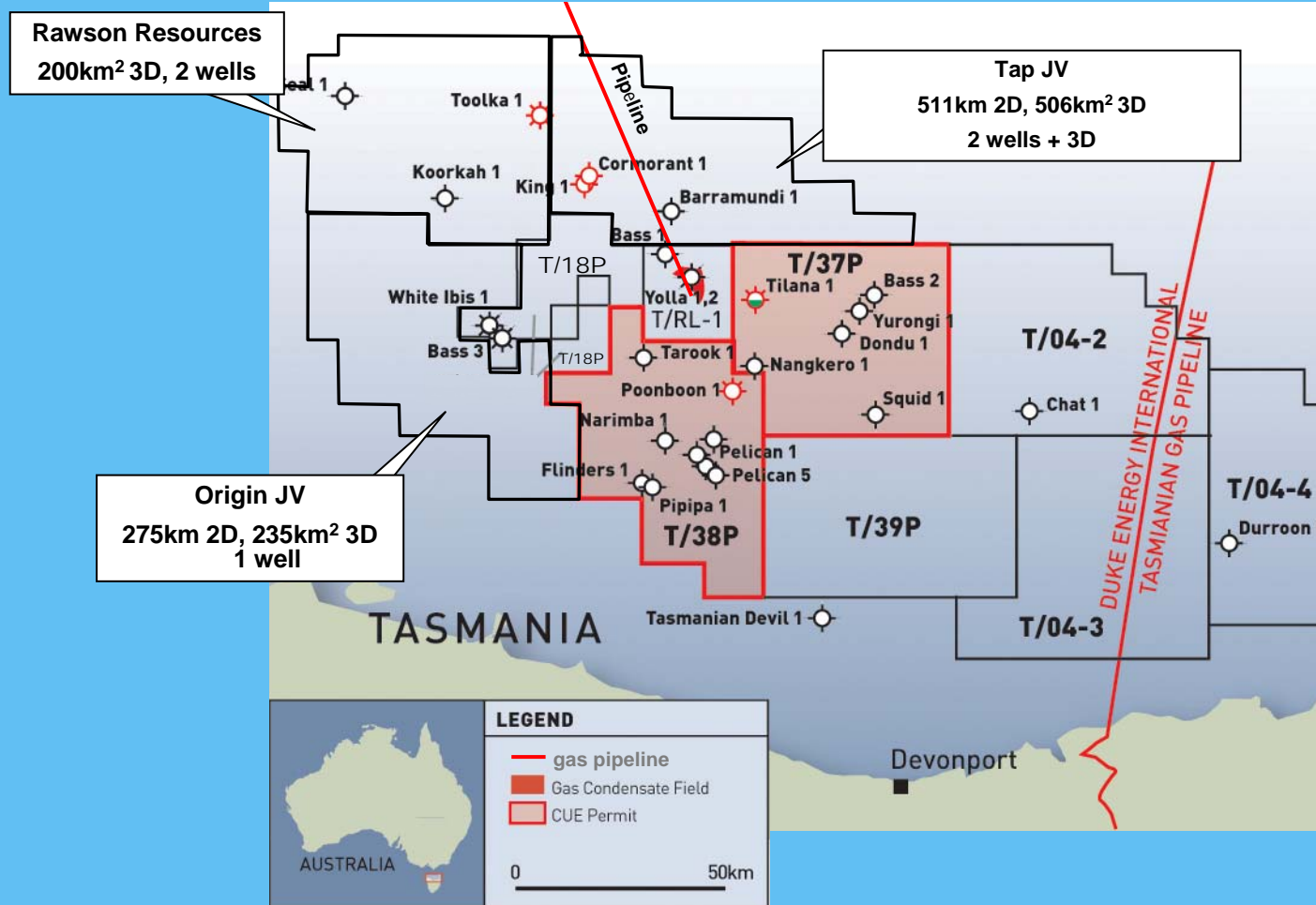
... adjacent to large fields

# ASHMORE CARTIER LEASE AUSTRALIA



... future production potential

# BASS BASIN PERMITS AUSTRALIA



... focus of renewed industry interest

# 2007 ACTIVITY

## Papua New Guinea

- SE Gobe oil production continues
- Barikewa geological survey
- Kimu infill seismic
- Cobra – 1 (Murray Deep) well
- Possible appraisal drilling Barikewa, Kimu

## Indonesia

- Oyong oil production begins
- Wortel appraisal / development drilling
- Oyong/Wortel gas production development underway
- Wortel infill 2D seismic
- Jeruk evaluation

## New Zealand

- Maari development continues
- Maari platform installed

## Australia

- 3D & 2D seismic in exploration blocks ... significant ongoing activity

# SUMMARY

- **Balanced portfolio**
  - Current oil production**
  - Large increase in oil production**
  - Gas production beginning**
  - Appraisal opportunities**
  - Exploration drilling**
  - Quality exploration acreage**
  - Large gas upside**

## DISCLAIMER & IMPORTANT NOTICE

**Various statements in this document constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward looking statements and involve known 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 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.**