



A.B.N. 45 066 383 971

30 July 2013

PAGES (including this page):17

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

Quarterly Report for the Period Ended 30 June 2013

Attached please find Cue Energy Resources Limited 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)

OFFICE

Level 21
114 William Street
Melbourne Vic 3000

CONTACT DETAILS

Tel: +61 3 9670 8668
Fax: +61 3 9670 8661

EMAIL

mail@cuenrg.com.au

WEBSITE

www.cuenrg.com.au

LISTINGS

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

HIGHLIGHTS

Exploration

- Planning for drilling the Manaia-2 and Naga Utara-2 appraisal wells in August/ September 2013 is underway.
- Cue increased its interest in WA-389-P in the Carnarvon Basin to 40% and BHP Billiton Petroleum (60%) has been appointed operator.

Development

- The Maari Joint Venture has taken a final investment decision (FID) on the Maari growth projects.

Financial

- **Quarterly Revenue:**
- Revenue receipts from hydrocarbon production for the quarter were A\$16.96 million on sales of 112,156 barrels of oil at an average price USD\$105 per barrel and 969,887 thousand cubic feet (Mcf) of gas at an average price A\$4.67 per Mcf.
- Cue has no hedging in place.
- Cue has no debt.
- Cash on hand at the end of the quarter is A\$58.83 million.

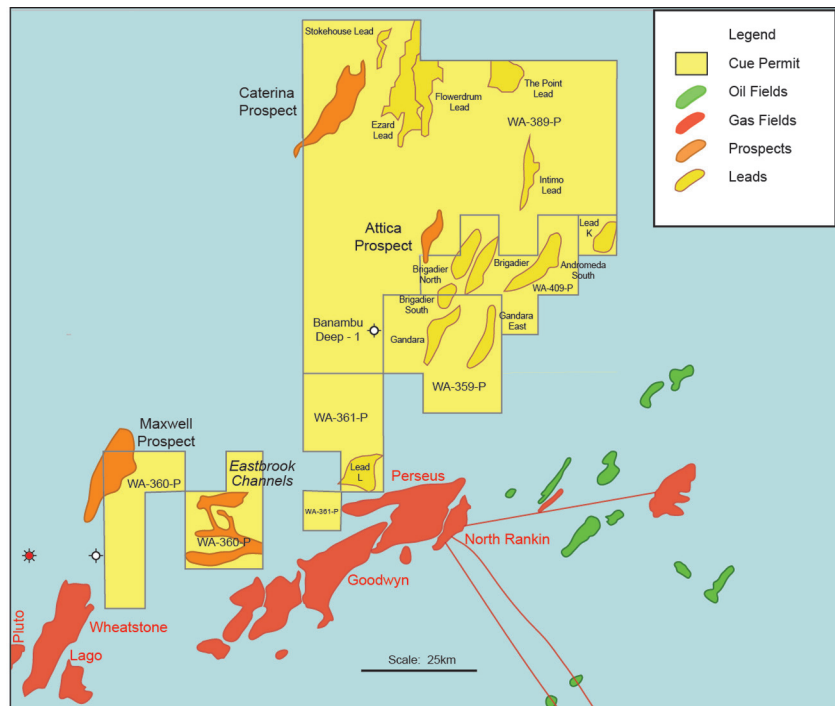
PRODUCTION & FINANCIAL SUMMARY

		<i>Jun 2013 Quarter</i>	<i>Mar 2013 Quarter</i>	<i>Change %</i>
<i>Production bbls (net to Cue)</i>	<i>bbl</i>	53,752 ⁽ⁱ⁾	68,587	(21.63%)
<i>Production mcf (net to Cue)</i>	<i>mmcf</i>	958.74	959.03	(0.03%)
<i>Liftings bbls (net to Cue receipts)</i>	<i>bbl</i>	112,156	80,244	39.76%
<i>Liftings mcf (net to Cue receipts)</i>	<i>mmcf</i>	969.89	998.48	(2.86%)
<i>Total Revenue</i>	<i>A\$m</i>	16.96	12.85	31.98%
<i>Production Expenditure</i>	<i>A\$m</i>	4.85	6.60	(26.51%)
<i>Closing Cash Position</i>	<i>A\$m</i>	58.83	45.89	28.20%

⁽ⁱ⁾ The Sampang PSC moved out of cost recovery during the quarter with a consequent impact on production share.

ACTIVITY REVIEW

AUSTRALIA - Carnarvon Basin



EXPLORATION

WA-359-P

Cue Interest: 100%

Operator: Cue Exploration Pty Ltd

Cue has identified encouraging potential for both oil and gas in the permit. Structural traps with Triassic-aged reservoirs have been identified on the existing 3D seismic data. Cue is conducting a programme of geological and geophysical studies to firm-up a drilling location for a likely well in 2015. Reprocessing of the existing multi-client 3D over the permit commenced in early July and is expected to be complete in November 2013.

