



Cue Energy Resources Limited

A.B.N. 45 066 383 971

30 April 2013

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Company Announcements Office
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20 Bond Street
Sydney NSW 2000

Quarterly Report for the Period Ending 31 March 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
- Steve Koroknay
- Paul Moore
- Andrew Young

CUE ENERGY MANAGEMENT

- David Biggs (CEO)
- Andrew Knox (CFO)
- David Whittam (Exp Man)

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LISTINGS

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

Cue Energy Resources Limited

ABN 45 066 383 971

QUARTERLY REPORT FOR THE QUARTER ENDING: 31 March 2013 (ASX: CUE, NZX: CUE, POMSOX: CUE, ADR/OTCQX: CUEYY)



Voyager Explorer conducting the Pipeline 3D seismic survey in PEP 51313, Taranaki Basin, New Zealand (courtesy Seabird Exploration)

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.

QUARTERLY REPORT FOR THE QUARTER ENDING 31 March 2013

HIGHLIGHTS

Exploration

- Acquisition of 450km of 3D seismic in PEP51313 over the Te Whatu and Pukeko structures has been completed.

Development

- The Maari second stage development planning is underway.

Corporate

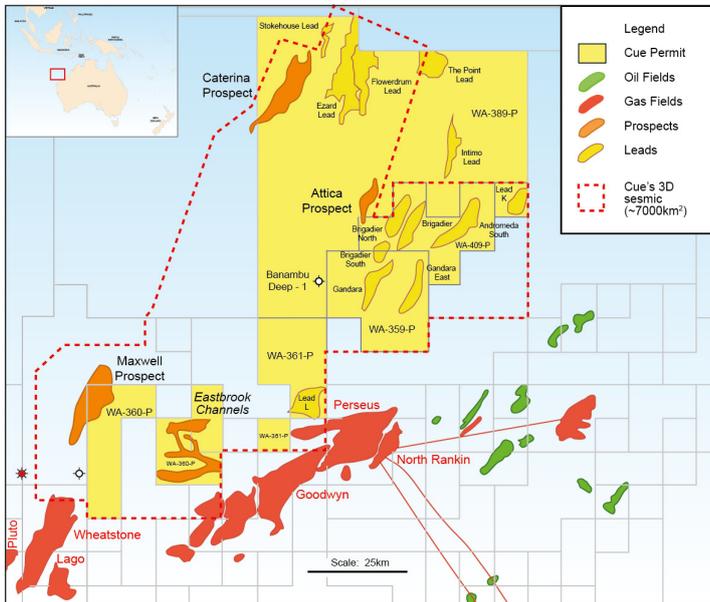
- The Company has appointed David Biggs as CEO. Mr Biggs brings a wealth of oil and gas industry experience to the Company and assumed his position on 22nd April 2013.
- The Company has reviewed its corporate strategy and identified three key focus areas to deliver increased shareholder value:
 - increasing production from existing assets by moving contingent resources to reserves;
 - bring existing exploration prospects and leads to drillable status
 - identify and add new assets/acreage that can be commercialized in the short term.

Financial

- *Quarterly Revenue*
Revenue receipts from hydrocarbon production for the quarter were A\$12.85 million on sales of 80,224 barrels of oil at an average price USD\$109.33 per barrel and 998,482 thousand cubic feet(Mcf) of gas at an average price A\$4.34 per Mcf.
- Cue has no hedging in place.
- Cue has no debt.
- Cash on hand at the end of the quarter is A\$45.89 million.

ACTIVITY REVIEW

AUSTRALIA - Carnarvon Basin



Cue has over 7,000km² of modern 3D seismic data over the North Carnarvon Basin and is re-evaluating all permits with this data and integrating all recent key well data, including Banambu Deep-1. This work will reinvigorate Cue's prospects and leads inventory in this highly prospective petroleum province.

WA-359-P

Cue Interest: 100%

Operator: Cue Exploration Pty Ltd

Cue was approved as operator of WA-359-P by NOPTA in December 2012.

