



## Cue Energy Resources Limited

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10th Floor  
20 Bond Street  
Sydney NSW 2000

DATE : 1 July 2011

PAGES (including this page): 26

FROM : Andrew Knox

RE : **Cue Energy Resources July Investor 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

# Investor Presentation

1<sup>st</sup> July 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

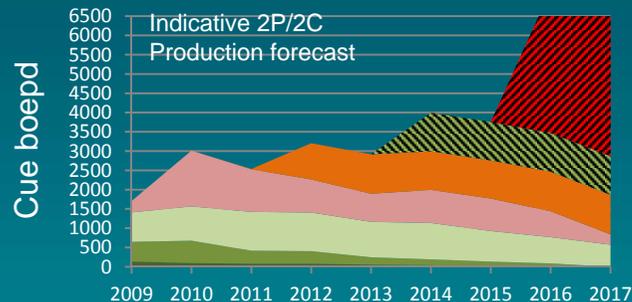
MARK PATON, BSC (Hons 1) C Eng  
*Chief Executive Officer*  
 30 years experience. Joined Cue in Feb 2011

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	5,326
Listings	ASX: Cue; POMSOX: Cue; ADR/OTCQX: CUEYY
Ordinary Shares	694,819,718
Top Twenty Shareholders	436 Million (63%)
Key Shareholders	
Todd Petroleum	27%
Singapore Petroleum	16.6%
Market Capitalisation @ A27c	A\$188 Million
YTD Trading Range	24 – 45c
Average Daily Volume	~500,000
Cash at 30/06/2011	A\$ 53 Million
Project Loan 30/06/2011	US\$ 5.4 Million
Employees	10



- Cue Reserves
- ~3MMbbls Oil
- ~150Bcf Gas

### Cue Net Production Forecast CY 2011

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



# From Good...



Cue Energy Resources Limited

## Current Status

- \$188 million market capitalisation @ \$0.27/share
- In the range 15<sup>th</sup>-20<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

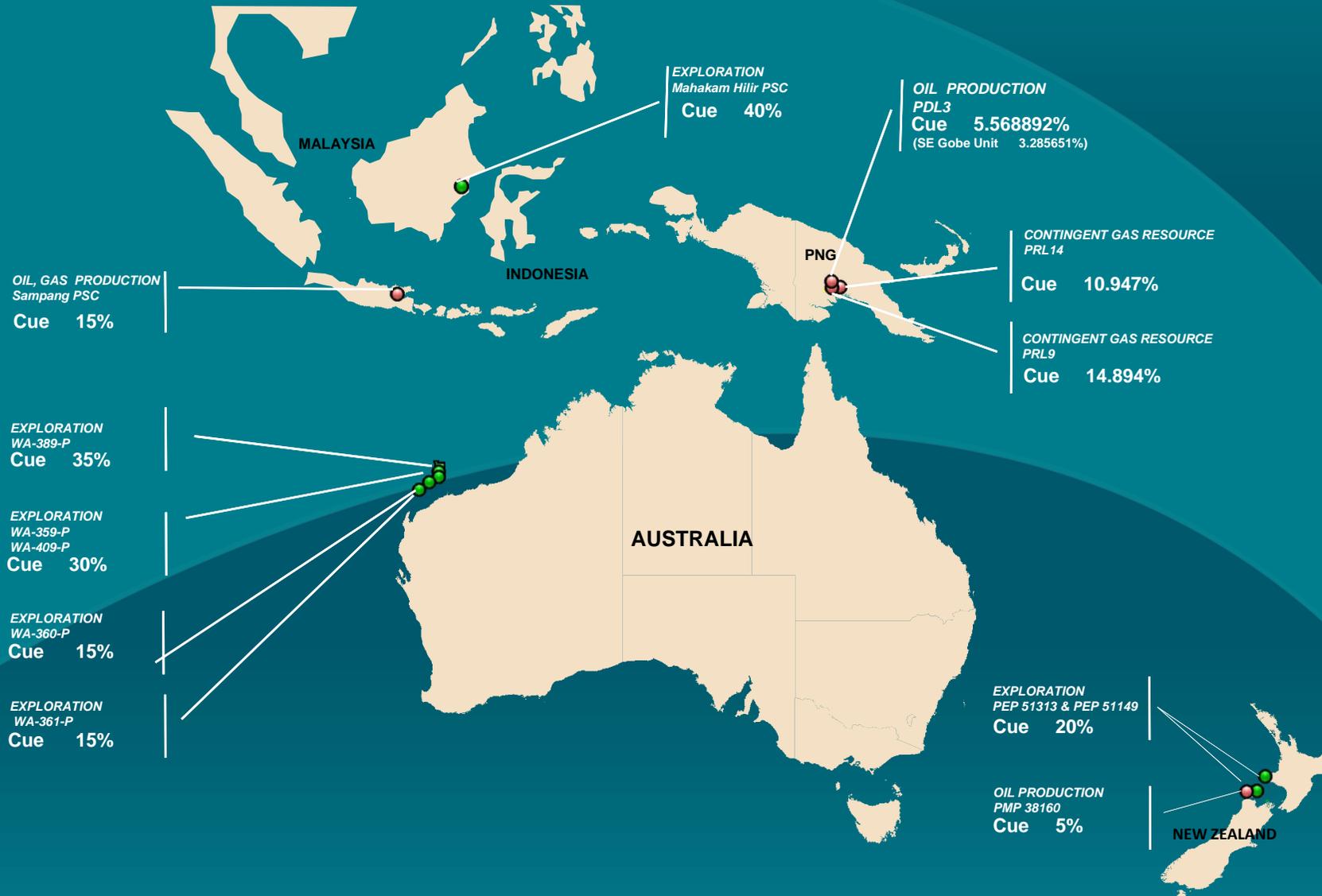
Build Capability

## 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 25-50% 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!

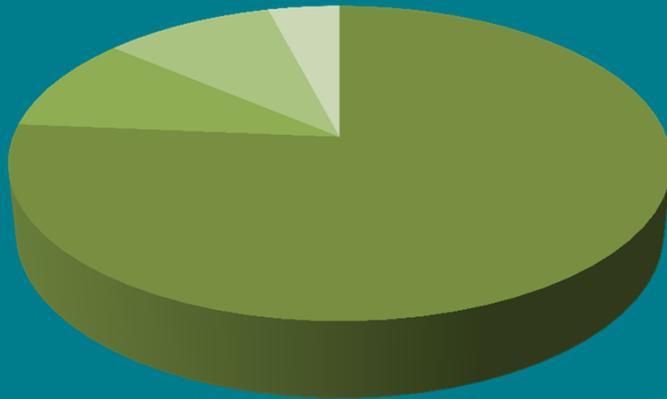
# Asset Location Map



...geographically focused

# Hydrocarbon Inventory

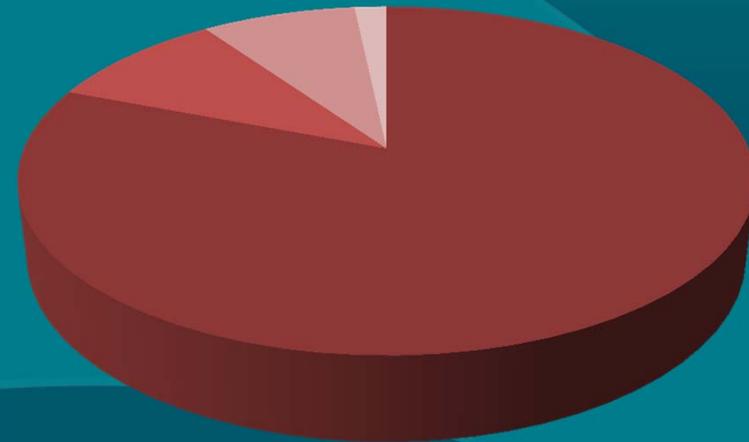
## Oil Reserves



**TOTAL Oil : 3.35 mmbbls**

- 2.60 mmbbls (2P) Maari (NZ)
- 0.31 mmbbls (2P) Manaia (NZ)
- 0.31 mmbbls (2P\*) Oyong (Indonesia)
- 0.13 mmbbls (2P) SE Gobe (PNG)

