



Cue Energy Resources Limited

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TO : Company Announcements Office
10th Floor
20 Bond Street
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DATE : 29 April 2009

PAGES (including this page): 14

FROM : Andrew Knox

RE : **Quarterly Report for Period Ended 31 March 2009**

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



QUARTERLY REPORT

FOR THE QUARTER ENDING 31 MARCH 2009

QUARTER SUMMARY

- Revenue for the quarter was A\$5.8 million on sales of 95,329 barrels of oil.
- Cash at the end of the quarter was A\$10.2 million.

Papua New Guinea

- Quarterly revenue from SE Gobe field was A\$0.9 million on sales of 13,953 barrels of oil.

Indonesia

- Quarterly revenue from the Oyong field was A\$ 4.9 million on sales of 81,376 barrels of oil.
- Good progress continued on Oyong phase 2 gas development with the laying of the offshore gas pipeline completed and construction of the onshore gas plant well underway.

New Zealand

- First oil production from the Maari field was achieved on the 25th February 2009 and the first two development wells were completed by the end of the quarter.
Production from these two wells reached a combined peak rate of 28,000 barrels of oil per day. Subsequent to the end of the quarter, the third oil development well was brought on stream and the combined oil production rate reached a peak of 32,000 barrels of oil per day.

Australia

- Processing of the new 3D and 2D seismic data in WA-389-P in the Carnarvon Basin of Western Australia continued during the quarter.
 - Acquisition by MEO of 250 square km of new 3D seismic data was completed in WA-360-P during the quarter.
 - In WA-361-P, the Zeus -1 well encountered reservoir sand but no significant hydrocarbons.
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1. PRODUCTION

PAPUA NEW GUINEA

PDL 3 – SE Gobe Field, PNG (5.568892% interest)

Operator: Santos

SE Gobe Unit, PNG (3.285646% interest)

Operator: Oil Search

The SE Gobe field production rate for the first quarter 2009 has averaged approximately 5,500 barrels of oil per day (Cue share was approximately 170 barrels of oil per day).

Cue's oil production revenue received during the quarter from the SE Gobe field was A\$0.9 million and equated to 13,953 barrels of oil.

Cue did not have any hedging arrangements in place during the quarter.

INDONESIA

Sampang PSC – Oyong Field – Madura Strait, East Java, Indonesia (15% interest)

Operator: Santos

Oyong Field

Cue's oil production revenue received from the Oyong field was A\$ 4.9 million and equated to 81,376 barrels.

The average production rate for the field for the quarter was approximately 4,350 barrels of oil per day, which was in line with expectations.

Cue did not have any hedging arrangements in place during the quarter.

NEW ZEALAND

PMP 38160 (Granted from December 2005, for 22 years)

PEP 38413 (Five year extension approved to 1st January 2011)

Taranaki Basin – New Zealand (5% interest)

Operator: OMV New Zealand

Maari Oil Field

Oil production began from the Maari field on 25 February 2009 and by the end of the quarter two out of the planned five development wells were producing oil. Combined daily production rates from the two wells varied but reached a peak rate of 28,000 barrels of oil per day. Oil production during the quarter totaled 420,868 barrels with Cue's share being 21,043 barrels. No sales of oil were made during the quarter. On 18/19 April the MS Sophie lifted Cue's first oil cargo of 39,000 barrels.

The third oil production well was brought on line on 8th April and the combined production rate reached a peak of 32,000 barrels per day.



The wells are being shut in from time to time to allow ongoing development drilling activities.

The ENSCO107 jack up drilling rig is now drilling the planned three water injection wells after which it will drill the final two oil development wells. The first water injection should start around mid May.

2. DEVELOPMENT ACTIVITY

INDONESIA

Sampang PSC – Oyong Field

Madura Strait, East Java, Indonesia (15% interest)

Operator: Santos

Oyong Gas Phase

Construction of the Oyong Gas Phase development progressed steadily during the quarter with overall progress at the end of the quarter being 72% against the planned 75%. Laying of the offshore pipeline was completed and construction of the onshore processing facility at Grati was well underway.

First gas remains on schedule for late third quarter 2009.

Wortel field

Development planning continued during the quarter.

3. EXPLORATION AND APPRAISAL ACTIVITIES

PAPUA NEW GUINEA

PDL 3 – Papuan Basin, PNG (5.568892% interest)

Operator: Santos

No exploration activity.

PPL 190 – Papuan Basin, PNG (10.947% interest)

Operator: Oil Search

A Retention Licence application over the area covering the Cobra, Bilip and Iehu discoveries was submitted to the PNG authorities.

PRL -8 – Papuan Basin, PNG (10.72% interest)

Operator: Oil Search

No exploration activity.

PRL -9 – Papuan Basin, PNG (14.894% interest)

Operator: Santos

No exploration activity

INDONESIA

General exploration studies continued during the quarter.

NEW ZEALAND

PEP 38413/38494 – Taranaki Basin (Cue interest 20%)

Operator: Todd Exploration Limited

Reprocessing of the existing 3D seismic survey over Maari, Manaia and the northern portion of PEP38494 continued during the quarter.

AUSTRALIA

AC/RL -7 – Timor Sea (Cue interest 20%)

Operator: Coogee Resources

Reprocessing of the existing 3D seismic data over the Cash Maple gas field has been completed and interpretation has begun.

