



ABN 45 066 383 971

18 March 2015

PAGES (including this page):4

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

Third Supplementary Target's Statement in relation to the on-market cash takeover offer by NZOG Offshore Limited

As required by section 647(3)(b)(ii) of the *Corporations Act 2001* (Cth) (as amended), enclosed is a copy of the Third Supplementary Target's Statement dated 18 March 2015 (the **Third Supplementary Target's Statement**) prepared by Cue Energy Resources Limited (ABN 45 066 383 971) (**Cue Energy**).

This Third Supplementary Target's Statement supplements Cue Energy's Target's Statement dated 24 February 2015, as supplemented by the Supplementary Target's Statement dated 2 March 2015, and the Second Supplementary Target's Statement dated 13 March 2015 in relation to the on-market cash takeover offer by NZOG Offshore Limited (the **Bidder**) to acquire all of the shares in Cue Energy.

The Third Supplementary Target's Statement has been lodged today with the Australian Securities and Investments Commission and sent to the Bidder.

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)
- Stuart Brown
- Rowena Sylvester
- Andrew Young

CUE ENERGY MANAGEMENT

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

OFFICE

Level 19
357 Collins Street
Melbourne Vic 3000

CONTACT DETAILS

Tel: +613 8610 4000
Fax: +613 9614 2142

EMAIL

mail@cuenrg.com.au

WEBSITE

www.cuenrg.com.au

LISTINGS

ASX: CUE



THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU SHOULD READ ALL OF THE DOCUMENT. IF YOU ARE IN DOUBT AS TO WHAT YOU SHOULD DO, YOU SHOULD CONSULT YOUR INVESTMENT, FINANCIAL, TAXATION OR OTHER PROFESSIONAL ADVISER.

Third Supplementary Target's Statement

REJECT

Your Directors unanimously recommend that you REJECT the Offer made by NZOG Offshore to acquire all of your shares in Cue Energy for just \$0.10 per share

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE CUE ENERGY SHAREHOLDER INFORMATION LINE ON 1300 373 864 (WITHIN AUSTRALIA) OR +61 3 9415 4109 (OUTSIDE AUSTRALIA) BETWEEN 9.00AM AND 5.00PM (MELBOURNE TIME) MONDAY TO FRIDAY.

Financial Adviser



Legal Adviser

Allens & Linklaters

Allens

Third Supplementary Target's Statement

This document is a supplementary target's statement under section 644(1) of the Corporations Act (**Third Supplementary Target's Statement**), dated 18 March 2015. This is the third supplementary target's statement issued by Cue Energy Resources Limited (ABN 45 066 383 971) (**Cue Energy**) and supplements Cue Energy's Target Statement dated 24 February 2015, as supplemented by the Supplementary Target's Statement dated 2 March 2015 and the Second Supplementary Target's Statement dated 13 March 2015. This Third Supplementary Target's Statement is to be read together with the above-mentioned documents.

Your Directors encourage you to obtain independent advice from your investment, financial, taxation or other professional adviser before making a decision whether or not to accept the Offer.

Important Notices

This Third Supplementary Target's Statement has been lodged with ASIC and provided to the ASX. Neither ASIC, ASX nor any of their respective officers take any responsibility for the content of this document.

This Third Supplementary Target's Statement prevails to the extent of any inconsistency with the Target's Statement, the Supplementary Target's Statement or the Second Supplementary Target's Statement. Capitalised terms used in this Third Supplementary Target's Statement have the same meaning as defined in section 8 of the Target's Statement unless otherwise defined.

1 The Cue Energy Board's response to NZOG's Second Supplementary Bidder's Statement

Cue Energy notes the claims made by NZOG Offshore Limited (**NZOG**) in its Second Supplementary Bidder's Statement released to ASX on 16 March 2015 regarding the value range which was assessed by the Independent Expert, Grant Samuel & Associates (**Grant Samuel**).

Grant Samuel assessed the value of a Cue Energy Share on a controlling interest basis at \$0.117 to \$0.152 which compares to NZOG's takeover offer of \$0.10 per Cue Energy Share.

Cue Energy strongly disagrees with NZOG's arguments and, as stated in Cue Energy's Second Supplementary Target's Statement which was released to the ASX on 13 March 2015, believes they are based on a misunderstanding of the approach to valuations of companies in the context of corporate control transactions and the appropriate treatment of corporate costs in such valuation analysis.

That document also contained (in an annexure) a letter from Grant Samuel which highlighted that the approach adopted by Grant Samuel was consistent with established market convention as well as with ASIC's Regulatory Guide 111 (**RG 111**) which sets out ASIC's expectations in relation to the preparation of expert's reports, including for takeover offers. Grant Samuel has for many years been one of the leading Australian firms for the preparation of independent expert reports.

The Board notes that Grant Samuel's valuation range for a share in Cue Energy is materially higher than the level of NZOG's Offer and we reiterate our view that NZOG's Offer is inadequate and substantially undervalues shares in Cue Energy. Accordingly, the Directors of Cue Energy continue to unanimously recommend that Cue Energy shareholders **REJECT** the \$0.10 Offer from NZOG.

2 Consents

This Third Supplementary Target's Statement contains statements based on statements made by Grant Samuel. Grant Samuel has given and has not, before the lodgement of this Third Supplementary Target's Statement, withdrawn its consent to the inclusion in this document of references to its name, and to each statement which is based on a statement it has made, in the form and context in which they appear.

Grant Samuel does not make, or purport to make, any statement in this Target's Statement other than those statements referred to above and as consented to by it, and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Third Supplementary Target's Statement other than as described in this section.

As permitted by ASIC Class Order 13/521, this Third Supplementary Target's Statement contains statements that are made, or based on statements made, in documents lodged with ASIC or ASX (in compliance with the Listing Rules), including the Bidder's Statement and Second Supplementary Bidder's Statement. Pursuant to this Class Order, the consent of persons to whom such statements are attributed is not required for the inclusion of those statements in this Third Supplementary Target's Statement.

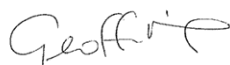
Any Cue Energy Shareholder who would like to receive a copy of any of the documents (or parts of the documents) that contain the statements which have been included pursuant to ASIC Class Order 13/521 may during the Offer Period obtain a copy free of charge by contacting the Cue Energy Shareholder Information line on 1300 373 864 (within Australia) or +61 3 9415 4109 (outside Australia) between 9:00am and 5:00pm (Melbourne time) on Monday to Friday.

3 Approval of Third Supplementary Target's Statement

This Third Supplementary Target's Statement has been approved by a resolution passed by the Directors of Cue Energy. Each Director of Cue Energy voted in favour of the resolution authorising this Third Supplementary Target's Statement.

Dated 18 March 2015

Signed for and on behalf of Cue Energy



Geoffrey King

Chairman