

SUMMARY OF ACTIVITIES

Highlights

- \$3.9 million net cashflow for the quarter, increasing cash to \$20.86m
- Paus Biru -1 Exploration well commenced operations
- WA-359-P 12 month Suspension and Extension granted

Sustainable Business

- Total net production of 27,270 barrels (bbls) of oil and 383 million cubic feet (mmcf) of gas.
- \$6.86 million cash received from oil and gas sales, \$0.38m received as an initial payment of water injection insurance claims from Maari field.
- \$20.86 million cash and no debt.

Disciplined Growth

- **Indonesia:** The Paus Biru -1 exploration well commenced operations subsequent to the Quarter end on 18 October 2018.

Step Change Opportunities

- **Australia:** WA-359-P Suspension and Extension application was approved for 12 months until 25 April 2019.

Production & Financial Summary

- \$6.86 million cash received comprising of:
 - 31,025 bbls of oil sales, down from the previous quarter due to timing of Maari liftings, at an average price of US\$73.11/bbl;
 - gas sales of 382 mmcf at an average price of US\$7.23 per thousand cubic feet (Mcf).
- Production expenditure was lower due to timing of Joint Venture payments.

KEY PERFORMANCE METRICS

		Sep Quarter Q1 FY19	Jun Quarter Q4 FY18	Change %
Oil Production (net to Cue)	bbl	27,270	30,132	(9)
Gas Production (net to Cue)	mmcf	383	381	-
Oil Liftings (net to Cue receipts)	bbl	31,025	47,130	(34)
Gas Liftings (net to Cue receipts)	mmcf	382	366	4
Total Revenue Receipts	\$m	6.86	7.18	(4)
Production Expenditure	\$m	1.44	1.94	(26)
Closing Cash Position	\$m	20.86	16.98	23

PRODUCTION - NEW ZEALAND

PMP 38160

Cue Interest: 5% (Cue Taranaki Pty Ltd)

Operator: OMV New Zealand Limited

Maari and Manaia Fields

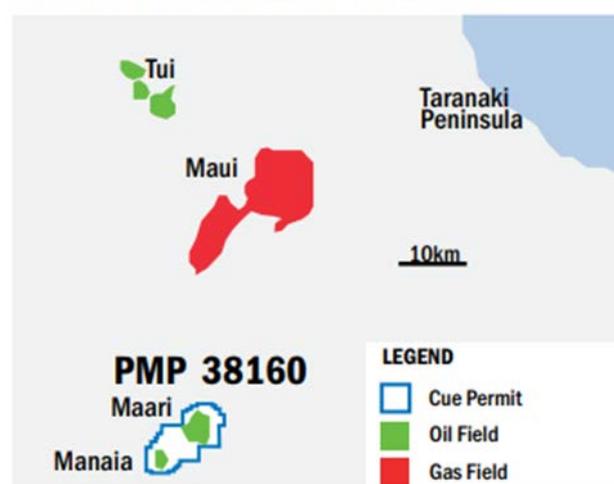
Net Oil Production	bbbl	26,460
Oil Liftings (net to Cue receipts)	bbbl	30,191
Revenue Receipts	\$m	3.03

A planned annual maintenance shutdown was successfully completed by the start of the quarter, with production back online during the first week of July.

During the quarter the planned conversion of the MR5 production well to a water injector to provide pressure support for the Maari Moki reservoir was undertaken. The Operator is currently testing the water injection rate, along with the MR1 well, the other field water injection well, to optimize production.

Workovers were completed on both MR3 and M10 wells during September after they experienced Electric Submersible Pump (ESP) operating issues. Both wells were back in production by the end of the quarter.

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	6	805
Net Condensate Sales	Bbl	6	828
Revenue Receipts (Condensate)	\$	483	64,307
Net Gas Production	mmcf	142	241
Net Gas Sales	mmcf	134	248
Revenue Receipts (Gas)	\$m	1.35	2.42

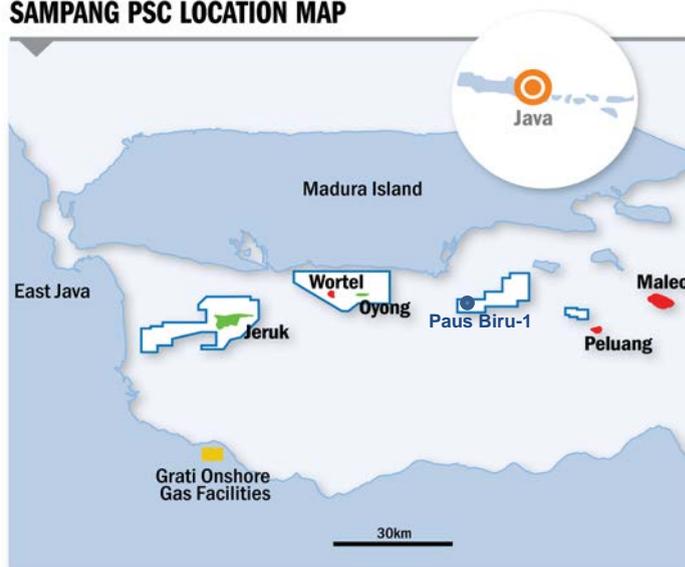
The Paus Biru-1 exploration well commenced operations subsequent to the Quarter end on 18 October 2018.

