



## Cue Energy Resources Limited

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

DATE : 24 November 2011

PAGES (including this page): 22

FROM : Andrew Knox

RE : **Annual General Meeting Presentation**

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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



Cue Energy Resources Limited

# ANNUAL GENERAL MEETING

24<sup>th</sup> November 2011

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

*Good to great!*

## **DISCLAIMER & IMPORTANT NOTICE**

Various statements in this document constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward looking statements and involve known 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 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.

# Cue Energy At A Glance ...



## Board

RICHARD TWEEDIE, LL.B  
*Non-Executive Chairman*  
 Former MD Todd Energy NZ,

LEON MUSCA, LL.B  
*Non-Executive Director, Lawyer*

STEVEN KOROKNAY, B Eng  
*Non-Executive Director*  
 30 years experience

## Executives

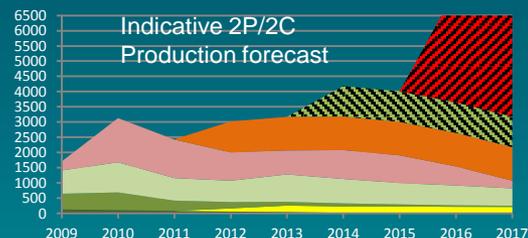
MARK PATON, BSC (Hons 1) C Eng  
*Chief Executive Officer*  
 30 years experience. Joined Cue in Feb 2011

ANDREW KNOX, B Com  
*Chief Financial Officer*  
 26 years experience. Joined Cue in 1994

TERRY WHITE, B Sc (Hons)  
*Exploration Manager*  
 29 years experience. Joined Cue in 2008

ALEX PARKS, M Eng  
*Chief Commercial Officer*  
 15 years experience. Joined Cue in March 2011

<b>Australian Registered Company</b>	<b>established 1981</b>
Shareholders	5,217
Listings	ASX : Cue; NZX : Cue; POMSOX : Cue; ADR/OTCQX : CUEYY
Ordinary Shares	695,153,053
Top Twenty Shareholders	433 Million (60.5%)
Key Shareholders	
Todd Petroleum	27%
Singapore Petroleum	16.6%
Market Capitalisation @ A23.5c	A\$160 Million
YTD Trading Range	18.5 – 45c
Average Daily Volume	~400,000
Cash at 30/09/2011	A\$ 68 Million
Project Finance 30/06/2011	US\$ 4.1 Million
Employees	8



- **Cue Reserves**
- **~3MMbbls Oil**
- **~120Bcf Gas**

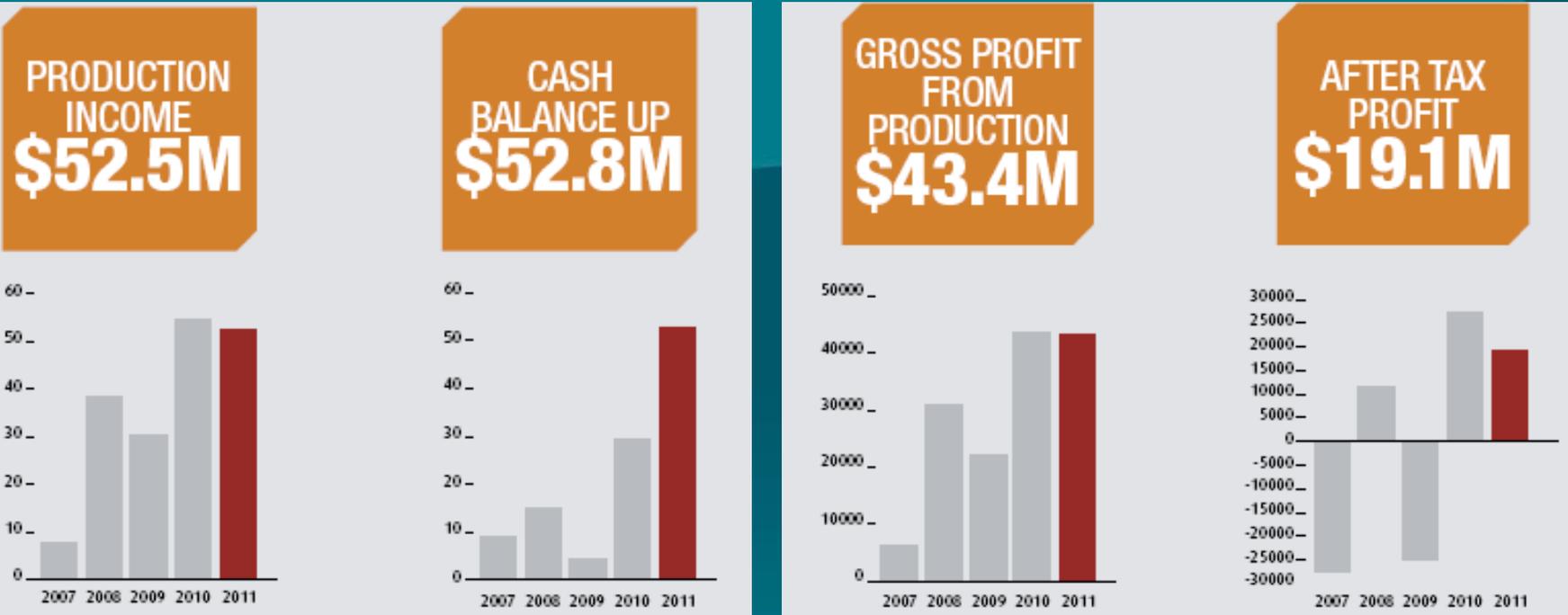
### Cue Net Production Forecast CY 2011

- **420,000 barrels oil**
- **2.6 billion cubic ft gas**



## 2011 FINANCIAL RESULTS

- Revenue steady with lower oil production offset by higher oil prices and gas production
- Strong positive cash flows increasing cash balance to AUD 62 million on 30<sup>th</sup> September
- Gross profit steady but net profit after tax lower due to T37P/T38P Exploration write off exchange rate losses and accounting treatment of oil hedging activities
- After tax earnings of 3 cents per share equating to 12.5% return on shareholder equity in FY2010/11



