



ABN 45 066 383 971

22 August 2016

PAGES (including this page): 22

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

---

### 30 June 2016 Full Year Preliminary Financial Report

---

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

Yours faithfully

Andrew M Knox  
Chief Financial Officer

#### CUE ENERGY OVERVIEW

Cue is an Australian based oil and gas company with activities in Australia, New Zealand, Indonesia and the USA.

#### THE COMPANY HAS:

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

#### CUE ENERGY DIRECTORS

- Grant Worner (Executive Chairman)
- Koh Ban Heng
- Duncan Saville
- Brian Smith

#### CUE ENERGY MANAGEMENT

- Andrew Knox (CFO)
- Jeffrey Schroll (Exp Man)

#### OFFICE

Level 19  
357 Collins Street  
Melbourne Vic 3000

#### CONTACT DETAILS

Tel: +613 8610 4000  
Fax: +613 9614 2142

#### EMAIL

mail@cuenrg.com.au

#### WEBSITE

www.cuenrg.com.au

#### LISTINGS

ASX: CUE  
ADR/OTC: CUEYY

CUE ENERGY RESOURCES LIMITED  
ABN 45 066 383 971



## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

This Financial Year Report is provided to the Australian Stock Exchange (ASX) under Listing Rule 4.3A

Current Reporting Period:	Financial Year ended 30 June 2016
Previous Corresponding Period:	Financial Year ended 30 June 2015

## Contents

RESULTS.....	3
REVENUE AND NET PROFIT .....	4
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	5
CONSOLIDATED STATEMENT OF FINANCIAL POSITION .....	7
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....	8
CONSOLIDATED STATEMENT OF CASH FLOWS .....	9
NOTES TO THE FULL YEAR PRELIMINARY FINANCIAL REPORT.....	10

30 June 2016

## RESULTS FOR ANNOUNCEMENT TO THE MARKET FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

(Previous Corresponding Period: Financial Year Ended 30 June 2015)

### Summary

Cue Energy Resources Ltd (ASX: CUE) had mixed results in the year ended 30 June 2016. The Company achieved significant growth in production and revenues that enabled gross profit to grow by 10% to \$25.76 million. However the Company's cash balance declined for a third consecutive year to \$20.49 million. After impairments of exploration and production assets and a change in accounting policy from full cost to successful efforts for exploration and evaluation expenditure, Cue delivered a net loss after tax of \$87.46 million.

Continual declines in cash balances and significant net losses are clearly not sustainable. In March 2016 Cue's Board membership changed and as announced in 8 June 2016 the Company is implementing three strategic objectives to deliver short, medium, and long-term prosperity:

- To have a **sustainable business** operating within its means;
- To deliver **disciplined growth**; whilst
- Pursuing opportunities that offer **step-change returns** to shareholders.

### Results

- 10% increase in gross profit from production\* to \$25.76 million (2015: \$23.50 million)
- 24% increase in production to 0.82 million boe (2015: 0.66 million boe)
- 23% increase in production revenue\* to \$45.41 million (2015: \$36.93 million)
- 26% decrease in cash on hand to \$20.49 million (2015: \$27.61 million)
- Net loss after tax of \$87.46 million (2015: profit \$40.95 million)
- Cue group has no debt
- No dividend declared

\* Net of results from discontinuing operations

#### One off significant items due to impairments and accounting policy changes

- Mahakam Hilir PSC impairment (\$40.71 million)
- Mahato PSC impairment (\$5.33 million)
- Maari oil field impairment (\$25.10 million)
- Exploration and evaluation expenditure/other impairments expensed (\$20.25 million)

30 June 2016

## REVENUE AND NET PROFIT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Percentage Change Over Results for Year Ended 30 June 2016	Amount \$'000
Revenue from ordinary activities	Up 23.0%	45,412
Loss after tax attributable to members	N/A	(86,834)
Net loss attributable to members	N/A	(86,834)

### Dividends

It is not proposed to pay a dividend.