The well is being drilled by the COSL HYSY 937 Jackup drilling rig in 30m water depth and is expected to take 2 weeks to reach TD of 650m Total Vertical Depth Subsea (TVDSS).

The primary objective of the Paus Biru-1 well is to test the Early Pliocene Mundu Globigerina limestone reservoirs in the Paus Biru structure which is defined by 3D seismic data as a 4-way dip closure with direct hydrocarbon indications. The secondary objective is the overlying siltstones within the Paciran Formation which has proven productivity in the equivalent section in the Oyong field.

On 6 September, Ophir Energy announced the completion of the acquisition of Santos' Asian assets, making Ophir Energy the new parent company of Santos (Sampang) Pty Ltd, the PSC operator.

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

WA-359-P contains the Ironbark prospect, a large and exciting Deep Mungaroo gas target close to the existing NWS LNG infrastructure.

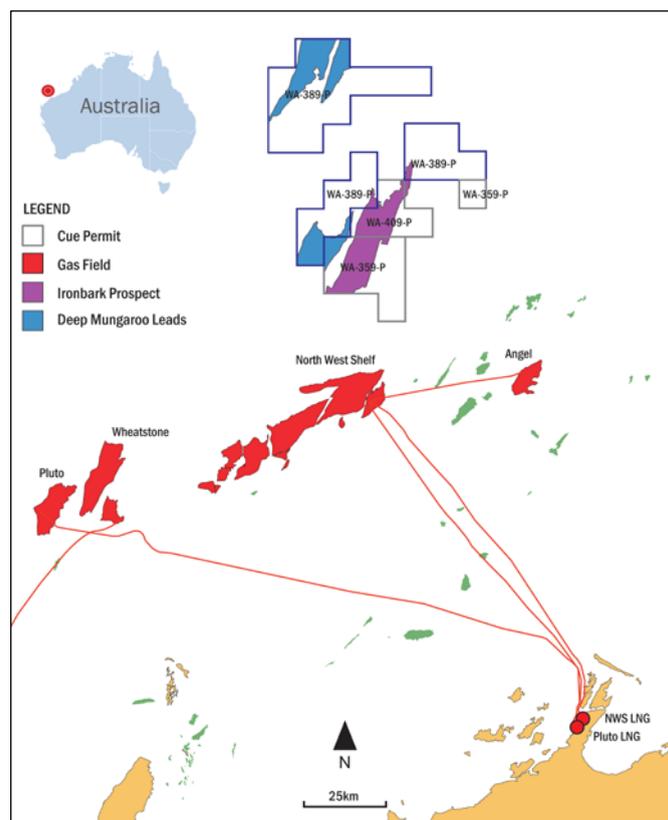
On 9 August 2018, Cue was advised by the National Offshore Petroleum Titles Administrator (NOPTA) that a 12 month Suspension of Permit Years 3, 4 and 5 work program commitments, a Year 4 work commitment variation, and a 12 month extension of the permit had been approved. The permit is now valid until 25 April 2019.

Cue continues to progress Ironbark-1 well planning and review funding options to enable the well to be drilled in 2019/2020.

WA-409-P

Cue Interest: 20% (Cue Exploration Pty Ltd)
Operator: BP Developments Australia Pty Ltd

Analysis of reprocessed seismic is continuing by the Operator.



LEGEND

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

WA-389-P

Cue Interest: 100% (Cue Exploration Pty Ltd)

Operator: Cue Exploration Pty Ltd

Mapping and evaluation of the permit is continuing, with 2 leads analogous to the Ironbark prospect identified.

EXPLORATION - INDONESIA

Mahakam Hilir PSC; Kutei Basin

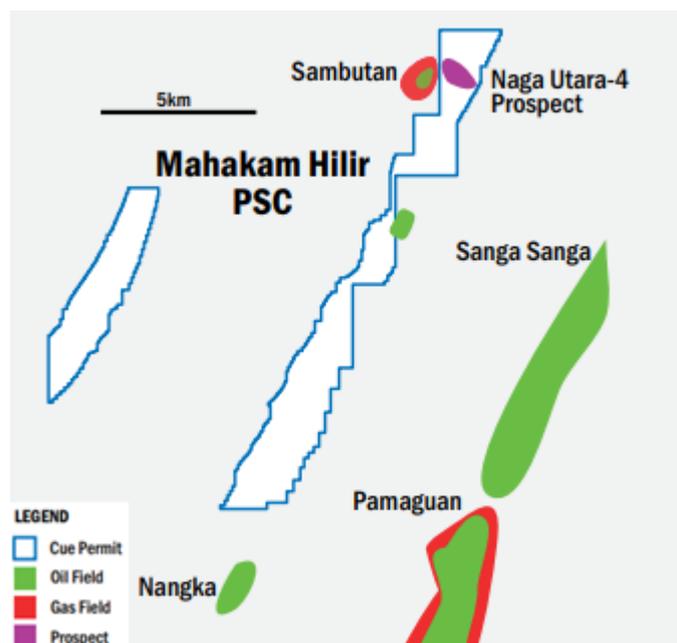
Cue Interest: 100% (Cue Mahakam Hilir Pty Ltd and Cue Kalimantan Pte Ltd)

Operator: Cue Kalimantan Pte Ltd

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

Cue is currently seeking partners to participate in the Mahakam Hilir PSC and Naga Utara-4 well.