Cue has identified good potential for both oil and gas in the permit. Structural traps with Triassic-aged reservoirs that have the potential to hold approximately 1 TCF of gas have been identified on the existing 3D seismic data. Cue has embarked on a programme of data reprocessing and seismic inversion to firm-up a drilling location for a likely well in 2015.

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.

General studies were carried out on the remaining Cue blocks in the past quarter:

WA-409-P

Cue Interest: 30%

Operator: Apache Northwest Pty Ltd

WA-360-P

Cue Interest: 37.5%

Operator: MEO Australia Ltd

WA-389-P

Cue Interest: 35%

Operator: Woodside Burrup Pty Ltd

WA-361-P

Cue Interest: 15%

Operator: MEO Australia Ltd

NEW ZEALAND - Taranaki Basin

PEP 51313

Cue Interest: 14% interest

Operator: Todd Exploration Ltd/OMV New Zealand Ltd

In late November, 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 programme, with expected commencement of drilling by end of 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 the oil will flow through the Maari facilities at minimal cost.

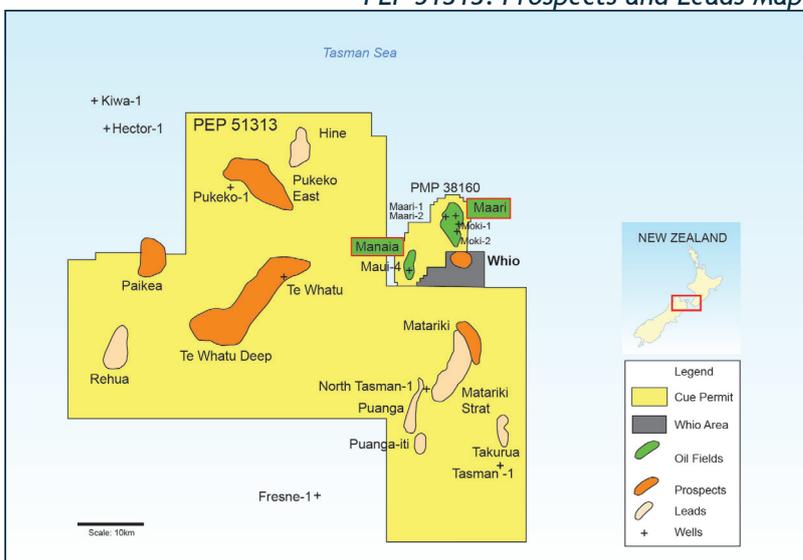
PEP 51313: Prospects and Leads Map

The Joint Venture commenced acquisition of the 450 km² "Pipeline" 3D seismic survey in mid-February. The survey covers the Te Whatu and Pukeko prospect areas and will fulfil the work programme for Year 4 of the permit. The survey was completed on the 3rd of April.

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

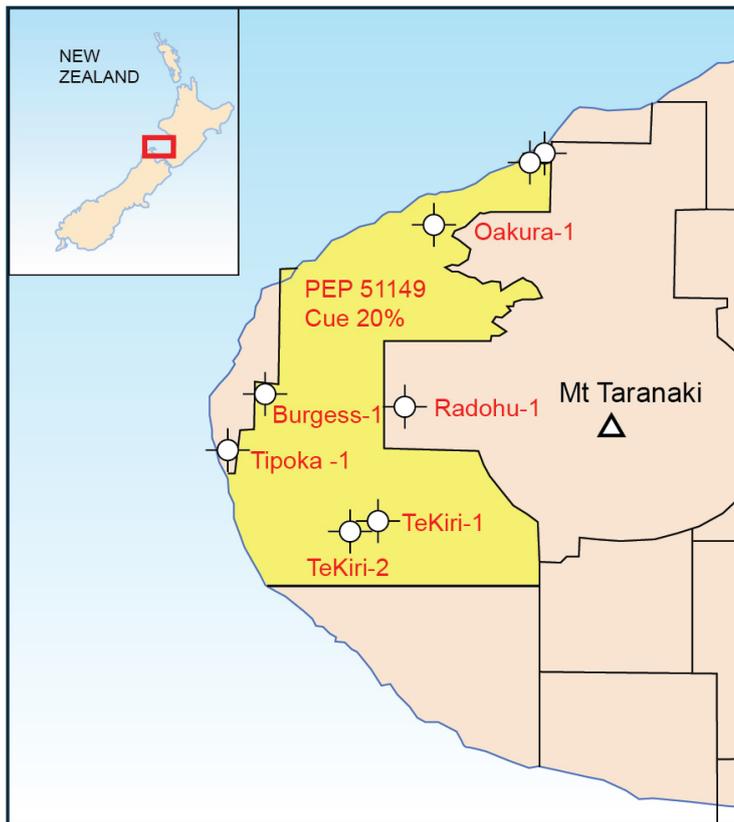
Processing of the Maari 3D survey acquired in 2012 is nearing completion, with delivery of the final data volume expected in May 2013. The data will be used in Maari development planning, the selection of a drilling location for Whio, and follow-up to a Whio discovery.

