



## Cue Energy Resources Limited

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

DATE : 19 December 2011

PAGES (including this page): 28

FROM : Andrew Knox

RE : **Cue Energy Resources Limited December Presentation**

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Attached please find Cue Energy Resources Limited release with respect to the above mentioned.

Yours faithfully

A handwritten signature in black ink that reads "Andrew Knox".

Andrew M Knox  
Public Officer



# Investor Presentation

December 2011



## **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.

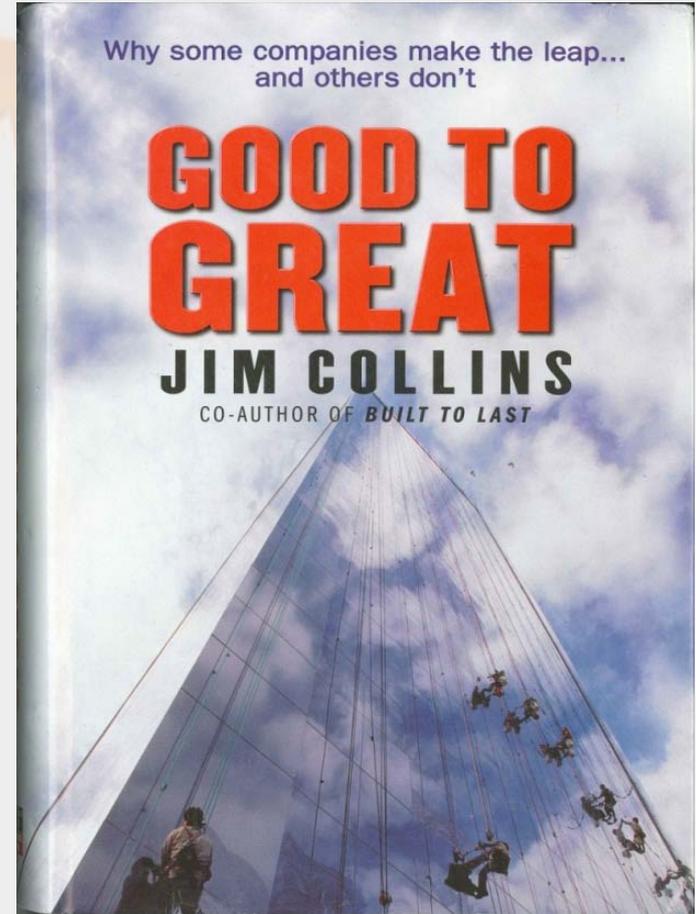
# Cue is aiming to make the move...

## A Quote by Jim Collins

Author of Good to Great

“... managing your problems can only make you good, whereas building your opportunities is the only way to become great.”

[Page 59. Jim Collins, author of Good to Great Random House, 2001.]



# Cue Energy At A Glance ...

## Board

RICHARD TWEEDIE, LL.B  
Non-Executive Chairman

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

STEVEN KOROKNAY, B Eng  
Non-Executive Director

PAUL MOORE, BSc Eng, MBA  
Non-Executive Director

TIMOTHY DIBB, BSc, PhD  
Non-Executive Director

ANDREW YOUNG, BChE, MBA  
Non-Executive Director

GEOFFREY KING, BA, LLB  
Non-Executive Director, Lawyer

Australian Registered Company      Established 1981

Shareholders      5,210

Listings      ASX : Cue; NZX : Cue; POMSOX :  
Cue; ADR/OTCQX : CUEYY

Ordinary Shares      695,153,053

Top Twenty Shareholders      433.5 Million (62.5%)

Key Shareholders

Todd Petroleum      27%

Singapore Petroleum      16.6%

Market Capitalisation @ A22c      A\$152 Million

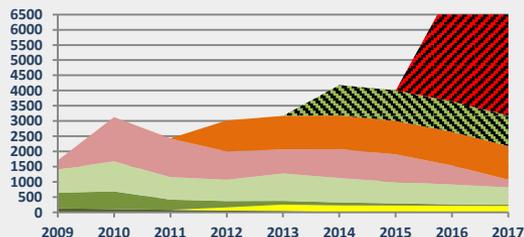
YTD Trading Range      18.5 – 45c

Average Daily Volume      ~500,000

Cash at 30/11/2011      A\$ 55.8 Million

Project Finance 31/12/2011      US\$ 2.6 Million

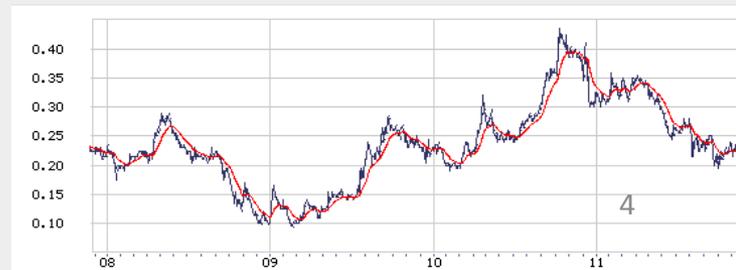
Employees      8



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

### Cue Net Production Forecast CY 2011

- 390,000 barrels oil
- 2.7 billion cubic ft gas



# Cue Key Management



**Mark Paton**  
**Chief Executive Officer**

Mark has 30 years experience in the upstream gas and oil industry. His credentials include working in various positions for BP in Europe and the Middle East and BHP Petroleum in Australia. He left BHP in 1997 to co-found Upstream Petroleum, specialising in the operation of production facilities. In 2006 the company was sold to the AGR Group of Norway. Mark was Managing Director of AGR Asia Pacific based in Kuala Lumpur until 2009. He has been consulting to the oil and gas industry until joining Cue Energy Resources as CEO in February 2011.



**Andrew Knox**  
**Chief Financial Officer**

Andrew holds a BCom degree from the University of Western Australia. He has over 26 years experience in resource companies, predominantly in oil and gas in Australia, North America and South-East Asia. Andrew joined Cue Energy in 1994 and is responsible for financial matters.



**Terry White**  
**Exploration Manager**

Terry holds a BSc (Hons) from the University of Tasmania majoring in Geology and Geophysics. He has over 28 years of experience in the oil and gas sector and has worked in technical, exploration management and executive roles in Esso, BHP Billiton and Santos. Terry joined Cue Energy in April 2009 and is responsible for exploration matters.



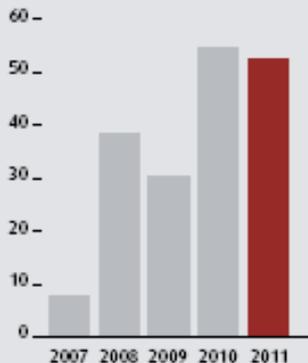
**Alex Parks**  
**Chief Commercial Officer**

Alex holds an MEng Degree in Petroleum Engineering from Imperial College, London. He has over 14 years experience in the oil and gas sector, the last seven years in executive management roles including CEO of Mosaic Oil, CEO of Otto Energy and Technical Director of RPS Energy. Alex joined Cue Energy in March 2011 and is responsible for business development matters.