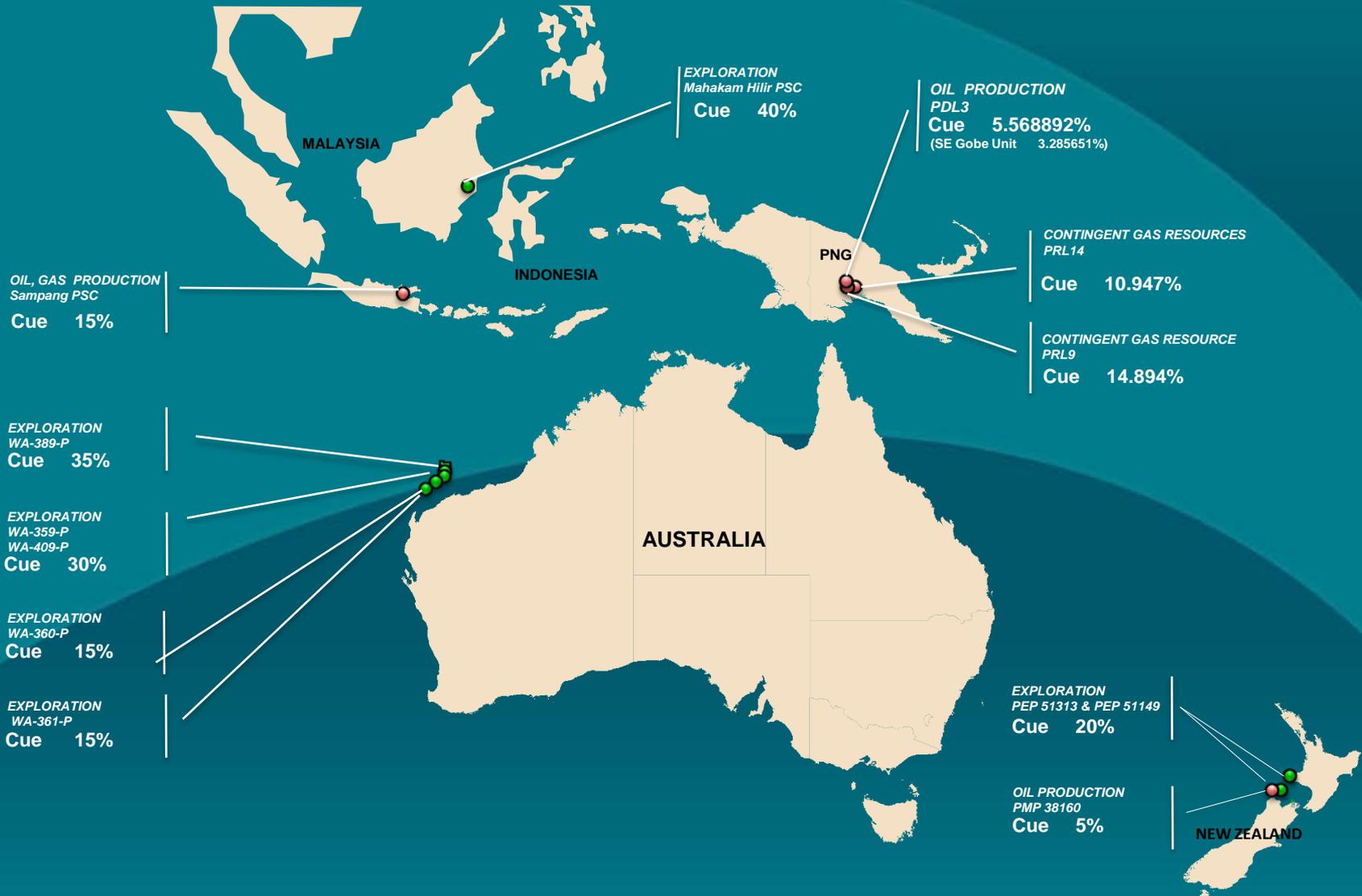
**2011 was another good year in difficult times...**

## **OIL AND GAS PRODUCTION**

- **Maari production fell short of expectations due to a number of electrical submersible pump failures**
- **Oyong had exceptionally high production availability and reservoir continues to perform better than expected**
- **SE Gobe reservoir performance has been better than expected. Workover activities will act to slow the natural decline**