### Brief Explanation of Revenue, Net Profit/(Loss) and Dividends Distributions (if any)

#### (i) Revenue from Ordinary Activities

Revenues comprised production of oil and gas \$45.41 million. Revenue increased from 2015 primarily due to strong production and subsequent revenue from non-oil Oyong and Wortel gas sales.

#### (ii) Net Result

The net loss was primarily as a result of the change in accounting policy for evaluation and exploration expenditure from full cost to successful efforts and impairments, including the Maari oil field as a result of significantly reduced oil prices.

	30 June 2016	30 June 2015
Net Tangible Assets Per Security	6.7 cent	12.3 cents

30 June 2016

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	NOTE	2016 \$000's	Restated 2015 \$000's
Production revenue from continuing operations		45,412	36,925
Production costs		(19,653)	(13,425)
<b>Gross profit from production</b>		25,759	23,500
Other revenue	3	3,780	41,986
Amortisation expense		(10,932)	(10,828)
Net foreign currency exchange (loss)/gain		(90)	6,911
Impairment - production		(25,103)	(18,015)
Impairment - E&E		(49,963)	-
E&E expenditure	1	(16,329)	(2,099)
Other expenses	4	(6,720)	(8,932)
<b>(Loss)/profit before income tax benefit/(expense) from continuing operations</b>		(79,598)	32,523
Income tax benefit/(expense)		(4,800)	5,345
<b>(Loss)/profit after income tax benefit/(expense) from continuing operations</b>		(84,398)	37,868
<b>(Loss)/profit after income tax benefit/(expense) from discontinuing operations</b>		(3,062)	3,077
<b>(Loss)/profit after income tax benefit/(expense) for the year</b>		(87,460)	40,945
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequent to profit or loss</i>			
Foreign currency translation		(1,624)	1,666
<b>Total comprehensive income for the year</b>		(89,084)	42,611
<b>(Loss)/profit for the year is attributable to:</b>			
Owners of Cue Energy Resources Limited		(86,834)	40,943
Non-controlling interest		(626)	2
		(87,460)	40,945
<b>Total comprehensive income for the year is attributable to:</b>			
<b>Owners of Cue Energy Resources Limited</b>			
Continuing operations		(85,396)	39,532
Discontinuing operations		(3,062)	3,077
		(88,458)	42,609
<b>Non-controlling interest</b>			
Continuing operations		-	2
Discontinuing operations		(626)	-
		(626)	2
<b>Non-controlling interest</b>		(626)	2
		(89,084)	42,611

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying Notes.

30 June 2016

	2016 Cents	Restated 2015 Cents
<b>Earnings per share for profit/(loss) from continuing operations attributable to the owners of Cue Energy Resources Limited</b>		
Basic earnings per share	(12.09)	5.42
Diluted earnings per share	(12.09)	5.42
<b>Earnings per share for profit/(loss) from discontinuing operations attributable to the owners of Cue Energy Resources Limited</b>		
Basic earnings per share	(0.44)	0.44
Diluted earnings per share	(0.44)	0.44
<b>Earnings per share for profit/(loss) attributable to the owners of Cue Energy Resources Limited</b>		
Basic earnings per share	(12.44)	5.86
Diluted earnings per share	(12.44)	5.86

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying Notes.