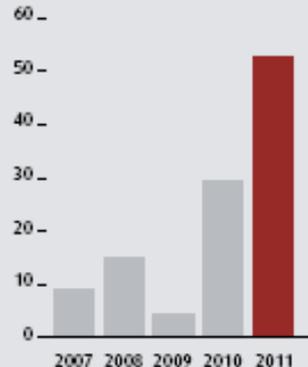
# 2011 Financial Results

- 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

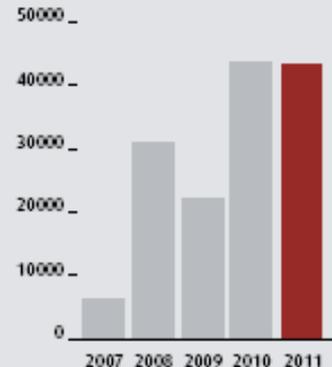
PRODUCTION  
INCOME  
**\$52.5M**



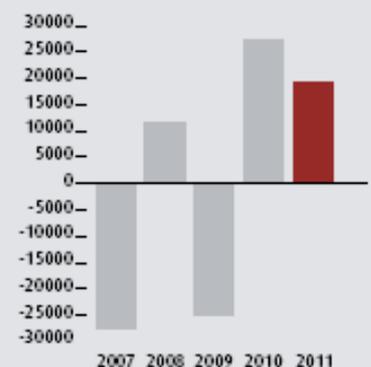
CASH  
BALANCE UP  
**\$52.8M**



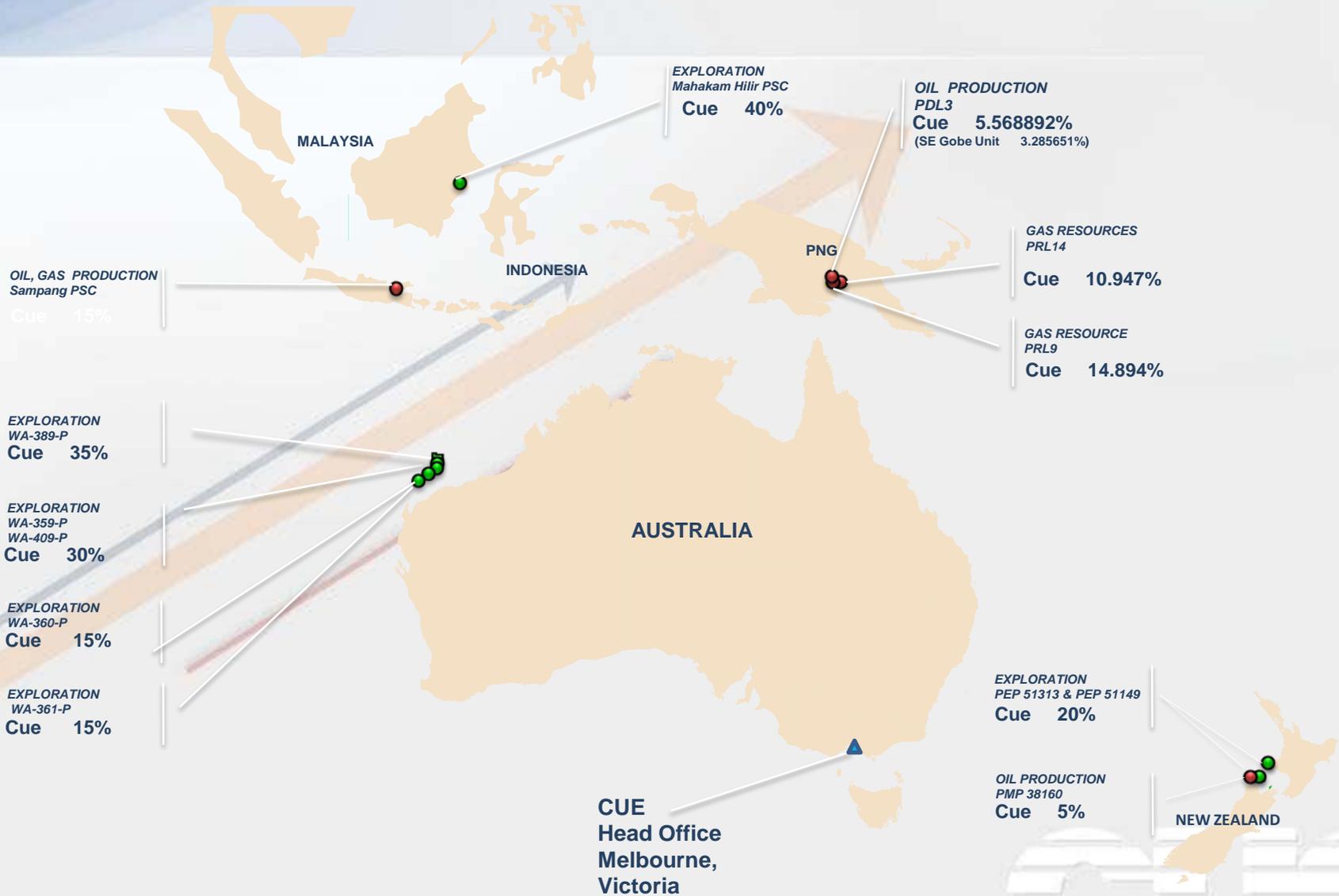
GROSS PROFIT  
FROM  
PRODUCTION  
**\$43.4M**



AFTER TAX  
PROFIT  
**\$19.1M**



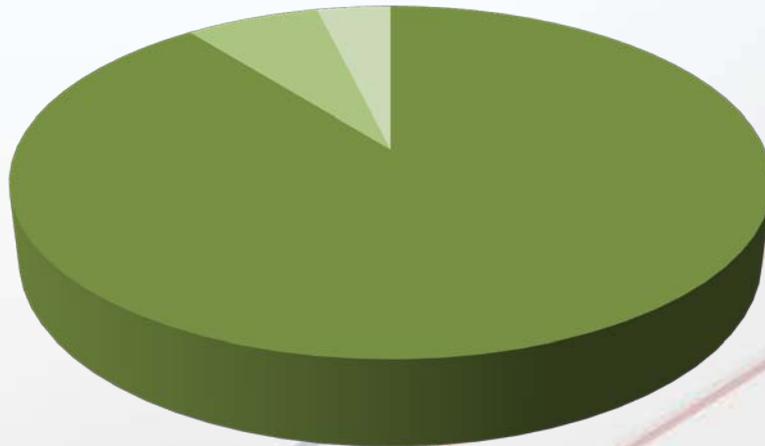
# Asset Location Map



...geographically focused 7

# Hydrocarbon Inventory

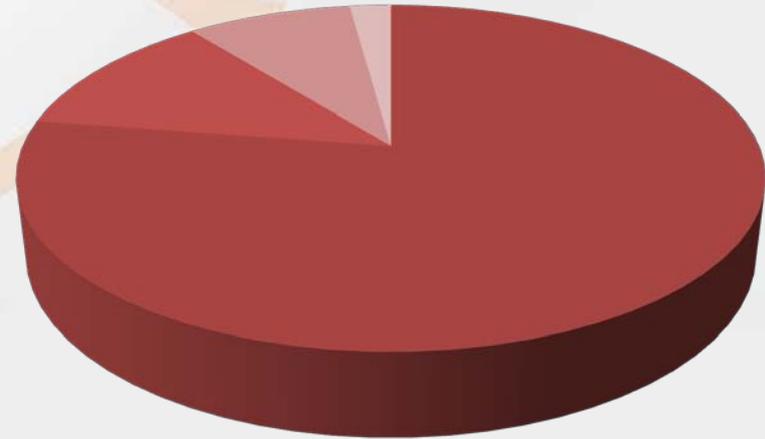
## Oil Reserves



**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)

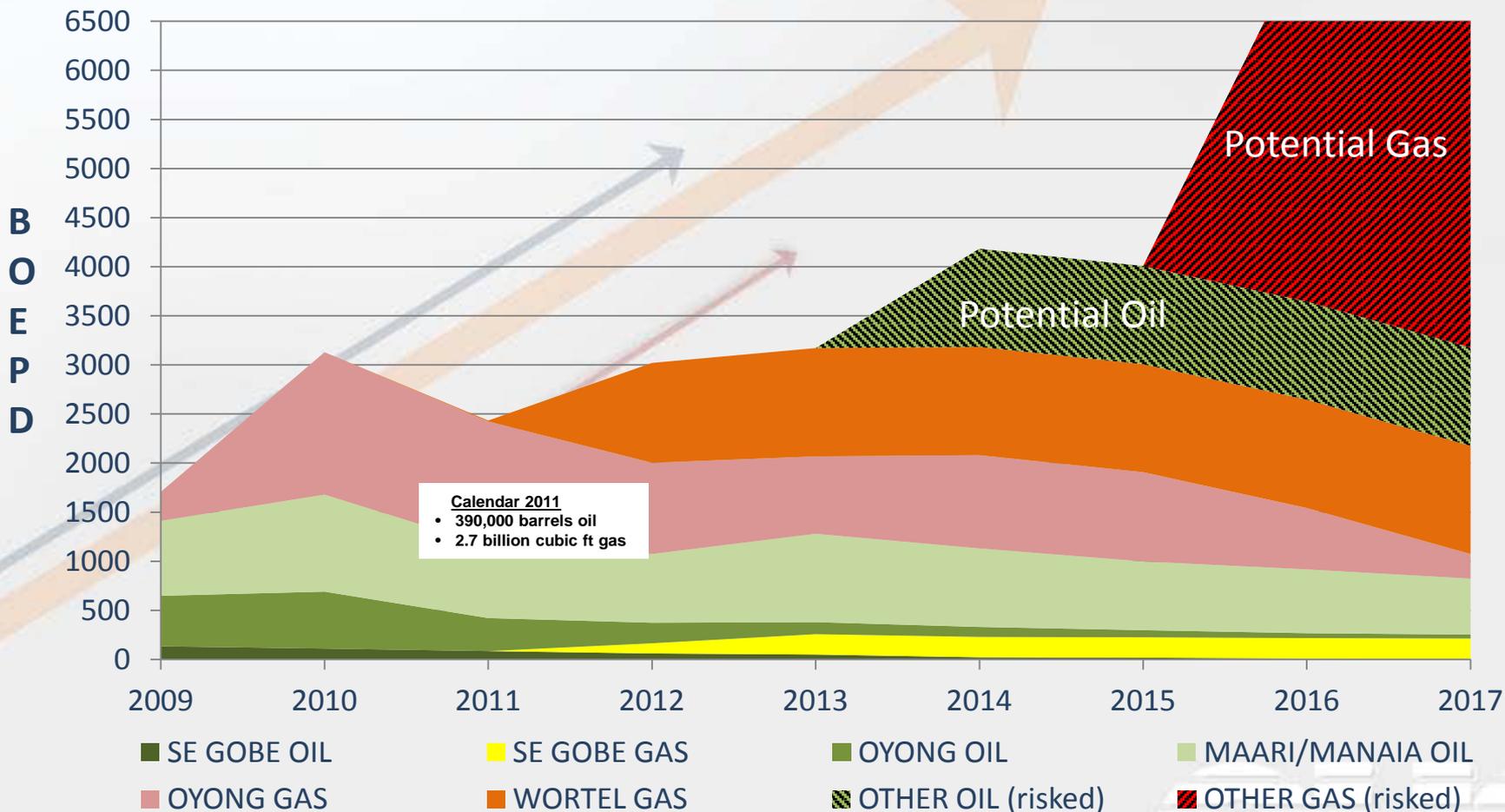
\*Cue estimate

† Contingent resource

Volumes remaining to be produced at 30/06/2011



# Net 2P / 2C Indicative Production Forecast



... long term production with potential upside<sup>9</sup>

# from Good...

## Current Status

- \$152 million market capitalisation @ \$0.22/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 5-20%
- 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