**Oyong and SE Gobe perform well but Maari disappoints...**

# Current Asset Portfolio



...continue with conventional oil and gas and Asia Pacific focus

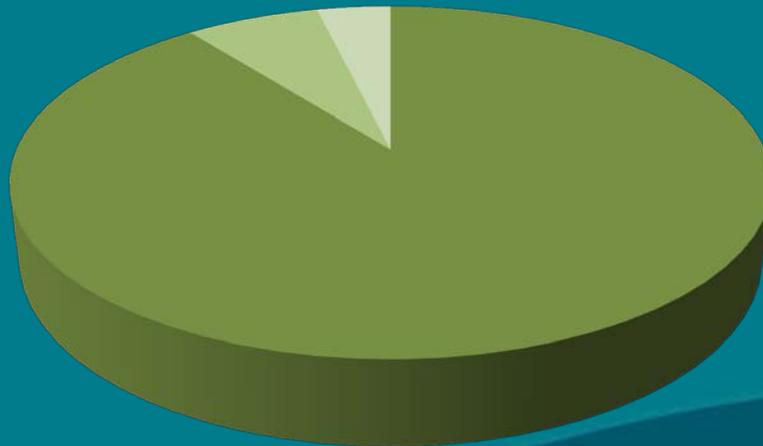
## 2010 PORTFOLIO CHANGES

- Withdrew from Bass Basin, T37/P & T38/P
- Sold Kimu (PRL8) in PNG - A\$5.14m
- Sold AC/RL7 Cash/Maple in Timor Sea - A\$8m
- Farm out 65% of WA-389-P to Woodside for back costs, seismic and 1 well carry
- Farm out 40% of WA-359-P & 409-P to Apache for seismic carry and optional well carry
- Farm-in to Mahakam Hilir PSC in Kutei Basin

**Active portfolio management...**

# Hydrocarbon Inventory

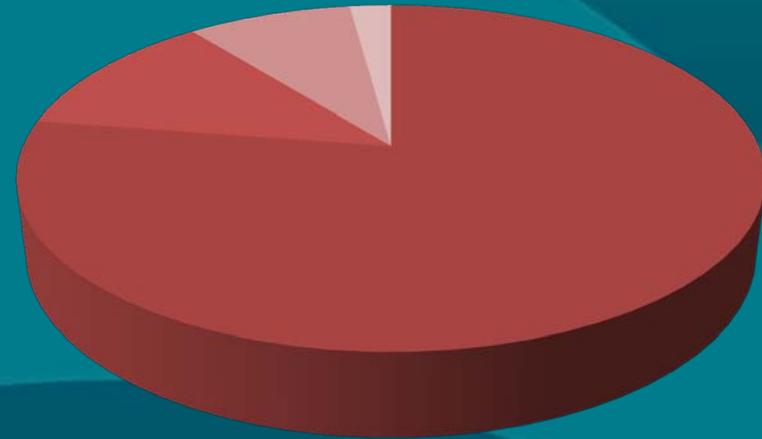
## Oil Reserves



**TOTAL Oil : 2.94 mmbbls**

- 2.63 mmbbls (2P) Maari (NZ)
- 0.2 mmbbls (2P\*) Oyong (Indonesia)
- 0.11mmbbls (2P) SE Gobe (PNG)

## Gas Reserves/ Resources



**TOTAL Gas : 120 BCF**  
(20 mmbbls BOE)

- 91 BCF (2C†) Barikewa (PNG)
- 14 BCF (2P) Wortel (Indonesia)
- 12 BCF (2P) Oyong (Indonesia)
- 2.5 BCF (2C†) SE Gobe (PNG)

\*Cue estimate

† Contingent resource

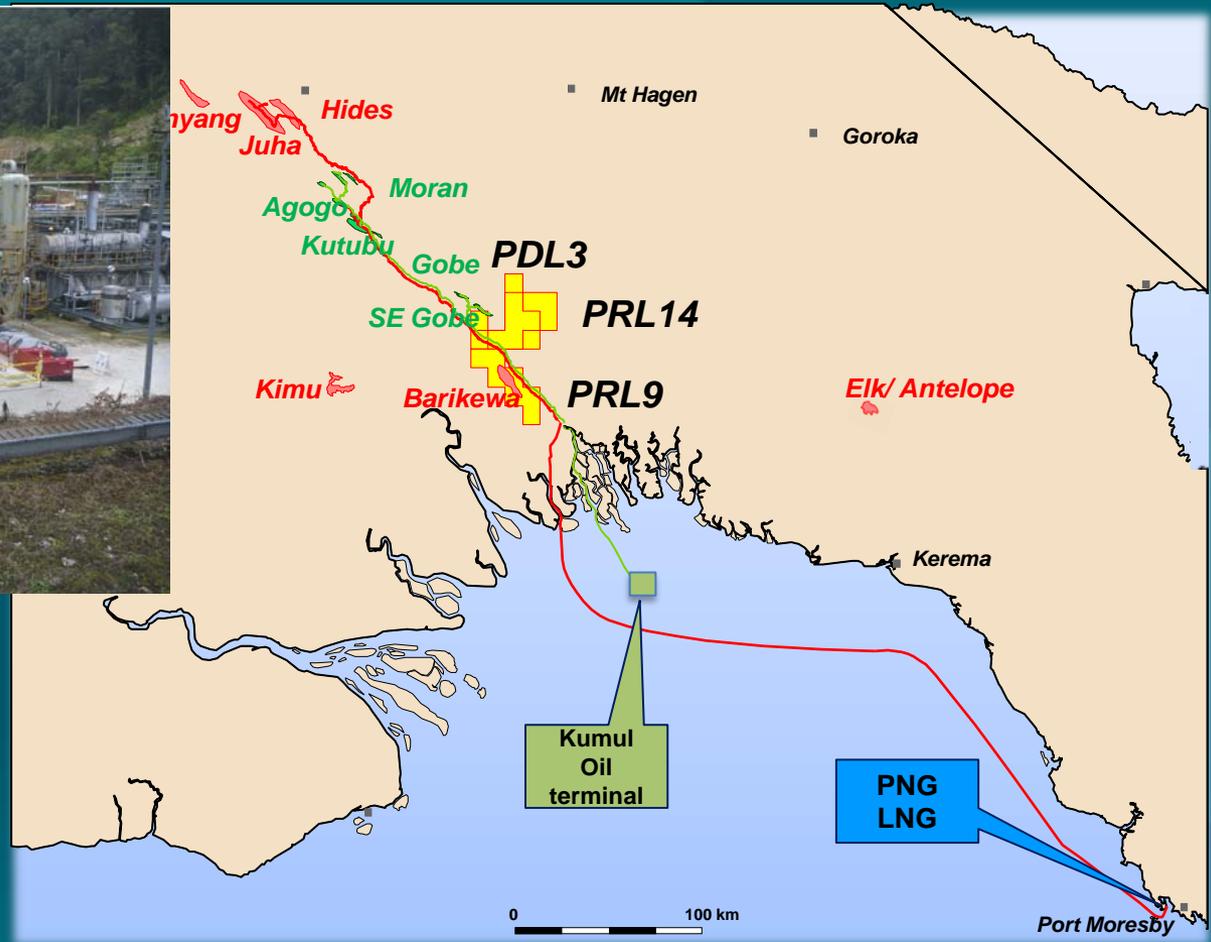
Volumes remaining to be produced at 30/06/2011