30 June 2016

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	NOTE	2016 \$000's	Restated 2015 \$000's	Restated 1 July 2014 \$000's
<b>Current Assets</b>				
Cash and cash equivalents	7(b)	20,490	27,605	40,558
Non-Current assets held for sale		2,078	-	-
Trade and other receivables		4,481	4,761	3,542
Inventories		1,609	3,728	843
<b>Total Current Assets</b>		<b>28,658</b>	<b>36,094</b>	<b>44,943</b>
<b>Non-Current Assets</b>				
Property, plant and equipment		59	76	118
Deferred tax assets		-	70	71
Exploration and evaluation expenditure		-	51,629	8,674
Production properties		42,564	78,131	79,458
<b>Total Non-Current Assets</b>		<b>42,623</b>	<b>129,906</b>	<b>88,321</b>
<b>Total Assets</b>		<b>71,281</b>	<b>166,000</b>	<b>133,264</b>
<b>Current Liabilities</b>				
Trade and other payables		9,050	15,936	21,184
Tax liabilities		1,865	580	2,398
Provisions		640	584	563
<b>Total Current Liabilities</b>		<b>11,555</b>	<b>17,100</b>	<b>24,145</b>
<b>Non-Current Liabilities</b>				
Deferred tax liabilities		4,167	5,818	14,430
Provisions		12,970	11,409	5,627
<b>Total Non-Current Liabilities</b>		<b>17,137</b>	<b>17,227</b>	<b>20,057</b>
<b>Total Liabilities</b>		<b>28,692</b>	<b>34,327</b>	<b>44,202</b>
<b>Net Assets</b>		<b>42,589</b>	<b>131,673</b>	<b>89,062</b>
<b>Equity</b>				
Issued capital	6	152,416	152,416	152,416
Reserves		42	1,666	-
Retained profits/(loss)		(109,245)	(22,411)	(63,354)
Equity attributable to the owners of Cue Energy Resources Limited		43,213	131,671	89,062
Non-controlling interest		(624)	2	-
<b>Total Equity</b>		<b>42,589</b>	<b>131,673</b>	<b>89,062</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying Notes.

30 June 2016

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Issued Capital	Retained Profits	Foreign Currency Translation Reserve	Share Based Payment Reserve	Non- controlling Interest	Total
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Balance at 1 July 2015 restated	152,416	(22,411)	1,666	-	2	131,673
Loss after income tax benefit for the year	-	(86,834)	-	-	(626)	(87,460)
Other comprehensive income for the year, net of tax	-	-	(1,624)	-	-	(1,624)
<b>Total comprehensive profit for the year</b>	-	<b>(86,834)</b>	<b>(1,624)</b>	-	<b>(626)</b>	<b>(89,084)</b>
<b>Balance at 30 June 2016</b>	<b>152,416</b>	<b>(109,245)</b>	<b>42</b>	<b>-</b>	<b>(624)</b>	<b>42,589</b>

	Issued Capital	Retained Profits	Foreign Currency Translation Reserve	Share Based Payment Reserve	Non- controlling Interest	Total
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Balance at 1 July 2014 restated	152,416	(63,354)	-	-	-	89,062
Profit/Loss after income tax benefit for the year	-	40,943	-	-	2	40,945
Other comprehensive income for the year, net of tax	-	-	1,666	-	-	1,666
<b>Total comprehensive profit for the year</b>	-	<b>40,943</b>	<b>1,666</b>	-	<b>2</b>	<b>42,611</b>
<b>Balance at 30 June 2015 restated</b>	<b>152,416</b>	<b>(22,411)</b>	<b>1,666</b>	<b>-</b>	<b>2</b>	<b>131,673</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying Notes.

30 June 2016

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	NOTE	2016 \$000's	Restated 2015 \$000's
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		45,166	35,992
Insurance refunds received		3,720	-
Interest received		58	115
Payments to suppliers		(25,337)	(28,680)
Exploration and evaluation expenditure		(16,500)	(13,602)
Income tax paid		(5,160)	(5,159)
Royalties paid		(836)	(998)
Net cash provided by (used in) operating activities	7(a)	1,111	(12,332)
<b>Cash Flows from Investing Activities</b>			
Payments with respect to production properties		(7,122)	(17,927)
Payments for plant and equipment		(156)	(7)
Proceeds from sale of prospects, less costs of sale		-	8,289
Net cash used in investing activities		(7,278)	(9,645)
Net cash used in financing activities		-	-
<b>Net Decrease in Cash Held</b>			
Cash and cash equivalents at the beginning of the year		27,605	40,558
Effect of exchange rate change on foreign currency balances held at the beginning of the year		(948)	9,024
Cash and cash equivalents at the end of the year	7(b)	20,490	27,605

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying Notes.