## Gas Reserves/ Resources



**TOTAL Gas : 149 BCF**  
(25 mmbbls BOE)

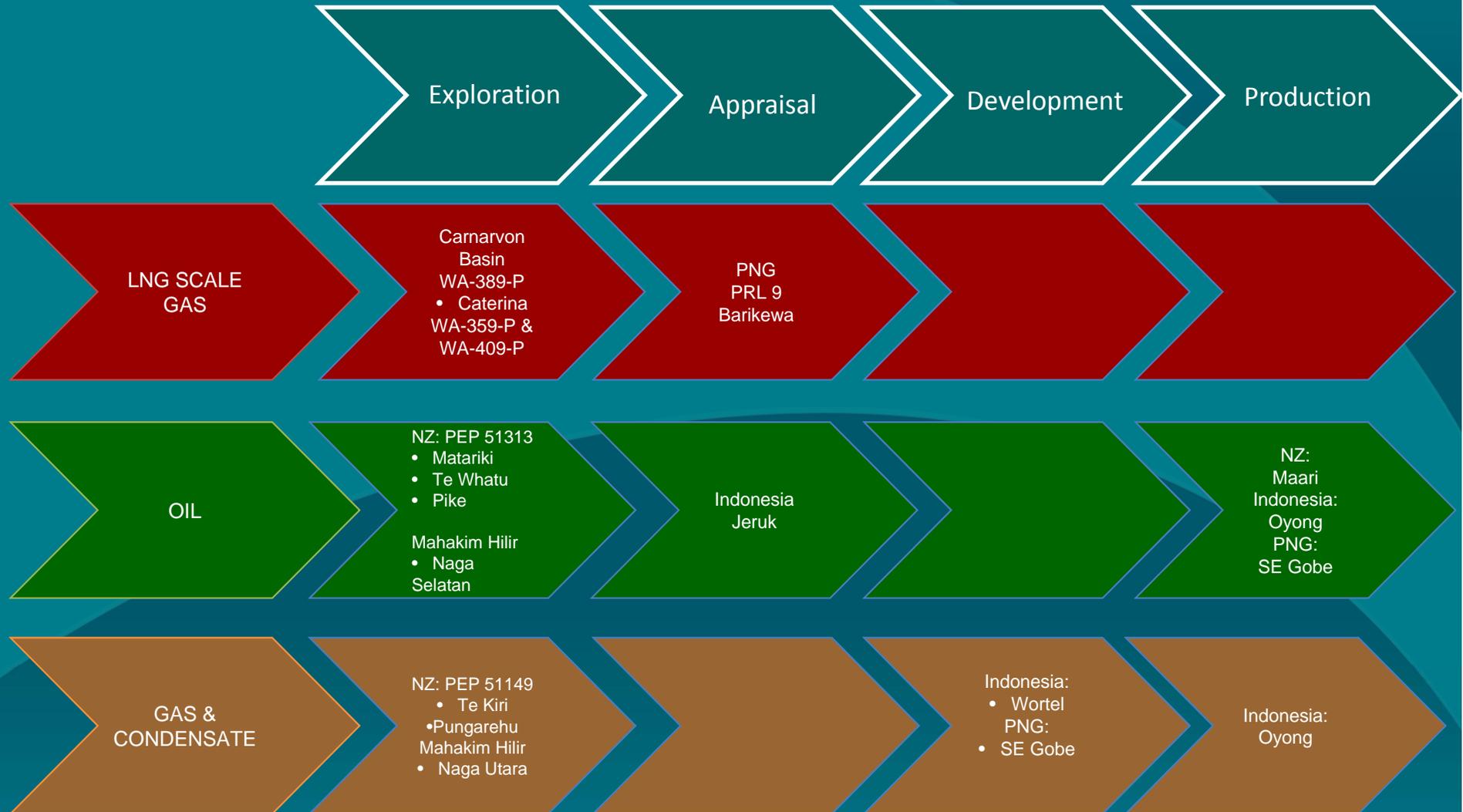
- 120 BCF (2C†) Barikewa (PNG)
- 14 BCF (2P) Wortel (Indonesia)
- 12 BCF (2P) Oyong (Indonesia)
- 2.5 BCF (2C†) SE Gobe (PNG)

\*Cue estimate

† Contingent resource

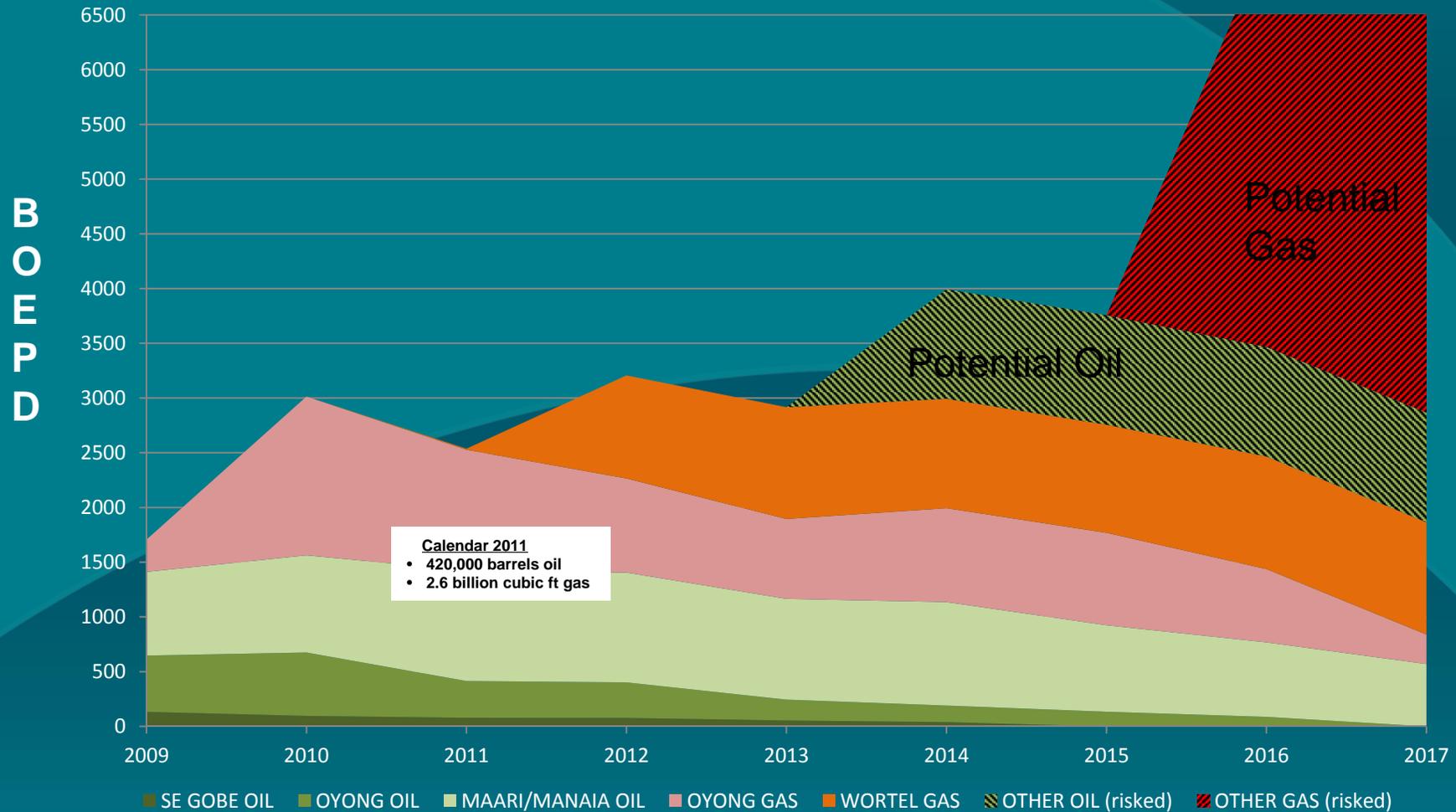
Volumes remaining to be produced at 31/12/2010