# FY 2010/11 ACTIVITIES

# Papua New Guinea



Construction of the Associated Gas Processing facilities at SE Gobe will allow SE Gobe gas to be commercialised via PNG LNG



... Recent focus on commercialising static resources such as Barikewa

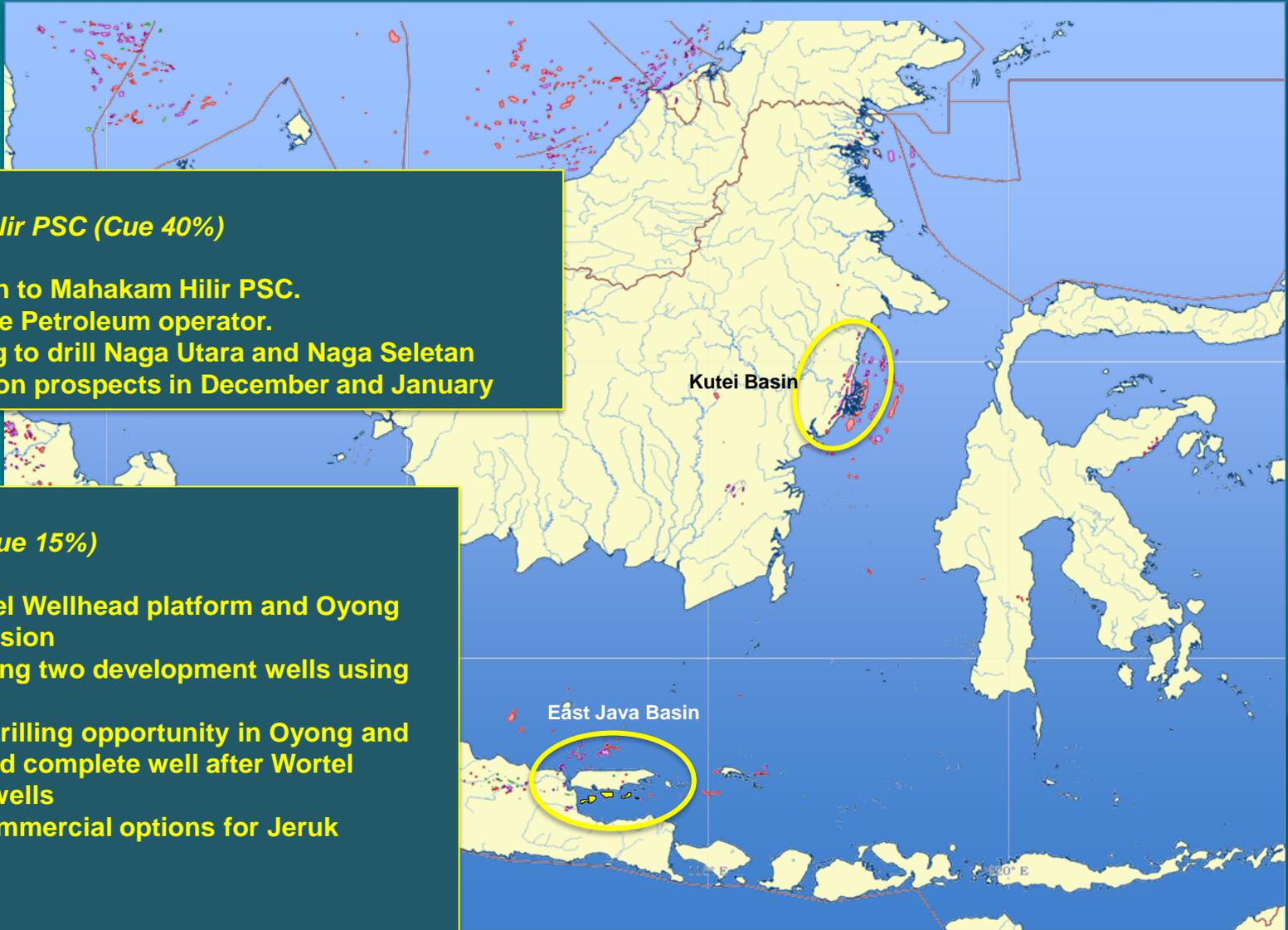
# Indonesia

## Kutei Basin *Mahakam Hilir PSC (Cue 40%)*

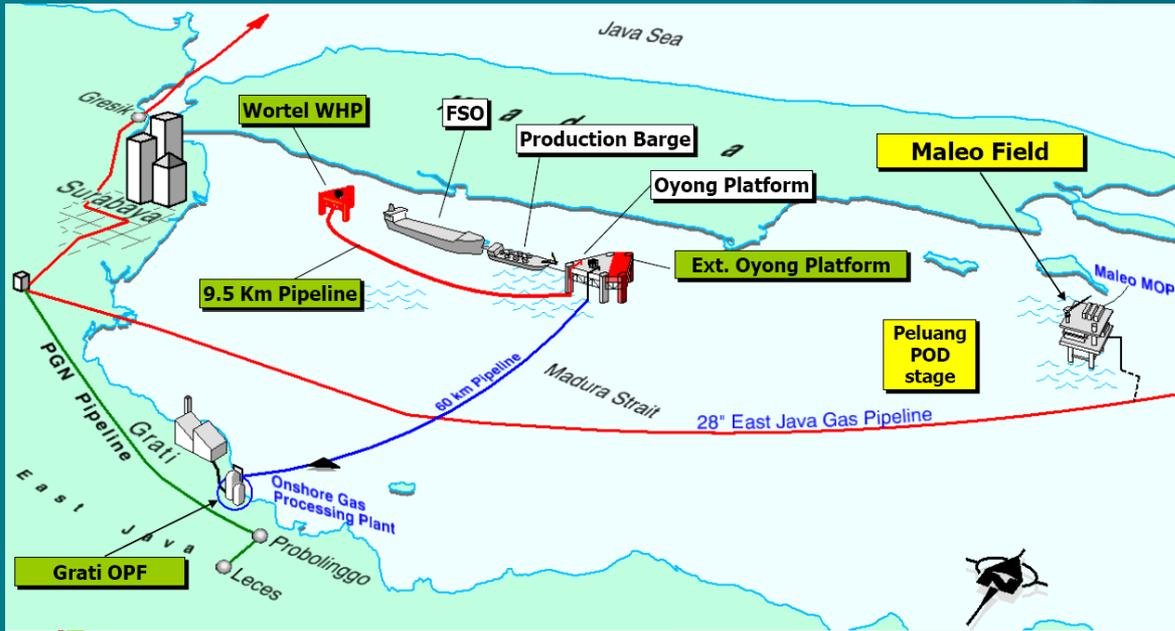
- Farmed in to Mahakam Hilir PSC. Singapore Petroleum operator.
- Preparing to drill Naga Utara and Naga Seletan exploration prospects in December and January