Carnarvon Basin

EP 363 Carnarvon Basin – Western Australia (10% participation option)

Operator: Apache Energy

No exploration activity.

WA-359-P Carnarvon Basin – Western Australia (20% interest)

Operator: MEO Australia Limited

No exploration activity.

WA-360-P Carnarvon Basin – Western Australia (20% interest)

Operator: MEO Australia Limited

In March 2009, MEO acquired 250 square km of 3D seismic data over the Artemis prospect. Cue contributed 5% to the cost of the survey.

WA-361-P Carnarvon Basin – Western Australia (15% interest)

Operator: MEO Australia Limited

The Zeus -1 well was drilled during January and February 2009 and encountered two excellent quality sand intervals separated by an approximate 10 metre shale unit over a 143 metre gross interval in the primary target Legendre Formation.

A subsequent wire line formation test confirmed that both sands were water bearing.

WA-389-P Carnarvon Basin – Western Australia (100% interest)

Operator: Cue Energy Resources Limited

Processing of the 350 square km Rose 3D seismic survey and the 117 km of 2D seismic data continued during the quarter.

WA-409-P – Western Australia (50% interest)

Operator: Cue Energy Resources Limited

Exploration studies continued during the quarter.

Bass Basin

T/37P Bass Basin – Tasmania (50% interest)

Operator: Cue Energy Resources Limited

Interpretation of the new 2D seismic data continued during the quarter.

T/38P Bass Basin – Tasmania (50% interest)

Operator: Cue Energy Resources Limited

Interpretation of the new 2D seismic data continued during the quarter.

Beach Petroleum have advised they plan to drill the Spikey Beach –1 well later in 2009 using a semi-submersible drilling rig.

By Order of the Board



Andrew Knox
Public 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 know 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.

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")

31 March 2009

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date 9 months \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	5,841	28,939
1.2 Payments for (a) exploration and evaluation (refer 2.2)	(1,099)	(12,972)
(b) development	(7,974)	(18,629)
(c) production	(1,944)	(8,568)
(d) administration	(476)	(1,679)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	173
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	(2,067)
1.7 Other	-	-
Net Operating Cash Flows	(5,648)	(14,803)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects		-
(b) equity investments		-
(c) other fixed assets	-	(2)
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	-	(2)
1.13 Total operating and investing cash flows (carried forward)	(5,648)	(14,805)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(5,648)	(14,805)
	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))	2,844	5,380
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Share Issue Costs	-	-
	Net financing cash flows	2,844	5,380
	Net increase (decrease) in cash held	(2,804)	(9,425)
1.20	Cash at beginning of quarter/year to date	12,975	14,761
1.21	Exchange rate adjustments to item 1.20	60	4,895
1.22	Cash at end of quarter	10,231	10,231

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	50
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors fees

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

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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 (i)	28,985	24,439
3.2 Credit standby arrangements	-	-

- (i) Project finance for the Maari oil field development in the Taranaki Basin, New Zealand. The facility is for US\$20M with BOS International (Australia) Limited, a part of the Bank of Scotland's global oil and gas business.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	328
4.2 Development	8,204
Total	8,532

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	55	43
5.2 Deposits at call	10,176	12,932
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	10,231	12,975

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	-	-	-

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	628,239,007	628,239,007	-	-
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>		-	<i>Exercise Price</i>	<i>Expiry</i>
	1,000,000		35 cents	01/06/10
	1,700,000		15 cents	19/04/12
	1,033,336		20 cents	19/04/12
	1,366,666		22.5 cents	19/04/12
	1,366,665		25 cents	19/04/12
	333,333		35 cents	19/04/12
7.8 Issued during quarter	1,700,000	-	15 cents	19/04/12
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

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: Date: 27 April 2009
Public Officer

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 31 MARCH 2009

Amended List of Mining Tenements

PERMIT	OPERATOR	CUE INTEREST (%)
Petroleum Properties		
Indonesia		
⁽ⁱ⁾ Sampang PSC	Santos (Sampang) Pty Ltd	15.00
Papua New Guinea		
PPL 190	Oil Search Limited	10.947
PDL 3	Barracuda Pty Ltd	5.568892
PRL 9	“ “ “	14.894
SE Gobe Field Unit	Oil Search (PNG) Limited	3.285646
PRL 8	Oil Search Limited	10.72
Australia		
T/37P	Cue Energy Resources Limited	50.00
⁽ⁱⁱ⁾ T/38P	Cue Energy Resources Limited	50.00
WA-359-P	MEO Australia Limited	20.00
WA-360-P	MEO Australia Limited	20.00
WA-361-P	MEO Australia Limited	15.00
WA-389-P	Cue Energy Resources Limited	100.00
WA-409-P	Cue Energy Resources Limited	50.00
AC/RL7	Coogee Resources Limited	20.00
New Zealand		
PEP 38413	OMV New Zealand Limited	5.00
PMP 38160	OMV New Zealand Limited	5.00
⁽ⁱⁱⁱ⁾ PEP 38494	Todd Exploration Limited	20.00
⁽ⁱ⁾ Economic interest in the Jeruk field		8.181818
⁽ⁱⁱ⁾ Working interest in Spikey Beach block		10.00
⁽ⁱⁱⁱ⁾ Subject to government approval		