# A balanced portfolio of existing assets



... aiming to add projects across the spectrum

# Net 2P / 2C Indicative Production Forecast



... Long term production with potential upside

# 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

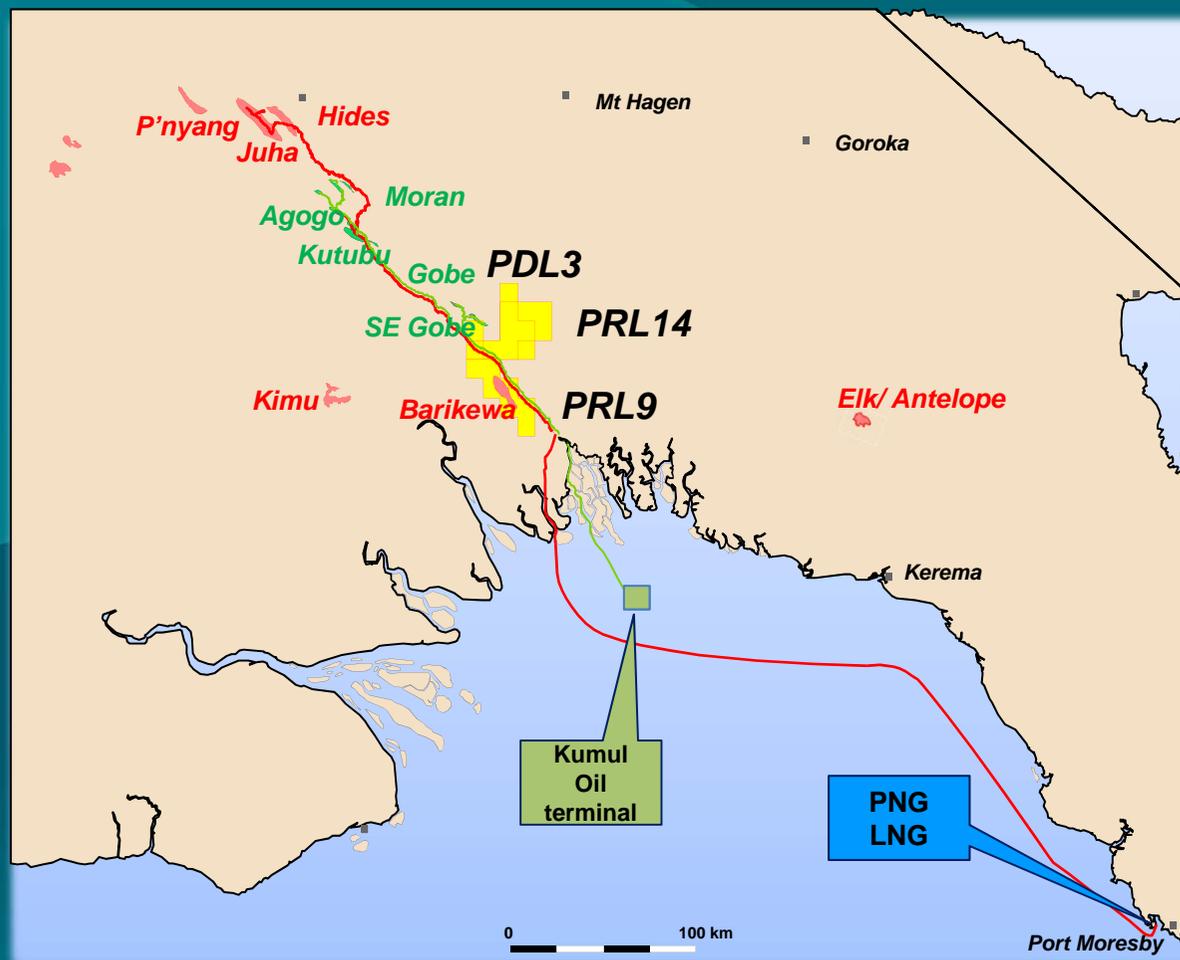
### Barikewa Field (Cue 14.89%)

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 Q3 2011.
- Prospects are along trend of producing oil and gas fields.

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

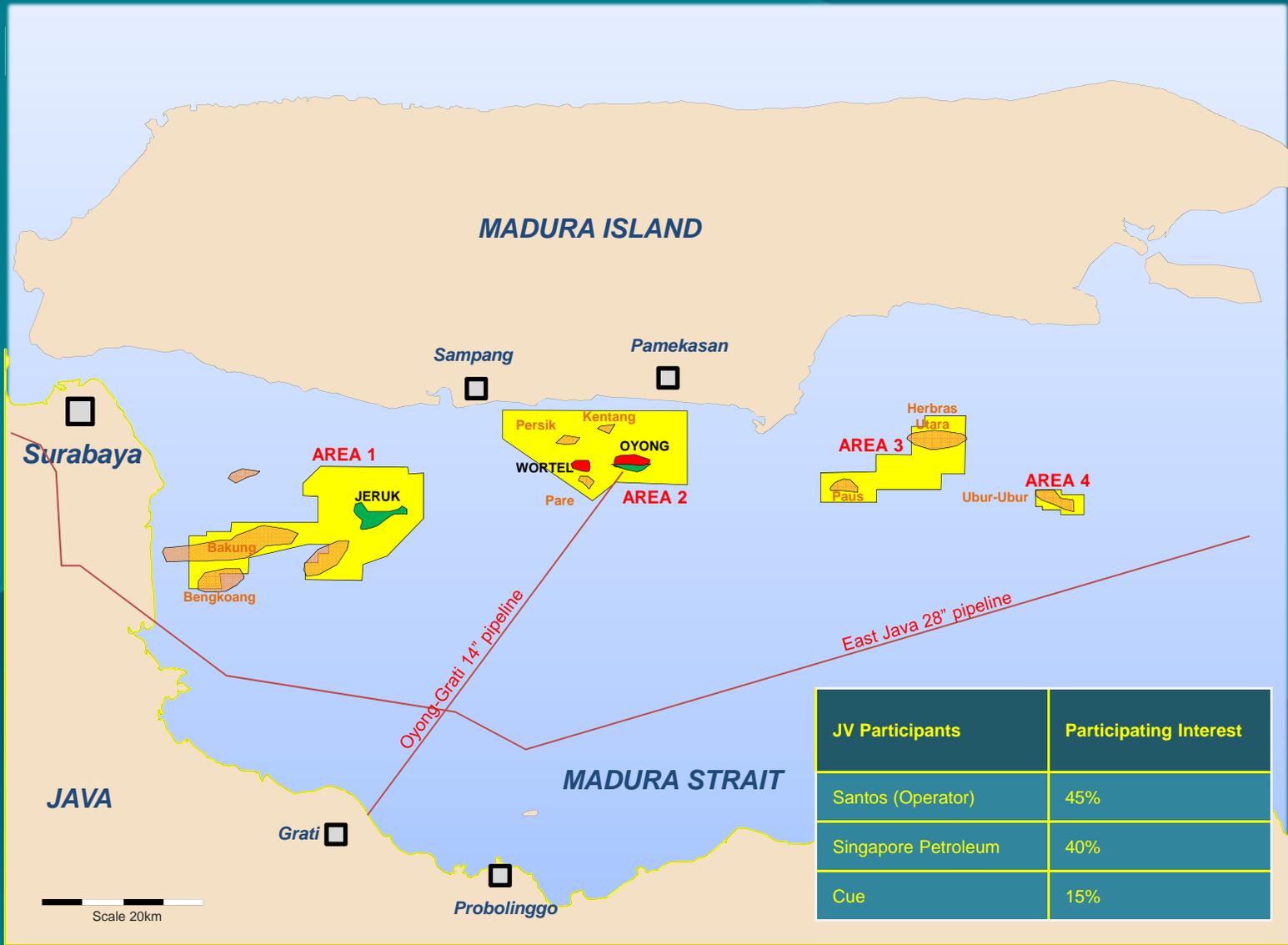
- Existing production - Oyong Oil and Gas.
- Wortel Gas Production Q1 2012.
- Exploration and new field opportunities.

