

SUMMARY OF ACTIVITIES

Highlights

- Gas discovery announced from the Paus-Biru-1 exploration well
- WA-359-P Farmout and WA-409-P Option agreements executed with New Zealand Oil & Gas
- Ironbark-1 exploration well rig tender and environmental permitting underway
- Positive cashflow for the quarter, increasing cash to \$21 million

Sustainable Business

- Total quarterly net production of 27,832 barrels (bbls) of oil and 329 million cubic feet (mmcf) of gas
- \$7.11 million cash received from oil and gas sales
- \$20.99 million cash and no debt

Disciplined Growth

- **Indonesia:** Paus Biru-1 well, in the Sampang PSC was announced as a gas discovery with 13.8 mmcfd maximum gas flow rate. Studies underway to prepare a plan of development

Step Change Opportunities

- **Australia:** Farmout agreement signed with New Zealand Oil & Gas for 15% Participating Interest in WA-359-P and Option agreement for 5.36% Participating Interest in WA-409-P
- **Australia:** Co-ordination agreement executed with BP, Beach Energy and New Zealand Oil & Gas, with BP commencing work on Ironbark-1 well planning activities

Production & Financial Summary

- \$7.11 million cash received comprising of:
 - 25,722 bbls of oil sales, down from the previous quarter due to timing of Maari liftings, at an average price of \$98.77/bbl (US\$70.67/bbl)
 - gas sales of 450 mmcf at an average price of \$10.13 per thousand cubic feet (Mcf) (US\$7.25/Mcf)
- Production expenditure was higher than the previous quarter due to timing of Joint Venture payments.

KEY PERFORMANCE METRICS

		Dec Quarter Q2 FY19	Sep Quarter Q1 FY19	Change %
Oil Production (net to Cue)	bbl	27,832	27,270	2
Gas Production (net to Cue)	mmcf	329	383	(14)
Oil Liftings (net to Cue receipts)	bbl	25,722	31,025	(17)
Gas Liftings (net to Cue receipts)	mmcf	450	382	18
Total Revenue Receipts	\$m	7.11	6.86	4
Production Expenditure	\$m	2.57	1.44	78
Closing Cash Position	\$m	20.99	20.86	1

PRODUCTION - NEW ZEALAND

PMP 38160

Cue Interest: 5% (Cue Taranaki Pty Ltd)

Operator: OMV New Zealand Limited

Maari and Manaia Fields

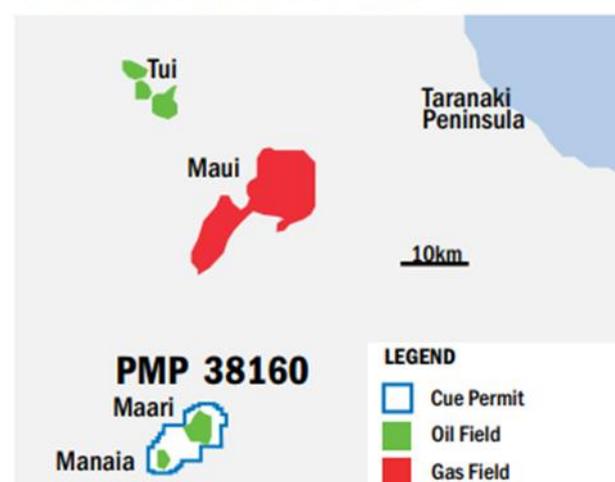
Net Oil Production	bbbl	27,148
Oil Liftings (net to Cue receipts)	bbbl	24,998
Revenue Receipts	\$m	2.48

Production enhancement activities continued during the quarter including increased water injection through the MR1 and MR5 water injection wells. Water Injection rate tests were conducted and are planned to optimise water injection rates.

The Maari joint venture continued to focus on lowering operating costs and opex reductions are forecast for the 2019 Calendar year.

The MR6a well was offline at the end of the quarter, with a workover conducted subsequent to the quarter end to replace the Electric Submersible Pump (ESP) with a larger capacity unit to increase oil production.

TARANAKI PENINSULA LOCATION MAP - NEW ZEALAND



PRODUCTION - INDONESIA

Sampang PSC

Cue Interest: 15% (Cue Sampang Pty Ltd)

Operator: Santos (Sampang) Pty Ltd (an Ophir Energy Group Company)

Oyong and Wortel Fields

		Oyong	Wortel
Net Condensate Production	Bbl	5	679
Net Condensate Sales	Bbl	5	718
Revenue Receipts (Condensate)	\$	446	59,415
Net Gas Production	mmcf	129	199
Net Gas Sales	mmcf	147	304
Revenue Receipts (Gas)	\$m	1.54	3.03

The Paus Biru-1 exploration well was announced as a gas discovery on 7 Dec 2018.