## NOTES TO THE FULL YEAR PRELIMINARY FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

### NOTE 1 CHANGES IN ACCOUNTING POLICY

AASB 6 Exploration for and Evaluation of Mineral Resources allows to either capitalise or expense the exploration and evaluation expenditure incurred by the Group.

The previous accounting policy was to capitalise and carry forward exploration and evaluation expenditure as an asset when rights to tenure of the area of interest were current and costs were expected to be recouped or activities in the area of interest had not, at the reporting date, reached a stage that permitted a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in , or in relation to, the area of interest were continuing.

The Group has made a voluntary change to its accounting policy relating to exploration and evaluation expenditure. The new accounting policy was adopted for the year 30 June 2016 with effect from 1 July 2015 and has been applied retrospectively. The new exploration and evaluation accounting policy is to charge exploration and evaluation expenditure against profit and loss as incurred, except for expenditure incurred after a decision to proceed to development is made, in which case the expenditure is capitalised as an asset. The impact on the statement of cash flows is a movement from investing activities to a movement in operating activities. This amendment to the accounting policy has had a significant effect on the financial performance of the Group because it previously capitalised exploration expenditure in the period it was incurred. The Group has transferred at the beginning of the comparative period exploration expenditure costs carried forward to accumulated losses as a result of the change in accounting policy.

The Group is of the view that the change in policy will result in the financial report providing more relevant and no less reliable information because capitalisation of costs will only begin once a decision to proceed with development has been made.

The following tables summarises the impact of the voluntary change in the accounting policy on exploration and evaluation costs, set out in the Group's consolidated financial statements.

30 June 2016

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 June 2015 \$000's	Effects of restatement \$000's	30 June 2015 Restated \$000's
<b>Current Assets</b>			
Cash and cash equivalents	27,605	-	27,605
Trade and other receivables	4,761	-	4,761
Inventories	3,728	-	3,728
<b>Total Current Assets</b>	<b>36,094</b>	<b>-</b>	<b>36,094</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	76	-	76
Deferred tax assets	70	-	70
Exploration and evaluation expenditure	97,058	(45,429)	51,629
Production properties	78,131	-	78,131
<b>Total Non-Current Assets</b>	<b>175,335</b>	<b>(45,429)</b>	<b>129,906</b>
<b>Total Assets</b>	<b>211,429</b>	<b>(45,429)</b>	<b>166,000</b>
<b>Current Liabilities</b>			
Trade and other payables	15,936	-	15,936
Tax liabilities	580	-	580
Provisions	584	-	584
<b>Total Current Liabilities</b>	<b>17,100</b>	<b>-</b>	<b>17,100</b>
<b>Non-Current Liabilities</b>			
Deferred tax liabilities	11,017	(5,199)	5,818
Provisions	11,409	-	11,409
<b>Total Non-Current Liabilities</b>	<b>22,426</b>	<b>(5,199)</b>	<b>17,227</b>
<b>Total Liabilities</b>	<b>39,526</b>	<b>(5,199)</b>	<b>34,327</b>
<b>Net Assets</b>	<b>171,903</b>	<b>(40,230)</b>	<b>131,673</b>
<b>Equity</b>			
Issued capital	152,416	-	152,416
Reserves	2,448	(782)	1,666
Retained profits/(loss)	17,037	(39,448)	(22,411)
Equity attributable to the owners of Cue Energy Resources Limited	171,901	(40,230)	131,671
Non-controlling interest	2	-	2
<b>Total Equity</b>	<b>171,903</b>	<b>(40,230)</b>	<b>131,673</b>
 (Loss)/profit per share (cents per share)			
Basic (loss) per share (cents)	5.74	0.12	5.86
Diluted (loss) per share (cents)	5.74	0.12	5.86
 (Loss)/profit per share (cents per share) – continuing operations			
Basic (loss) per share (cents)	5.71	(0.29)	5.42
Diluted (loss) per share (cents)	5.71	(0.29)	5.42

