APPENDIX 4E

AND

30 JUNE 2019 ANNUAL REPORT

Cue Energy Resources Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Cue Energy Resources Limited
ABN:	45 066 383 971
Reporting period:	For the year ended 30 June 2019
Previous period:	For the year ended 30 June 2018

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	up	4.8%	to	25,730
Profit from ordinary activities after tax attributable to the owners of Cue Energy Resources Limited	up	10.5%	to	8,549
Profit for the year attributable to the owners of Cue Energy Resources Limited	up	10.5%	to	8,549

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Profit

The profit for the consolidated entity after providing for income tax amounted to $8.55 million (2018: $7.74 million).

Financial position

The net assets of the consolidated entity increased by $8.14 million to $41.41 million for the year ended 30 June 2019 (2018: $33.27 million) largely due to positive net cashflow for the year.

Operating results for the year

The consolidated entity reported a net profit after tax of $8.55 million for the financial year, an increase of $0.81 million from its $7.74 million profit in 2018.

Production revenue for the year was $25.73 million, an increase of $1.18 million from the previous period (2018: $24.55 million). Production costs decreased to $12.08 million (2018: $16.53 million).

Cash position

The consolidated entity achieved positive cashflow from operating activities of $12.82 million for the year ended 30 June 2019. The consolidated entity ended the year with a cash balance of $26.19 million, including cash and cash equivalents of $14.67 million and $11.52 million restricted cash in an escrow account designated for Ironbark drilling. The consolidated entity has no debt.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	6.07	4.81

4. Control gained over entities

Not applicable.

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5. Loss of control over entities

Not applicable.

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6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

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7. Details of associates and joint venture entities

Not applicable.

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8. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

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9. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unqualified opinion has been issued.

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10. Attachments

Details of attachments (if any):

The Annual Report of Cue Energy Resources Limited for the year ended 30 June 2019 is attached.

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11. Signed

Signed ______________________________ Date: 21 August 2019

Alastair McGregor
Non-Executive Chairman

Cue Energy Resources Limited

ABN 45 066 383 971

Annual Report - 30 June 2019

Contents

Directors	Alastair McGregor (Non-Executive Chairman) Andrew Jefferies (Non-Executive Director) Peter Hood (Non-Executive Director) Rebecca DeLaet (Non-Executive Director) Richard Malcolm (Non-Executive Director) Rod Ritchie (Non-Executive Director) Samuel Kellner (Non-Executive Director)
Chief Executive Officer	Matthew Boyall
Chief Financial Officer and Company Secretary	Melanie Leydin
Registered office	Level 3, 10-16 Queen Street Melbourne, VIC 3000 Australia Telephone: +61 3 8610 4000 Fax: +61 3 9614 2142
Principal place of business	Level 3, 10-16 Queen Street Melbourne, VIC 3000 Australia Telephone: +61 3 8610 4000 Fax: +61 3 9614 2142
Share register	Computershare Investor Services Pty Limited Yarra Falls, 452 Johnston Street Abbotsford, VIC 3067 Australia Telephone: +61 3 9415 2500 Fax: +61 3 9473 2500
Auditor	BDO East Coast Partnership Collins Square, Tower Four Level 18, 727 Collins Street Melbourne, VIC 3000 Australia
Stock exchange listing	Cue Energy Resources Limited securities are listed on the Australian Securities Exchange. (ASX code: CUE)
Website	www.cuenrg.com.au

CEO Report and Overview of Operation and Finances

2019 was an exciting year for Cue, where we were successful in farming out WA-359-P and confirming the drilling of the Ironbark prospect, discovering gas with the Paus Biru-1 well and maintaining a strong cashflow position from our production assets.

The Ironbark-1 well in exploration permit WA-359-P is fully funded and scheduled to be drilled in late 2020 by the Ocean Apex drilling rig. We are pleased to have BP Developments Australia Pty Ltd (BP) as Operator and Beach Energy Limited (Beach) and New Zealand Oil & Gas as technically and financially strong partners. The prospect size and proximity to infrastructure of Ironbark means that, if successful, it has the potential to significantly change the value of Cue.

In the Sampang PSC, Cue announced a gas discovery from the Paus Biru-1 exploration well in December 2018. The well was tested and flowed gas at 13.8mmcfd. Planning is currently underway and development of the Paus Biru field will provide both a new revenue source and extend the life of the existing Oyong and Wortel field.

Oil production from the Maari and Manaia fields was above expectations for the year, after successful field operations in late 2018 resulted in a 18% increase in average daily production for the second half of the year.

Oyong and Wortel fields continued to be strong contributors to Cue's cash flow in their first full year of production as gas only fields, with steady production and significantly reduced costs.

Financials

Cue's strong financial results for the 2019 financial year included cashflow from operations of $12.8 million and profit after tax of $8.5 million. Net cash flow for the year was $9.2m (including $0.8 million effects from foreign exchange rate changes), increasing cash holdings to $26.2 million. $11.5 million of this is held in escrow to fund Cue's expected, uncarried share of the Ironbark-1 exploration well.

Revenue of $25.7 million was a 4.8% increase over the previous year. 58% of Cue's revenue was from Oyong and Wortel fixed price gas contracts in Indonesia and 42% from Maari oil sales, which are undertaken against the Brent benchmark price plus a premium.

Production expenses were down by 27% overall, with Sampang PSC costs down by 60% against the previous year due to removal of high cost oil production infrastructure.

Administration costs were in line with 2019 and Cue continues to focus on managing costs.

Cue has no debt.

Production

Maari and Manaia fields - New Zealand PMP 38160

Maari and Manaia fields performed strongly in the second half of the year with a daily oil production rate of approximately 7500 bopd at the end of the year; 18% higher than the daily average over the whole year (6350 bopd). Total production was approximately 11% lower than the previous year.

The growth in production rates during the second half was a result of a higher capacity Electric Submersible Pump (ESP) installed in the MR6a well, conversion of the MR5 well to a water injector, with increased water injection rates and ongoing efforts to optimise all wells.

The ESP in production well MR6a was replaced in December 2018 with a higher capacity downhole pump to allow the lifting of larger fluid volumes. Post ESP replacement, the well increased oil production by more than 30%. The joint venture has approved a further project to be completed in H1 FY20 to replace other components of the ESP and further increase the fluid lifting capacity from the well.

The MR5 production well was converted from a production well to a water injection well in the first quarter of the year to provide pressure support for the Maari Moki reservoir. Along with the other existing water injection well, MR1, 20,000 to 25,000 barrels of water are now being injected into the Maari field, with ongoing optimisation.

The MR3a well was offline from April 2018 to the end of the year due to ESP failure. Prior to April, the well was producing approximately 450 bopd. The joint venture has approved a workover to replace the ESP and downhole sand screens which may have contributed to the pump failure. The workover is expected to be completed during August 2019 and return the 450 bopd back to production.

Further field optimisation and infill drilling opportunities are being reviewed by the joint venture to maintain or increase production rates.

During the year, Cue received an insurance settlement of $1.1 million relating to the FPSO Raroa water injection line which was repaired in 2017.

Sampang PSC

Gas production from the Oyong and Wortel fields has been consistent in the fields' first full year with a gas only production system. Production averaged 2.4 mmcfd at Wortel and 1.5 mmcfd from Oyong net to Cue over the year.

Production expenses were reduced by 60% against the previous year due to the removal of high cost oil infrastructure. The Oyong and Wortel fields now both operate with unmanned well head platforms, connected by pipeline to the joint venture operated Grati onshore gas plant. The gas is sold on long term, fixed price contracts to the adjacent Indonesia Power plant.

On 7 Dec 2018, Cue announced the Paus Biru-1exploration well in the Sampang PSC as a gas discovery. A maximum flow test of 13.8 mmcfd was achieved through a 120/64" choke over 5 hours from a drill stem test (DST) over a 29 metre interval between 576 and 605 meters Measured Depth. Technical analysis following the discovery is ongoing in preparation for a Plan of Development to be submitted to the Government of Indonesia. The preliminary development plan is for a single well development with a pipeline to the existing Oyong infrastructure.

Cue supported Paus Biru as an exploration opportunity for a number of years and worked in close partnership with the Operator and joint venture during drilling.

A project to increase compression at the Grati gas plant has been approved by the joint venture and is expected to be completed in Q3 FY20. The effect of these works will be to lower the intake pressure of the onshore compressor and improve recovery from the fields in future years.

The joint venture is reviewing a number of exploration opportunities in the PSC, some of which are of significant resource size. The most technically advanced is the Wortel East prospect, where, if approved by the joint venture, a drilling rig in the area during FY20 may provide the opportunity to drill an exploration well in the prospect.

On 6 September 2018, 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. Ophir Energy was subsequently taken over by Medco Energi Global Pte Ltd, an Indonesian exploration and production company.

WA-359-P

The Ironbark-1 well is planned to be drilled in late 2020 by the Ocean Apex rig with BP as Operator. With its very large prospective gas volume, Ironbark has the potential to dramatically change the value of Cue if successful.

Ironbark is a Deep Mungaroo Triassic gas prospect, which is located 50km from the Northwest Shelf LNG infrastructure at North Rankin, making it geographically and commercially well positioned to provide backfill to the existing LNG plants along the Western Australia coastline. The Ironbark-1 well is expected to drill to 5500 metres and will be the first test of the Ironbark prospect.

A number of activities occurred during the year which resulted in the transfer of Cue's participating interest (PI) to BP, Beach and New Zealand Oil & Gas and retention of 21.5% by Cue.

In October 2018, Cue executed a farmout agreement with New Zealand Oil & Gas for a 15% PI in WA-359-P. This agreement was in addition to existing farmout and option agreements which were in place with BP and Beach. The New Zealand Oil & Gas agreement was approved at a General Meeting of Cue shareholders on 8 January 2019.

Also in October 2018, Cue, BP, Beach and New Zealand Oil & Gas executed a Co-ordination Agreement, which committed the parties to work together, with BP undertaking the role of the Operator, to progress the planning of the well, while completion conditions under the existing option and farmout agreements were satisfied.

A rig contract was signed with Diamond Offshore in Feb 2019 for the Ocean Apex semi-submersible drilling rig to drill the Ironbark-1 well.

A 2 year suspension and extension was received in April 2019 and the permit is now due to expire in April 2021.