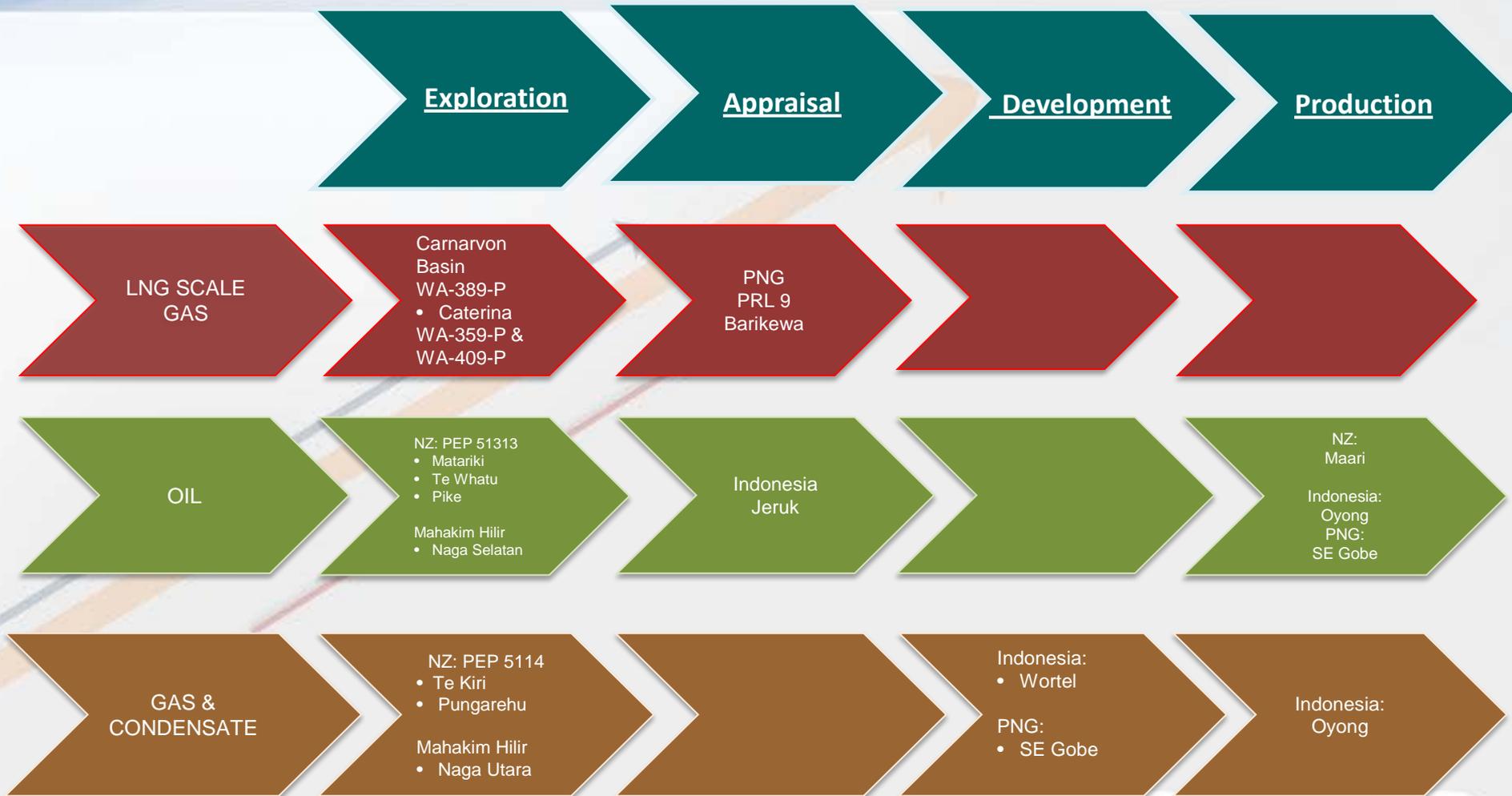
Build Momentum

## 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 20-50% 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!

# A balanced portfolio of existing assets



... aiming to add projects across the spectrum

# PROJECTS



# Papua New Guinea

## Production

### South East Gobe Field

- Cue has ~3.3% unitised interest
- ~ 80bopd to Cue
- Long term oil production
- SE Gobe Gas to be sold into PNG LNG

## Exploration & Appraisal

Potential to supply PNG LNG

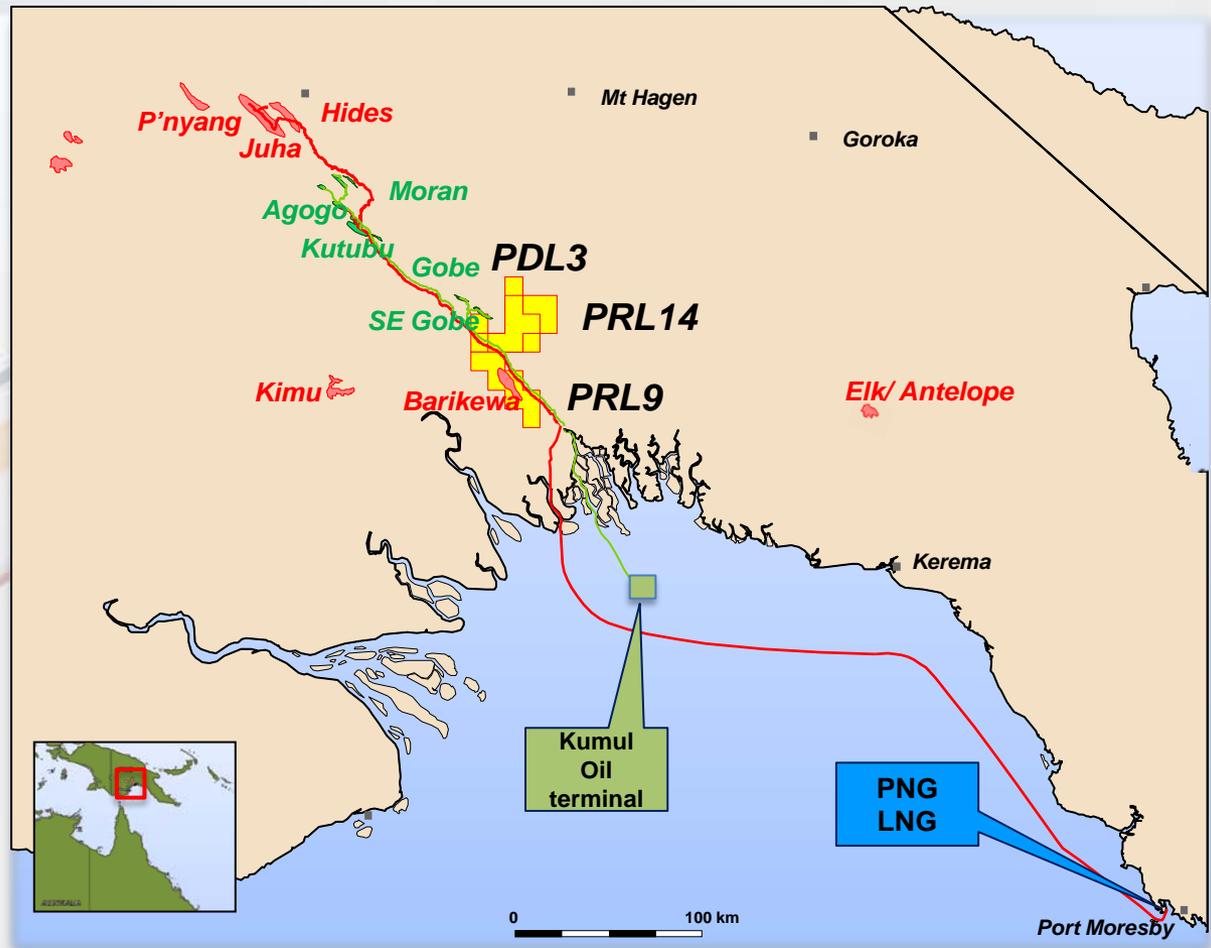
### Barikewa Field (Cue 14.89%)

is a potentially large undeveloped resource

- Toro and Hedinia (2P equiv) 611 BCF
- Mean (all zones) 1.5 TCF
- P10 (all zones) 2.4 TCF

