



ABN 45 066 383 971

27 March 2015

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ASX Market Announcements
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
Sydney NSW 2000

Fifth Supplementary Target's Statement in relation to the on-market cash takeover offer by NZOG Offshore Limited

As required by section 647(3)(b)(ii) of the Corporations Act 2001 (Cth) (as modified), enclosed is a copy of the Fifth Supplementary Target's Statement dated 27 March 2015 (the **Fifth Supplementary Target's Statement**) prepared by Cue Energy Resources Limited (ABN 45 066 383 971) (**Cue Energy**).

This Fifth Supplementary Target's Statement supplements Cue Energy's Target's Statement dated 24 February 2015, as supplemented by the Supplementary Target's Statement dated 2 March 2015, the Second Supplementary Target's Statement dated 13 March 2015, the Third Supplementary Target's Statement dated 18 March 2015 and the Fourth Supplementary Target's Statement dated 25 March 2015 in relation to the on-market cash takeover offer by NZOG Offshore Limited (the **Bidder**) to acquire all of the shares in Cue Energy.

The Fifth Supplementary Target's Statement has been lodged today with the Australian Securities and Investments Commission and sent to the Bidder.

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 and Indonesia.

THE COMPANY HAS:

- Long life production
- A strong balance sheet
- An active exploration program

CUE ENERGY DIRECTORS

- Geoffrey King (Chairman)
- Stuart Brown
- Rowena Sylvester
- Andrew Young

CUE ENERGY MANAGEMENT

- David Biggs (CEO)
- Andrew Knox (CFO)
- Jeffrey Schroll (Exp Man)

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LISTINGS

ASX: CUE



THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU SHOULD READ ALL OF THE DOCUMENT. IF YOU ARE IN DOUBT AS TO WHAT YOU SHOULD DO, YOU SHOULD CONSULT YOUR INVESTMENT, FINANCIAL, TAXATION OR OTHER PROFESSIONAL ADVISER.

Fifth Supplementary Target's Statement

REJECT

Your Directors unanimously recommend that you REJECT the Offer made by NZOG Offshore to acquire all of your shares in Cue Energy for just \$0.10 per share

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE CUE ENERGY SHAREHOLDER INFORMATION LINE ON 1300 373 864 (WITHIN AUSTRALIA) OR +61 3 9415 4109 (OUTSIDE AUSTRALIA) BETWEEN 9.00AM AND 5.00PM (MELBOURNE TIME) MONDAY TO FRIDAY.

Financial Adviser



Legal Adviser

Allens & Linklaters

Allens

Fifth Supplementary Target's Statement

This document is a supplementary target's statement under section 644(1) of the Corporations Act (***Fifth Supplementary Target's Statement***), dated 27 March 2015. This is the fifth supplementary target's statement issued by Cue Energy Resources Limited (ABN 45 066 383 971) (***Cue Energy***) and supplements Cue Energy's Target's Statement dated 24 February 2015, as supplemented by the Supplementary Target's Statement dated 2 March 2015, the Second Supplementary Target's Statement dated 13 March 2015, the Third Supplementary Target's Statement dated 18 March 2015 and the Fourth Supplementary Target's Statement dated 25 March 2015. This Fifth Supplementary Target's Statement is to be read together with the above-mentioned documents.

Your Directors encourage you to obtain independent advice from your investment, financial, taxation or other professional adviser before making a decision whether or not to accept the Offer.

Important Notices

This Fifth Supplementary Target's Statement has been lodged with ASIC and provided to the ASX. Neither ASIC, ASX nor any of their respective officers take any responsibility for the content of this document.

This Fifth Supplementary Target's Statement prevails to the extent of any inconsistency with the Target's Statement, the Supplementary Target's Statement, the Second Supplementary Target's Statement, the Third Supplementary Target's Statement or the Fourth Supplementary Target's Statement. Capitalised terms used in this Fifth Supplementary Target's Statement have the same meaning as defined in section 8 of the Target's Statement unless otherwise defined.