Completion of all agreements between Cue, BP, Beach and New Zealand Oil & Gas was achieved on 7 June 2019, resulting in the formation of the WA-359-P Joint Venture. Cue received approximately A$1.8 million on completion and is now being funded by BP, Beach and New Zealand Oil & Gas for approximately US$11 million of Ironbark well costs. A further US$8 million of cash reserves has been escrowed by Cue to fund the un-carried portion of its expected participating interest cost for the well

The Environment Plan for the Ironbark-1 well site survey has been approved by NOPSEMA and operations are expected to be undertaken during Q1 FY20.

The Ironbark-1 Environment Plan is currently being prepared and submission is expected during the first quarter.

WA-409-P

Exploration Permit WA-409-P is adjacent to WA-359-P and contains a portion of the greater Ironbark structure and the independent NE Ironbark prospect.

In October 2018, Cue granted New Zealand Oil & Gas an option to acquire 5.56% equity in WA-409-P. This agreement was approved at a General Meeting of Cue shareholders on 8 January 2019.

If exercised, this option includes a free carry to Cue for 5.56% of the cost of drilling a well in WA-409-P and a 10% royalty to Cue on all future revenue from New Zealand Oil & Gas' 5.56 % equity in the Permit.

The current option expiry dates for the New Zealand Oil & Gas and Beach WA-409-P options have been extended temporarily until September 2019 while the terms of any further extensions are discussed.

Subsequent to the year end, BP, as operator, has submitted an application to the National Offshore Petroleum Titles Administrator (NOPTA) to undertake further technical studies before being required to commit to an exploration well within the permit. If approved, the well commitment currently in permit year 4 will be moved to permit year 5 and a drilling decision would not be required until October 2021.

WA-389-P

WA-389-P contains the Blue Gum prospect, a Deep Mungaroo structure which Cue believes is part of the greater Ironbark structure. During the year, further work was undertaken to confirm the understanding of the Blue Gum and other prospects within the permit.

Subsequent to the year end, Cue has submitted an application to NOPTA to replace the permit year 5 exploration well commitment with seismic reprocessing over the Blue Gum prospect to assist with uncertainties in the current mapping. A 6 month extension of the permit has also been applied for, which would extend the requirement to renew the permit to April 2021.

Mahakam Hilir PSC

Cue is continuing with efforts to find a partner to participate in the Naga Utara 4 Appraisal well and Mahakam Hilir PSC.

The Naga-Utara 4 well opportunity is to test the previously drilled Sambutan-8 well where log analysis shows potential for 100m gross interval of gas pay. The proposed well location is adjacent to the producing Sambutan gas field and close to existing infrastructure for rapid commercialisation.

During the year, the Naga Selatan-2 well, which was drilled in 2016 was permanently plugged and abandoned safely.

The exploration phase of the PSC is due to expire in May 2020.

Mahato PSC

Good progress was made during the year on the Mahato PSC, which is located in the highly prospective Central Sumatra Basin but has been previously delayed by partner funding issues.

The ownership structure of the other partners in the PSC changed during the year, including that of the PSC Operator, Texcal Mahato EP Ltd. These changes provided funding to the parties and a renewed exploration focus. A 23 month extension of the exploration period was granted by the Indonesian government to June 2021 as a replacement for lost time due to previous land permitting delays.

In Q4 FY19, a Joint Venture operating agreement was agreed and signed by the partners, facilitating the commencement of well planning activities for the PB-1 well, which is expected to be drilled in H1 FY20. Land acquisition and permitting have been completed and well site civil works are currently being undertaken.

The PB prospect is in the southern section of the Mahato PSC and is in the same petroleum system as the giant Minas and Duri oilfields.

A second well is expected to be drilled in H2 FY20, either as a follow up of PB-1 or targeting another exploration prospect in the area.

Corporate

Cue Energy Resources Ltd and Cue Resources Inc. were named as defendants, along with a number of other companies, in litigation pending in Texas, USA in relation to the Pine Mills oilfield. On March 27, 2019 the court dismissed the claims against Cue in their entirety. On April 26, 2019, the plaintiff filed an amended lawsuit against Cue and the other defendants. Cue has filed a motion to dismiss, which is now pending in U.S. court.

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or the 'Group') consisting of Cue Energy Resources Limited (referred to hereafter as the 'company', 'parent entity' or 'Cue') and the entities it controlled at the end of, or during, the year ended 30 June 2019.

Directors

The names of Directors of the Company in office during the year and up to the date of this report were:

Alastair McGregor
Andrew Jefferies
Peter Hood
Rebecca DeLaet
Richard Malcolm
Rod Ritchie
Samuel Kellner
Koh Ban Heng (resigned on 30 October 2018)

Chief Executive Officer

Matthew Boyall

Chief Financial Officer and Company Secretary

Melanie Leydin

Principal activities

The principal activities of the group are petroleum exploration, development and production.

Corporate governance statement

Details of the Company's corporate governance practices are included in the Corporate Governance Statement set out on the Company's website. This URL on the website is located at: http://www.cuenrg.com.au/irm/content/corporate-directory.aspx?RID=295

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Financial performance

The profit for the consolidated entity after providing for income tax amounted to $8.55 million (30 June 2018: $7.74 million).

The net assets of the consolidated entity increased by $8.14 million to $41.41 million for the year ended 30 June 2019 (30 June 2018: $33.27 million). Working capital, being current assets less current liabilities, was $26.28 million (30 June 2018: $16.62 million).

The consolidated entity achieved positive cashflow from operating activities of $12.82 million for the year ended 30 June 2019. The consolidated entity ended the year with a cash balance of $26.19 million, including cash and cash equivalents of $14.67 million and $11.52 million restricted cash in an escrow account designated for Ironbark drilling. The consolidated entity has no debt.

Refer to the CEO Report and Overview of Operations and Finances preceding this Director's Report.

Significant changes in the state of affairs

During the financial year, the consolidated entity, through its 100% owned subsidiary, Cue Exploration Pty Ltd announced a number of agreements and approvals relating to Exploration Permits WA-359-P and WA-409-P. These included:

- A 15% farmout of WA-359-P to New Zealand Oil & Gas
- A 5.56% Option over WA-409-P granted to New Zealand Oil & Gas
- A Co-ordination Agreement between Cue, BP Developments Australia Pty Ltd (BP), Beach Energy Limited (Beach) and New Zealand Oil & Gas which allowed the parties to begin work on detailed planning of the Ironbark-1 well prior to formal completion

Both transactions with New Zealand Oil & Gas were approved by Cue shareholders at a general meeting held on 8 January 2019.

The agreements noted above were in addition to previously announced option and farm-in agreements with BP and Beach.

On 7 June 2019, the consolidated entity announced completion of all WA-359-P agreements, resulting in the transfer of interests in Exploration Permit WA-359-P to BP, Beach and New Zealand Oil & Gas and the transfer of operatorship to BP. Cue will retain 21.5% interest in the Permit and be partially funded by the other parties for the drilling of the Ironbark-1 exploration well, scheduled for late 2020.

During the financial year, the consolidated entity announced a gas discovery from the Paus Biru-1 Exploration well in the Sampang PSC. A plan of development is being prepared where commercialisation will occur through the existing Oyong facilities.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

On 29 July 2019, the consolidated entity issued 4,277,888 unlisted options to eligible employees for services rendered from 1 July 2018, exercisable at $0.07 (7 cents). The options will vest on 1 July 2021 and expire on 1 July 2023.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The following activities may affect the expected results of operations:

- Farming down or funding alternatives for the Mahakam Hilir PSC, Indonesia
- Actively seeking to acquire additional production
- Progress on Paus Biru-1 plan of development

Environmental regulation

Within the last year there have been zero incidents, zero lost time injuries and zero significant spills within Cue Energy Resources. Among the joint operations there have been a number of incidents that have been reported and investigated by all the relevant parties. The increased reporting is showing a growth in the reporting culture and an openness to share learnings in order to reduce risk not only within Cue Energy Resources but within the industry. Cue Energy Resources continues to monitor the progress and close out of these incidents and work with the joint venture operation partners and operators to improve overall health and safety and minimise any impact on the environment.

Information on directors

Name:	Alastair McGregor
Title:	Non-Executive Chairman
Qualifications:	BEng, MSc
Experience and expertise:	Alastair has been actively involved in the oil and gas sector since 2003. He is currently chief executive of O.G. Energy, which holds Ofer Global’s broader energy interests, and Oil & Gas Limited, a company that holds directly or indirectly oil & gas exploration and production interests onshore and offshore. He leads the O.G. Energy Senior Management Committee, driving the strategy for Ofer Global’s energy activities. Alastair is also a director of New Zealand Oil & Gas Limited. In addition, Alastair is chief executive of Omni Offshore Terminals Limited, a leading provider of floating, production, storage and offloading (FSO and FPSO) solutions to the offshore oil and gas industry. Omni’s operations have spanned the globe from New Zealand, Australia, South East Asia, Middle East and South America. Prior to entering the oil and gas industry Alastair spent 12 years as a banker with Citigroup and Salomon Smith Barney. Alastair holds a BEng from Imperial College, London and an MSc from Cranfield University in the UK.
Other current directorships:	New Zealand Oil & Gas Limited O.G. Energy Holdings Ltd. O.G. Oil & Gas Limited
Former directorships (last 3 years):	None
Interests in shares:	None

Name:	Andrew Jefferies
Title:	Non-Executive Director
Qualifications:	BE Hons (Mechanical), MBA, MSc in petroleum engineering, GAICD, Certified Petroleum Engineer
Experience and expertise:	Mr. Jefferies is managing director of New Zealand Oil & Gas Limited. He started his career with Shell in Australia after graduating with a BE Hons (Mechanical) from the University of Sydney in 1991, an MBA in technology management from Deakin University in Australia, and an MSc in petroleum engineering from Heriot - Watt University in Scotland. Andrew is also a graduate of the Australian Institute of Company Directors (GAICD), and a Certified Petroleum Engineer with the Society of Petroleum Engineers. He has worked in oil and gas in Australia, Germany, the United Kingdom, Thailand and Holland.
Other current directorships:	NZOG Offshore Limited New Zealand Oil & Gas Limited Tuatara Energy Limited
Former directorships (last 3 years):	None
Special responsibilities:	Member, Audit and Risk Committee Member, Remuneration and Nomination Committee Member, Health Safety Security Sustainability and Operational Risk Committee
Interests in shares:	8,000 fully paid ordinary shares
Interests in options:	None