# Sampang PSC – Indonesia



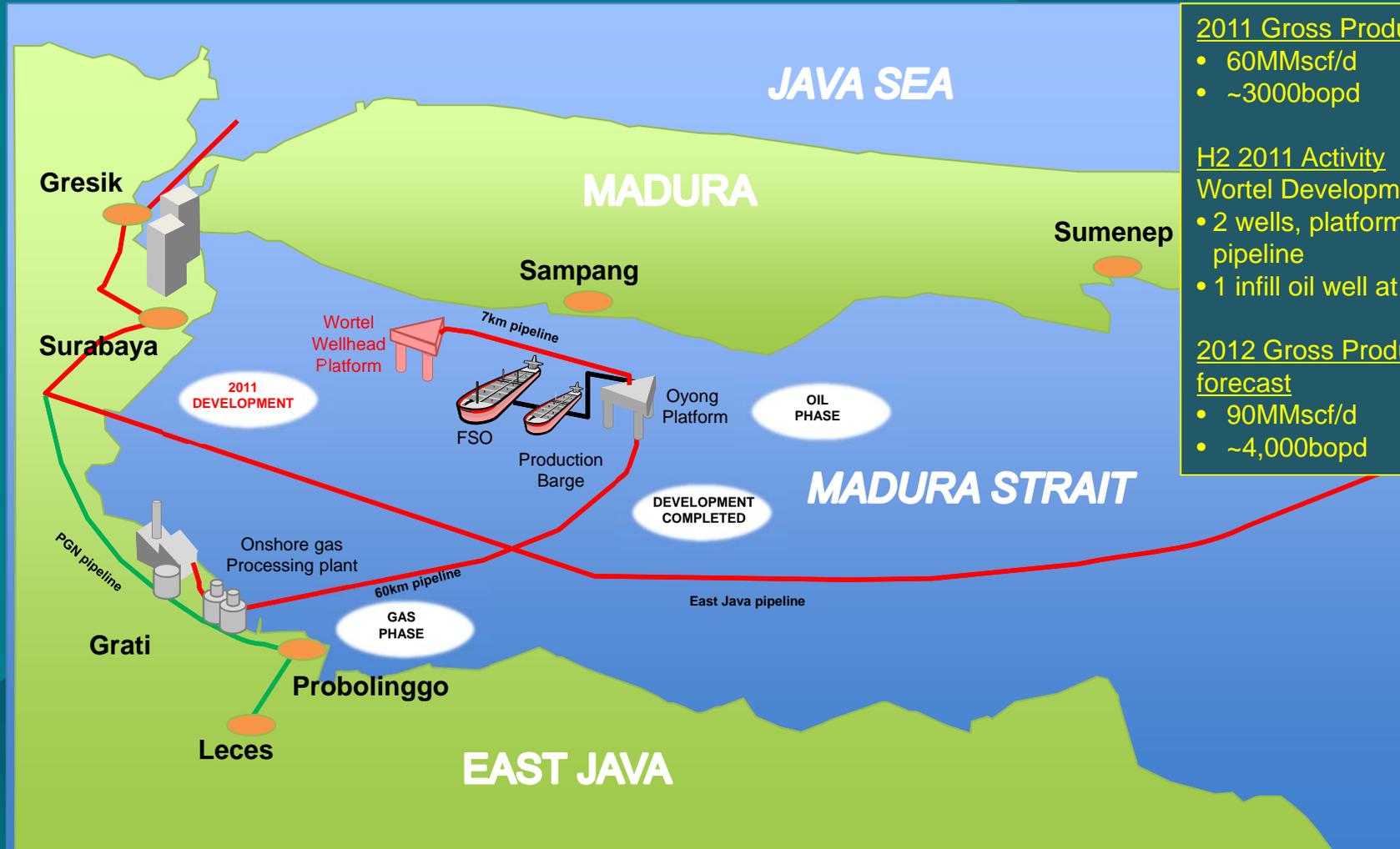
**LEGEND**

- Cue Contract
- Gas Field
- Oil Field
- Prospect
- Gas Pipeline



JV Participants	Participating Interest
Santos (Operator)	45%
Singapore Petroleum	40%
Cue	15%

# 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

Source: Santos Ltd

...three stage development

# Kutei Basin Farm-in June 2011

## KEY BASIN STATISTICS

Oil Recoverable	3755MMbbls
Gas Recoverable	67TCF
Condensate Recoverable	991MMbbls

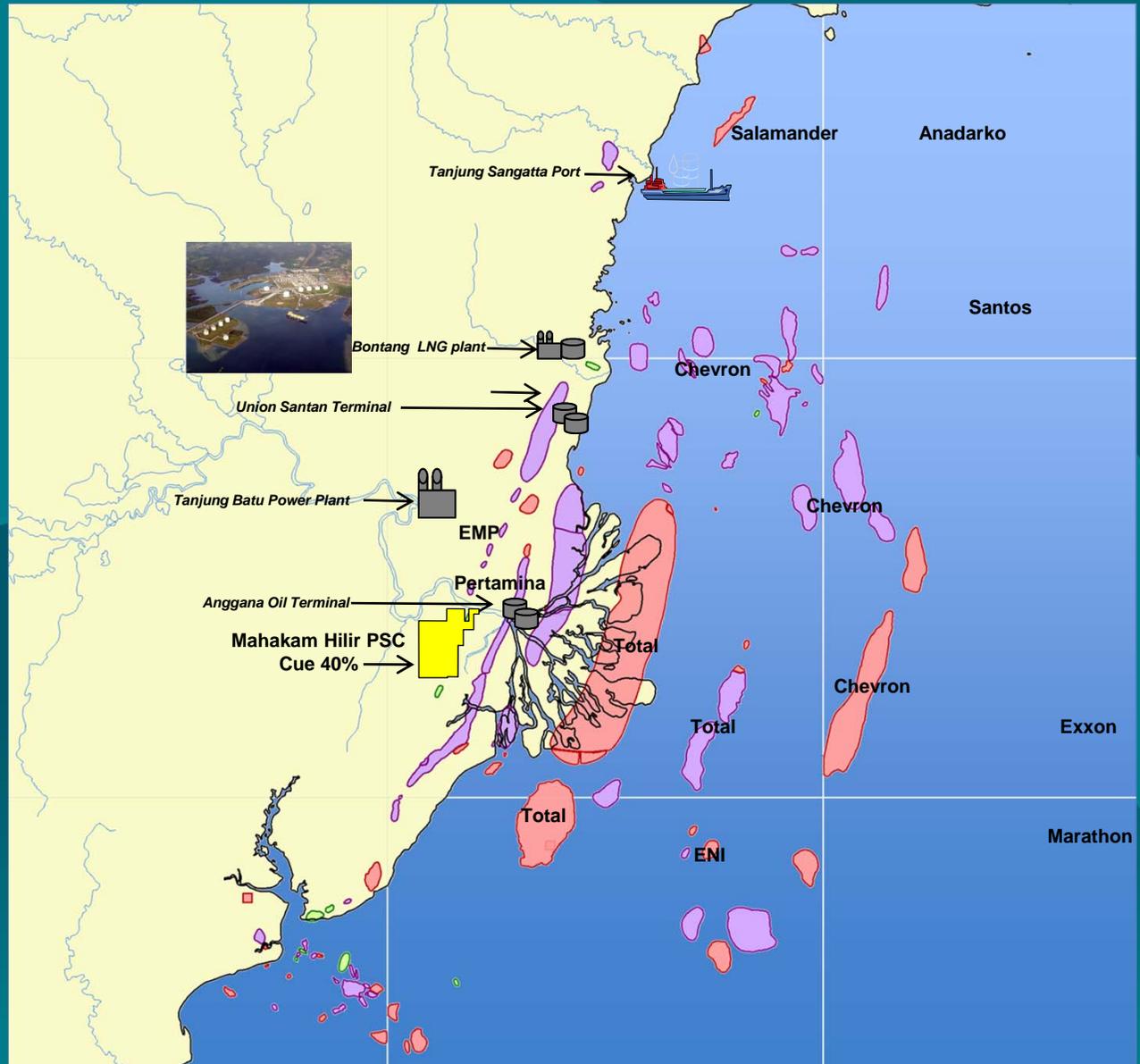
Multinational and Independent companies having assets in the basin – Exxon, Anadarko, Marathon, Chevron, ENI, Total, Santos