During the quarter, field operations were conducted to successfully plug and abandon the Naga Selatan-2 well, drilled in 2016.



Mahato PSC; Central Sumatra Basin

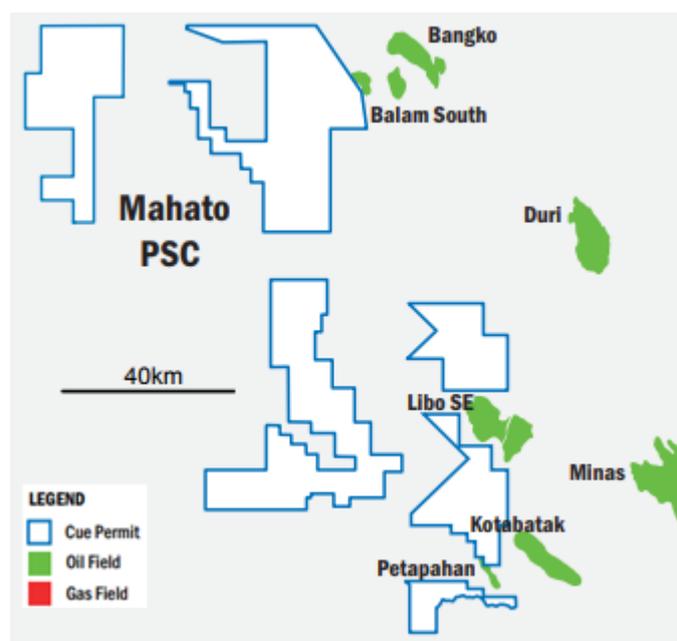
Cue Interest: 12.5% (Cue Mahato Pty Ltd)

Operator: Texcal Mahato EP Ltd

During the quarter, Cue was advised about a number of transactions which would alter the ownership of the PSC Operator and other partners. Government approval of the Change of Control of the current Operator has now been granted.

An application for an extension to the exploration period is pending and notification on the extension is expected to be received within the current quarter.

The ownership and equity changes do not affect Cue's 12.5% and Cue is optimistic that new participants in the PSC will aggressively pursue exploration opportunities if an extension is granted.



The PB well within the southern portion of the permit is permitted and ready for drilling and is likely to be the first well drilled when exploration resumes.

CORPORATE

- Cue Energy Resources Limited Annual General Meeting will be held at 9.30am on Tuesday 30 October 2018 at the offices of BDO:
Tower 4, 727 Collins Street
Melbourne Victoria 3008.
- 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-

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.

<p>DIRECTORS Alastair McGregor (Non Exec. Chairman) Koh Ban Heng (Non Exec. Director) 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)</p> <p>CHIEF EXECUTIVE OFFICER Matthew Boyall</p> <p>COMPANY SECRETARY/CHIEF FINANCIAL OFFICER Melanie Leydin</p>	<p>REGISTERED OFFICE Level 3 10-16 Queen Street MELBOURNE VIC 3000</p> <p>Phone: +613 8610 4000 Fax: +613 9614 2142 Email: mail@cuenrg.com.au Web: www.cuenrg.com.au</p> <p>AUDITOR BDO East Coast Partnership Level 18, 727 Collins Street MELBOURNE VIC 3000</p>	<p>SECURITIES EXCHANGE LISTING ASX: CUE</p> <p>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</p>
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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")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	6,862	6,862
1.2 Payments for		
(a) exploration & evaluation	(349)	(349)
(b) development	-	-
(c) production	(1,440)	(1,440)
(d) staff costs	(356)	(356)
(e) administration and corporate costs	(257)	(257)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	77	77
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(1,056)	(1,056)
1.7 Research and development refunds	-	-
1.8 Other		
- Insurance refund	379	379
- GST	(10)	(10)
1.9 Net cash from / (used in) operating activities	3,850	3,850
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

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 (3 months) \$A'000
(d) other non-current assets – production properties	(326)	(326)
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	(326)	(326)

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	16,983	16,983
4.2 Net cash from / (used in) operating activities (item 1.9 above)	3,850	3,850
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(326)	(326)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	353	353
4.6 Cash and cash equivalents at end of period	20,860	20,860

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	14,753	10,956
5.2 Call deposits	6,107	6,027
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)	20,860	16,983

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	52
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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8. Financing facilities available

Add notes as necessary for an understanding of the position

	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	801
9.2 Development	597
9.3 Production	5,904
9.4 Staff costs	369
9.5 Administration and corporate costs	329
9.6 Other (tax)	2,122
9.7 Total estimated cash outflows	10,122

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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: 23 October 2018

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 30 SEPTEMBER 2018**

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	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