Name:	Peter Hood
Title:	Non-Executive Director
Experience and expertise:	Mr. Hood is a professional chemical engineer with 45 years' experience in the development of projects in the resources and chemical industries. He began his career with WMC Ltd and then was chief executive officer of Coogee Chemicals Pty Ltd and Coogee Resources Ltd from 1998 to 2009. He is a graduate of the Harvard Business School Advanced Management Programme and is currently Chairman of Matrix Composites and Engineering Ltd and a Non-Executive Director of GR Engineering Ltd. He has been Vice-Chairman of the Australian Petroleum Production and Exploration Association Limited (APPEA), Chairman of the APPEA Health Safety and Operations Committee, and is a past President of the Western Australian and Australian Chambers of Commerce and Industry.
Other current directorships:	De Grey Mining Ltd GR Engineering Ltd Matrix Composites and Engineering Ltd
Former directorships (last 3 years):	None
Special responsibilities:	Member, Audit and Risk Committee
Interests in shares:	80,000 fully paid ordinary shares

Name:	Rebecca DeLaet
Title:	Non-Executive Director
Qualifications:	M.Fin, B.Science
Experience and expertise:	Ms. DeLaet has worked for the Ofer Global group of companies since 1990. Prior to focusing exclusively on O.G. Energy activities in 2019, Rebecca spent the previous ten years overseeing Ofer Global's finance activities, including debt and equity financing, treasury operations and risk management. Ms. DeLaet was responsible for the initial structuring and capitalisation of Omni Offshore Terminals' assets in 1994, establishing an independent oil and gas arm for Ofer Global. Since then, she has been responsible for all of the financing activities for the Omni organisation. Ms DeLaet is a director of O.G. Energy, O.G. Oil & Gas and New Zealand Oil & Gas, where she chairs the audit committee. As a member of the O.G. Energy Senior Management Committee, she helps drive strategy for Ofer Global's energy activities. Ms. DeLaet has a Masters in Finance and Bachelor of Science from the Wharton School at the University of Pennsylvania.
Other current directorships:	O.G. Energy Holdings Ltd. O.G. Oil & Gas Limited New Zealand Oil & Gas Limited
Former directorships (last 3 years):	None
Special responsibilities:	Chair, Audit and Risk Committee
Interests in shares:	None

Name:	Richard Malcolm
Title:	Non-Executive Director
Experience and expertise:	Richard Malcolm is a professional geoscientist with 34 years of varied oil and gas experience within seven international markets. He began his career as a Petroleum Geologist with Woodside Petroleum in Perth exploring for oil and gas on the Northwest Shelf. He spent ten years with Ampolex Limited (Perth and Sydney) as a Senior Explorationist and then Exploration Manager in Western Australia and Asset Manager in Northern & Eastern Australia. Following Mobil's takeover of Ampolex, Mr Malcolm was appointed manager of Mobil's assets in Papua New Guinea. Three years later he joined OMV, initially as Exploration Manager for Australia & New Zealand and later as Exploration & Reservoir Manager for OMV Libya, General Manager Norway and in 2006, Managing Director of OMV UK. Between 2008 and 2013, Mr Malcolm was chief executive of Gulfsands Petroleum plc, an AIM listed production, exploration and development company with operations in Syria, Tunisia, Morocco, USA and Colombia. He is currently a director of Larus Energy Limited.
Other current directorships:	Larus Energy Limited
Former directorships (last 3 years):	Puravida Energy NL
Special responsibilities:	Chairman, Remuneration and Nomination Committee Member, Health Safety Security Sustainability and Operational Risk Committee
Interests in shares:	None

Name:	Rod Ritchie
Title:	Non-Executive Director
Qualifications:	B.Sc
Experience and expertise:	Mr. Ritchie is a director of New Zealand Oil & Gas Limited. Rod joined the board of New Zealand Oil & Gas in 2013. He graduated with a BSc, University of Tulsa. He has 38 years of experience as a line manager and a Health, Safety, Security and Environment executive in the oil and gas industry – including being the corporate senior vice president of HSSE at OMV based in Vienna. He is a member of the Society of Petroleum Engineers.
Other current directorships:	New Zealand Oil & Gas Limited
Former directorships (last 3 years):	None
Special responsibilities:	Member, Remuneration and Nomination Committee Chair, Health Safety Security Sustainability and Operational Risk Committee
Interests in shares:	None

Name:	Samuel Kellner
Title:	Non-Executive Director
Qualifications:	BA, MBA
Experience and expertise:	Mr. Kellner has held a variety of senior executive positions with Ofer Global since joining the group in 1980. He has been deeply involved in all Ofer Global's business lines, with a particular emphasis on offshore oil and gas, shipping and real estate, and has advised Ofer Global companies on investments with a variety of investment managers, hedge funds and private equity funds. Most recently, Mr. Kellner served as President of Global Holdings Management Group (US) Inc. where he led North American real estate acquisition, development and financing activities. Mr. Kellner serves as a director of O.G. Energy, O.G. Oil & Gas and New Zealand Oil & Gas, where he is Chairman of the Board of Directors. As a member of the O.G. Energy Senior Management Committee, he helps drive strategy for Ofer Global's energy activities. He is also an Executive Director of the main holding companies for the Zodiac Maritime Limited shipping group and Omni Offshore Terminals Limited, a leading provider of floating, production, storage and offloading (FSO and FPSO) solutions to the offshore oil and gas industry. Mr Kellner graduated with a BA degree from Hebrew University in Jerusalem. He has an MBA from the University of Toronto, and taught at the University of Toronto while working toward a PhD in Applied Economics.
Other current directorships:	O.G. Energy Holdings Ltd. O.G. Oil & Gas Limited New Zealand Oil & Gas Limited
Former directorships (last 3 years):	None
Interests in shares:	None

Name:	Mr Koh Ban Heng
Title:	Non-Executive Director (resigned on 30 October 2018)
Qualifications:	BSc (Hons), GDipBA
Experience and expertise:	Mr Koh joined Singapore Petroleum Co Ltd (SPC) in March 1974 and held several key positions in the company before being appointed CEO in August 2003. He retired as CEO on 30 June 2011 and subsequently served as Senior Advisor from 1 July 2011 until 31 December 2014. Currently Mr Koh is an independent director of Keppel Infrastructure Holdings Pte Ltd, a fully owned subsidiary of Keppel Corporation, Independent Director and Non-Executive Chairman of Keppel Infrastructure Fund Management Pte Ltd as Trustee-Manager of Keppel Infrastructure Trust which is listed on SGX and an independent director of Tipco Asphalt PLC, a listed company in Thailand. He also serves as Advisor to Dialog Group Berhad of Malaysia.

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Melanie Leydin

Ms. Leydin holds a Bachelor of Business majoring in Accounting and Corporate Law. She is a member of the Institute of Chartered Accountants and is a Registered Company Auditor. She graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and since February 2000 has been the principal of Chartered accounting firm, Leydin Freyer.

The practice provides outsourced company secretarial and accounting services to public and private companies specialising in the resources, technology, bioscience and biotechnology sector.

Melanie has over 25 years experience in the accounting profession and has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of Companies and shareholder relations.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2019, and the number of meetings attended by each director were:

	Full Board		Remuneration and Nomination Committee		Audit and Risk Committee		Health Safety Security Sustainability and Operational Risk Committee	
	Attended	Held	Attended	Held	Attended	Held	Attended	Held
Alastair McGregor	4	4	-	-	-	-	-	-
Andrew Jefferies	4	4	3	3	3	3	2	2
Peter Hood	4	4	-	-	3	3	-	-
Rebecca DeLaet	3	4	-	-	3	3	-	-
Richard Malcolm	4	4	3	3	-	-	2	2
Rod Ritchie	4	4	3	3	-	-	2	2
Samuel Kellner	3	4	-	-	-	-	-	-
Koh Ban Heng*	2	2	-	-	-	-	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

* Mr Koh Ban Heng resigned from the Board on 30 October 2018.

Remuneration report (audited)

This Remuneration Report which has been audited, and which forms part of the Directors' Report, sets out information about the remuneration of Cue Energy Resources Limited's Directors and its senior management for the financial year ended 30 June 2019, in accordance with the Corporations Act 2001 and its regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The prescribed details for each person covered by this report are detailed below under the following headings:

(A) Director and executive details

(B) Remuneration policy

(C) Details of remuneration

(D) Equity based remuneration

(E) Relationship between remuneration policy and company performance

(A) Director and executive details

The following persons acted as Directors of the company during or since the end of the financial year:
- Alastair McGregor (Non-Executive Chairman)
- Andrew Jefferies (Non-Executive Director)
- Peter Hood (Non-Executive Director)
- Rebecca DeLaet (Non-Executive Director)
- Richard Malcolm (Non-Executive Director)
- Rod Ritchie (Non-Executive Director)
- Samuel Kellner (Non-Executive Director)
- Koh Ban Heng (Non-Executive Director) - resigned on 30 October 2018

Unless otherwise stated the persons named above held their current position for the whole of the financial year and since the end of the financial year.

The term "Key Management Personnel" is used in this Remuneration Report to refer to the following persons:
- Matthew Boyall (Chief Executive Officer)

(B) Remuneration policy

The Board's policy for remuneration of Executives and Directors is detailed below.

Remuneration packages are set at levels that are intended to attract and retain high calibre directors and employees and align the interest of the Directors and Executives with those of the company's shareholders. The Remuneration policy is established and implemented solely by the Board.

Remuneration and other terms and conditions of employment are reviewed annually by the Board having regard to performance and relevant employment market information. As well as a base salary, remuneration packages include superannuation, termination entitlements and fringe benefits.

The Board is conscious of its responsibilities in relation to the performance of the Company. Directors and Executives are encouraged to hold shares in the Company to align their interests with those of shareholders.

No remuneration or other benefits are paid to Directors or Executives by any subsidiary companies.

(C) Details of remuneration
The structure of Non-Executive Director and Executive remuneration is separate and distinct.