### Bilip, Iehi, Cobra (Cue 10.947%) undeveloped discoveries

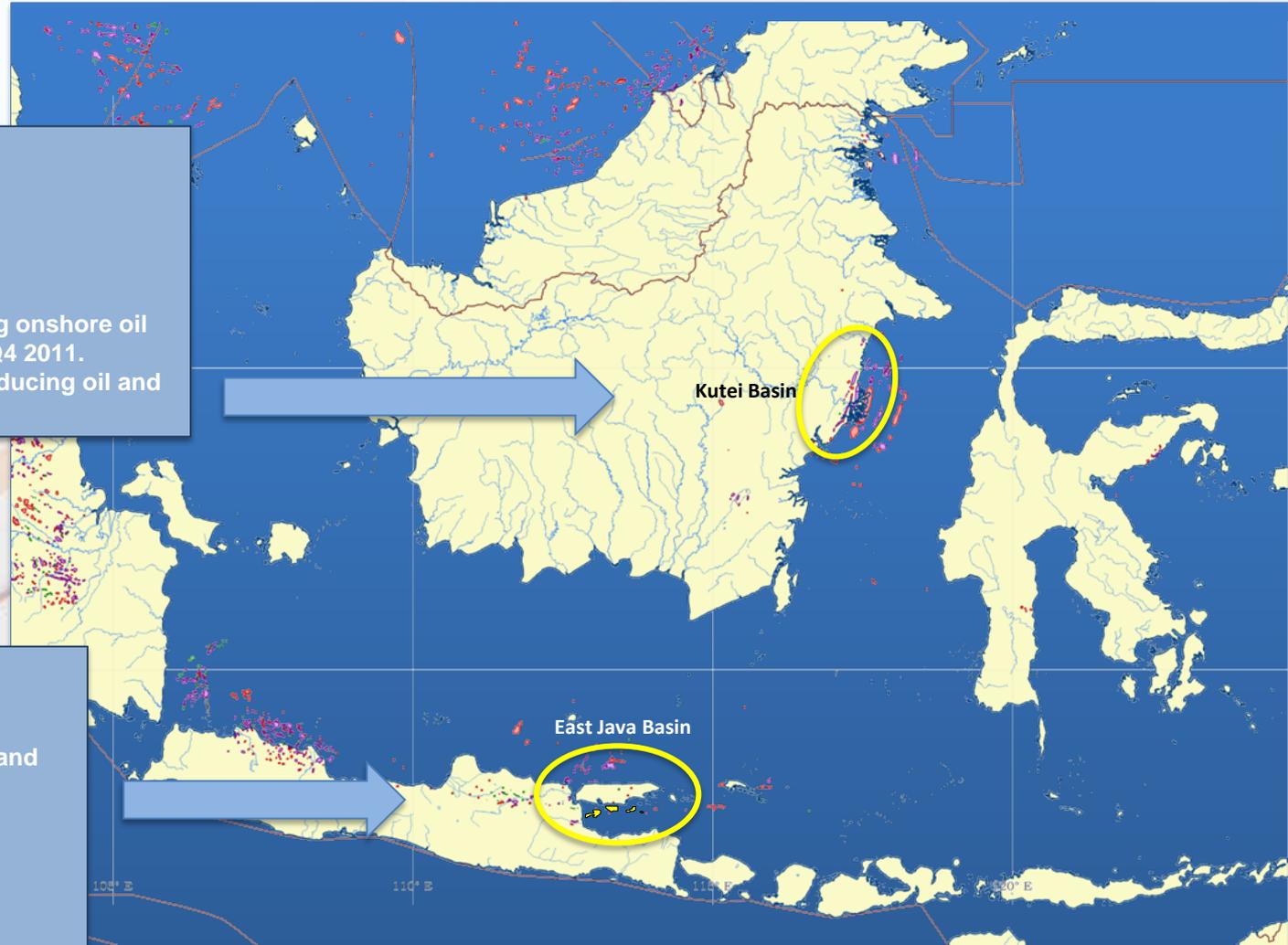
- Long term gas for PNG LNG with some associated oil



... long term cash flow and resources  
adjacent to PNG LNG infrastructure



# Indonesia



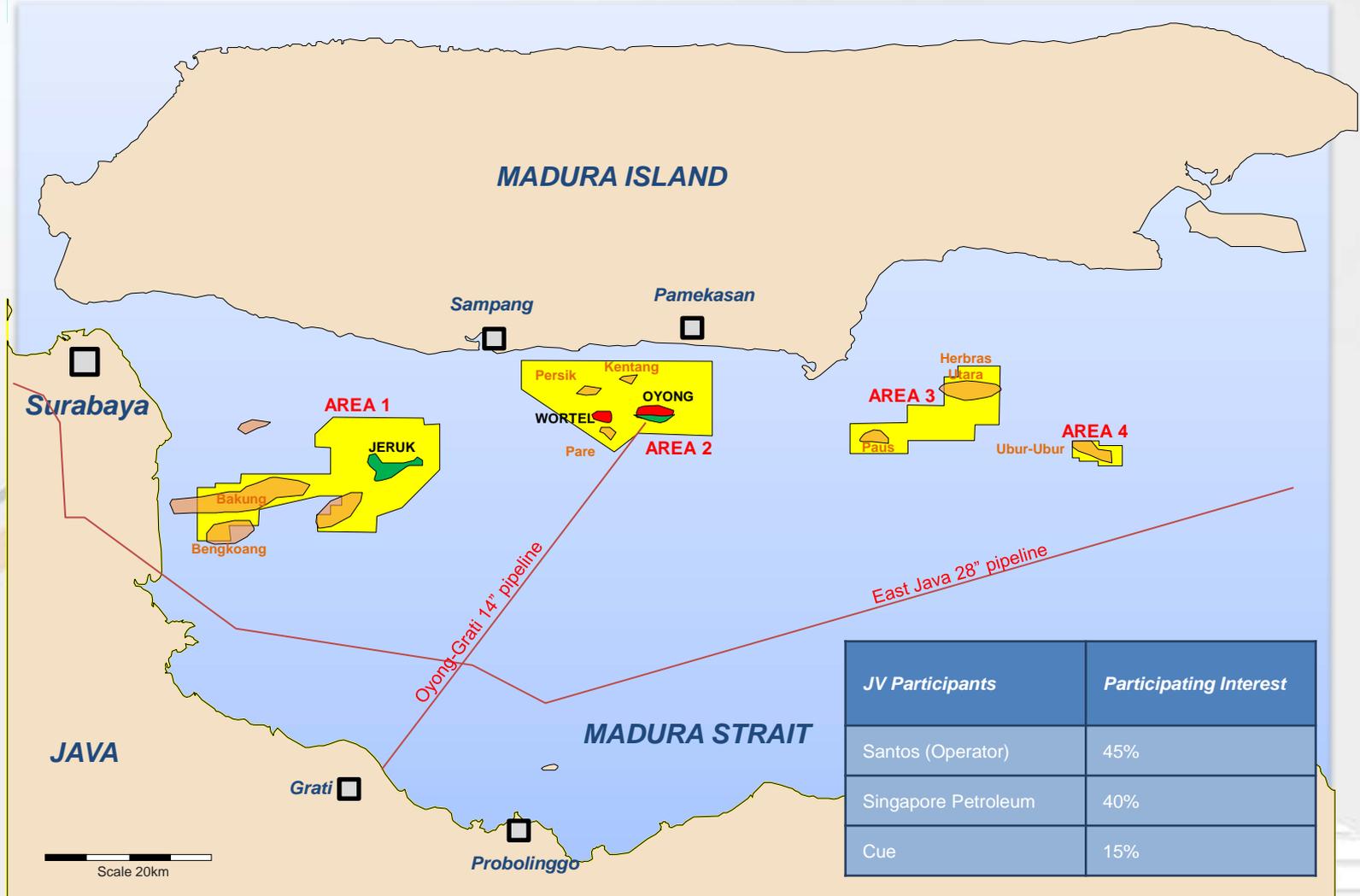
## Kutei Basin *Mahakam Hilir PSC (Cue 40%)*

- Farmin to Mahakam Hilir PSC. Singapore Petroleum operator.
- Kutei Basin is a prolific basin.
- Exploration permit with 2 exciting onshore oil and gas prospects with drilling Q4 2011.
- Prospects are along trend of producing oil and gas fields.