## COMMERCIALISATION

Multiple oil terminals / processing plants

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

Power Station

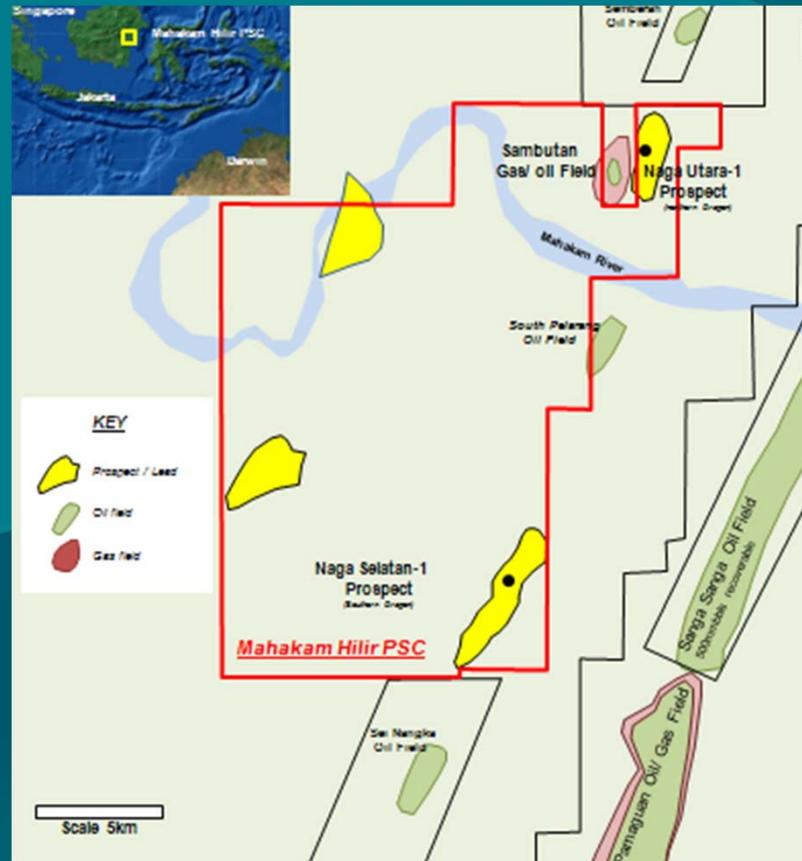


# Mahakam Hilir PSC

## KEY STATISTICS

- 200 km of new seismic acquired by SPC
- Historic seismic reprocessed
- 2 prospects high-graded and ready for drilling
- Drilling to commence H2 2011

JV Participants	Participating Interest
SingaporePetroleum (Operator)	60%
Cue	40%



## Oil and Gas Seeps

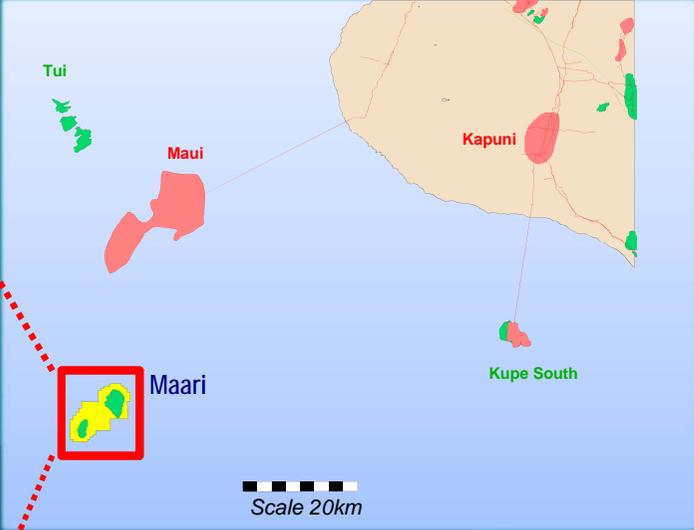
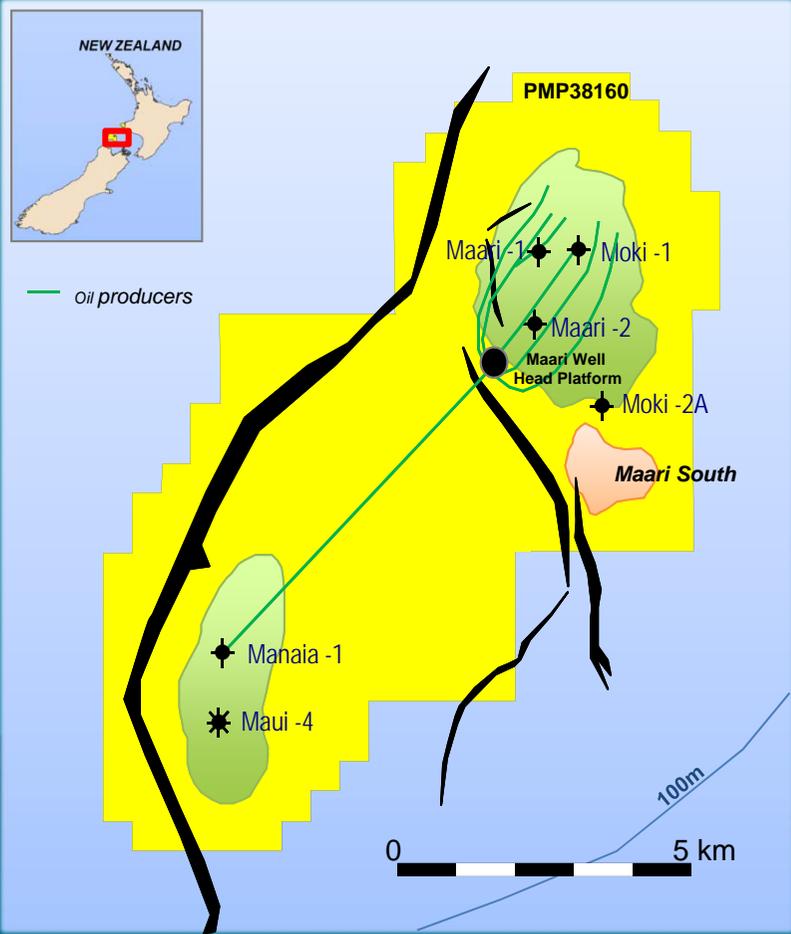