30 June 2016

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont')

	1 July 2014 \$000's	Effects of restatement \$000's	1 July 2014 Restated \$000's
<b>Current Assets</b>			
Cash and cash equivalents	40,558	-	40,558
Trade and other receivables	3,542	-	3,542
Inventories	843	-	843
<b>Total Current Assets</b>	<b>44,943</b>	<b>-</b>	<b>44,943</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	118	-	118
Deferred tax assets	71	-	71
Exploration and evaluation expenditure	54,069	(45,395)	8,674
Production properties	79,458	-	79,458
<b>Total Non-Current Assets</b>	<b>133,716</b>	<b>(45,395)</b>	<b>88,321</b>
<b>Total Assets</b>	<b>178,659</b>	<b>(45,395)</b>	<b>133,264</b>
<b>Current Liabilities</b>			
Trade and other payables	21,184	-	21,184
Tax liabilities	2,398	-	2,398
Provisions	563	-	563
<b>Total Current Liabilities</b>	<b>24,145</b>	<b>-</b>	<b>24,145</b>
<b>Non-Current Liabilities</b>			
Deferred tax liabilities	19,484	(5,054)	14,430
Provisions	5,627	-	5,627
<b>Total Non-Current Liabilities</b>	<b>25,111</b>	<b>(5,054)</b>	<b>20,057</b>
<b>Total Liabilities</b>	<b>49,256</b>	<b>(5,054)</b>	<b>44,202</b>
<b>Net Assets</b>	<b>129,403</b>	<b>(40,341)</b>	<b>89,062</b>
<b>Equity</b>			
Issued capital	152,416	-	152,416
Reserves	-	-	-
Retained profits/(loss)	(23,013)	(40,341)	(63,354)
Equity attributable to the owners of Cue Energy Resources Limited	129,403	(40,341)	89,062
Non-controlling interest	-	-	-
<b>Total Equity</b>	<b>129,403</b>	<b>(40,341)</b>	<b>89,062</b>

30 June 2016

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	30 June 2015 as previously reported \$000's	Effect of restatement \$000's	30 June 2015 as restated \$000's
Production revenue from continuing operations	36,925	-	36,925
Production costs	(13,425)	-	(13,425)
<b>Gross profit from production</b>	<b>23,500</b>	<b>-</b>	<b>23,500</b>
Other revenue	41,986	-	41,986
Amortisation expense	(10,828)	-	(10,828)
Net foreign currency exchange (loss)/gain	6,911	-	6,911
Impairment - production	(18,015)	-	(18,015)
E&E expenditure	-	(2,099)	(2,099)
Other expenses	(8,932)	-	(8,932)
<b>(Loss)/profit before income tax benefit/(expense) from continuing operations</b>	<b>34,622</b>	<b>(2,099)</b>	<b>32,523</b>
Income tax benefit/(expense)	5,200	145	5,345
<b>(Loss)/profit after income tax benefit/(expense) from continuing operations</b>	<b>39,822</b>	<b>(1,954)</b>	<b>37,868</b>
<b>(Loss)/profit after income tax benefit/(expense) from discontinuing operations</b>	<b>230</b>	<b>2,847</b>	<b>3,077</b>
<b>(Loss)/profit after income tax benefit/(expense) for the year</b>	<b>40,052</b>	<b>893</b>	<b>40,945</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequent to profit or loss</i>			
Foreign currency translation	2,448	(782)	1,666
<b>Total comprehensive income for the year</b>	<b>42,500</b>	<b>111</b>	<b>42,611</b>
<b>(Loss)/profit for the year is attributable to:</b>			
Owners of Cue Energy Resources Limited	40,050	893	40,943
Non-controlling interest	2	-	2
	40,052	893	40,945
<b>Total comprehensive income for the year is attributable to :</b>			
Continuing operations	42,268	(2,736)	39,532
Discontinuing operations	230	2,847	3,077
	42,498	111	42,609
<b>Owners of Cue Energy Resources Limited</b>			
Continuing operations	2	-	2
Discontinuing operations	-	-	-
	2	-	2
<b>Non-controlling interest</b>			
	42,500	111	42,611