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.



PEP 51149
 Cue Interest: 20%
 Operator: Todd Exploration Limited

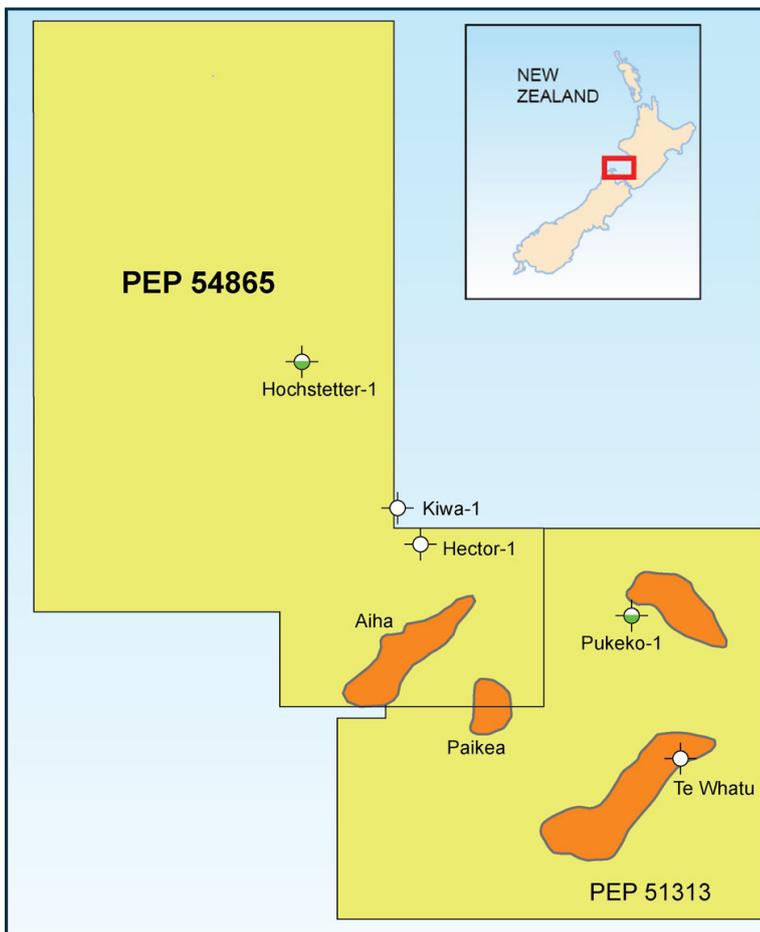
Geological and geophysical studies in the permit are progressing. The permit will reach the end of Year 5 in September 2013 and the JV is considering the forward work programme.



Map of New Zealand Permit 51149

PEP 54865
 Cue Interest: 20%
 Operator: Todd Exploration Limited

The permit carries a minimum work program 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.



Map of New Zealand Permit 54865

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.

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 45,426 barrels which generated A\$4.92 million in revenue. Oil from Maari and Manaia is being commingled and produced jointly.

Average production during the quarter was approximately 8,500 bopd (Cue share 425 bopd), the operator has

continued a programme of well interventions to proactively replace downhole pumps to maintain production.

During the quarter, the Maari Joint Venture purchased the FPSO Raroa from Tanker Pacific Offshore Terminals Ltd.