Cue plans to farmdown its interest in the permit, commencing later this year after essential preliminary technical work is complete, to bring in a partner capable of operating the drilling phase of the work programme.

WA-389-P

Cue Interest: 40%

Operator: BHP Billiton Petroleum (Australia) Pty Ltd

Cue and BHP Billiton have agreed to increase their interest in the permit following Woodside's decision to withdraw (and resign as Operator) before the end of the current permit year. Cue now holds a 40% interest in the permit which we consider to hold significant remaining petroleum potential. BHP Billiton Petroleum has been appointed Operator and the Joint Venture will submit an application to renew the permit before the end of July 2013.

WA-409-P

Cue Interest: 30%

Operator: Apache Northwest Pty Ltd

The Joint Venture has made an application to vary the work programme for the final year of the current permit term (Year 6), which commenced on 30th April 2013. The revised work programme includes reprocessing of 566 km² of existing multi-client 3D seismic data, seismic attribute studies and other technical studies to assess the petroleum potential of the permit and select a drilling location. Drilling will now be deferred until the 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 Apache elect to drill.

WA-360-P

Cue Interest: 37.5%

Operator: MEO Australia Ltd

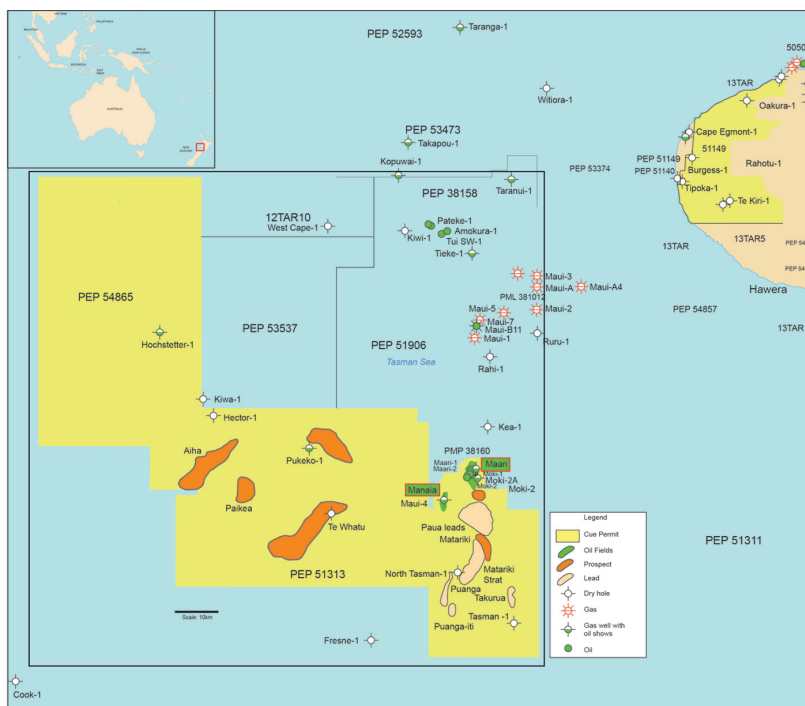
WA-361-P

Cue Interest: 15%

Operator: MEO Australia Ltd

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

NEW ZEALAND - Taranaki Basin



EXPLORATION

PEP 51149

Cue Interest: 20%

Operator: Todd Exploration Limited

Geological and geophysical studies in the permit are progressing. The permit will reach the end of Year 5 in September 2013 and the Joint Venture is considering the forward work programme.

PEP 54865

Cue Interest: 20%

Operator: Todd Exploration Limited

The permit carries a minimum work programme of 285 km² of 3D seismic to be acquired, processed and interpreted prior to June 2015, at which point 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.

PEP 54865 complements Cue's existing acreage holdings in the Taranaki Basin, particularly PEP 51313. The work programme is structured to allow the Joint Venture to quickly develop potential drilling opportunities, but defer the decision to enter the drilling phase of the permit until after the results of exploration activities in adjacent blocks become available.

PEP 51313

Cue Interest: 14% interest

Operator: OMV New Zealand Ltd

In November 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 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. The expected commencement of drilling is by the end of the first quarter 2014. In the event that 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 is in progress and is due to be completed in mid August 2013.

The new data will be used in further work on the Pukeko North-East and Te Whatu Deep prospects and to select a drilling location for a well that is required to be drilled before July 2014 to fulfill the permit work programme obligations. Subject to joint venture approval, it is expected that this well will be drilled from the Kan Tan IV in the first half of 2014.

Cue continues to view PEP 51313 as an important component of its exploration portfolio with potential to deliver both material new discoveries in the emerging Paleocene and Late Cretaceous plays in the western part of the permit and add incremental reserves to the Maari development with relatively low-risk, near-field prospects such as Whio.