...near term oil exploration

# New Zealand Maari Oil Field



Cue Energy Resources Limited



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

...long term oil production

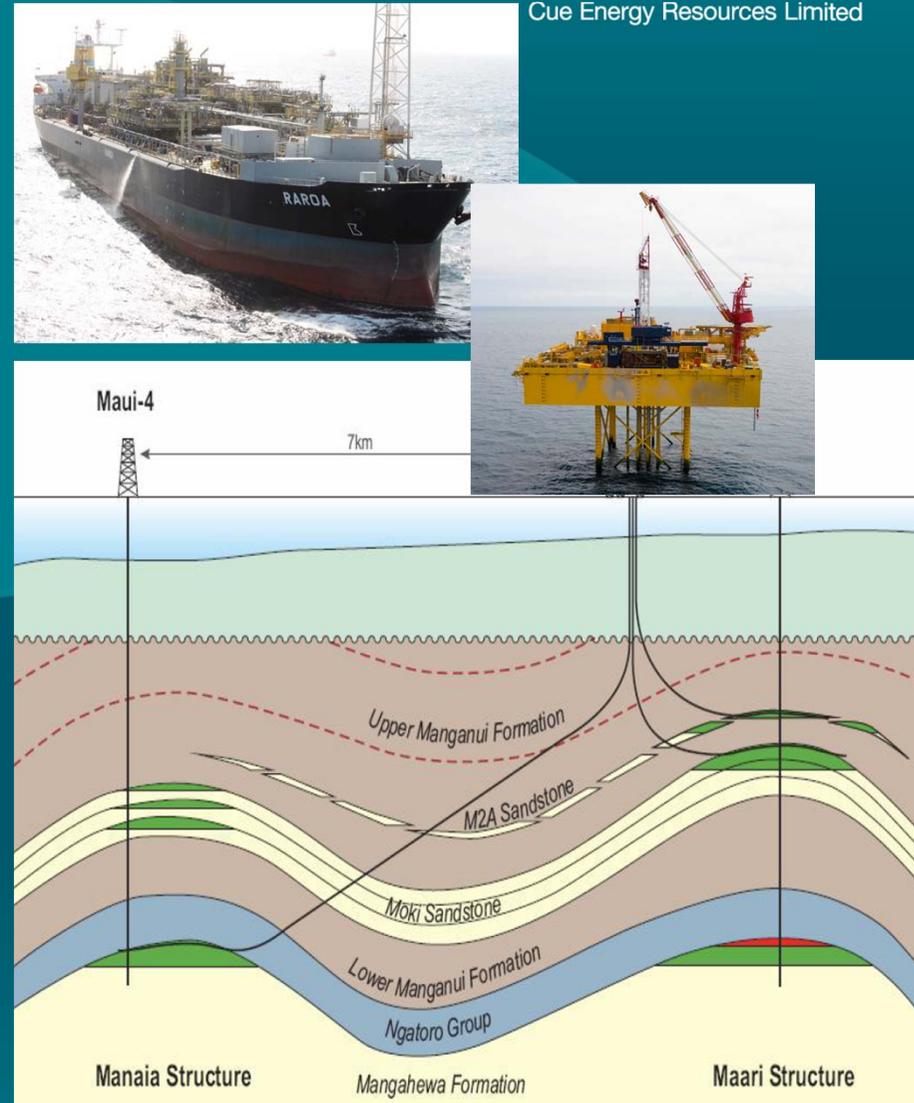
# Maari Development

## Phase 1

- Platform, FPSO, 7 oil wells, 3 water injectors
- First oil 1Q 2009, 15.5 million barrels produced
- Current rate ~ 15,000 bopd  
Cue share ~ 750 bopd
- Moki 2P oil reserves ~ 52 million barrels  
Cue share ~ 2.6 million barrels
- M2A 2P initial reserves 3.2 million bbls
- Manaia 2P initial reserves 6.3 million bbls
- Area upside + 20 - 40 mmbbls\*  
\* Cue estimate