30 June 2016

## CONSOLIDATED STATEMENT OF CASH FLOWS

	30 June 2015 as previously reported \$'000	Effect of restatement \$'000	30 June 2015 as restated \$'000
<b>Cash flows from operating activities</b>			
Exploration and evaluation expenditure	-	(13,602)	(13,602)
<b>Net cash (used in ) operating activities</b>	<b>-</b>	<b>(13,602)</b>	<b>(13,602)</b>
<b>Cash flows from investing activities</b>			
Exploration and evaluation expenditure	(13,602)	13,602	-
<b>Net cash (used in) investing activities</b>	<b>(13,602)</b>	<b>13,602</b>	<b>-</b>

30 June 2016

## NOTE 2 STATEMENT OF COMPLIANCE

The preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A, the disclosure requirements of ASX Appendix 4E. The accounting policies, except for changes in accounting policy noted, and methods of computation adopted in the preparation of the preliminary final report are consistent with those adopted and disclosed in the company's Annual Financial Report for the year ended 30 June 2015.

## NOTE 3 OTHER REVENUE

	2016 \$'000	2015 \$'000
Interest from cash and cash equivalents	60	107
Maari insurance refund	3,720	-
Joint Venture overhead charge	-	27
Profit on acquisition of 60% Mahakam Hilir PSC	-	36,022
Profit on sale of Cue PNG Oil Company Pty Ltd	-	5,830
<b>Total Other Revenue from continuing operations</b>	<b>3,780</b>	<b>41,986</b>

## NOTE 4 OTHER EXPENSES

	2016 \$'000	2015 \$'000
Depreciation	(34)	(49)
Employee expense (net of superannuation)	(4,793)	(4,150)
Superannuation contribution expense	(245)	(221)
Operating lease expense	(254)	(265)
Takeover defence related costs	-	(2,003)
Administration expenses	(1,005)	(765)
Business development expenses	(389)	(1,479)
<b>Total Other Expenses</b>	<b>(6,720)</b>	<b>(8,932)</b>

30 June 2016

## NOTES TO THE FULL YEAR PRELIMINARY FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (cont.)

### NOTE 5 SEGMENT INFORMATION

The principal business of the group is the production and exploration for hydrocarbons in Australia, New Zealand, Indonesia and USA.

Management has determined the operating segments based upon reports reviewed by the board and executive management that are used to make strategic decisions.

The board considers the business from both a product and geographic perspective and has identified four reportable segments. USA represents discontinuing operations.

2016	Australia	NZ	Indonesia	USA	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Production Revenue	-	13,091	32,321	-	45,412
Production Expenses	-	(6,608)	(13,045)	-	(19,653)
Gross Profit	-	6,483	19,276	-	25,759
Other revenue	60	3,720	-	-	3,780
Foreign exchange movement	90	-	-	-	90
Earnings before interest expense, tax, depreciation and amortisation	(9,288)	(22,906)	(36,438)	-	(68,632)

2015	Australia	NZ	Indonesia	USA	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Production Revenue	-	14,269	22,436	220	36,925
Production Expenses	-	(4,010)	(8,978)	(437)	(13,425)
Gross Profit	-	10,259	13,458	(217)	23,500
Other revenue	5,937	-	36,022	27	41,986
Foreign exchange movement	7,322	-	(405)	(6)	6,911
Earnings before interest expense, tax, depreciation and amortisation	2,146	(8,329)	49,778	(195)	43,400