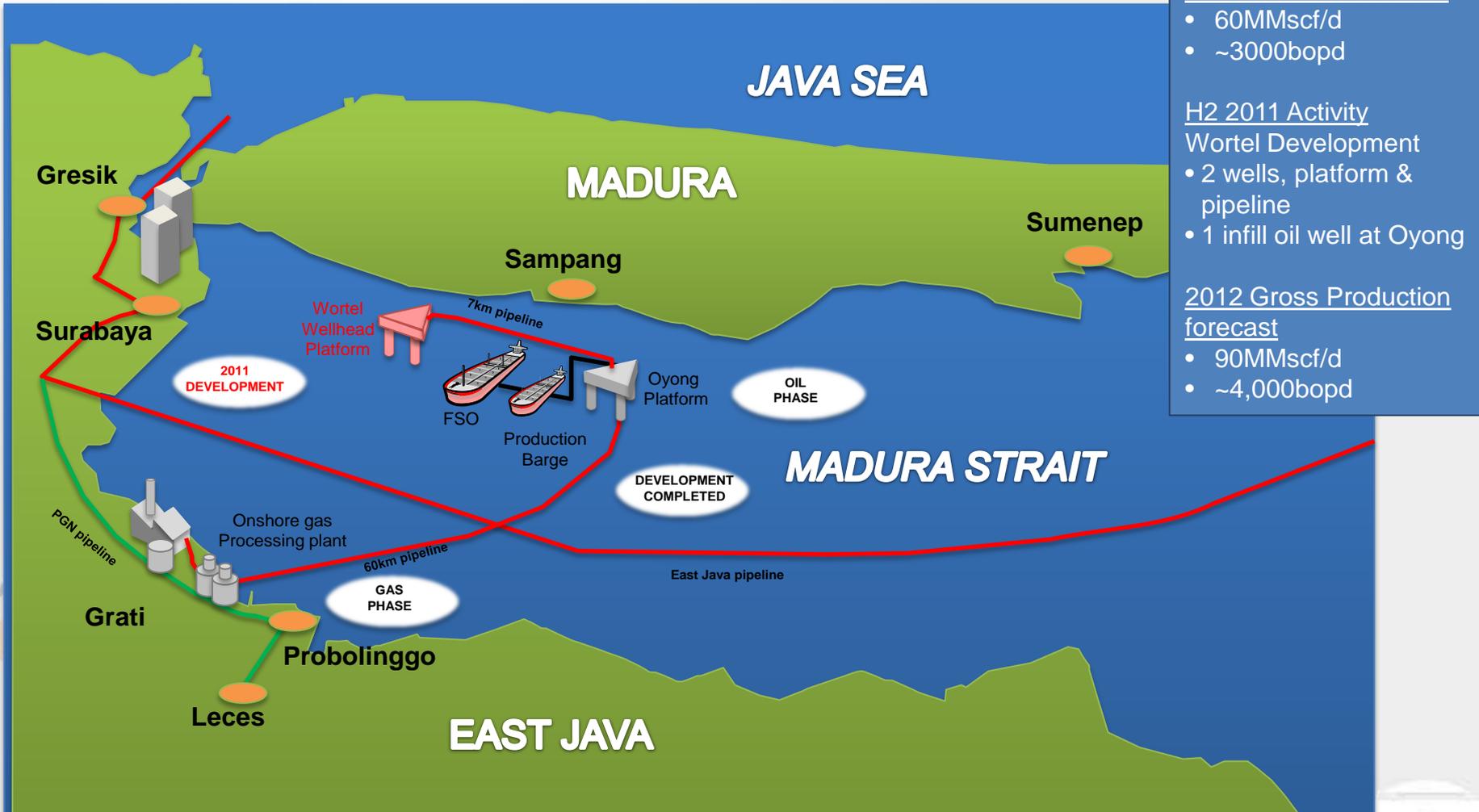
## East Java Basin *Sampang PSC (Cue 15%)*

- Existing production - Oyong Oil and Gas.
- Wortel Gas Production Q1 2012.
- Exploration and new field opportunities.

# Sampang PSC – Indonesia



# Oyong + Wortel Development



## 2011 Gross Production

- 60MMscf/d
- ~3000bopd

## H2 2011 Activity

### Wortel Development

- 2 wells, platform & pipeline
- 1 infill oil well at Oyong

## 2012 Gross Production forecast

- 90MMscf/d
- ~4,000bopd

...three stage development

# Kutei Basin Farm-in June 2011

## KEY BASIN STATISTICS

Oil Recoverable	3.755billion bbls
Gas Recoverable	67TCF
Condensate Recoverable	991MMbbls

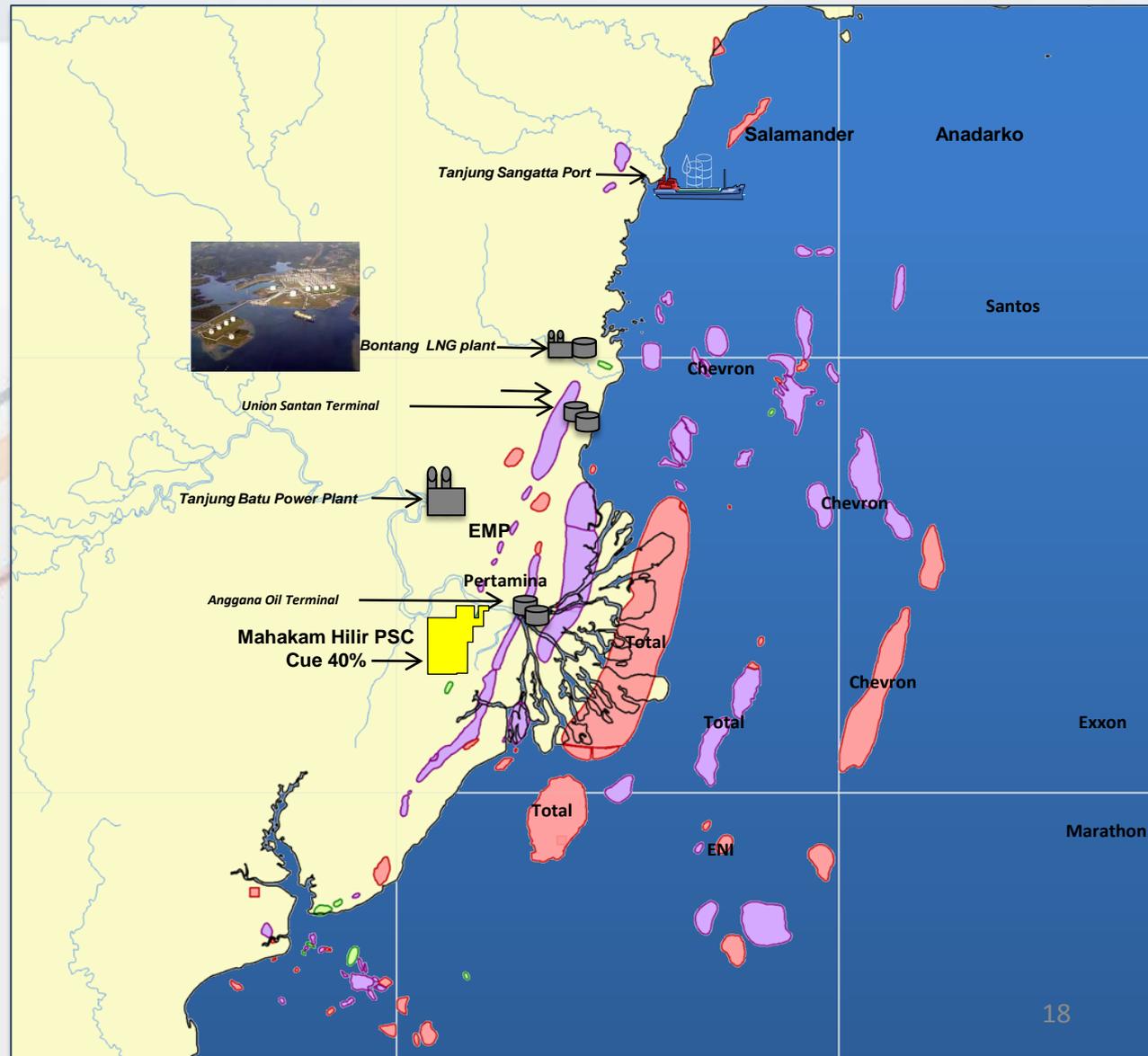
Multinational and Independent companies having assets in the basin – Exxon, Anadarko, Marathon, Chevron, ENI, Total, Santos