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 54,860 barrels which generated A\$6.14 million in revenue. Oil from Maari and Manaia is being commingled and produced jointly.

Average production during the quarter was approximately 8,724 bopd (Cue share 436 bopd). The operator has advised that the production facilities have been shut in since 21 July 2013 as a precaution to effect interim repair works on the mooring system. These works are expected to be completed by end of day, 31 July 2013. Production restart procedures are expected to commence once the necessary regulatory approvals have been obtained.

Planning for the Maari growth project is continuing with a final investment decision taken by the Joint Venture in July 2013. The Kan Tan IV has been secured for a multi-well programme (including Manaia-2 and Whio) and the Ensco 107 jack-up rig will be used for field redevelopment activities.



Maari WHP and WFPSO Raroa

INDONESIA



EXPLORATION

Mahakam Hilir PSC - Kutei Basin
Cue Interest: 40%
Operator: SPC Mahakam Hilir Pte Ltd

Naga Utara

Planning for the 2013 drilling campaign is underway. The first well in the programme will be Naga Utara-2 which is expected to spud in the third quarter 2013. The well will evaluate the Naga Utara-1 gas discovery (drilled in the first quarter 2012) and will have the key objectives of acquiring information on potential flow rates, pay thickness and gas quality to fully characterise the resource. Following the gathering of additional data from the gas-bearing reservoirs seen in Naga Utara-1, the well will be deepened to intersect potential gas-bearing intervals below the known pay. If successful it is intended to complete the well as a future producer.

PRODUCTION

Sampang PSC - Madura Strait
Cue interest: 15%
Operator: Santos (Sampang) Pty Ltd

Oyong Field

During the quarter, Cue's share of oil sales receipts from the Oyong field was 51,601 barrels which generated A\$5.68 million in revenue; condensate sales receipts were 166 barrels, which generated A\$0.011 million in revenue and gas sales receipts of 471,052 Mcf which generated A\$1.31 million in revenue received during the quarter.

The Oyong average oil production rate for the quarter was 1,806 bopd (gross) and the gas rate was 36.99 MMscfd (gross) respectively.

Wortel Field

Cue's receipts from gas sales during the quarter was 498,835 Mcf, which generated A\$3.22 million in revenue. Condensate sales receipts were 206 barrels which generated A\$0.014 million in revenue.

Wortel-3 and Wortel-4 are both flowing gas at a combined rate of 46.25 MMscfd. The combined rate of Oyong and Wortel gas production is 83.24 MMscfd (89.1 BBTU/d) (Billion British thermal units per day) which is equal to the contract quantity to be sold to PT Indonesia Power.

PAPUA NEW GUINEA

EXPLORATION

PRL14
 Cue Interest: 10.947% interest
 Operator: Oil Search (PNG) Limited

No significant activity to report.

PRL9
 Cue Interest: 14.894% interest
 Operator: Oil Search (PNG) Limited

No significant activity to report.

