



ABN 45 066 383 971

21 April 2017

PAGES (including this page): 13

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

Quarterly Report for Period Ended 31 March 2017

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 and Indonesia.

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)

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LISTINGS

ASX: CUE
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Quarterly Report



Q3 FY17 | March 2017

SUMMARY OF ACTIVITIES

Highlights

Cue had steady production from Sampang throughout the quarter and stable flow rates after the resumption of production at Maari in mid-January.

The Company has identified a gas appraisal well opportunity in the north of the 100% held Mahakam Hilir PSC, Indonesia and is attempting to attract a joint venture partner to the block.

Sustainable Business

- The Company had \$21.4 million at the end of the quarter and no debt. The cash decline of \$1.5 million over the quarter was largely influenced by the one off \$1.5 million payment for seismic data for the Ironbark prospect, staff redundancies, and an adverse shift in foreign exchange rates.
- Total net production in the quarter was 148,946 barrels of oil equivalent (boe) comprising of 45,714 barrels (bbls) of oil and 619 million cubic feet (mmcf) of gas.
- Revenue receipts from hydrocarbon production for the quarter were \$9.3 million on sales of 40,218 bbls of oil at an average price of US\$54 per barrel and 710 mmcf of gas at an average price of US\$6.90 per thousand cubic feet (Mcf).
- **Indonesia:** Oyong and Wortel fields (Sampang PSC) continue steady production, with total combined average gross rates of 61 mmcf and 850 barrels of oil per day (bopd) during the quarter.
- **New Zealand:** Maari (PMP 38160) gross field production averaged 7,977 bopd during the quarter. The Maari field was shut-in from the 24 November 2016 until 12 January 2017 to repair a crack in the Well Head Platform and to perform planned maintenance. End of quarter production was stable at circa 10,000 bopd.
- During the quarter Cue reduced ongoing administration costs further.

Disciplined Growth

- **Indonesia:** The Sampang Sustainability Project (SSP) is on target to achieve gas only production and reduced costs by Q3 CY 2017.
- **Indonesia:** The analysis of the recent gradiometry data survey combined with nearby seismic lines and the results of a well drilled in the 1930s has identified a gas appraisal well opportunity in the north of the Mahakam Hilir PSC.
- **New Zealand:** Permanent works are commencing for the repair of the crack on the damaged WHP strut at Maari.

Step Change Opportunities

- **Australia:** Discussions are continuing with major international companies to attract a partner for WA-359-P and join BP and Cue in drilling a well in 2018 to test the Ironbark prospect.

Production & Financial Summary

KEY PERFORMANCE METRICS

		Mar Quarter Q3 FY17	Dec Quarter Q2 FY17	Change %
Oil Production (net to Cue)	bbl	45,714	38,790	18
Gas Production (net to Cue)	mmcf	619	570	9
Oil Liftings (net to Cue receipts)	bbl	40,218	50,354	(20)
Gas Liftings (net to Cue receipts)	mmcf	710	616	15
Total Revenue Receipts	\$m	9.25	8.99	3
Production Expenditure	\$m	3.63	3.87	6
Closing Cash Position	\$m	21.36	22.92	(7)

PRODUCTION - NEW ZEALAND

PMP 38160

Cue Interest: 5%

Operator: OMV New Zealand Limited

Maari and Manaia Fields

Cue's net share of oil sales in the quarter from the Maari and Manaia fields was 18,195 bbls which generated revenues of \$1.38 million.

The average oil production rate in the quarter was approximately 7,977 gross bopd (Cue net: 399 bopd). At the end of the quarter, daily gross production was stable at circa 10,000 bopd.

A maintenance shutdown was performed at the start of the year, with production resuming on the 12th January 2017.

Preparations are ongoing for the installation of a permanent repair to the Well Head Platform horizontal strut crack which was identified late in 2016. The permanent repair is likely to be undertaken during calendar Q2.



PRODUCTION - INDONESIA

Sampang PSC- Madura Strait

Cue Interest: 15%

Operator: Santos (Sampang) Pty Ltd

Steady gas production continued from Sampang during the quarter, with the gross combined average production from Oyong and Wortel 61 mmcf/d and 850 bopd .

The Sampang Sustainability Project is on target to achieve gas only production from Oyong during Q3 this year. This is expected to extend the life of the Oyong and Wortel fields by at least 2 years to 2020 or beyond.

Oyong Field

During the quarter Cue's share of gas sales receipts was \$2.35 million from the sale of 256 mmcf.

Cue's share of oil sales receipts was \$1.41 million from the sale of 21,219 bbls and condensate sales receipts was \$12,504 from the sale of 187 barrels.

The Oyong average oil production rate for the quarter was 850 bopd (gross) and the daily gas average rate was 26.8 mmcf/day (gross) (Cue net: 109 bopd and 3.1 mmcf/d - both net of government take under the PSC).