## COMMERCIALISATION

Multiple oil terminals / processing plants & a Power station

### Bontang LNG plant

- Capacity 20 mtpa
- Gas supply issues
- Currently ~ 10mtpa
- Japanese Buyers



# Mahakam Hilir PSC

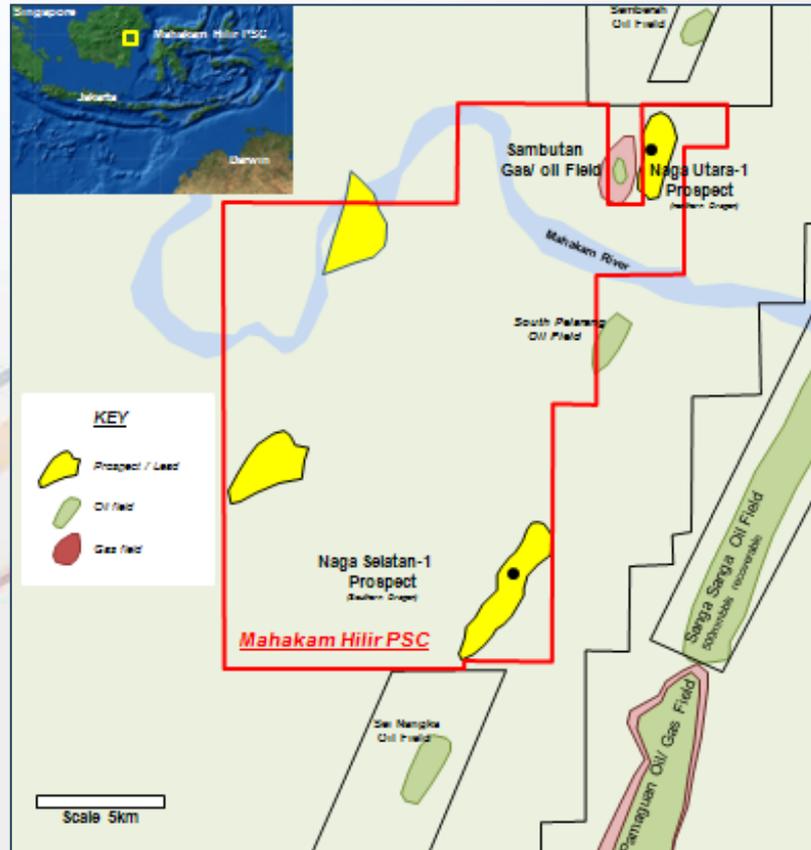
## KEY STATISTICS

- 200 km of new seismic acquired by SPC
- Historic seismic reprocessed
- 2 prospects high-graded and ready for drilling

### Exploration Drilling

- Naga Utara (gas) December 2011
- Naga Selatan (oil) January 2012

JV Participants	Participating Interest
Singapore Petroleum (Operator)	60%
Cue	40%



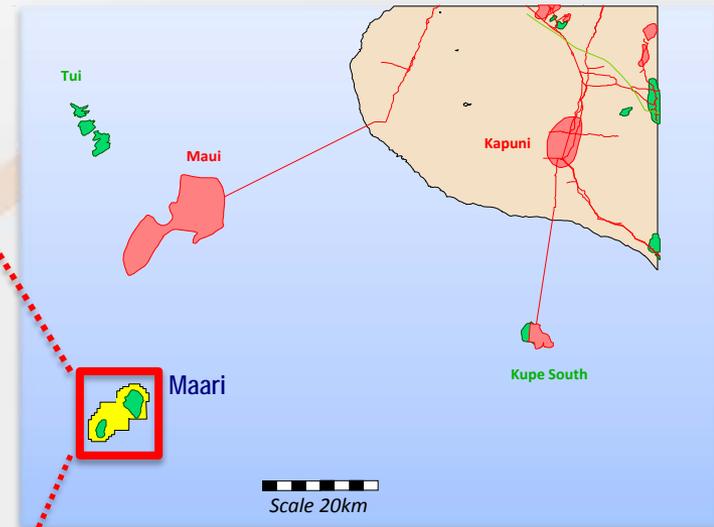
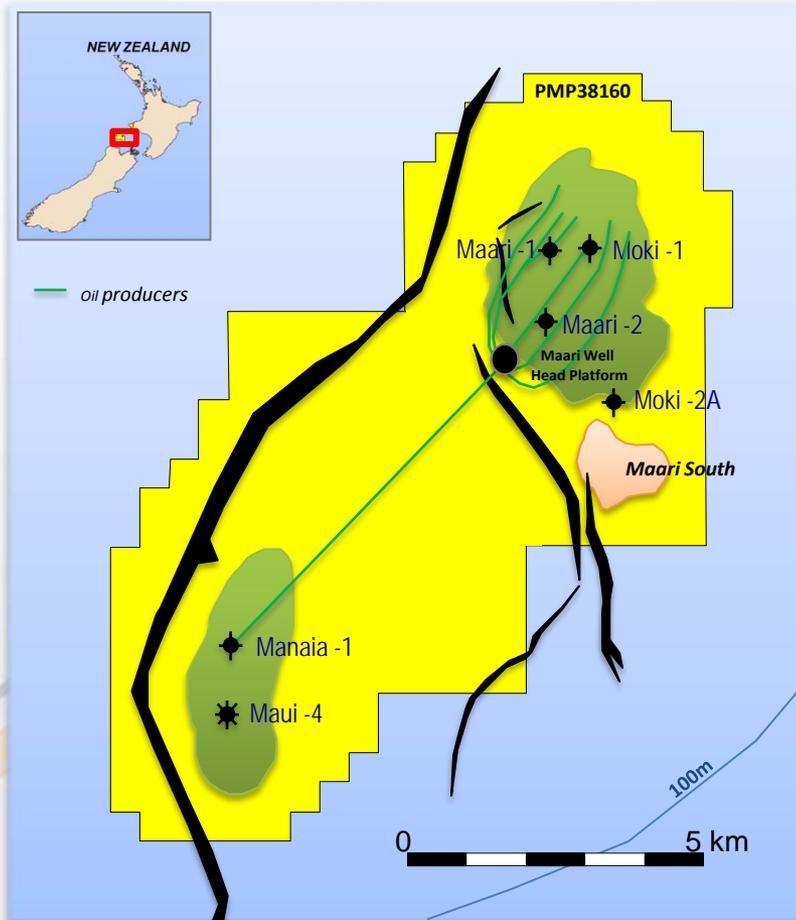
## Oil and Gas Seeps



...near term oil exploration

# New Zealand

## Maari Oil Field



<i>JV Participants</i>	<i>Participating Interest</i>
OMV (Operator)	69%
Todd	16%
Horizon	10%
Cue	5%

...long term oil production

# Maari Development

## Phase 1

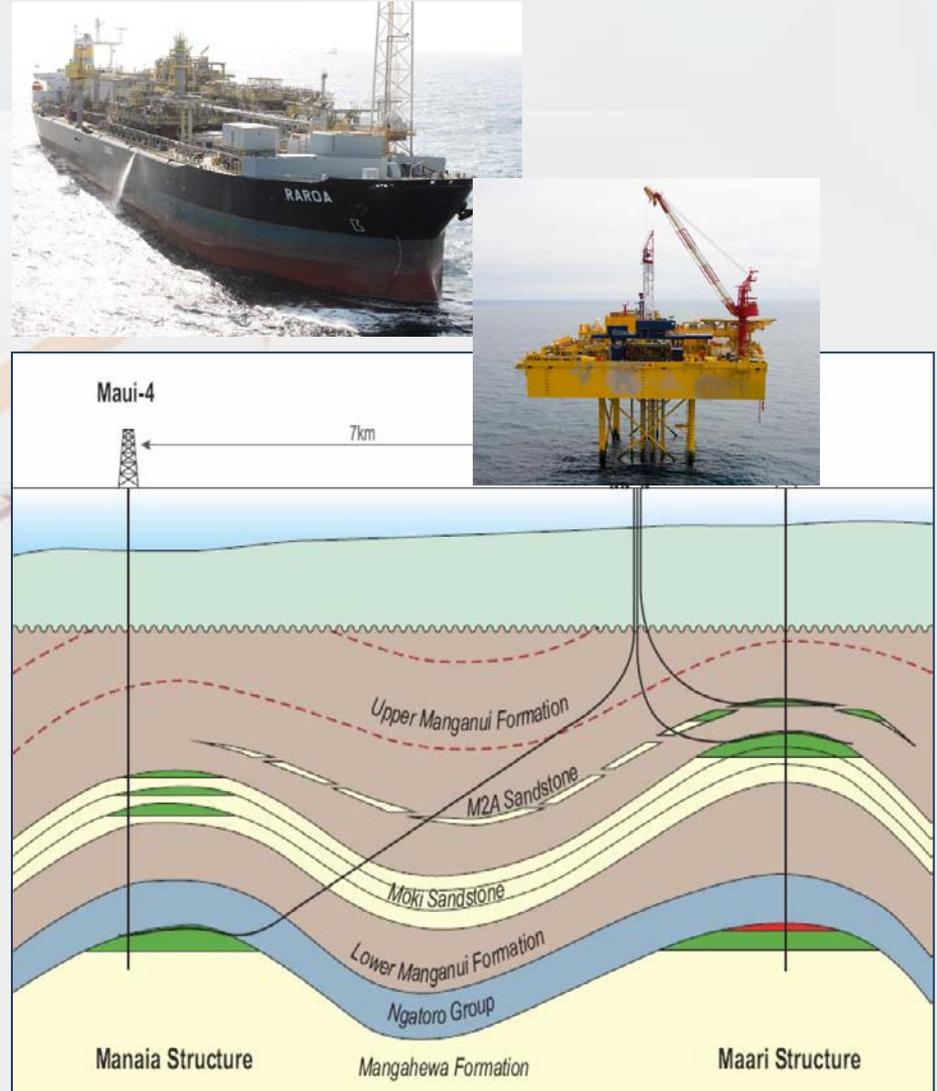
- Platform, FPSO, 7 oil wells, 3 water injectors
- First oil 1Q 2009, 15.5 million barrels produced
- Current rate ~ 14,000 bopd  
Cue share ~ 700 bopd
- Moki 2P oil EUR ~ 52 million barrels  
Cue share ~ 2.6 million barrels
- M2A 2P initial EUR ~ 3.2 million bbls
- Manaia 2P initial EUR 6.3 million bbls