FPSO Raroa

Planning for the second phase of Maari development is continuing. The Kan Tan IV semi-submersible drilling rig has been secured for a multi-well programme (including Manaia-2 and Whio) and Ensco 107 jack-up rig will be used for field redevelopment activities.



Drilling Rig Kan Tan IV



Ensco 107

INDONESIA

Sampang PSC- Madura Strait
Cue interest: 15%
Operator: Santos



Production Facilities, Oyong

Oyong Production Facilities

Oyong Field

Cue's share of oil sales receipts from the Oyong field was 29,196 barrels which generated A\$2.99 million in revenue; condensate sales receipts were 110 barrels, which generated A\$0.007 million in revenue and gas sales receipts of 474,107 Mcf which generated A\$1.24 million in revenue received during the quarter.

The Oyong oil production rate is currently around 2,500 bopd (gross) and the gas rate is 38 MMscfd (gross).

Wortel Field

Cue's share of gas sale receipts during the quarter was 524,375 Mcf, which generated A\$3.10 million in revenue, condensate sales receipts was 138 barrels which generated A\$0.009 million in revenue.

Wortel-3 and Wortel-4 are both flowing at a combined rate of 47 MMscfd. The combined rate of Oyong and Wortel gas is 85 MMscfd (90 BBTU/d) (Billion British thermal units per day) which is equal to the contract quantity to be sold to PT Indonesia Power.

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. 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.

PAPUA NEW GUINEA

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 5,354 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.



SE Gobe Production Facilities

PRL14 (10.947% interest)

Operator: Oil Search (PNG) Limited

No significant activity to report.

PRL9 (14.894% interest)

Operator: Oil Search (PNG) Limited

No significant activity to report.

A handwritten signature in black ink, appearing to read "Andrew Knox".

Andrew Knox

Chief Financial Officer

CORPORATE DIRECTORY

DIRECTORS:

GJ King (Non Exec.Chairman)
T Dibb (Non Exec.Director)
SJ Koroknay (Non Exec.Director)
P Moore (Non Exec.Director)
AA Young (Non Exec.Director)

Chief Executive Officer:

DAJ Biggs

ADMINISTRATION OFFICE:

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MELBOURNE VIC 3000

New Zealand Exchange Limited
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PO Box 2959
WELLINGTON, NEW ZEALAND

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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

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Melbourne, Victoria 3000 Australia
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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 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 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date 9 months \$A'000
1.1 Receipts from product sales and related debtors	12,859	41,250
1.2 Payments for (a) exploration and evaluation (refer 2.2)	(1,761)	(5,534)
(b) development	(1,598)	(4,038)
(c) production	(6,603)	(14,252)
(d) administration	(1,364)	(4,493)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	33	112
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	(245)
1.7 Other – Hedging	-	-
Net Operating Cash Flows	1,566	12,800
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets	-	(14)
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	-	(14)
1.13 Total operating and investing cash flows (carried forward)	1,566	12,786

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	1,566	12,786
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		1,566	12,786
Net increase (decrease) in cash held		1,566	12,786
1.20	Cash at beginning of quarter/year to date	44,385	33,733
1.21	Exchange rate adjustments to item 1.20	(59)	(627)
1.22	Cash at end of quarter	45,892	45,892

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	175
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	3,748
4.2 Development	3,210
4.3 Production	4,016
4.4 Administration	1,754
Total	12,728

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	333	470
5.2 Deposits at call	45,559	43,915
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	45,892	44,385

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	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:

Date: 30th April 2013

Chief Financial 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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Appendix 5B
Mining exploration entity quarterly report

APPENDIX A

QUARTERLY REPORT OF CONSOLIDATED CASHFLOWS
- QUARTER ENDED 31 MARCH 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	Woodside Burrup Pty Ltd	35.00
WA-409-P	Apache Northwest Pty Ltd	30.00
New Zealand		
PMP 38160	OMV New Zealand Limited	5.00
PEP 51313 ⁽ⁱⁱ⁾	Todd Exploration 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⁾ Economic interest in Whio at commerciality		5.00