Non-Executive Directors

Remuneration of Non-Executive Directors is determined by the Board within the maximum amount approved by the shareholders from time to time. The amount currently approved is $700,000, which was approved at the Annual General Meeting held on 24 November 2011. The Company's policy is to remunerate Non-Executive Directors at a fixed fee based on their time involvement, commitment and responsibilities. Remuneration for Non-Executive Directors is not linked to individual or company performance, however, to align Directors' interests with shareholders' interests, Non-Executive Directors are encouraged to hold shares in the Company. The Board retains the discretion to award options or performance rights to Non-Executive Directors based on the recommendation of the Board, which is always subject to shareholder approval.

Alastair McGregor, Andrew Jefferies, Rebecca DeLaet and Samuel Kellner have elected not to be paid by the Company.

Executives

Executives receive a mixture of fixed and variable pay and a blend of short and long term incentives as appropriate. Remuneration packages contain the following key elements:

- Fixed compensation component inclusive of base salary, superannuation, non-monetary benefits and consultancy fees
- Short term incentive programme
- Long term employee benefits

Fixed compensation

Fixed compensation consists of base salary (which is calculated on a total cost base and including any FBT charges related to employee benefits including motor vehicles), as well as employer contributions to superannuation funds.

The base salary is reflective of market rates for companies of similar size and industry which is reviewed annually to ensure market competitiveness. During 2019, the Board reviewed the salaries paid to peer company executives in determining the salary of the Company's Key Management Personnel. This base salary is fixed remuneration and is not subject to performance of the company. Base salary is reviewed annually and adjusted on 1 July each year. There is no guaranteed base salary increase included in any executive's contracts.

Cash bonuses

A cash bonus was paid during this financial year. Details are disclosed in remuneration table below.

Employment contracts

Remuneration and other terms of employment for key executive Matthew Boyall is formalised in a service agreement. Details of the agreement is as follows:

Matthew Boyall
Title: Chief Executive Officer
Agreement effective 1 October 2018.
Details: Base salary of $360,000 per annum plus superannuation to be reviewed annually by the Board. Mr Boyall is also entitled to short-term incentive up to 30% (2018: 20%) of his base salary at the discretion of the Board at the end of each financial year dependent on the success of meeting key deliverables.

Compensation levels are reviewed each year to take into account cost of living changes, any change in the scope of the role performed and any changes to meet the principles of the compensation policy.

Details of the nature and amount of each major element of remuneration of each Director of the Company and other Key Management Personnel of the consolidated entity are:

Compensation of key management personnel – 2019

	Short-term benefits				Post employment		Share-based payments	
2019	Cash salary and fees $	Cash bonuses $	Non-monetary benefits $	Consulting fees $	Long service leave $	Superannuation $	Equity-settled $	Total $
Directors								
Alastair McGregor*	-	-	-	-	-	-	-	-
Koh Ban Heng**	12,534	-	-	-	-	-	-	12,534
Andrew Jefferies*	-	-	-	-	-	-	-	-
Peter Hood	44,698	-	-	-	-	2,151	-	46,849
Rebecca DeLaet*	-	-	-	-	-	-	-	-
Richard Malcolm	41,077	-	-	-	-	3,902	-	44,979
Rod Ritchie	42,459	-	-	-	-	-	-	42,459
Samuel Kellner*	-	-	-	-	-	-	-	-
Other Key Management Personnel:								
Matthew Boyall***	345,000	112,200	-	-	16,638	20,531	10,307	504,676
	485,768	112,200	-	-	16,638	26,584	10,307	651,497

* Alastair McGregor, Andrew Jefferies, Rebecca DeLaet and Samuel Kellner have elected not to be paid by the Company.
** Koh Ban Heng resigned from the Board on 30 October 2018.
*** Matthew Boyall's cash bonus consists of the following:
- $60,000 once-off discretionary bonus in recognition of the Ironbark farmout; and
- $52,200 for achieving 72.5% weighting against 2018 key performance indicators (KPIs). The KPIs were measured against the actual results for the calendar year ending 31 December 2018. Mr Boyall's entitled up to a target of 20% of base salary.

Compensation of key management personnel – 2018

	Short-term benefits				Post employment		
2018	Cash salary and fees $	Cash bonuses $	Non-monetary benefits $	Consulting fees $	Long service leave $	Superannuation $	Total $
Directors							
*Alastair McGregor (i)	-	-	-	-	-	-	-
Koh Ban Heng	47,500	-	-	-	-	-	47,500
*Andrew Jefferies (i)	-	-	-	-	-	-	-
Peter Hood (i)	13,151	-	-	-	-	-	13,151
*Rebecca DeLaet (ii)	-	-	-	-	-	-	-
Richard Malcolm (i)	12,010	-	-	-	-	1,141	13,151
Rod Ritchie (i)	13,151	-	-	-	-	-	13,151
*Samuel Kellner (i)	-	-	-	-	-	-	-
Grant Worner (iii)	60,976	-	-	-	-	-	60,976
Melanie Leydin (iv)	7,400	-	-	-	-	-	7,400
Duncan Saville (v)	17,018	-	-	-	-	-	17,018
Other Key Management Personnel:							
Matthew Boyall	300,000	25,774	-	-	6,798	20,049	352,621
	471,206	25,774	-	-	6,798	21,190	524,968

* Alastair McGregor, Andrew Jefferies, Rebecca DeLaet and Samuel Kellner have elected not to be paid by the Company.
(i) Alastair McGregor, Andrew Jefferies, Peter Hood, Richard Malcolm, Rod Ritchie and Samuel Kellner were appointed on 23 February 2018.
(ii) Rebecca Delaet was appointed on 11 April 2018.
(iii) Grant Worner resigned on 23 April 2018.
(iv) The balance disclosed represents the director fees paid to Melanie Leydin in her capacity as an Executive Director between 14 December 2017 and 23 February 2018. The Company also paid $108,000 for the year ended 30 June 2018 to Leydin Freyer Corp Pty Ltd (which Melanie is a Director) in respect of Company Secretarial and Accounting services. This has not been disclosed in the remuneration table.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2019	2018	2019	2018	2019	2018
Directors:						
Koh Ban Heng	100%	100%	-	-	-	-
Peter Hood	100%	100%	-	-	-	-
Richard Malcolm	100%	100%	-	-	-	-
Rod Ritchie	100%	100%	-	-	-	-
Grant Worner	-	100%	-	-	-	-
Melanie Leydin	-	100%	-	-	-	-
Duncan Saville	-	100%	-	-	-	-
Other Key Management Personnel:						
Matthew Boyall	76%	93%	22%	7%	2%	-

(D) Equity based remuneration

Overview of share options and performance rights

The Board is currently reviewing policies going forward in relation to short and long term incentives.

Long term performance targets of the Company will be established every year and the future award of options or performance rights may be made at the Board's sole discretion.

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2019.

Options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Matthew Boyall	1,288,338	1 July 2018	1 July 2021	1 July 2023	$0.07	$0.024

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by key management personnel as part of compensation during the year ended 30 June 2019 are set out below:

Name	Number of options granted during 2019 financial year
Matthew Boyall	1,288,338

Values of options over ordinary shares granted, exercised and lapsed for key management personnel as part of compensation during the year ended 30 June 2019 are set out below:

Name	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Remuneration consisting of options for the year %
Matthew Boyall	10,307	-	-	2%

(E) Relationship between remuneration policy and company performance
Company performance review

The tables below set out summary information about the company’s earnings and movements in shareholder wealth and key management remuneration for the five years to 30 June 2019.

The earnings of the consolidated entity for the five years to 30 June 2019 are summarised below:

	2019 $'000	2018 $'000	2017 $'000	2016 $'000	Restated 2015 $'000
Production income from continuing operations	25,730	24,547	35,000	45,412	36,704
Profit/(Loss) before income tax expense from continuing operations	12,856	5,058	(6,975)	(79,599)	26,916
Profit/(Loss) after income tax expense	8,549	7,739	(15,032)	(84,399)	32,191
Total Key Management Personnel Remuneration	651	525	2,264	2,419	2,061

	2019	2018	2017	2016	2015
Share price at start of year (cents)	5.70	5.50	8.10	7.60	12.00
Share price at end of year (cents)	8.30	5.70	5.50	8.10	7.60
Basic earnings/(loss) per share (cents)	1.22	1.11	(2.48)	(12.44)	5.86
Diluted earnings/(loss) per share (cents)	1.22	1.11	(2.48)	(12.44)	5.86

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

*Ordinary shares**	Balance at the start of the year	Balance on date of Board appointment	Additions**	Disposals/ other	Balance at the end of the year
Non-Executive Directors					
Andrew Jefferies	8,000	-	-	-	8,000
Peter Hood	80,000	-	-	-	80,000
Other Key Management Personnel					
Matthew Boyall	-	-	200,000	-	200,000
	88,000	-	200,000	-	288,000

* Alastair McGregor, Koh Ban Heng, Rebecca DeLaet, Richard Malcolm, Rod Ritchie and Samuel Kellner do not hold any fully paid ordinary shares.

** Additions to shareholding were not related to remuneration.

NZOG Offshore Limited (a related entity to Alastair McGregor, Andrew Jefferies, Rebecca DeLaet, Rod Richie and Samuel Kellner) holds 349,368,803 fully paid ordinary shares in Cue.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Cue Energy Resources Limited under option at the date of this report are as follows:

Grant date	Expiry date	Vesting date	Exercise price	Number under option
01/07/2018	01/07/2023	01/07/2021	$0.07	4,277,888

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Directors' insurance and indemnification of Directors and auditors

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company, the company secretary, and all executive officers against a liability incurred as a director, company secretary or executive officer to the extent permitted by the Corporations Act 2001. In accordance with commercial practice, the insurance policy prohibits disclosure of the terms of the policy, including the nature of the liability insured against and the amount of the premium.

The company has not otherwise, during or since the end of the financial year indemnified or agreed to indemnify the auditor of the company or any related body corporate against a liability incurred as an officer or auditor.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 23 to the financial statement.