Area upside + 20 - 40 MMbbls\*

\* Cue estimate

## Phase 2

- Development planning is in progress

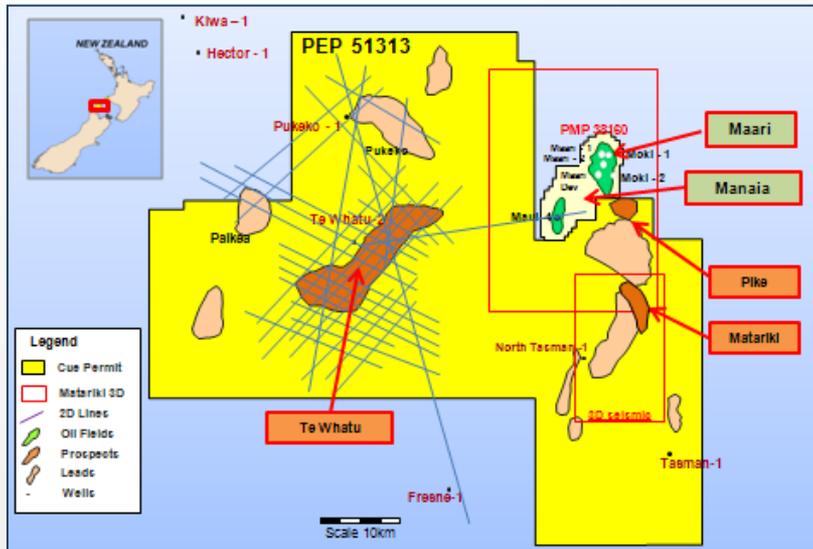


Source: Horizon

...substantial upside oil potential

# New Zealand Exploration

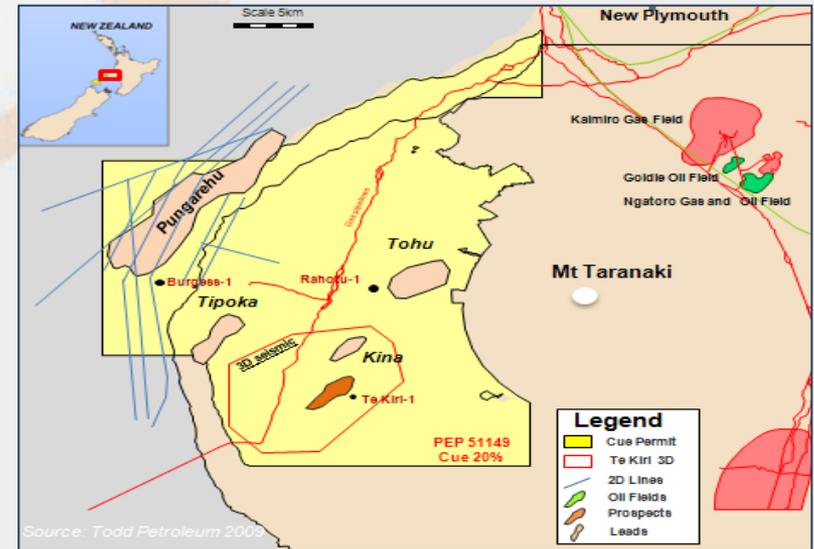
## PEP 51313 - Pike



JV Participants	Participating Interest
Todd Exploration	50% (Operator)
Horizon Oil (New Zealand) Ltd	30%
Cue Taranaki Pty Limited	20%

- Te Whatu 2D acquisition & Mataiki 3D processing completed Q2 2011

## PEP 51149 – Pungarehu



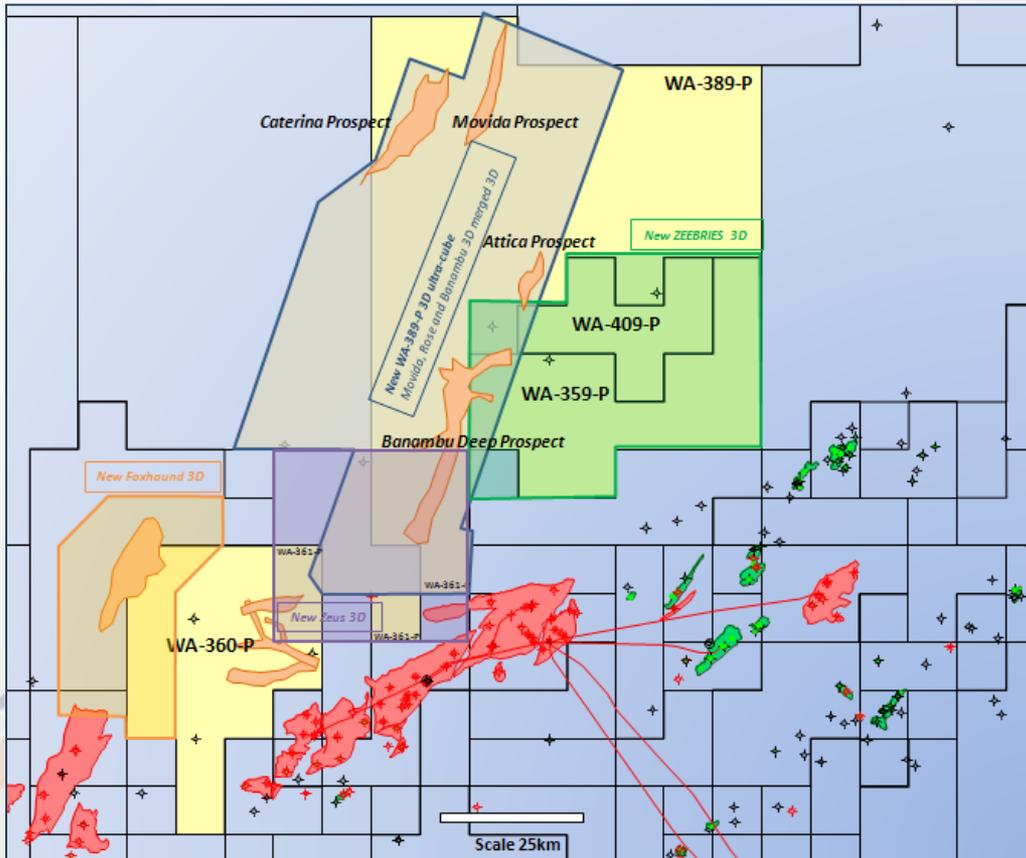
JV Participants	Participating Interest
Todd Exploration	61.425% (Operator)
Cue Taranaki Pty Limited	20%
Mosaic Oil Limited (AGL)	18.575%