Wortel Field

During the quarter Cue's share of gas sales receipts was \$4.07 million from the sale of 454 mmcf. Cue's share of condensate sales from the Wortel field was 616 bbls which generated \$31,574 in revenue.

Wortel-3 and Wortel-4 flowed gas at a combined average daily rate of 34 mmcf/d (gross) during the quarter (Cue net 3.8 mmcf/d net of government take under the PSC.)

SAMPANG PSC LOCATION MAP



LEGEND

- Cue Permit
- Oil Field
- Gas Field

EXPLORATION - AUSTRALIA

WA-359-P

Cue Interest: 100%

Operator: Cue Exploration Pty Ltd

WA-359-P contains the Ironbark prospect, a large and exciting Deep Mungaroo gas target.

As previously announced, Cue has granted BP Developments Australia Pty Ltd, an option to acquire 42.5% equity in WA-359-P, valid until May 2017.

Cue is continuing discussions with major international companies to attract a partner to form a joint venture together with BP to drill an exploration well in 2018 to test the Ironbark prospect.

WA-409-P

Cue Interest: 20%

Operator: BP Developments Australia Pty Ltd

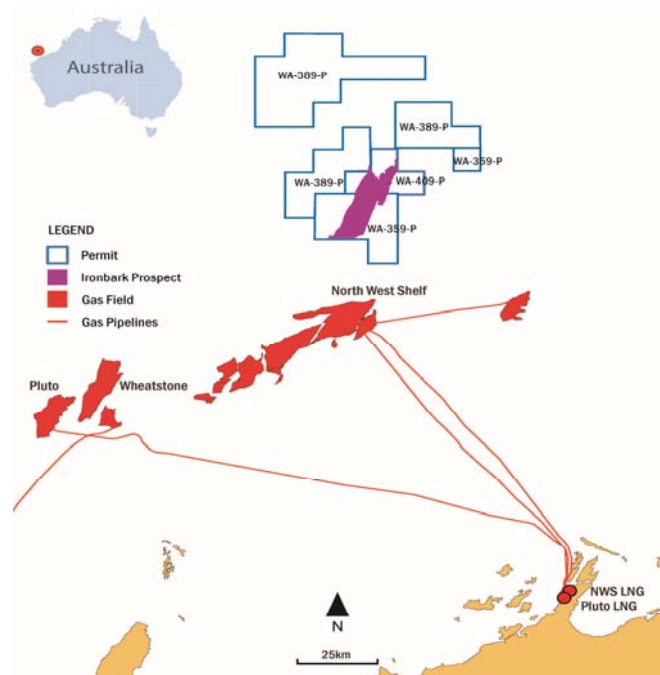
The Operator is undertaking extensive seismic reprocessing over the WA-409-P permit.

WA-389-P

Cue Interest: 40%

Operator: BHP Billiton Petroleum (Australia) Pty Ltd

The Operator is reviewing and interpreting the results of 2D and 3D reprocessing conducted last year.

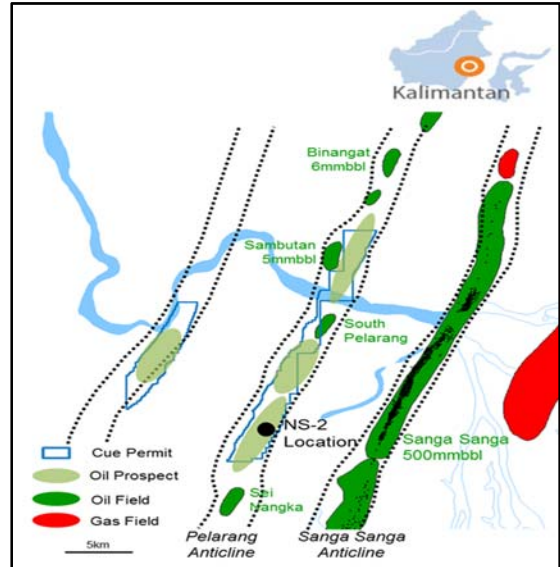


EXPLORATION INDONESIA

**Mahakam Hilir
PSC Kutei Basin
Cue Interest: 100%
Operator: Cue Kalimantan Pte Ltd**

Analysis of the recent gravity Gradiometry data identified a gravity anomaly in the northern area of the permit adjacent to the nearby gas producing Sambutan field. A number of 2D seismic lines have been re-processed in the area of a 1930s well which has been interpreted to show significant gas reservoirs that were not tested or produced at the time.

Cue will be initiating a farm-out process in Q2 to attempt to attract a joint venture partner to share the risks, costs, and benefits of the opportunity.