The Company may decide to employ the auditor on assignments additional to its statutory audit duties where the auditor's expertise and experience with the Company are important.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor as set out below, did not compromise the audit independence requirement, of the Corporations Act 2001, based on advice received from the Audit and Risk Committee, for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Rounding of amounts

The Company is a company of the kind referred to in ASIC Legislative Instrument 2016/191, and in accordance with the Class Order amounts in the Directors' Report and the Financial Report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

In accordance with the provisions of the Corporations Act 2001 the Company's auditor, BDO East Coast Partnership, continues in office.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Board

Alastair McGregor
Non-Executive Chairman

21 August 2019

Tel: +61 3 9603 1700
Fax: +61 3 9602 3870
www.bdo.com.au

Collins Square, Tower Four
Level 18, 727 Collins Street
Melbourne VIC 3008
GPO Box 5099 Melbourne VIC 3001
Australia

DECLARATION OF INDEPENDENCE BY DAVID GARVEY TO THE DIRECTORS OF CUE ENERGY RESOURCES LIMITED

As lead auditor of Cue Energy Resources Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Cue Energy Resources Limited and the entities it controlled during the period.

David Garvey
Partner

BDO East Coast Partnership

Melbourne, 21 August 2019

Cue Energy Resources Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2019

	Note	Consolidated 2019 $'000	2018 $'000
Revenue			
Production revenue from operations		25,730	24,547
Production costs	5	(12,081)	(16,526)
Gross profit from production		13,649	8,021
Other income	6	3,058	432
Net foreign currency exchange gain		785	475
Expenses			
Exploration and evaluation expenditure	9	(2,176)	(1,509)
Administration expenses	8	(2,426)	(2,361)
Share-based payments	32	(34)	-
Profit before income tax (expense)/benefit		12,856	5,058
Income tax (expense)/benefit	10	(4,307)	2,681
Profit after income tax (expense)/benefit for the year attributable to the owners of Cue Energy Resources Limited		8,549	7,739
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(444)	(340)
Other comprehensive income for the year, net of tax		(444)	(340)
Total comprehensive income for the year attributable to the owners of Cue Energy Resources Limited		8,105	7,399
		Cents	**Cents**
Basic earnings per share	31	1.22	1.11
Diluted earnings per share	31	1.22	1.11

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Cue Energy Resources Limited
Statement of financial position
As at 30 June 2019

	Note	Consolidated 2019 $'000	Consolidated 2018 $'000
Assets			
Current assets			
Cash and cash equivalents	11	14,671	16,983
Restricted cash and cash equivalents	11	11,523	-
Trade and other receivables	12	5,297	7,593
Inventories		1,003	519
Total current assets		32,494	25,095
Non-current assets			
Property, plant and equipment		21	24
Exploration and evaluation assets	13	3,401	-
Production properties	14	24,547	26,814
Deferred tax	10	3,002	2,733
Total non-current assets		30,971	29,571
Total assets		63,465	54,666
Liabilities			
Current liabilities			
Trade and other payables	15	1,907	3,456
Tax liabilities	10	4,227	4,946
Provisions		81	69
Total current liabilities		6,215	8,471
Non-current liabilities			
Deferred tax liabilities	16	3,947	3,052
Provisions	17	11,894	9,873
Total non-current liabilities		15,841	12,925
Total liabilities		22,056	21,396
Net assets		41,409	33,270
Equity			
Contributed equity	18	152,416	152,416
Reserves	20	(750)	(340)
Accumulated losses		(110,257)	(118,806)
Total equity		41,409	33,270

The above statement of financial position should be read in conjunction with the accompanying notes

Cue Energy Resources Limited
Statement of changes in equity
For the year ended 30 June 2019

Consolidated	**Contributed equity $'000**	**Reserves $'000**	**Accumulated losses $'000**	**Total equity $'000**
Balance at 1 July 2017	152,416	-	(126,545)	25,871
Profit after income tax benefit for the year	-	-	7,739	7,739
Other comprehensive income for the year, net of tax	-	(340)	-	(340)
Total comprehensive income for the year	-	(340)	7,739	7,399
Balance at 30 June 2018	152,416	(340)	(118,806)	33,270

Consolidated	**Contributed equity $'000**	**Reserves $'000**	**Accumulated losses $'000**	**Total equity $'000**
Balance at 1 July 2018	152,416	(340)	(118,806)	33,270
Profit after income tax expense for the year	-	-	8,549	8,549
Other comprehensive income for the year, net of tax	-	(444)	-	(444)
Total comprehensive income for the year	-	(444)	8,549	8,105
Transactions with owners in their capacity as owners:				
Share-based payments (note 32)	-	34	-	34
Balance at 30 June 2019	152,416	(750)	(110,257)	41,409

The above statement of changes in equity should be read in conjunction with the accompanying notes

Cue Energy Resources Limited
Statement of cash flows
For the year ended 30 June 2019

	Note	Consolidated 2019 $'000	Consolidated 2018 $'000
Cash flows from operating activities			
Receipts from customers		28,154	25,682
Insurance refunds received		1,070	-
Interest received		368	172
Payments to suppliers (inclusive of GST)		(10,114)	(13,666)
Payments for exploration and evaluation expenditure (Opex)		(3,127)	(1,832)
Income tax paid		(4,593)	(2,972)
Royalties paid		(715)	(552)
Reimbursement of Ironbark past costs		1,780	-
Net cash from operating activities	30	12,823	6,832
Cash flows from investing activities			
Payments with respect to production properties		(1,042)	(2,766)
Payments for plant and equipment		(7)	-
Payments for exploration and evaluation (Capex)	13	(3,401)	-
Net cash used in investing activities		(4,450)	(2,766)
Cash flows from financing activities			
Net cash from financing activities		-	-
Net increase in cash and cash equivalents		8,373	4,066
Cash and cash equivalents at the beginning of the financial year		16,983	12,420
Effects of exchange rate changes on cash and cash equivalents		838	497
Cash and cash equivalents at the end of the financial year, inclusive of restricted balances	11	26,194	16,983

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Cue Energy Resources Limited as a consolidated entity consisting of Cue Energy Resources Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Cue Energy Resources Limited's functional and presentation currency.

Cue Energy Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange.

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 21 August 2019. The directors have the power to amend and reissue the financial statements.

Note 2. Summary of significant accounting policies

Cue Energy Resources Limited is a for-profit Public Company listed on the Australian Securities Exchange, incorporated and domiciled in Australia. The financial statements are presented in Australian Dollars, which is the parent entity's functional currency. The financial report was authorised for issue by the Directors on the date the Directors' Declaration was signed.

(a) Operations and principal activities
Operations comprise petroleum exploration, development and production activities

(b) Statement of compliance
The financial report is a general purpose financial report presented in Australian dollars which has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001, as appropriate for for-profit oriented entities. International Financial Reporting Standards ("IFRSs") form the basis of Australian Accounting Standards adopted by the AASB. The financial reports of the consolidated entity also comply with IFRS and interpretations adopted by the International Accounting Standards Board.

The accounting policies set out below have been applied consistently to all periods presented in this report.

(c) Basis of preparation
The financial report has been prepared on a going concern basis using the historical cost convention.

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 26.

(d) Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Cue Energy Resources Limited (''company'' or ''parent entity'') as at 30 June 2019 and the results of all subsidiaries for the year then ended. Cue Energy Resources Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities over which the Group has control. The consolidated entity controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power to direct the activities of the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Note 2. Summary of significant accounting policies (continued)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest is the results in equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Cue Energy Resources Limited.

(e) Cash and cash equivalents
For purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts.

(f) Inventories
Inventories consist of hydrocarbon stock. Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes direct costs and an appropriate portion of fixed production overheads where applicable.

(g) Property, plant and equipment

Class of Fixed Asset	Depreciation Rate
Office and computer equipment	20-40%

Property, plant and equipment is carried at historical cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a diminishing value basis so as to allocate the cost of each item of equipment over its expected economic life. The economic life of equipment has due regard to physical life limitations and to present assessments of economic recovery. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessment for major items. Gains and losses on disposal of property, plant and equipment are taken into account in determining the operating results for the year.

(h) Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Note 2. Summary of significant accounting policies (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(i) Rounding
The amounts contained in this financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the Company under ASIC Corporations (Rounding in Financials and Directors Reports) instrument 2016/191. The Company is an entity to which the Class Order applies.

(j) Comparative figures
When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(k) Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(l) Foreign currency
Functional and presentation currency

The Group’s relevant functional currency is the currency of the primary economic environment in which it operates. The consolidated financial statements are presented in Australian dollars, as this is the Group’s presentation currency.

Transactions and balances

Transactions in foreign currencies of entities within the consolidated entity are translated into functional currency at the rate of exchange ruling at the date of the transaction. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of financial year.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Note 2. Summary of significant accounting policies (continued)

Foreign operations

The results and financial position of Cue's foreign operations are translated into its presentation currency using the following procedures:

(a) assets and liabilities for each statement of financial position presented (i.e. including comparatives) shall be translated at the closing rate at the date of that statement of financial position;
(b) income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the month end; and
(c) all resulting exchange differences shall be recognised in other comprehensive income.

(m) New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australia Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 9 Financial Instruments

The consolidated entity has adopted AASB 9 from 1 July 2018. AASB 9 replaces the provisions of AASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 Financial Instruments resulted in changes in accounting policies. There were no changes to the classification of financial instruments in the financial statements. The new accounting policies are set out below. In accordance with the transitional provisions in AASB 9 (7.2.15) and (7.2.26), comparative figures have not been restated. There is no impact on the groups opening retained earnings as at 1 July 2018.

(i) Trade Receivables
Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value.

The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the group's impairment policies and the calculation of the loss allowance are provided in (ii) below.

(ii) Allowance for expected credit loss
The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

(iii) Trade and other payables
Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Note 2. Summary of significant accounting policies (continued)

AASB 15 Revenue from Contracts with Customers

The consolidated entity has adopted AASB 15 from 1 July 2018. It has elected to adopt AASB 15 using the cumulative effect method, with any adjustment required when transitioning to the new standard being recognised on the 1 July 2018 (date of initial application) in retained earnings. Comparative figures have not been restated. There are no material changes in the Group’s revenue recognition which means there have been no adjustments made to the opening retained earnings balance.

The accounting policies for revenue recognition are as follows:

Production revenue
The consolidated entity generates production revenue from its interest in producing crude oil and gas fields. Revenue from oil production is recognised at a point in time when crude oil is delivered to the buyer. Revenue from gas production is recognised during the month when gas is delivered to the buyer.