1 The Cue Energy Board's response to NZOG's Fifth Supplementary Bidder's Statement

Cue Energy refers to the Fifth Supplementary Bidder's Statement issued by NZOG Offshore Limited (***NZOG***) yesterday afternoon in relation to its on-market takeover offer for all of the Shares in Cue Energy.

1.1 Misleading statements in relation to ASX delisting

In its Fifth Supplementary Bidder's Statement, NZOG seeks to amend the statement of intentions in section 5.3 of its original Bidder's Statement for the scenario where it acquires less than 50% of the Shares in Cue Energy (as is currently the case) to now say that it may, following the bid, "decide to cause" Cue Energy to apply to the ASX for a delisting of Cue Energy. This threat of delisting seems designed to attempt to pressure Cue Energy Shareholders into accepting NZOG's Offer which is scheduled to close today.

Cue Energy believes that statement by NZOG is highly misleading, as it suggests that NZOG could cause Cue Energy to apply to the ASX for a delisting, and that, even if that did occur, the ASX would necessarily approve the delisting.

Any decision by Cue Energy to apply to the ASX for a delisting would need to be made by the Cue Energy Board, not NZOG. The Cue Energy Board, including NZOG's nominees on that Board, could only decide to seek a delisting if that is in the best interests of all shareholders in Cue Energy, not just NZOG. It is not clear why it is in the best interests of other shareholders (i.e. shareholders other than NZOG) for Cue Energy to seek delisting when that would render their shares illiquid and unable to be traded on a public market, and would deprive them of the protections under the ASX Listing Rules.

Even if Cue Energy did apply to the ASX for a delisting, ASX is not required to act on that request. ASX's current policy is only to approve that delisting in the current circumstances if the

delisting is approved by Cue Energy shareholders in general meeting. Under ASX policy, NZOG would not be able to vote its shareholding at that meeting, and therefore could not cause that approval to be given, at least within one year of the bid closing.

1.2 Other statements in relation to level of NZOG control

Cue Energy also notes the claim in NZOG's Fifth Supplementary Bidder's Statement that, because there is only one other shareholder in Cue Energy with more than 5% of Cue Energy Shares, it is possible that NZOG's level of control at a 45.46% shareholding would not be materially different from what it would be if NZOG had 50% or greater shareholding in Cue Energy. Cue Energy believes that this statement is also misleading, as it assumes that approximately 10% of the share register would not vote at a meeting of Cue Energy shareholders on resolutions to appoint directors. Until NZOG holds over 50% of the Shares in Cue Energy, it cannot be sure of appointing a majority of the Cue Energy Board.

The Board of Cue Energy continues to believe that NZOG's Offer is opportunistic and substantially undervalues the Shares of Cue Energy, and we advise shareholders to **REJECT** that Offer.

2 Consents

As permitted by ASIC Class Order 13/521, this Fifth Supplementary Target's Statement contains statements that are made, or based on statements made, in documents lodged with ASIC or ASX (in compliance with the Listing Rules), including the Bidder's Statement and the Fifth Supplementary Bidder's Statement. Pursuant to this Class Order, the consent of persons to whom such statements are attributed is not required for the inclusion of those statements in this Fifth Supplementary Target's Statement.

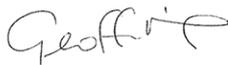
Any Cue Energy Shareholder who would like to receive a copy of any of the documents (or parts of the documents) that contain the statements which have been included pursuant to ASIC Class Order 13/521 may during the Offer Period obtain a copy free of charge by contacting the Cue Energy Shareholder Information line on 1300 373 864 (within Australia) or +61 3 9415 4109 (outside Australia) between 9:00am and 5:00pm (Melbourne time) on Monday to Friday.

3 Approval of Fifth Supplementary Target's Statement

This Fifth Supplementary Target's Statement has been approved by a resolution passed by the Directors of Cue Energy. Each Director of Cue Energy voted in favour of the resolution authorising this Fifth Supplementary Target's Statement.

Dated 27 March 2015

Signed for and on behalf of Cue Energy



Geoffrey King

Chairman