## East Java Basin *Sampang PSC (Cue 15%)*

- Installed Wortel Wellhead platform and Oyong platform extension
- Currently drilling two development wells using COSL Boss.
- Defined infill drilling opportunity in Oyong and plan to drill and complete well after Wortel development wells
- Reevaluate commercial options for Jeruk discovery



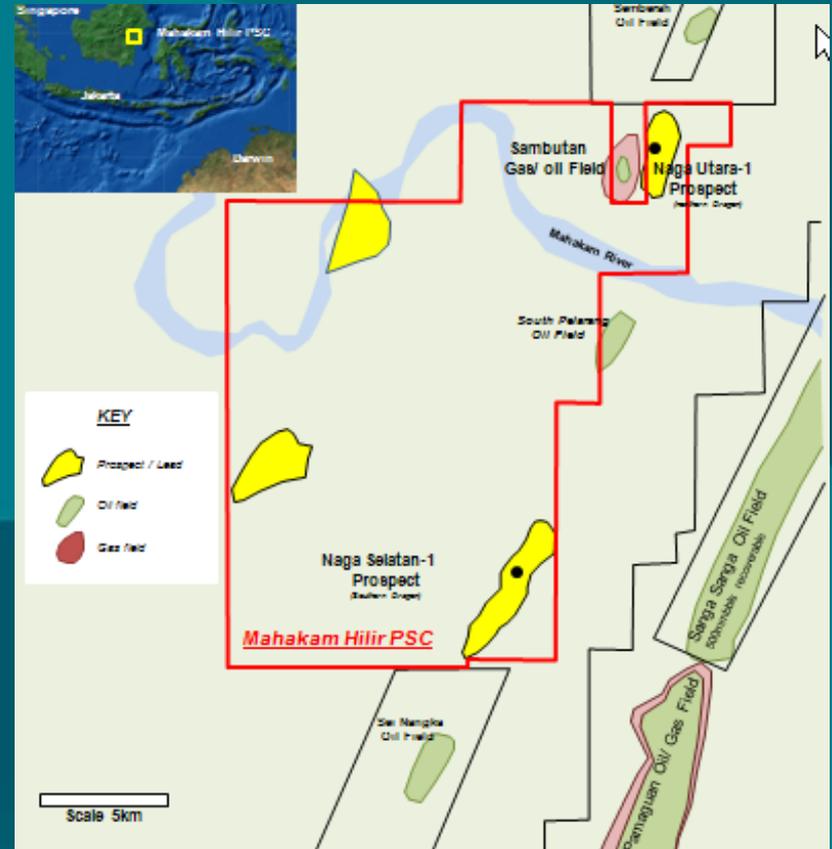
# WORTEL PROJECT EXECUTION



- On schedule for production by end of 2011 or early January 2012
- Expenditure expected to be within USD105.1 million budget
- Production from Sampang PSC will increase to approximately 2700BOEPD from 1Q 2012