- Pungarehu 2D Seismic acquisition completed Q2 2011

...new seismic to mature exploration<sup>22</sup>

# Australia

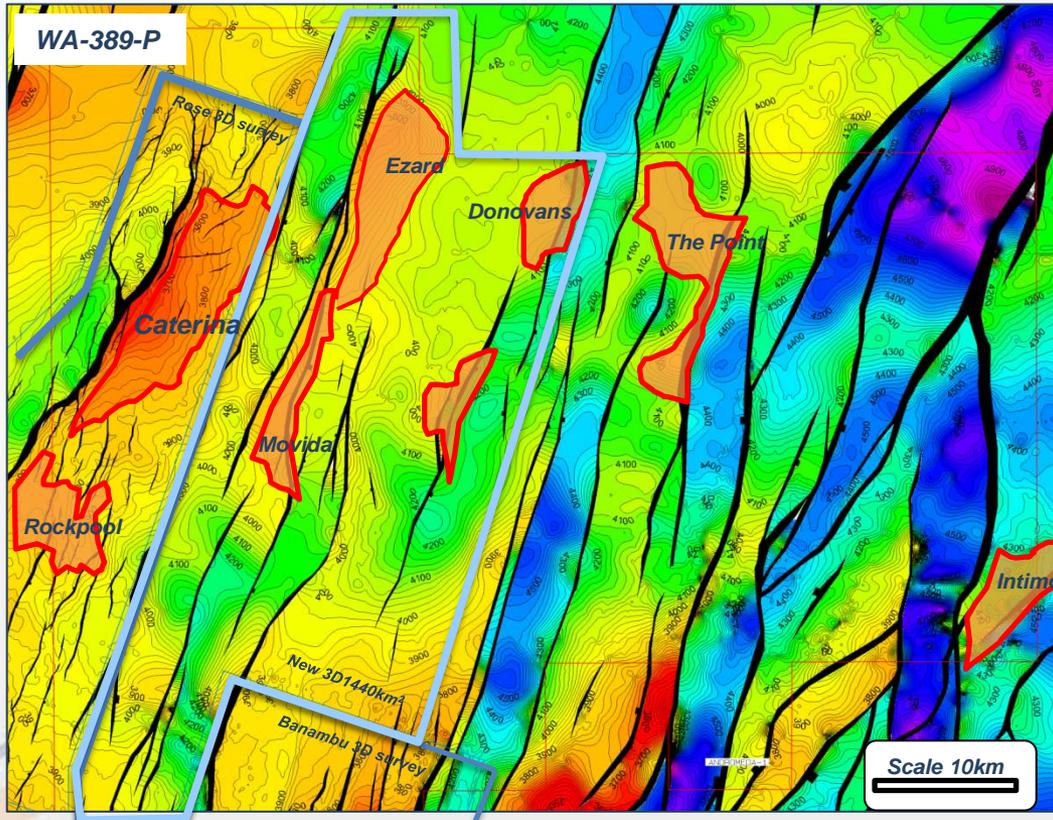
## Carnarvon Basin Permits



- 5 permits on trend with major discoveries and new developments
- Significant existing and planned LNG processing capacity in the region
- WA-389-P - Woodside
  - Movidia 3D seismic completed in 1Q, 2011
  - Drilling one well in 2012
  - Cue 35% free carry
- WA-359-P, WA-409-P - Apache
  - 3D seismic completed
  - Drilling 2012
  - Cue 30% seismic free carry, 15% well free carry if Apache exercise drill option
- WA-360-P, WA-361-P
  - New Foxhound 3D seismic
  - New Zeus 3 D seismic
  - JV investigating other prospects in the block

...large gas potential adjacent to LNG developments

# WA-389-P: Prospects & Leads



- Farmout to Woodside
  - New Movidia 3D seismic completed
  - Existing 3D seismic reprocessing ongoing
  - Drill one well in 2012
- 8 large prospects and leads
- Cue retains 35% carried interest

PRIMARY TARGET POTENTIAL			
Gas-in-Place	Low (Tcf)	Mid (Tcf)	High (Tcf)
Caterina-1 Prospect	2.7	3.9	5.3
Rockpool lead	1.2	1.5	1.9
Ezard lead	0.5	1.6	10.9

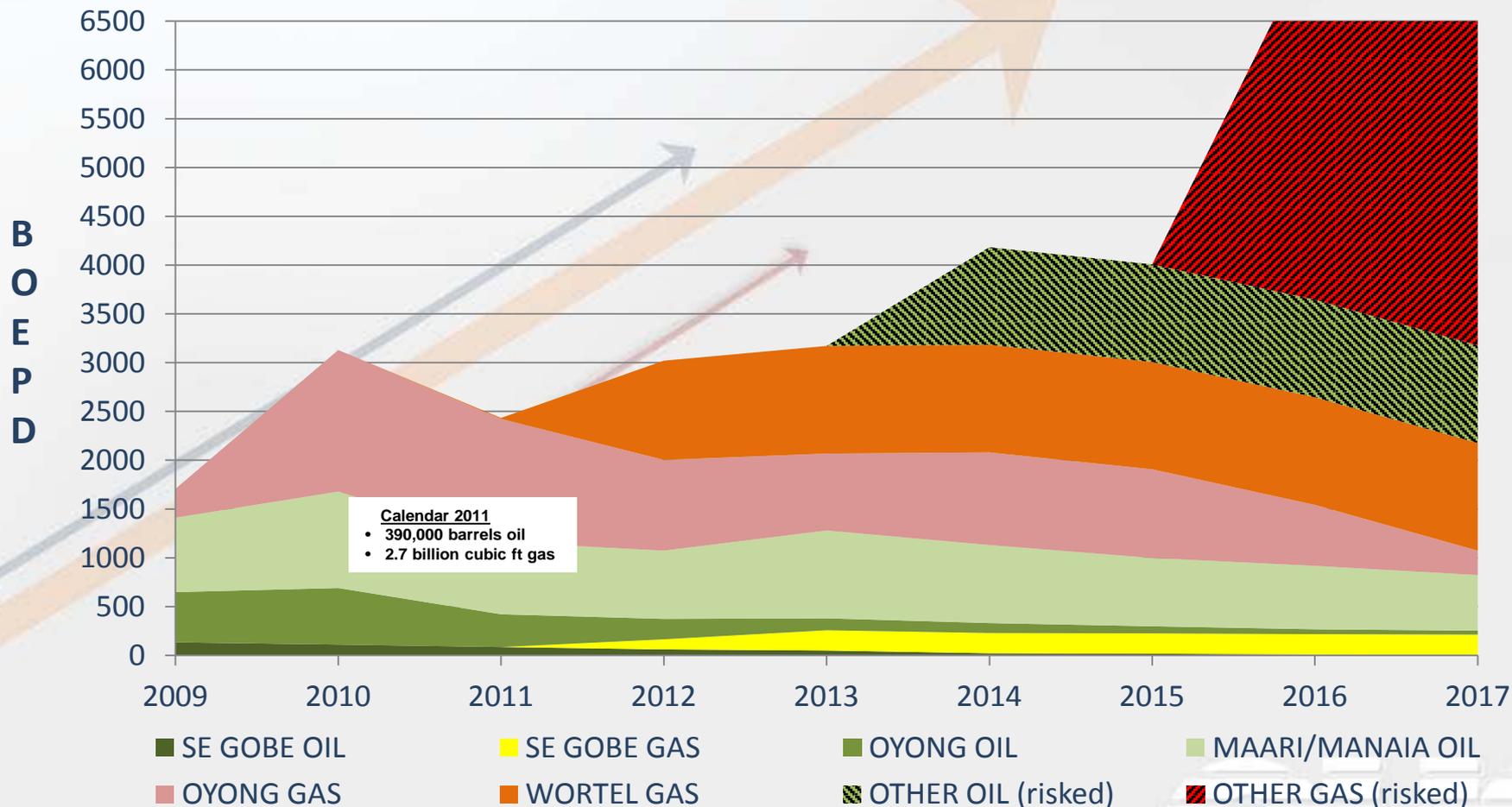
*(upside in up to 3 other objectives)*

...potential to supply an LNG development

# Activity Timing

CUE INDICATIVE TIME LINE	2011				2012				2013			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>EXPLORATION SEISMIC</b>												
PEP51149 (2D) Pungarehu												
PEP51313 (3D and 2D) Matariki/Te Whatu/Pike												
WA-389-P (3D)												
WA-359-P, 409-P (3D)												
<b>FIRM DRILLING</b>												
Mahakam Hilir PSC Naga Selata												
Mahakam Hilir PSC Naga Utara												
Sampang PSC Wortel Development (2)												
Sampang PSC Oyong Development (1)												
WA-389-P Caterina - 1												
<b>CONTINGENT DRILLING</b>												
WA-359-409												
Mahakam Hilir PSC (3 & 4)												
Barikewa - 3												
Maari / Manaia Appraisal												
Maari / Manaia Development wells												
PEP 51313 (Pike/Matariki)												
PEP 51149 Pungarehu												
<b>PRODUCTION</b>												
SE GOBE Oil/Gas Production												
MAARI Oil/Gas Production												
OYONG Oil/Gas Production												
WORTEL Gas Production												

# Net 2P / 2C Indicative Production Forecast



... Long term production with potential upside

# Why Invest in Cue?

## Strong Fundamentals

- Experienced & energetic board and management
- 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
- Aggressively screening new venture opportunities

## Near-term Activity

- New production from Indonesian Wortel Field in Q1 2012
- Naga Utara gas exploration drilling December 2011
- Naga Selatan oil exploration drilling January 2012
- WA389-P high potential gas exploration drilling mid 2012

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