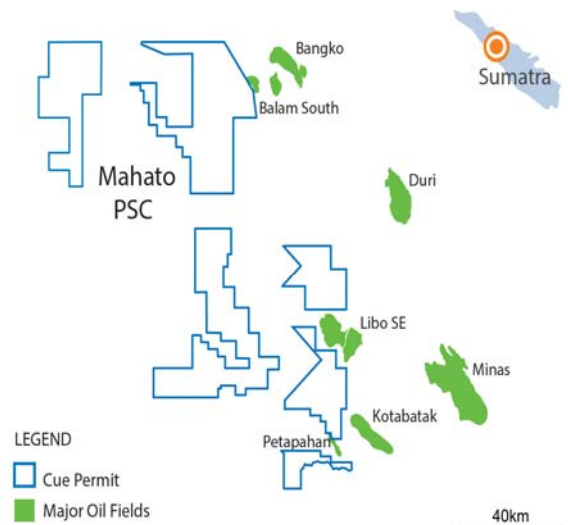


Further analysis of the Naga Selatan-2 well information, gravity gradiometry and shallow coring results indicate lower prospectivity in the southern area of the permit.

**Mahato PSC
Central Sumatra Basin
Cue Interest: 12.5%
Operator: Texcal Mahato Ltd**

The Mahato PSC covers a highly prospective area, close to several large producing oil fields. Multiple appraisal and exploration opportunities have been mapped. The permit has a minimum work commitment of 1 well and 2D seismic acquisition by July 2018.

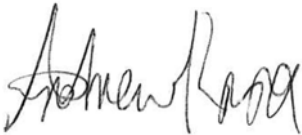
A Joint Operating Agreement has not been agreed by the joint venture participants, limiting any further progress in the permit.



CORPORATE

The company is continuing its focus on reducing costs, with a significant reduction in headcount occurring during the Quarter.

Cue will move offices this Quarter, further lowering administration costs.



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.

DIRECTORS GA Worner (Exec. Chairman) Koh Ban Heng (Non Exec. Director) DP Saville (Non-Independent Director)	REGISTERED OFFICE Level 19 357 Collins Street MELBOURNE VIC 3000 Phone: +613 8610 4000 Fax: +613 9614 2142 Email: mail@cuenrg.com.au Web: www.cuenrg.com.au AUDITOR BDO East Coast Partnership Level 14, 140 William Street MELBOURNE VIC 3000	SECURITIES EXCHANGE LISTING ASX: CUE SHARE REGISTER Computershare Investor Services Pty Ltd 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 and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Cue Energy Resources Limited

ABN

45 066 383 971

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	9,252	28,179
1.2 Payments for		
(a) exploration & evaluation	(1,806)	(4,088)
(b) development	(1,176)	(2,236)
(c) production	(3,630)	(11,609)
(d) staff costs	(871)	(2,659)
(e) administration and corporate costs	(287)	(1,381)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	45	73
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(1,845)	(5,527)
1.7 Research and development refunds	-	-
1.8 Other (GST)	(47)	(88)
1.9 Net cash from / (used in) operating activities	(365)	664
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(11)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	871
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	860

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	22,915	20,490
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(365)	664
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	860
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(1,190)	(654)
4.6	Cash and cash equivalents at end of period	21,360	21,360

Mining exploration entity and oil and gas exploration entity quarterly report

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	2,135	242
5.2 Call deposits	19,225	22,673
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	21,360	22,915

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	71
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Directors' fees and Director's consulting fees

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	434
9.2 Development	162
9.3 Production	3,383
9.4 Staff costs	511
9.5 Administration and corporate costs	367
9.6 Other (tax)	983
9.7 Total estimated cash outflows	5,840

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
Chief Financial Officer

Date: 21 April 2017

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

**QUARTERLY REPORT OF CONSOLIDATED CASHFLOWS
- QUARTER ENDED 31 MARCH 2017**

Amended List of Mining Tenements

PERMIT	OPERATOR	LOCATION	CUE INTEREST (%)
Petroleum Properties			
Indonesia			
Sampang PSC ⁽ⁱ⁾	Santos (Sampang) Pty Ltd	Madura Strait Offshore	15.00
Mahakam Hilir PSC	Cue Kalimantan Pte Ltd	Kalimantan Onshore	100.00
Mahato PSC	Texcal Mahato Pte Ltd	Central Sumatra Onshore	12.50
Australia			
WA-359-P	Cue Exploration Pty Ltd	Carnarvon Offshore	100.00
WA-389-P	BHP Billiton Petroleum (Australia) Pty Ltd	Carnarvon Offshore	40.00
WA-409-P	BP Developments Australia Pty Ltd	Carnarvon Offshore	20.00
New Zealand			
PMP 38160	OMV New Zealand Limited	Taranaki Offshore	5.00
	⁽ⁱ⁾ economic interest in the Jeruk field		8.1818