## Phase 2

- Development planning is under way

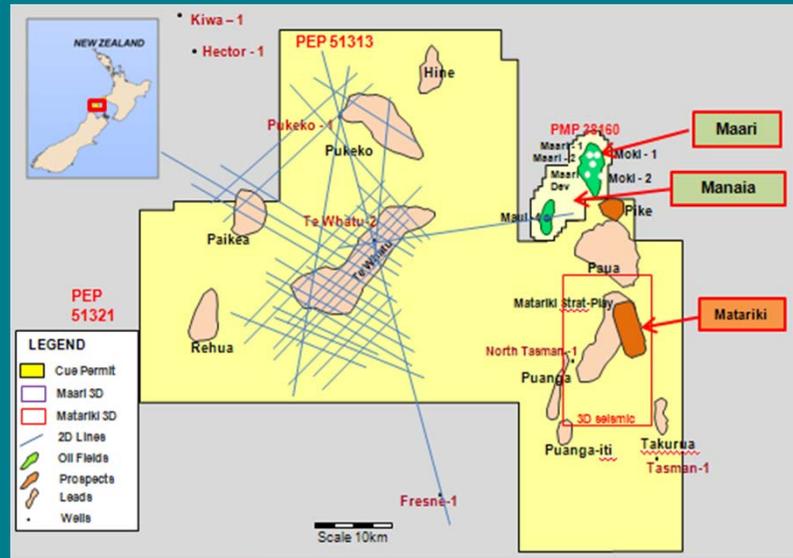


Source: Horizon

**...substantial upside oil potential**

# New Zealand Exploration

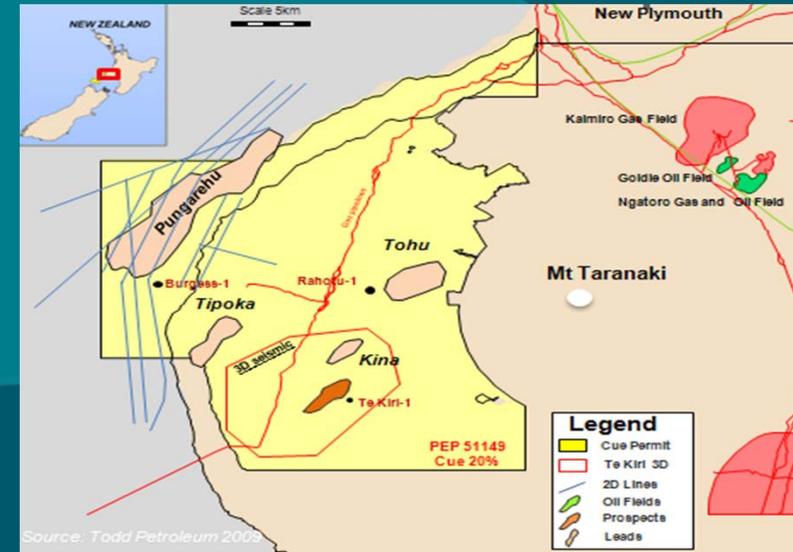
## PEP 51313 - Matariki



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

- Te Whātu 2D acquisition & Matariki 3D processing completed Q2 2011

## PEP 51149 – Te Kiri and Pungarehu

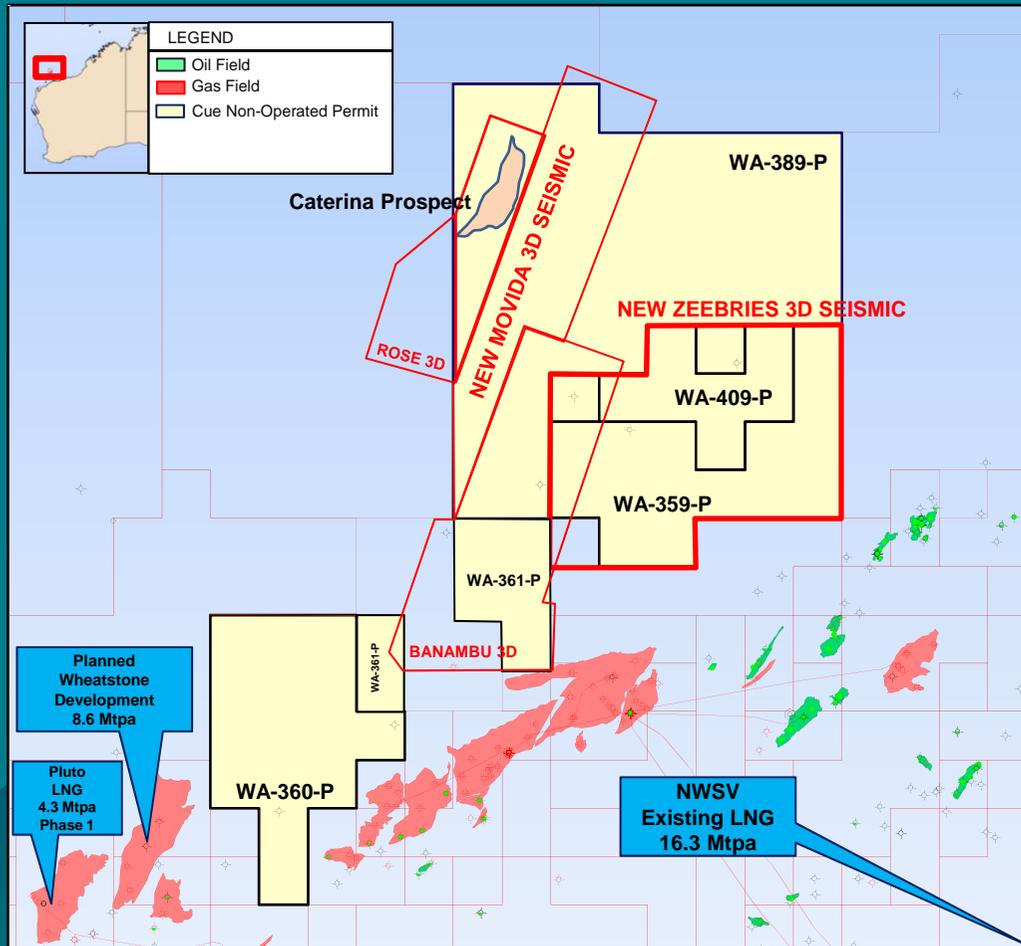


JV Participants	Participating Interest
Todd Exploration	40% (Operator)
Mighty River Power Gas Ltd	30%
Cue Taranaki Pty Limited	20%
Mosaic Oil Limited (AGL)	10%

- Pungarehu 2D Seismic acquisition completed Q2 2011

...new seismic to mature exploration

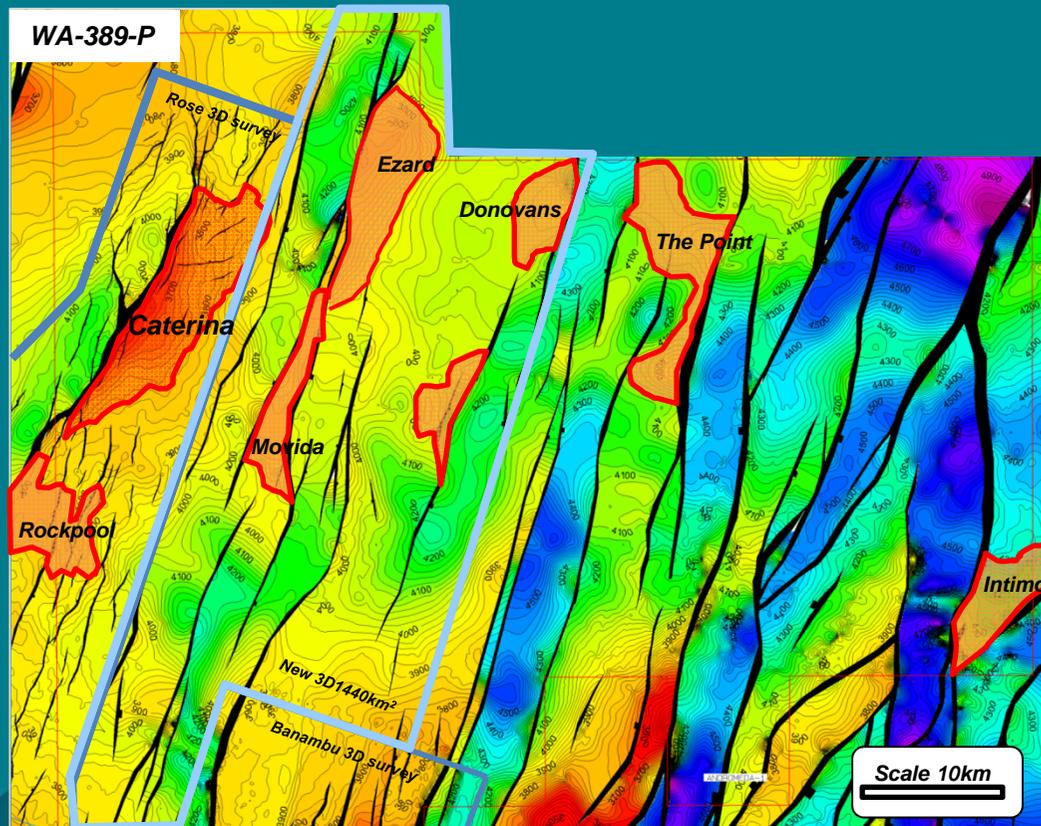
# Australia Carnarvon Basin Permits



- 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 underway
  - Drilling 2012
  - Cue 30% seismic free carry, 15% well free carry
- WA-360-P - Petrobras
  - Artemis – 1: Dry hole
  - Cue was free carried 15%
  - JV investigating other prospects in the block

...large gas potential adjacent to LNG developments

# WA-389-P: Prospects & Leads



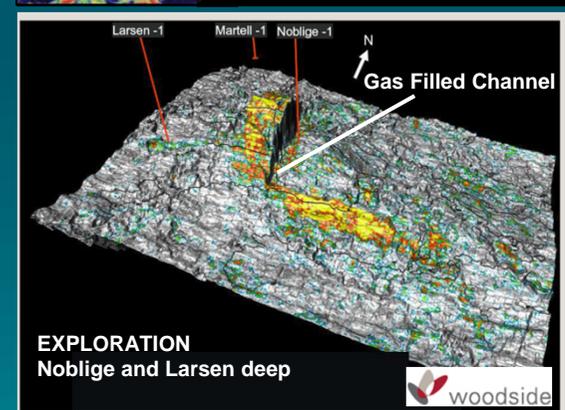
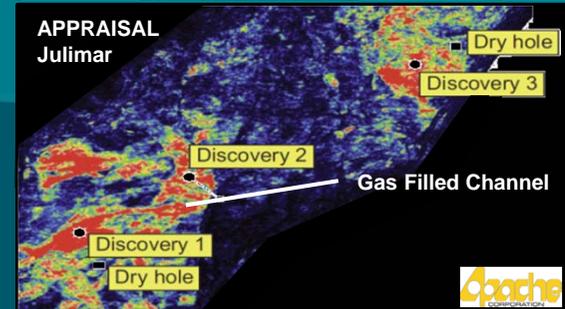
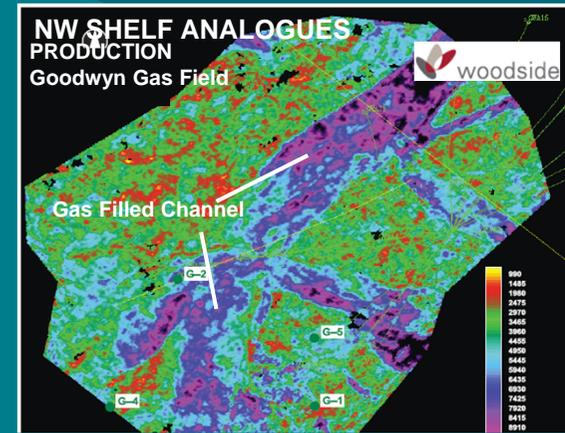
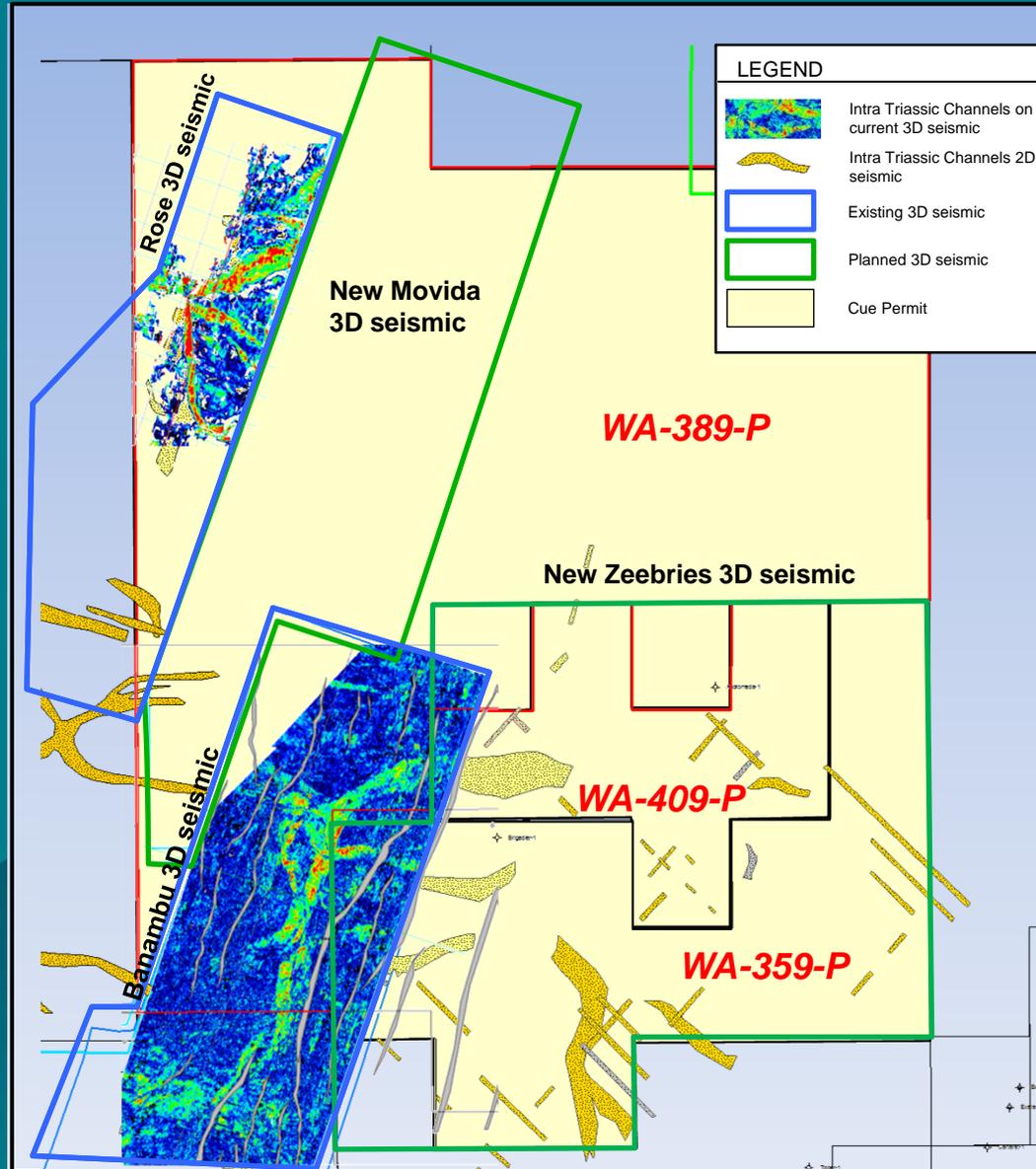
- Farmout to Woodside
  - New Mowida 3D seismic completed
  - Existing 3D seismic reprocessing ongoing
  - Drill one well in 2012
- 8 large prospects and leads
- Cue retains 35% carried interest