(n) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2019. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below:

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The consolidated entity will adopt this standard from 1 July 2019. The standard will affect primarily the accounting for the consolidated entity's operating leases. As at reporting date, the consolidated entity has non-cancellable operating leases commitments of $0.2 million (refer to note 25). Management has assessed the impact of the standard and the expected impacts are as follows:

- Increase in assets and liabilities amounting to $172,306 and $176,862 respectively.
- Increase in the loss position on the consolidated statement of comprehensive income in the amount of $4,555.
- It is not expected that there will be any net impact on the consolidated statement of cash flows.

Note 3. Critical accounting estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the consolidated entity, and the estimates and underlying assumptions are reviewed on an ongoing basis.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

(i) Recovery of deferred tax assets
Deferred tax assets resulting from unused tax losses are only recognised if management considers it is probable that future tax profits will be available to utilise the unused tax losses (refer to note 10).

(ii) Impairment of production properties
Production properties impairment testing requires an estimation of the value-in-use of the cash generating units to which deferred costs have been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. Other assumptions used in the calculations which could have an impact on future years includes USD rates, available reserves and oil and gas prices.

(iii) Useful life of production properties
As detailed at note 15 production properties are amortised on a unit-of-production basis, with separate calculations being made for each resource. Estimates of reserve quantities are a critical estimate impacting amortisation of production property assets.

(iv) Estimates of reserve quantities
The estimated quantities of Proven and Probable hydrocarbon reserves reported by the Company are integral to the calculation of the amortisation expense relating to Production Property Assets, and to the assessment of possible impairment of these assets. Estimated reserve quantities are based upon interpretations of geological and geophysical models and assessments of the technical feasibility and commercial viability of producing the reserves. These assessments require assumptions to be made regarding future development and production costs, commodity prices, exchange rates and fiscal regimes. The estimates of reserves may change from period to period as the economic assumptions used to estimate the reserves can change from period to period, and as additional geological data is generated during the course of operations. Reserves estimates are prepared in accordance with the Company's policies and procedures for reserves estimation which conform to guidelines prepared by the Society of Petroleum Engineers.

(v) Restoration provisions
Provisions for future environmental restoration are recognised where there is a present obligation as a result of exploration, development, production, transportation or storage activities having been undertaken, and it is probable that an outflow of economic benefits will be required to settle the obligation. The estimated future obligations include the costs of removing facilities, abandoning wells and restoring the affected areas.

Note 4. Financial reporting by segments

Segment Information
AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ("CODM")) in assessing performance and in determining the allocation of resources.

The CODM assesses the performance of the operating segments based upon a measure of earnings before interest expense, tax, depreciation and amortisation. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the Group financial statements.
At reporting date, the Group operates in three principle geographic segments: Australia, New Zealand and Indonesia. These segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers (CODM)) in assessment performance and in determining the allocation of resources.

Note 4. Financial reporting by segments (continued)

Information regarding the Group's reportable segments is presented below:

2019	Australia $'000	NZ $'000	Indonesia $'000	Total $'000
Revenue				
Revenue from continuing operations	-	10,836	14,894	25,730
Production expenses (excluding amortisation)	-	(5,343)	(2,386)	(7,729)
Gross profit (excluding amortisation)	-	5,493	12,508	18,001
Other revenue	1,986	1,070	2	3,058
Depreciation	(10)	-	-	(10)
Amortisation	-	(2,986)	(1,366)	(4,352)
Exploration and evaluation expenditure	(1,133)	-	(1,043)	(2,176)
Other expenditure	(2,416)	-	-	(2,416)
Share-based payments	(34)	-	-	(34)
Foreign exchange movement	858	(496)	423	785
Profit/(loss) before income tax expense	(749)	3,081	10,524	12,856

2018	Australia $'000	NZ $'000	Indonesia $'000	Total $'000
Revenue				
Revenue from continuing operations	-	10,616	13,931	24,547
Production expenses (excluding amortisation)	-	(5,058)	(6,038)	(11,096)
Gross profit (excluding amortisation)		5,558	7,893	13,451
Other revenue	431	-	1	432
Depreciation	(14)	-	-	(14)
Amortisation	-	(3,836)	(1,594)	(5,430)
Exploration and evaluation expenditure	(336)	-	(1,173)	(1,509)
Other expenditure	(2,347)	-	-	(2,347)
Foreign exchange movement	519	(312)	268	475
Profit/(loss) before income tax expense	(1,747)	1,410	5,395	5,058

	Australia $'000	NZ $'000	Indonesia $'000	Total $'000
TOTAL SEGMENT ASSETS				
Current Assets	23,822	1,487	7,185	32,494
Non-current Assets	21	20,906	10,044	30,971
Total 30 June 2019 Assets	**23,843**	**22,393**	**17,229**	**63,465**
Current Assets	17,027	2,414	5,654	25,095
Non-current Assets	24	22,538	7,009	29,571
Total 30 June 2018 Assets	**17,051**	**24,952**	**12,663**	**54,666**
TOTAL SEGMENT LIABILITIES				
Current Liabilities	218	905	5,092	6,215
Non-current Liabilities	101	10,722	5,018	15,841
Total 30 June 2019 Liabilities	**319**	**11,627**	**10,110**	**22,056**
Current Liabilities	353	1,392	6,725	8,471
Non-current Liabilities	41	9,760	3,124	12,925
Total 30 June 2018 Liabilities	**394**	**11,152**	**9,849**	**21,396**

Major customers

The Group has a number of customers to whom it provides both oil and gas products. The Group supplies a single external customer in the gas segment who accounts for 100% of external gas revenue (2018: 100%).

Note 5. Production costs

	Consolidated 2019 $'000	Consolidated 2018 $'000
Production costs	(7,729)	(11,096)
Amortisation of production properties	(4,352)	(5,430)
	(12,081)	(16,526)

Note 6. Other income

	Consolidated 2019 $'000	Consolidated 2018 $'000
Interest from cash and cash equivalents	381	173
Maari insurance refund	1,070	-
Other income	65	259
Reimbursement of Ironbark back costs	1,542	-
	3,058	432

Accounting policy for other income

Other income is recognised in profit or loss at the fair value of the consideration received or receivable, net of GST, when the significant risks and rewards of ownership have been transferred to the buyer or when the service has been performed.

The gain or loss arising on disposal of a non-current asset is recognised at the date control of the asset passes to the buyer. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Accounting policy for interest income

Interest revenue is recognised as interest accrues using the effective interest method. This is a method calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the net carrying amount of the financial asset.

Note 7. Impairment - Production

At 30 June 2019 the Group reassessed the carrying amount of its oil and gas assets, Production Properties (refer note 15), for indicators of impairment such as changes in future prices, future costs and reserves. As a result, the recoverable amounts of cash-generating units were formally reassessed. There was no impairment over the production assets for the year ended 30 June 2019.

Estimates of recoverable amounts are based on the assets’ value-in-use, determined by discounting each asset’s estimated future cash flows at asset specific discount rates. The pre-tax discount rates applied were 14.3% (2018: 14.3%) equivalent to post-tax discount rates of 10% (2018:10%) depending on the nature of the risks specific to each asset.

Where an asset does not generate cash flows that are largely independent from other assets or groups of assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Accounting policy for Impairment

The carrying amounts of the consolidated entity’s assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset’s recoverable amount is estimated.

Note 7. Impairment - Production (continued)

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds the recoverable amount. Impairment losses are recognised in profit or loss, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (group of units) on a pro rata basis.

Note 8. Administration expenses

	Consolidated	
	2019 $'000	2018 $'000
Depreciation of property, plant and equipment	10	14
Employee expenses	1,329	1,224
Superannuation contribution expense	67	100
Operating lease expenses	147	341
Other expenses	759	564
Business development expenses	114	118
Total administration expenses	2,426	2,361

Note 9. Exploration and evaluation expenditure

	Consolidated	
	2019 $'000	2018 $'000
Exploration Costs Expensed		
Sampang PSC	28	147
Mahakam Hilir PSC	806	821
Mahato PSC	209	205
WA-359-P	899	206
WA-389-P	148	60
WA-409-P	86	70
Total exploration and evaluation expenditure	2,176	1,509

Accounting policy for exploration and evaluation project expenditure

AASB 6 Exploration for and Evaluation of Mineral Resources allows the Group to either capitalise or expense the exploration and evaluation expenditure incurred. During the financial year the consolidated entity reviewed its criteria under its successful efforts method of accounting. The costs of a successful exploration well are capitalised and carried forward as exploration and evaluation assets pending the evaluation of the success of the well. If a well does not result in a successful discovery, the previously capitalised costs are immediately expensed.

Note 10. Income tax expense/(benefit)

	Consolidated 2019 $'000	Consolidated 2018 $'000
Income tax expense/(benefit)		
Current tax	3,678	2,970
Adjustment recognised for current tax in prior periods	3	(2,571)
Deferred tax – origination and reversal of temporary differences(i)	626	(3,080)
Aggregate income tax expense/(benefit)	4,307	(2,681)
Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate		
Profit before income tax (expense)/benefit	12,856	5,058
Tax at the statutory tax rate of 30%	3,857	1,517
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Unrealised foreign exchange movements	(186)	(168)
Unrecognised temporary differences	(930)	(1,200)
Unrecognised tax losses	672	1,794
Recognition of deferred tax (assets)/liabilities (ii)	1,495	(2,733)
Difference in overseas tax rates	(614)	680
Share-based payments	10	-
	4,304	(110)
Adjustment recognised for current tax in prior periods	3	(2,571)
Income tax expense/(benefit)	4,307	(2,681)
(i) Deferred tax included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets	(269)	(2,733)
Increase/(decrease) in deferred tax liabilities (note 16)	895	(347)
Deferred tax – origination and reversal of temporary differences	626	(3,080)

(ii) During the current year, the consolidated entity capitalised Paus Biru-1 exploration well drilling costs pending the determination of the success of the well. As a result, a deferred tax liability of $1.5 million was recognised in the financial statements.

During the prior year there was a change in New Zealand tax laws which now allow a refundable credit for activities to restore certain sites to their original condition. The deferred tax asset of $2.7 million relating to the Maari restoration provision, which was previously not recognised in the financial statements, had been recognised as at 30 June 2018.