Total segment assets	Australia	NZ	Indonesia	USA	Total
30 June 2016	16,647	34,540	18,016	2,078	71,281
30 June 2015	26,405	66,672	68,465	4,458	166,000
Total segment liabilities					
30 June 2016	1,354	13,630	13,708	-	28,692
30 June 2015	2,043	18,742	11,930	1,612	34,327

30 June 2016

## NOTES TO THE FULL YEAR PRELIMINARY FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (cont.)

### NOTE 5 SEGMENT INFORMATION (cont.)

Reconciliation of earnings before interest expense, tax, depreciation and amortisation and (EBITDA) to Net Profit before Income Tax:

	2016 \$'000	2015 \$'000
EBITDA	(68,632)	43,400
Depreciation	(34)	(49)
Amortisation	(10,932)	(10,828)
<b>Net (loss)/ profit before income tax</b>	<b>(79,598)</b>	<b>32,523</b>

The Board assesses the performance of the operating segments based upon a measure of earnings before interest expense, tax, depreciation and amortisation.

The Company operated predominantly in one industry, exploration and production of hydrocarbons.

### NOTE 6 CONTRIBUTED CAPITAL

	June 2016 Number	June 2015 Number	June 2016 \$'000	June 2015 \$'000
Ordinary shares fully paid (no par value)	698,119,720	698,119,720	152,416	152,416
<b>Total Share Capital</b>	<b>698,119,720</b>	<b>698,119,720</b>	<b>152,416</b>	<b>152,416</b>

Movements in contributed capital since 1 July 2015 were as follows:

	Ordinary Shares	Issue price	\$'000
Balance at beginning of the year	698,119,720	-	152,416
Movement	-	-	-
<b>Balance at end of the year</b>	<b>698,119,720</b>	<b>-</b>	<b>152,416</b>

30 June 2016

## NOTES TO THE FULL YEAR PRELIMINARY FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (cont.)

### NOTE 7 NOTES TO THE STATEMENT OF CASH FLOWS STATEMENT

#### (a) Reconciliation of operating profit to net cash flows from operating activities:

	2016 \$'000	2015 \$'000
<i>Reported profit/(loss) after tax</i>	(87,460)	40,945
<i>Impact of changes in working capital items</i>		
(Increase)/decrease in assets	2,060	(18,227)
Decrease in liabilities	16	(11,564)
<i>Items not involving cash flows</i>		
Production property write down	26,303	18,015
Exploration impairments	49,990	2,099
Depreciation	34	49
Amortisation	11,107	10,828
Gain on purchase of assets	-	(36,022)
Profit on sale of assets	-	(8,677)
Net gain on foreign currency conversion	(939)	(9,778)
Decrease net cash flows from operating activities	<b>1,111</b>	<b>(12,332)</b>

#### (b) Cash comprises cash balances held in Australia and foreign currencies, principally US dollars, within Australia and overseas:

Australia	16,501	26,197
New Zealand	495	384
Indonesia	3,413	763
USA	81	261
Cash Flow Statement cash balance	<b>20,490</b>	<b>27,605</b>