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

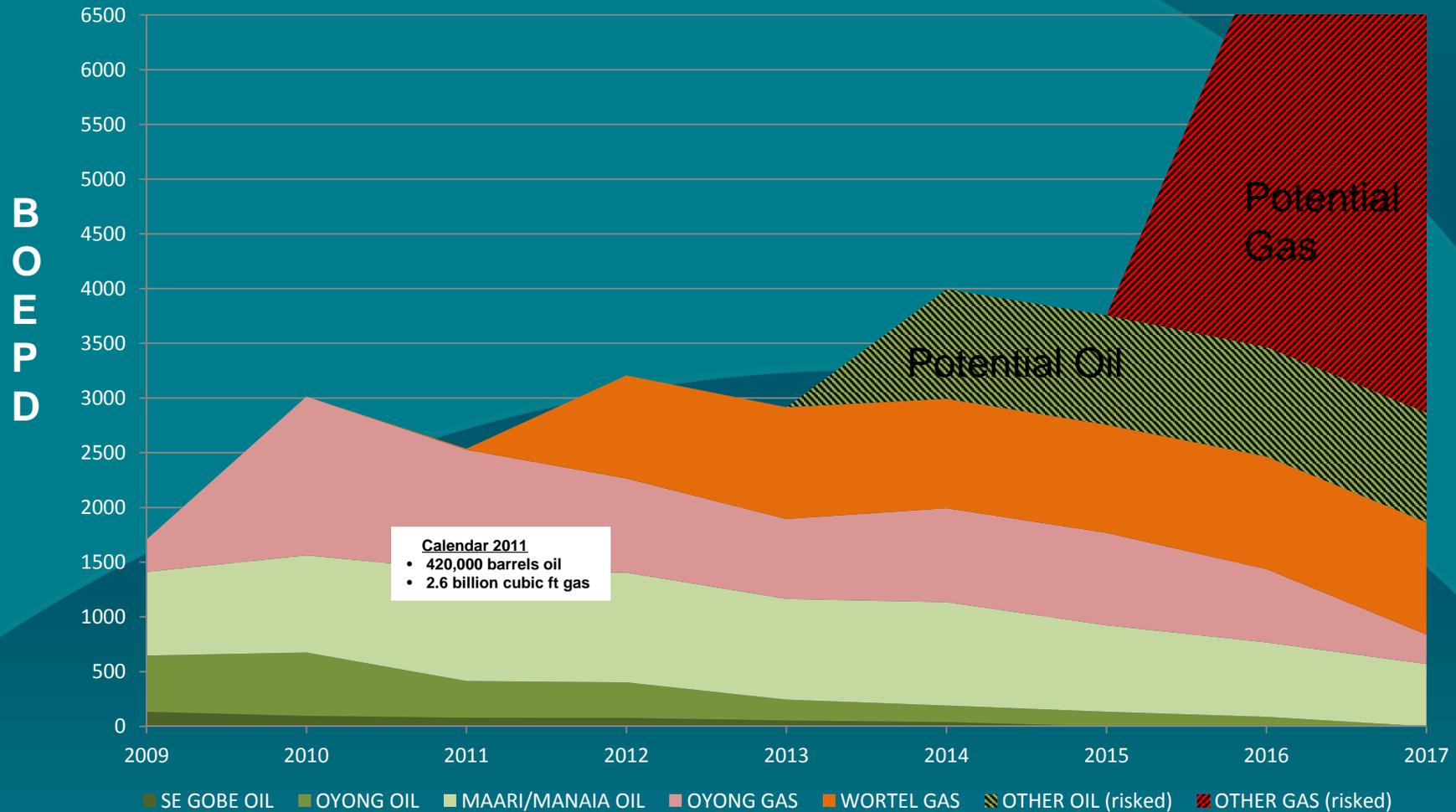
# Intra-Triassic Channel Play



# Activity Timing

CUE INDICATIVE TIME LINE	2011				2012			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>EXPLORATION SEISMIC</b>								
PEP51149 (2D) Pungarehu		■						
PEP51313 (3D and 2D) Matariki/ Te Whatu		■						
WA-389-P (3D)		■						
WA-359-P, 409-P (3D)	■	■						
<b>DRILLING</b>								
Mahakam Hilir PSC Naga Selatan			■					
Mahakam Hilir PSC Naga Utara			■					
Sampang PSC Wortel Development (2)				■				
Sampang PSC Oyong Development (1)					■			
WA-389-P Caterina-1						■		
PEP51313 Matariki -1 (contingent)						■		
<b>DEVELOPMENT PROGRAM</b>								
WORTEL Gas Development			■					
WORTEL Gas Production						■		
<b>PRODUCTION</b>								
SE GOBE Oil Production		■						
MAARI Oil Production		■						
OYONG Oil Production		■						
OYONG Gas Production		■						

# Net 2P / 2C Indicative Production Forecast



... Long term production with potential upside

# WHY 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 Q3 2011
- New production from Wortel in Q1 2012
- High potential gas exploration activity in Carnarvon acreage
- Potential for Cue to be a long term supplier of LNG

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

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