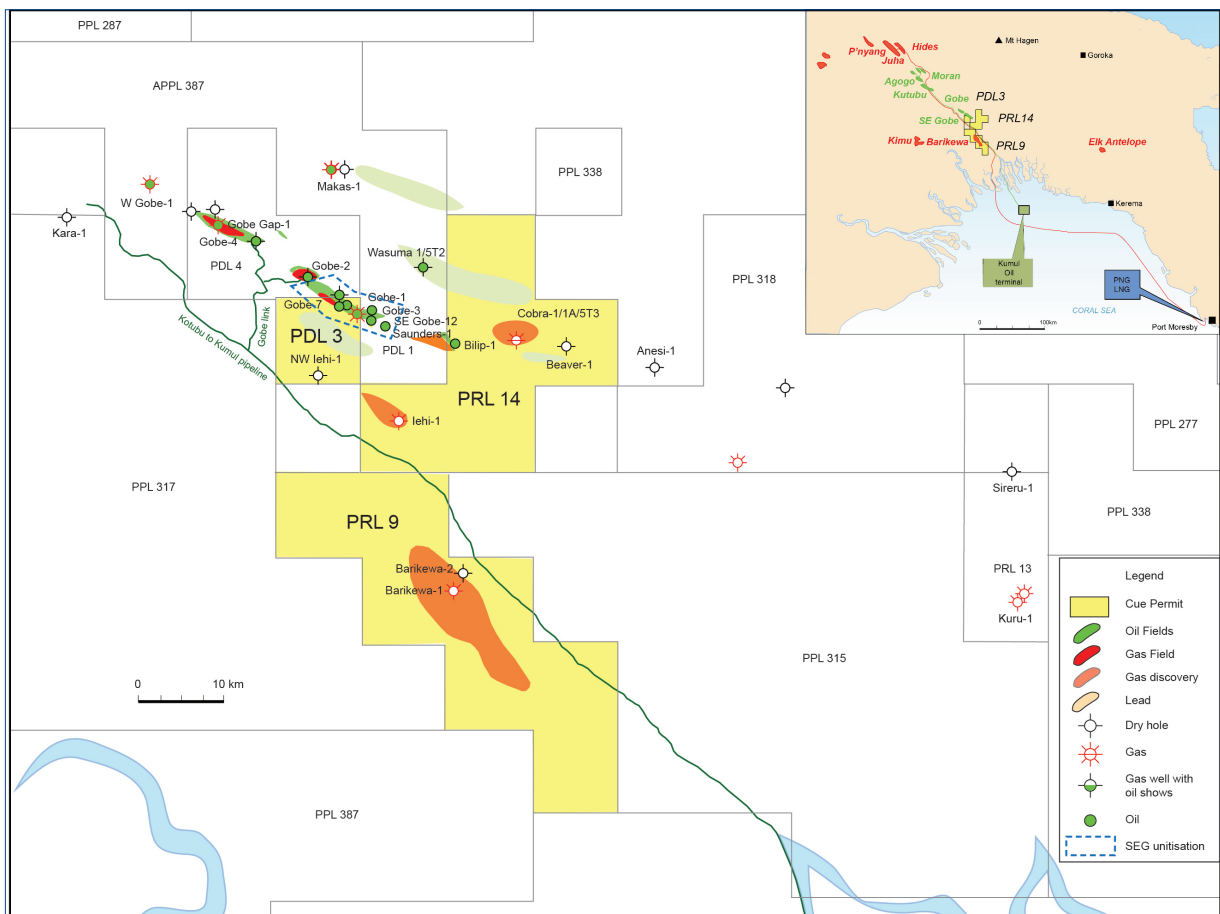
PRODUCTION

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 5,323 barrels of oil from the SE Gobe field during the quarter, which generated A\$0.58 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

- *It is with great sadness that the Company advises that Non-Executive Director, Steven Koroknay, died suddenly on the 6 June 2013. The board of directors, management and staff of Cue extend our sincere condolences to his wife and family.*

The board will continue at the reduced number of directors until the Company growth requires an additional member.



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)
TE Dibb (Non Exec.Director)
PD Moore (Non Exec.Director)
AA Young (Non Exec.Director)

CHIEF EXECUTIVE OFFICER

DAJ Biggs

ADMINISTRATION OFFICE:

Level 21
114 William Street
MELBOURNE VIC 3000

Phone: (03) 9670 8668
Fax: (03) 9670 8661
Email: mail@cuenrg.com.au

REGISTERED OFFICE:

Level 21
114 William Street
MELBOURNE VIC 3000

AUDITORS:

BDO
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
Level 2, NZX Centre, 11 Cable Street
PO Box 2959
WELLINGTON, NEW ZEALAND

OTCQX

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:

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
Website: www.computershare.com.au

PAPUA NEW GUINEA

Computershare Investor Services Pty Limited
C/- Kina Securities
Level 2, Deloitte Tower
Douglas Street
(PO Box 1141)
Port Moresby, National Capital District
Papua New Guinea
Telephone: +67 5 308 3888
Facsimile: +67 5 308 3899

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 June 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date 12 months \$A'000
1.1 Receipts from product sales and related debtors	16,960	58,210
1.2 Payments for (a) exploration and evaluation (refer 2.2)	(2,084)	(7,618)
(b) development	(1,132)	(5,170)
(c) production	(4,851)	(19,103)
(d) administration	(1,083)	(5,576)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	37	149
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	23	(222)
1.7 Other	-	-
Net Operating Cash Flows	7,870	20,670
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets	(2)	(16)
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	-	(16)
1.13 Total operating and investing cash flows (carried forward)	7,868	20,654

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	7,868	20,654
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	7,868	20,654
	Net increase (decrease) in cash held	7,868	20,654
1.20	Cash at beginning of quarter/year to date	45,892	33,733
1.21	Exchange rate adjustments to item 1.20	5,069	4,442
1.22	Cash at end of quarter	58,829	58,829

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	224
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

-

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	4,836
4.2 Development	2,158
4.3 Production	4,855
4.4 Administration	2,286
Total	14,135

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	754	333
5.2 Deposits at call	58,075	45,559
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	58,829	45,892

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-389-P	Working	35%	40%

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:

Chief Financial Officer

Date: 30 July 2013

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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QUARTERLY REPORT OF CONSOLIDATED CASHFLOWS
- QUARTER ENDED 30 JUNE 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 ⁽ⁱⁱ⁾	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
(ii)	Subject to government approval	