# Mahakam Hilir PSC



- Permit onshore Kalimantan
- Farmed into permit for 40% interest
- SPC operator
- Two near term drillable prospects  
Naga Utara (80BCF gas prospect) and  
Naga Seletan (20mmbbl oil prospect)
- Drilling to commence in December  
2011

...final preparations being made to drill  
Naga Utara and Naga Seletan

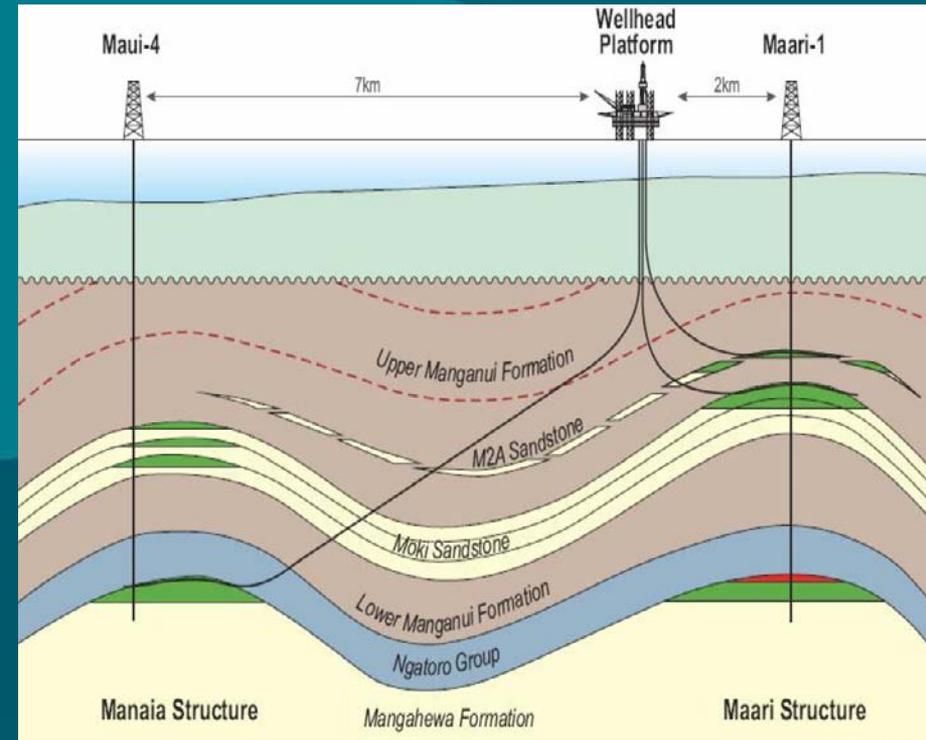
# Maari Development Phase 2

## Phase 1 Completed

- Platform, FPSO, 7 oil wells, 3 water injectors
- First oil 1Q 2009,

## Phase 2 Development Planning Underway

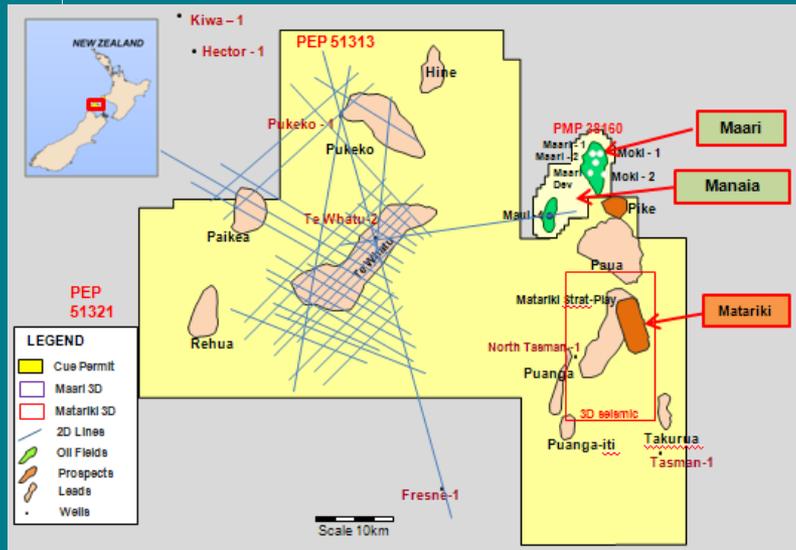
- Appraisal of F Sands
- Development of Manaia Moki Sands
- Development of Maari Mangahewa Sands
- Water injection into M2A and Manaia reservoirs
- Preliminary plans for drilling in late 2012 early 2013
- Area upside + 20 - 40 mmbbls\*  
\* Cue estimate