30 June 2016

## NOTES TO THE FULL YEAR PRELIMINARY FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (cont.)

### NOTE 8 LIST OF PERMIT INTERESTS

PERMIT	OPERATOR	CUE INTEREST (%)
<b>Petroleum Properties</b>		
<b>Indonesia</b>		
Sampang PSC <sup>(i)</sup>	Santos (Sampang) Pty Ltd	15.00
Mahakam Hilir PSC	Cue Kalimantan Pte Ltd	100.00
Mahato PSC	Texcal Mahato Pte Ltd	12.50
<b>USA</b>		
Pine Mills	Cue Resources, Inc	80.00
<b>Australia</b>		
WA-359-P	Cue Exploration Pty Ltd	100.00
WA-389-P	BHP Billiton (Australia) Pty Ltd	40.00
WA-409-P	Cue Exploration Pty Ltd	100.00
<b>New Zealand</b>		
PMP 38160	OMV New Zealand Limited	5.00
PEP 51313 <sup>(ii)</sup>	OMV New Zealand Limited	14.00
PEP 51149 <sup>(ii)</sup>	Todd Exploration Limited	20.00
PEP 54865 <sup>(ii)</sup>	Todd Exploration Limited	20.00

(i) Economic interest in the Jeruk field 8.181818

(ii) The Group has withdrawn from these licenses

30 June 2016

## NOTES TO THE FULL YEAR PRELIMINARY FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 *(cont.)*

### NOTE 11 EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to the end of the financial year:

- (i) Mr Andrew Knight resigned as a director, and Mr Duncan Saville was appointed as a director, effective 18 August 2016.
- (ii) Cue together with all joint venture partners has elected to withdraw from PEP54865 and PEP51313, offshore New Zealand.

Apart from these matters the Directors are not aware of any matter or circumstance since the end of the financial year, not otherwise dealt with in this report that has significantly or may significantly affect the operations of Cue Energy Resources Limited, the results of those operations or the state of affairs of the Company or Group.

### NOTE 12 INFORMATION ON AUDITOR REVIEW

This report is based on accounts that are in the process of being audited.

30 June 2016

## EXECUTIVE

GA Worner (Executive Chairman) *BE(Chemical 1st Hons), MBA, GAICD*

## NON-EXECUTIVE DIRECTORS

BH Koh *B.Sc (Hons)*

DP Saville *B. Com (Hons), B. Sc (Hons), FCA, F Fin, FAICD*

BL Smith

## CHIEF FINANCIAL OFFICER/ COMPANY SECRETARY

AM Knox *B.Com, CA, CPA, FAICD*

## CO-COMPANY SECRETARY

PM Moffatt *B.Com, AGIA, AAICD*

## REGISTERED OFFICE

Level 19

357 Collins Street

MELBOURNE VIC 3000

Phone: +613 8610 4000

Fax: +613 9614 2142

Email: [mail@cuenrg.com.au](mailto:mail@cuenrg.com.au)

Web: [www.cuenrg.com.au](http://www.cuenrg.com.au)

## AUDITOR

BDO East Coast Partnership

Level 14, 140 William Street

MELBOURNE VIC 3000

## STOCK EXCHANGE LISTINGS

### AUSTRALIA

Australian Securities Exchange Ltd

525 Collins Street

Melbourne, Victoria 3000 Australia

### UNITED STATES OF AMERICA

OTC

OTC Markets

304 Hudson Street 3rd Floor

New York, NY 10013 USA

## SHARE REGISTER

### AUSTRALIA

Computershare Investor Services Pty Ltd

Yarra Falls, 452 Johnston Street

Abbotsford, Victoria 3067 Australia

GPO Box 2975

Melbourne, Victoria 3000 Australia

Telephone: 1300 850 505 (within

Australia)

or +61 3 9415 4000 (outside Australia)

Email:

[web.queries@computershare.com.au](mailto:web.queries@computershare.com.au)

Website: [www.computershare.com.au](http://www.computershare.com.au)

## BANKERS

ANZ Banking Group Limited

91 William Street

Melbourne Victoria 3000 Australia

National Australia Bank Limited

Level 4, 330 Collins Street

Melbourne Victoria 3000 Australia

Green Bank

2900 North Loop West

Houston TX 77092 US

PT. Bank Mandiri (Persero) Tbk

Corporate Banking V Group

Plaza Mandiri, 1st Floor

Jl. Jend. Gatot Soebroto Kav 36-38

Jakarta 12190, Indonesia