An initial Drill Stem Test (DST) undertaken over the 576-605 mMD interval successfully flowed gas at a rate of 11.2 mmscfd sustained over a 5 hour period through a 64/64" choke at 525 psi well head pressure. The well was shut in for 9 days for pressure build up before a maximum flow test which produced 13.8 mmcfd through a 120/64" choke for 55 minutes. Preliminary gas sample analysis indicated low inert content.

Paus Biru-1 was drilled as an exploration well to a measured depth of 710 metres and intersected estimated net gas pay of 29 metres across the primary Mundu reservoir target.

Studies are underway for a Plan of Development with commercialisation through the existing Oyong facilities for submission to the regulator for approval.

During the quarter, stable gas production continued from the Oyong and Wortel fields. In December, a field shutdown was undertaken for planned maintenance. On field startup, the Grati onshore compressor suffered a failure which will contribute to lower production levels for the March quarter as repairs are implemented. At the end of the quarter, while action was underway to address the compressor failure, the fields continued production through natural flow from the wells.

SAMPANG PSC LOCATION MAP



LEGEND

- Cue Permit
- Oil Field
- Gas Field

EXPLORATION - AUSTRALIA

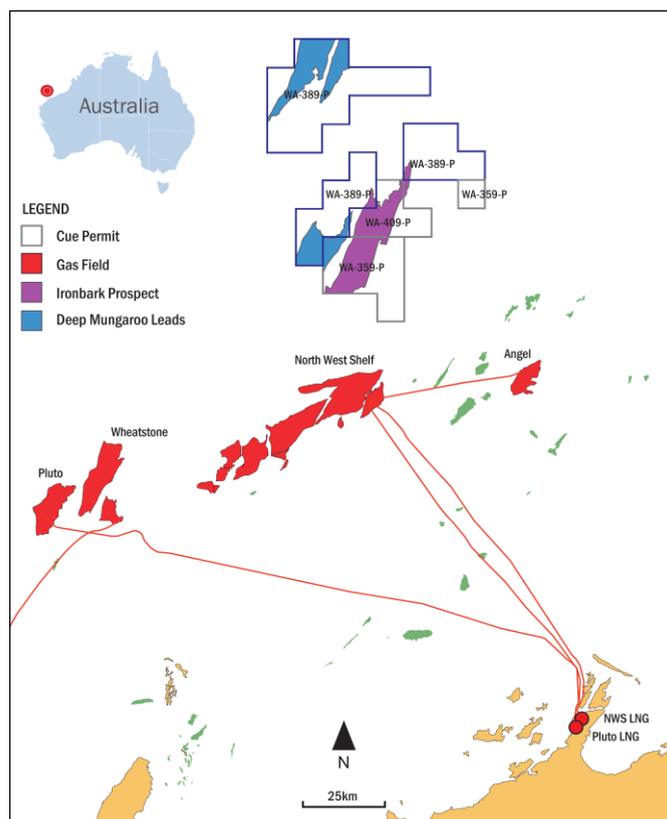
WA-359-P

Cue Interest: 100% (Cue Exploration Pty Ltd)
Operator: Cue Exploration Pty Ltd

During the quarter, Cue executed significant agreements to advance the drilling of the Ironbark prospect, a large and exciting Deep Mungaroo gas target close to the existing NWS LNG infrastructure.

Cue completed the funding requirements for the Ironbark-1 well with the execution of a Farmout Agreement for 15% participating interest to New Zealand Oil & Gas, on 26 October 2018. Subsequent to the end of the Quarter, Cue shareholders approved the transaction at a General Meeting held on 8 January 2019.

Under the terms of the agreement, New Zealand Oil & Gas will free carry Cue for 2.85% of the costs of the Ironbark well and pay \$642,600 in back costs on completion.



LEGEND

- Cue Permit
- Gas Field
- Ironbark Prospect
- Deep Mungaroo Leads

The agreement remains subject to a number of conditions, including the regulatory approval of a Suspension and Extension to WA-359-P.