...substantial upside oil potential

# New Zealand Exploration

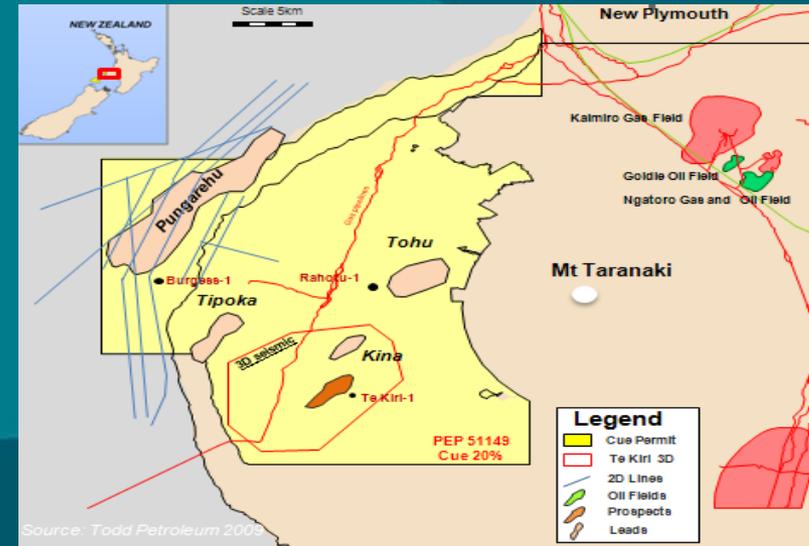
## PEP 51313



### Recent & Planned Activity

- Matariki 3D interpreted
- Pike prospect - potential tie-in to Maari development
- New 2 D acquired over Te Whātu
- 2012 focus – mature Te Whātu, progress Pike discussions with Maari JV

## PEP 51149

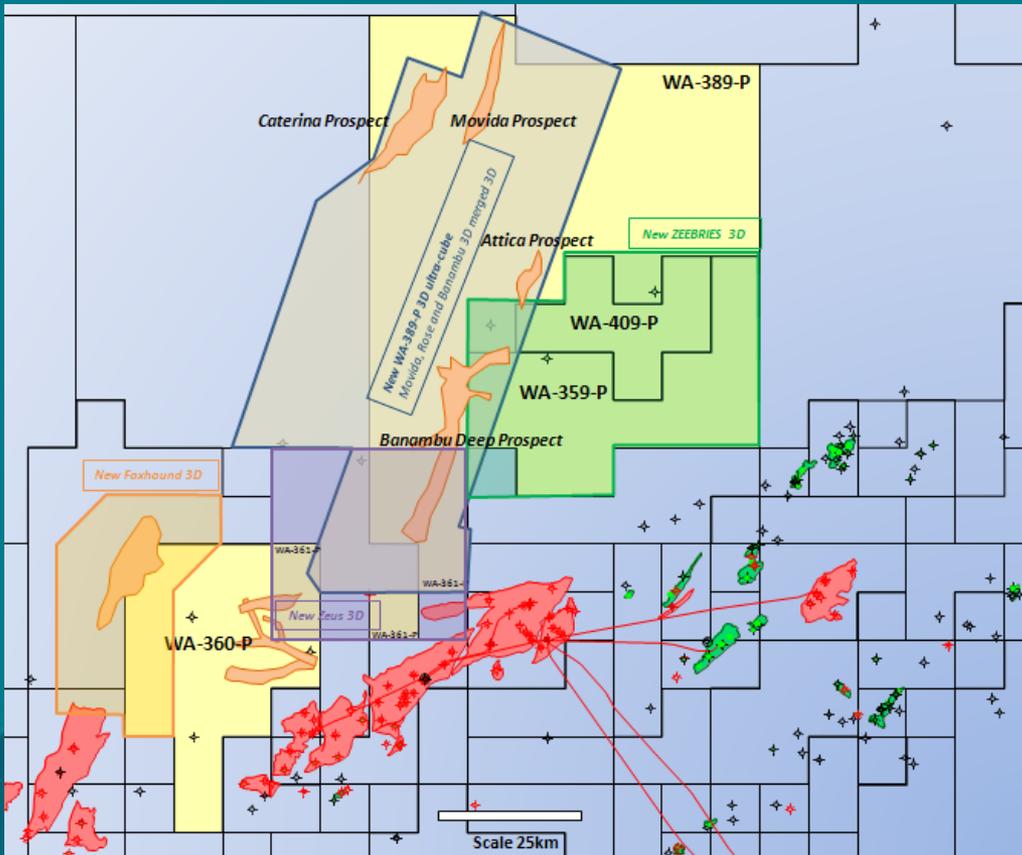


### Recent & Planned Activity

- Te Kiri 3D interpreted,
- Tohu section of permit relinquished
- New 2D seismic acquired over Pungarehu
- 2012 focus – complete interpretation of Pungarehu, agree forward plan – 3D seismic, drill or relinquish

...new seismic to mature exploration

# Carnarvon Basin – Recent Activity



5 permits on trend with major discoveries and new developments

Significant existing and planned LNG processing capacity in the region

## WA-389-P - Woodside

- Movida 3D seismic completed in 1Q, 2011
- Drilling one well in 2012
- Cue 35% free carry