	Consolidated 2019 $'000	Consolidated 2018 $'000
Current tax liabilities	4,227	4,946

Cue has an ongoing Indonesian Tax matter relating to a notice of amended assessment which is being disputed by Cue Kalimantan Pte Ltd on behalf of SPC E&P Pte Ltd. Cue is indemnified by SPC for any losses arising from this disputed notice of assessment and has recognised a liability and receivable on the balance sheet.

Note 10. Income tax expense/(benefit) (continued)

	Consolidated 2019 $'000	Consolidated 2018 $'000
Deferred tax assets recognised		
Restoration provision - Maari	3,002	2,733

	Consolidated 2019 $'000	Consolidated 2018 $'000
Deferred tax not recognised		
Deferred tax not recognised comprises temporary differences attributable to:		
Employee provisions	55	33
Tax losses	34,079	34,333
Less deferred tax liabilities not recognised - Production properties	(1,570)	(901)
Less deferred tax liabilities not recognised - Inventories	(281)	(156)
Net deferred tax not recognised	32,283	33,309

The above net potential tax benefit has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Accounting policy for Income tax

The income tax expense for the year is the tax payable on the current period’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Cue Energy Resources Limited (the ‘head entity’) and its wholly-owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation regime effective 1 July 2010.

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the group allocation approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

Assets or liabilities arising under tax funding agreement with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Note 11. Current assets - cash and cash equivalents

	Consolidated 2019 $'000	Consolidated 2018 $'000
Unrestricted		
Operating accounts	14,671	16,983
Restricted		
WA-359-P Drilling Programme Account	11,523	-
Total as disclosed in the statement of cash flows	26,194	16,983

The WA-359-P drilling programme account represents cash held by the entity as required under the funding arrangement of the WA-359-P joint agreement and is not available as free cash for the purposes of the group's operations until BP Developments Australia Pty Ltd, as the operator, draws down on the balance for the purposes of the drilling work programme agreed by all parties.

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Note 12. Current assets - trade and other receivables

	Consolidated 2019 $'000	Consolidated 2018 $'000
Trade receivables	1,249	3,639
Other receivables and prepayments	4,048	3,954
	5,297	7,593

Allowance for expected credit losses
The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The consolidated entity has not recognised any losses in profit or loss in respect of the expected credit losses for the year ended 30 June 2019 (2018: Nil).

The aging of trade receivables at the reporting date was as follows:

	Consolidated 2019 $'000	Consolidated 2018 $'000
Less than one month	591	2,850
1 to 6 months overdue, not impaired	658	789
	1,249	3,639

Trade receivables are non-interest-bearing and settlement terms are generally within 30 days.

Trade receivables are neither past due nor impaired and relate to a number of independent customers for whom there is no recent history of default.

Note 12. Current assets - trade and other receivables (continued)

Movements in the allowance for expected credit losses are as follows:

	Consolidated	
	2019 $'000	2018 $'000
Opening balance	-	38
Receivables written off during the year as uncollectable	-	(38)
Closing balance	-	-

Accounting policy for trade and other receivables
Trade and other receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value.

Note 13. Non-current assets - exploration and evaluation assets

	Consolidated	
	2019 $'000	2018 $'000
Exploration and evaluation - Paus Biru-1 exploration well	3,401	-

Under the criteria the costs of a successful exploration well are capitalised and carried forward as exploration and evaluation assets pending the evaluation of the success of the well. If a well does not result in a successful discovery, the previously capitalised costs are immediately expensed.

The plan of development (POD) process for the Paus Biru discovery is progressing, with the operator undertaking the required post well technical work to include in a POD application. Nothing has come to the attention of the Directors to indicate future economic benefits will not be achieved.

Note 14. Non-current assets - production properties

	Consolidated	
	2019 $'000	2018 $'000
Production properties	24,547	26,814

Note 14. Non-current assets - production properties (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Total $'000
Balance at 1 July 2017	30,082
Expenditure during the year	2,640
Amortisation expense from operations	(5,430)
Changes in abandonment provision – production	(478)
Balance at 30 June 2018	26,814
Expenditure during the year	901
Changes in abandonment provision – production (note 17)	1,184
Amortisation expense	(4,352)
Balance at 30 June 2019	24,547

	Consolidated	
	2019 $'000	**2018 $'000**
Net accumulated cost incurred on areas of interest		
Joint operation assets		
Oyong and Wortel - Sampang PSC	6,642	7,009
Maari - PMP 38160	17,905	19,805
Balance as at 30 June 2019	24,547	26,814

Accounting policy for production properties
Production properties are carried at the reporting date at cost less accumulated amortisation and accumulated impairment losses. Production properties represent the accumulation of all exploration, evaluation, development and acquisition costs in relation to areas of interest in which production licences have been granted.

Amortisation of costs is provided on the unit-of-production basis, separate calculations being made for each resource. The unit-of-production basis results in an amortisation charge proportional to the depletion of economically recoverable reserves (comprising both proven and probable reserves), and is expensed through the statement of profit or loss and other comprehensive income.

Amounts (including subsidies) received during the exploration, evaluation, development or construction phases which are in the nature of reimbursement or recoupment of previously incurred costs are offset against such capitalised costs.

Accounting policy for calculation of recoverable amount

For oil and gas assets the estimated future cash flows are based on value-in-use calculations using estimates of hydrocarbon reserves, future production profiles, commodity prices, operating costs and any future development costs necessary to produce the reserves. Estimates of future commodity prices are based on contracted prices where applicable or based on forward market prices where available. The recoverable amount of other assets is the greater of their net selling price and value-in-use.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Note 15. Current liabilities - trade and other payables

	Consolidated	
	2019 $'000	2018 $'000
Trade payables and accruals	1,893	3,414
Amounts due to directors and director related entities	14	42
	1,907	3,456

Refer to note 21 for further information on financial instruments.

The Directors consider the carrying amount of payables reflect their fair values. Trade creditors are generally settled within 30 days.

Accounting policy for trade and other payables
These amounts represent the principal amounts outstanding at the reporting date plus, where applicable, any accrued interest. Trade payables are normally paid within 30 days, and due to their short term nature are generally unsecured and not discounted.

Note 16. Non-current liabilities - deferred tax liabilities

	Consolidated	
	2019 $'000	2018 $'000
Deferred tax liability recognised comprise of		
Sampang:		
Production properties	2,923	3,084
Exploration and evaluation assets	1,495	-
Restoration provision offset	(471)	(32)
Deferred tax liability	3,947	3,052

Note 17. Non-current liabilities - provisions

	Consolidated	
	2019 $'000	2018 $'000
Employee benefits	101	41
Restoration	11,793	9,832
	11,894	9,873

Movements in each class of provision during the financial year are set out below:

Consolidated - 2019	Employee Benefits $'000	Restoration $'000
Carrying amount at the start of the year	41	9,832
Balance sheet movement* (note 14)	-	1,184
P&L movement	60	777
Carrying amount at the end of the year	101	11,793

*The changes in abandonment provision includes $1 million from Sampang due to increased cash call for cost of future rehabilitation and $0.2 million from Maari due to changes in discount rate, inflation rate and economic cut off of the field.

Note 17. Non-current liabilities - provisions (continued)

Accounting policy for provisions
A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risk specific to the liability.

Restoration
Provisions for future environmental restoration are recognised where there is a present obligation as a result of exploration, development, production, transportation or storage activities having been undertaken, and it is probable that an outflow of economic benefits will be required to settle the obligation. The estimated future obligations include the costs of removing facilities, abandoning wells and restoring the affected areas. Expected timing of outflow of restoration liabilities is not within the next 12 months from the reporting date.

The provision of future restoration costs is the best estimate of the present value of the future expenditure required to settle the restoration obligation at the reporting date, based on current legal requirements. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at the reporting date, with a corresponding change in the cost of the associated asset.

The amount of the provision for future restoration costs relating to exploration, development and production facilities is capitalised and depleted as a component of the cost of those activities.

Accounting policy for employee benefits
The following liabilities arising in respect of employee benefits are measured at their nominal amounts:
- wages and salaries and annual leave expected to be settled within twelve months of the reporting date; and
- other employee benefits expected to be settled within twelve months of the reporting date.

All other employee benefit liabilities expected to be settled more than 12 months after the reporting date are measured at the present value of the estimated future cash outflows in respect of services provided up to the reporting date. Liabilities are determined after taking into consideration estimated future increase in wages and salaries and past experience regarding staff departures. Related on-costs are included.

Note 18. Equity - contributed equity

	Consolidated			
	2019 Shares	**2018 Shares**	**2019 $'000**	**2018 $'000**
Ordinary shares - fully paid	698,119,720	698,119,720	152,416	152,416

Ordinary shares entitle the holder to the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid on the shares held. Ordinary shares entitle holders to one vote, either in person or by proxy at a meeting of the Company. The Company has an unlimited authorised capital and the shares have no par value.

Accounting policy for contributed equity
Ordinary share capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received. Ordinary share capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

Note 19. Equity - Capital management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as maintaining optimal return for shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Note 19. Equity - Capital management (continued)

Management will assess the capital structure of the entity to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

During 2019 management did not pay any dividends (2018: nil).

There has been no change during the year to the strategy adopted by management to control the capital of the entity.

The gearing ratios for the years ended 30 June 2019 and 30 June 2018 are calculated as follows:

	Consolidated	
	2019 $'000	2018 $'000
Trade and other payables	(1,907)	(3,456)
Tax liabilities	(4,227)	(4,946)
Less cash and cash equivalents	14,671	16,983
Total Equity	41,409	33,270
Total capital	49,946	41,851

The gearing ratio is nil for both 2018 and 2019 financial year, as the Group does not have external debt other than trade payables and tax liabilities.

Note 20. Equity - reserves

	Consolidated	
	2019 $'000	2018 $'000
Foreign currency reserve	(784)	(340)
Options reserve	34	-
	(750)	(340)

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency reserve $'000	Options reserve $'000	Total $'000
Balance at 1 July 2017	-	-	-
Foreign currency translation	(340)	-	(340)
Balance at 30 June 2018	(340)	-	(340)
Foreign currency translation	(444)	-	(444)
Share-based payments	-	34	34
Balance at 30 June 2019	(784)	34	(750)

Note 21. Financial instruments

The Group's principal financial instruments comprise receivables, payables, cash and cash equivalents (inclusive of restricted balances).