Cue also executed a Co-ordination Agreement with BP, Beach Energy and New Zealand Oil & Gas, where each party has agreed, subject to certain conditions, to form a joint venture to drill the Ironbark-1 well.

The Co-ordination Agreement sets out the activities that Cue, BP, Beach and New Zealand Oil & Gas have agreed to fund and undertake and will allow BP to commence work on the Ironbark-1 exploration well prior to the official title transfers and creation of a formal joint venture. Title transfer and joint venture formation is targeted during Q2 2019, once certain conditions, including regulatory approvals, are received. Until this time, Cue will retain 100% equity in WA-359-P and BP will act as operator on behalf of Cue in relation to planning for the Ironbark-1 well.

Under the Co-ordination Agreement, the partners have agreed to the final well location for the Ironbark-1 exploration well and BP is proceeding with drill rig tendering and environmental approvals on behalf of Cue.

WA-409-P

Cue Interest: 20% (Cue Exploration Pty Ltd)

Operator: BP Developments Australia Pty Ltd

Cue executed an agreement to grant New Zealand Oil & Gas an option to take 5.36% participating interest in WA-409-P. If New Zealand Oil & Gas exercises the option, Cue will be free carried for 5.36% of the costs of drilling a well in WA-409-P or receive the cash equivalent. Cue will also be entitled to a 10% royalty on all future revenue generated from New Zealand Oil & Gas' 5.36% participating interest.

Subsequent to the end of the Quarter, Cue shareholders approved the transaction at a General Meeting held on 8 January 2019.

WA-389-P

Cue Interest: 100% (Cue Exploration Pty Ltd)

Operator: Cue Exploration Pty Ltd

Mapping and evaluation of the permit leads and prospects is continuing.

EXPLORATION - INDONESIA

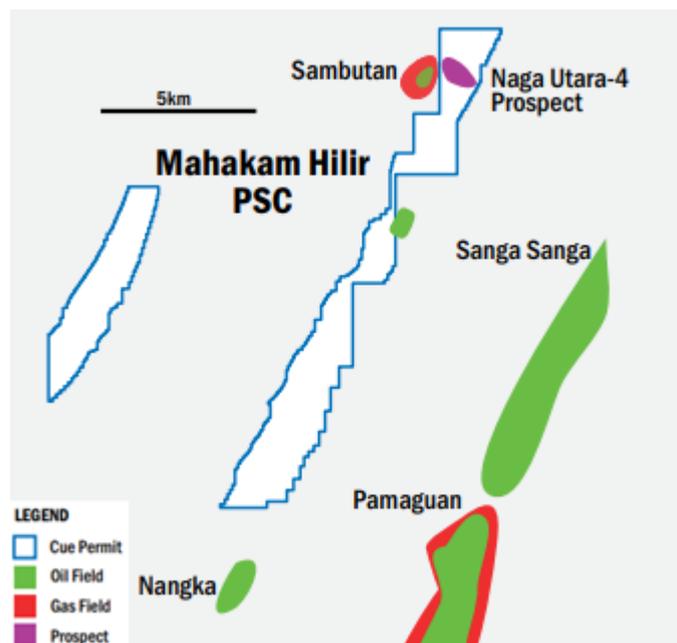
Mahakam Hilir PSC; Kutei Basin

Cue Interest: 100% (Cue Mahakam Hilir Pty Ltd and Cue Kalimantan Pte Ltd)

Operator: Cue Kalimantan Pte Ltd

The Mahakam Hilir PSC contains the Naga Utara prospect and the Naga Utara-4 Appraisal well.

Cue is proceeding with planning for the drilling of the NagaUtara-4 well and is currently seeking partners to participate in the Mahakam Hilir PSC and the well.