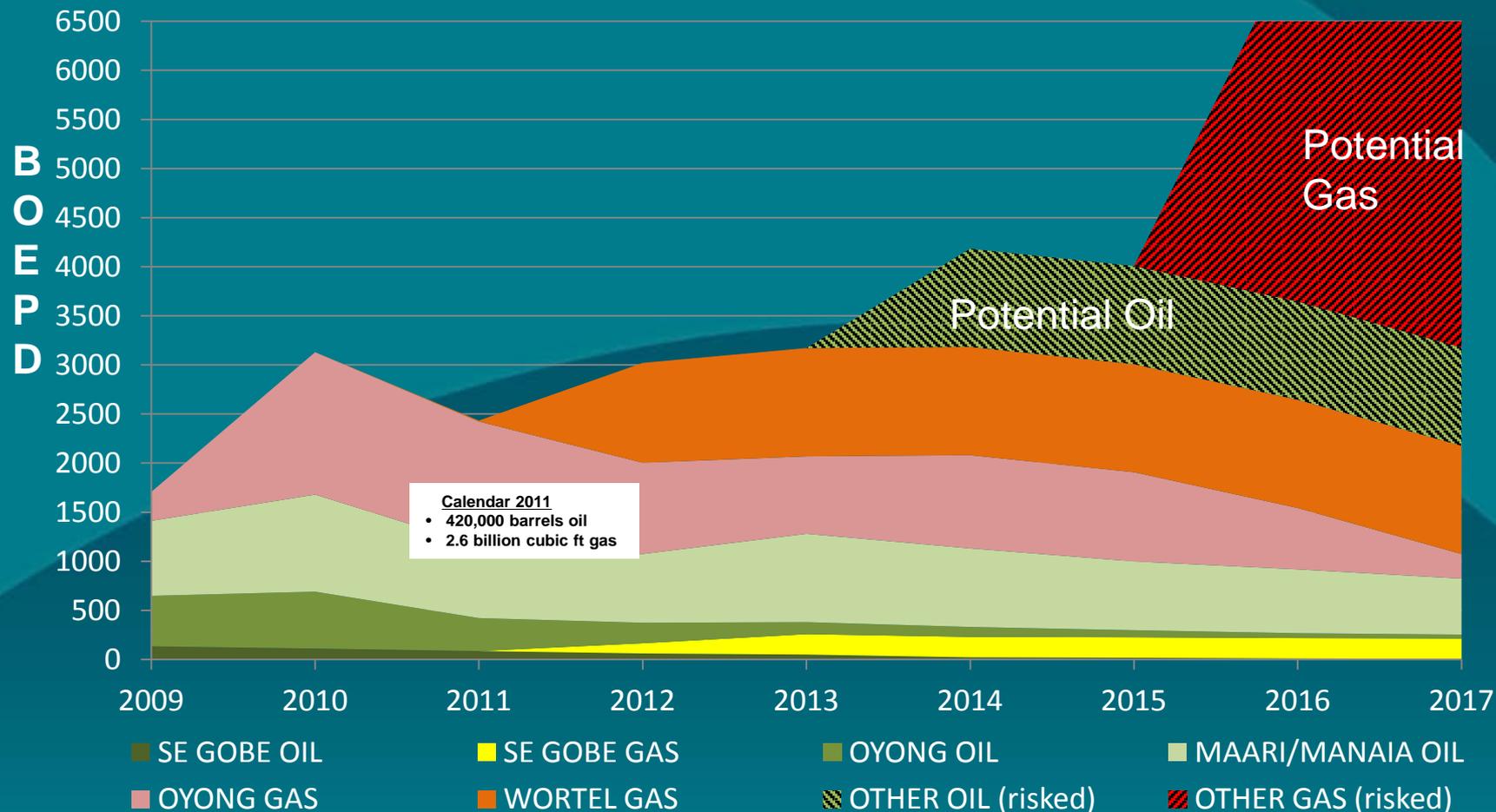
## WA-359-P, WA-409-P - Apache

- Apache Farm in completed October 2010
- Zeebries 3D seismic completed
- Possible drilling 2012
- Cue 30% seismic free carry, 15% well free carry if Apache exercise drill option

## WA-360-P, WA-361-P - MEO

- Increase equity in WA-360-P to 37.5%
- Acquire new Foxhound 3D seismic
- Acquire new Zeus 3 D seismic
- JV investigating other prospects in the block

# Net 2P / 2C Indicative Production Forecast



... long term production with potential upside

# from Good...

## Current Status

- \$160 million market capitalisation @ \$0.23/share
- In the range 15<sup>th</sup>-25<sup>th</sup> largest E&P companies on the ASX
- Clean balance sheet
  
- Australasia/Asia Pacific focus area
- Balanced portfolio of assets
- Affordable equity positions 5-15%
- Funded drilling via project farm down
- Non-Operator with quality JV operators (OMV, Oil Search, Woodside, Apache, Santos)
  
- Historically exploration led
- Non-Operator
- Conventional oil & gas focus
- Ongoing exploration program

Consistently Out Perform

Build Asset Portfolio

Build Momentum

## 3-5 Year Vision

- >\$1 billion market capitalisation @ over \$1 / share
- In the range 5<sup>th</sup>-10<sup>th</sup> largest E&P companies on the ASX
- Robust balance sheet
  
- Australasia/Asia Pacific focus area
- Greater diversity of cash flow streams but maintain balanced portfolio approach
- Fund drilling via cash flow and farm down to maintain 15-50% project equity positions
- Maintain focus on quality JV partners
  
- Production and profit driven
- Operator of oil and gas E&P assets
- Conventional oil and gas focus
- Monetising any exploration success

.... to Great!



# WHY CONTINUE TO INVEST IN CUE?

## Experienced & energetic board and management

- A track record in successful company building
- New management with engineering, field development and operational experience
- Good regional network and proven business development record
- Strong vision and drive to take Cue forward

## Differentiators

- Existing oil and gas production and cash flow with a low decline rate, providing a stable platform for company building
- Clean balance sheet, no net debt, able to fund existing planned activities
- Oil exploration Q4 2011
- New production from Wortel in Q1 2012
- High potential gas exploration activity in Carnarvon acreage in 1H 2012
- Potential for Cue to be a long term supplier of LNG

.....**Good to Great!**

**Thank you for your ongoing  
support and loyalty!**

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