Mahato PSC; Central Sumatra Basin

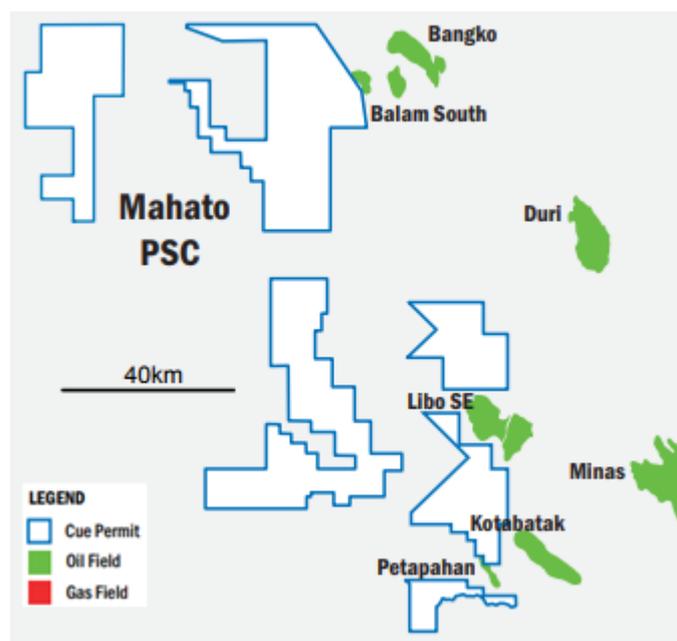
Cue Interest: 12.5% (Cue Mahato Pty Ltd)

Operator: Texcal Mahato EP Ltd

During the quarter, Cue was advised that a 23 month extension to the exploration period of the Mahato PSC had been granted by the Indonesian Government.

The PSC partners, under new operator ownership, is now finalising a Joint Operating Agreement. Cue expects the 2019 work programme to include the drilling of 2 onshore exploration wells targeting high potential oil prospects.

The PB prospect within the southern portion of the PSC has drilling permits in place and is likely to be the first well drilled when exploration resumes.



CORPORATE

Subsequent to the end of the quarter, on 8 January 2019, Cue Energy Resources held a General Meeting of Shareholders, where the WA-359-P farmout and WA-409-P option agreements with New Zealand Oil and Gas were approved by Shareholders.

Cue Energy Resources Ltd and Cue Resources Inc. have been named as defendants, along with a number of other companies, in litigation pending in Texas, USA in relation to the Pine Mills oilfield. Cue Energy Resources Ltd and Cue Resources Inc. believe the suit has no merit and continue to abide by Court requirements in order to defend the cases if required. Motions to dismiss the lawsuit have been filed and are currently under consideration by the assigned judge in the case.

-Ends-

All references to dollars, cents or \$ in this announcement are to Australian currency, unless otherwise stated.

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 Alastair McGregor (Non Exec. Chairman) Andrew Jefferies (Non Exec. Director) Peter Hood (Non Exec. Director) Rebecca DeLaet (Non Exec. Director) Richard Malcolm (Non Exec. Director) Roderick Ritchie (Non Exec. Director) Samuel Kellner (Non Exec. Director) CHIEF EXECUTIVE OFFICER Matthew Boyall COMPANY SECRETARY/CHIEF FINANCIAL OFFICER Melanie Leydin	REGISTERED OFFICE Level 3 10-16 Queen 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 18, 727 Collins 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 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	7,105	13,967
1.2 Payments for		
(a) exploration & evaluation	(3,104)	(3,453)
(b) development	-	-
(c) production	(2,570)	(4,010)
(d) staff costs	(396)	(752)
(e) administration and corporate costs	(210)	(467)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	105	182
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(594)	(1,650)
1.7 Research and development refunds		-
1.8 Other		
- Royalty settlement	(278)	(278)
- Insurance refund	39	418
- GST	(40)	(50)
1.9 Net cash from / (used in) operating activities	57	3,907
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-

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 (6 months) \$A'000
(c) investments	-	-
(d) other non-current assets – production properties	(308)	(634)
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(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	(308)	(634)
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	20,860	16,983
4.2 Net cash from / (used in) operating activities (item 1.9 above)	57	3,907
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(308)	(634)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	381	734
4.6 Cash and cash equivalents at end of period	20,990	20,990

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	14,803	14,753
5.2 Call deposits	6,187	6,107
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)	20,990	20,860

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	131
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, Director's travel expenses and consulting fees paid to Director's related entity.

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	3,051
9.2 Development	533
9.3 Production	2,233
9.4 Staff costs	466
9.5 Administration and corporate costs	331
9.6 Other (tax)	1,687
9.7 Total estimated cash outflows	8,301

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:
Company Secretary

Date: 29 January 2019

Print name: Melanie Leydin

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 DECEMBER 2018**

List of Mining Tenements

PERMIT	OPERATOR	LOCATION	CUE INTEREST (%)
Petroleum Properties			
Indonesia			
Sampang PSC ⁽ⁱ⁾	Santos (Sampang) Pty Ltd (an Ophir Energy Group Company)	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	Cue Exploration Pty Ltd	Carnarvon Offshore	100.00
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