The Group manages its exposure to key financial risks, including interest rate and currency risk through management's regular assessment of financial risks. The objective of the assessment is to support the delivery of the Group's financial targets whilst protecting future financial security.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, commodity price risk, credit risk and liquidity risk. The Group uses different methods to measure and manage different types of risk to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate, foreign exchange and commodity prices. These risks are summarised below.

Primary responsibility for identification and control of financial risks rests with the Chief Financial Officer under the authority of the Board. The Board reviews and agrees management's assessment for managing each of the risks identified below.

The carrying amounts and net fair values of the economic entity's financial assets and liabilities at the reporting date are:

	Carrying amount		Net fair value	
	2019	2018	2019	2018
CONSOLIDATED	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets				
Cash and cash equivalents*	26,194	16,983	26,194	16,983
Trade and other receivables	5,297	7,593	5,297	7,593
Non-traded financial assets	31,491	24,576	31,491	24,576
Financial liabilities				
Trade and other payables	1,907	3,456	1,907	3,456
Tax liabilities	4,227	4,946	4,227	4,946
Non-traded financial liabilities	6,134	8,402	6,134	8,402

*inclusive of restricted balances

Risk Exposures and Responses

(a) Fair value risk

The financial assets and liabilities of the Group are recognised in the statement of financial position at their fair value in accordance with the accounting policies set out in note 2. In all instances the fair value of financial amounts and liabilities approximates to their carrying value.

Basis for determining fair value

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments:

Trade and other receivables

The carrying value less impairment provision of trade receivables is a reasonable approximation of their fair values due to the short-term nature of trade and other receivables.

Financial liabilities

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. Where these cash flows are in a foreign currency the present value is converted into Australian dollars at the foreign exchange spot rate prevailing at the reporting date.

Note 21. Financial instruments (continued)

The carrying value of trade payables is a reasonable approximation of their fair values due to the short term nature of trade payables.

(b) Interest rate risk

The Group's exposure to market interest rates is related primarily to the Group's cash deposits.

At the reporting date, the Group had the following financial assets exposed to Australian and overseas variable interest rate risk that are not designated in cash flow hedges:

	Consolidated	
	2019 $'000	2018 $'000
Cash and cash equivalents, inclusive of restricted balances	26,194	16,983

The Group constantly analyses its interest rate opportunity and exposure. Within this analysis consideration is given to existing positions and alternative arrangement on fixed or variable deposits.

The following sensitivity analysis is based on the interest rate opportunity/risk in existence at the reporting date.

Based upon the balance of net exposure at the year end, if interest rates changed by +/-1%, with all other variables held constant, the estimated impact on post-tax profit and equity would have been:

	Consolidated	
	2019 $'000	2018 $'000
Impact on post-tax profit		
Interest rates +1%	262	170
Interest rates -1%	(262)	(170)
Impact on equity		
Interest rates +1%	262	170
Interest rates -1%	(262)	(170)

A movement of +1% and – 1% is selected because this is historically within a range of rate movements and available economic data suggests this range is reasonable.

(c) Foreign exchange risk

The Group is subject to foreign exchange risk on its international exploration and appraisal activities where costs are incurred in foreign currencies, in particular United States dollars. However, given the group generates and holds significant balances of foreign currencies, the Group foreign exchange risk exposures are mitigated through naturally hedging.

The Group's exposure to foreign exchange risk at the reporting date was as follows (holdings are shown in AUD equivalent):

	30 June 2019			30 June 2018		
Consolidated	USD $'000	NZD $'000	IDR $'000	USD $'000	NZD $'000	IDR $'000
Financial assets						
Trade and other receivables	5,033	127	9	7,215	65	15
Financial liabilities						
Trade and other payables	957	794	10	2,017	1,093	41
Tax liabilities	4,227	-	-	4,946	-	-

Note 21. Financial instruments (continued)

At the reporting date, if the currencies set out in the table above, strengthened or weakened against the Australian dollar by the percentage shown, with all other variables held constant, net profit for the year would (decrease)/increase and net assets would (decrease)/increase by:

				Consolidated 2019
	USD $'000	NZD $'000	IDR $'000	TOTAL $'000
Impact on post-tax profit				
Exchange rates +10%	(15)	(67)	-	(82)
Exchange rates -10%	15	67	-	82
Impact on equity				
Exchange rates +10%	(15)	(67)	-	(82)
Exchange rates -10%	15	67	-	82

				Consolidated 2018
	USD $'000	NZD $'000	IDR $'000	TOTAL $'000
Impact on post-tax profit				
Exchange rates +10%	25	(103)	(2)	(80)
Exchange rates -10%	(25)	103	2	80
Impact on equity				
Exchange rates +10%	25	(103)	(2)	(80)
Exchange rates -10%	(25)	103	2	80

Management believes the risk exposures as at the reporting date are representative of the risk exposure inherent in the financial instruments.

(d) Commodity price risk

The Group is involved in oil and gas exploration and appraisal, and since April 1998 has received revenue from the sale of hydrocarbons. Exposure to commodity price risk is therefore limited to this production and from successful exploration and appraisal activities the quantum of which at this stage cannot be measured.

The Group is exposed to commodity price fluctuations through the sale of petroleum products denominated in US dollars. The Group may enter into commodity crude oil price swap and option contracts to manage its commodity price risk.

At 30 June 2019, the Group had no open oil price swap contracts (2018: nil).

If the US dollar oil price changed by +/-20% from the average oil price during the year, with all other variables held constant, the estimated impact on post-tax profit and equity would have been:

	Consolidated	
	2019 $'000	2018 $'000
Impact on post-tax profit		
US dollar oil price +20%	2,167	2,123
US dollar oil price -20%	(2,167)	(2,123)
Impact on post-tax equity		
US dollar oil price +20%	2,167	2,123
US dollar oil price -20%	(2,167)	(2,123)

Management believes the risk exposures as at the reporting date are representative of the risk exposure inherent in the financial instruments. A movement of + 20% and – 20% is selected because a review of historical oil price movements and economic data suggests this range is reasonable.

Note 21. Financial instruments (continued)

(e) Liquidity risk

Liquidity Risk is the risk that the group, although balance sheet solvent, cannot meet or generate sufficient cash resources to meet its payment obligations in full as they fall due, or can only do so at materially disadvantageous terms.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group is consequently more than sufficiently solvent to meet its payment obligations in full as they fall due.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group aims to maintain flexibility in funding to meet ongoing operational requirements, exploration and development expenditure, and small-to-medium-sized opportunistic projects and investments, by keeping committed credit facilities available.

The following table analyses the contractual maturities of the Group's financial liabilities into relevant groupings based on the remaining period at the reporting date to the contractual undiscounted cash flows comprising principal and interest repayments. Estimated variable interest expense is based upon appropriate yield curves existing as at 30 June 2019.

	12 months or less $'000	1 to 2 years $'000	2 to 5 years $'000	More than 5 years $'000
Consolidated 2019				
Non-derivative financial liabilities				
Trade and other payable (Note 16)	1,907	-	-	-
Consolidated 2018				
Non-derivative financial liabilities				
Trade and other payables	3,456	-	-	-

(f) Credit risk

Credit risk arises from the financial assets of the group, which comprise cash and cash equivalents and trade and other receivables. The Group's exposure to credit risk arises from potential default by the counter-party, with maximum exposure equal to the carrying amount of these instruments. Exposure at the reporting date is addressed in each applicable note.

The Group does not hold any credit derivatives to offset its credit exposure.

The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitize its trade and other receivables.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. The risks are regularly monitored.

At the reporting date there are no significant concentrations of credit risk within the Group.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Note 22. Key management personnel disclosures and related party disclosures

Other key management personnel
Total remuneration payments and equity issued to Directors and key management personnel are summarised below. Elements of Directors and executives remuneration includes:
- Short term employment benefits, including non-monetary benefits and consultancy fees
- Post employment benefits – superannuation and long service leave entitlements
- Long term employee benefits

	Consolidated	
	2019	**2018**
Short term employment benefits (including non-monetary benefits)	485,768	471,206
Cash bonuses	112,200	25,774
Post employment benefits	43,222	27,988
Share-based payments	10,307	-
Total employee benefits	651,497	524,968

Other related party transactions

Repayment of amounts owing to the Company as at 30 June 2019 and all future debts due to the Company, by the controlled entities are subordinated in favour of all other creditors. Cue Energy has agreed to provide sufficient financial assistance to the controlled entities as and when it is needed to enable the controlled entities to continue operations.

The parent company provides management, administration and accounting services to the subsidiaries. No Management fees were charged to subsidiaries in 2018 and 2019 financial year.

The ultimate parent company is O.G. Oil & Gas (Singapore) Pte. Ltd., a company incorporated in Singapore.

Note 23. Auditors remuneration

During the financial year the following fees were paid or payable for services provided by BDO East Coast Partnership, the auditor of the company:

	Consolidated	
	2019 $	**2018 $**
Audit services - BDO East Coast Partnership		
Audit or review of the financial statements	117,857	114,799
Other services - BDO East Coast Partnership		
Advisory services	-	375
Tax compliance	10,000	20,000
	10,000	20,375
	127,857	135,174

No other services were provided by the auditor during the year, other than those set out above.

Note 24. Contingent assets and liabilities

The Group has no contingent assets or liabilities as at 30 June 2019 (2018: Nil).

Cue Energy Resources Limited and Cue Resources Inc. were named as defendants, along with a number of other companies, in litigation pending in Texas, USA in relation to the Pine Mills oilfield. On March 27, 2019 the court dismissed the claims against Cue in their entirety. On April 26, 2019, the plaintiff filed an amended lawsuit against Cue and the other defendants. Cue has filed a motion to dismiss, which is now pending in U.S. court.

Note 25. Commitments for expenditure

	Consolidated 2019 $'000	2018 $'000
*a) Exploration tenements**		
The Group participates in a number of licences, permits and production sharing contracts for which the Group has made commitments with relevant governments to complete minimum work programmes.		
Within one year	1,645	34,800
One to five years	27,033	-
	28,678	34,800
*b) Production development expenditure***		
The Group participates in a number of development projects that were in progress at the end of the period. These projects require the Group, either directly or through joint venture arrangements, to enter into contractual commitments for future expenditures.		
Within one year	706	-
*c) Operating lease commitments****		
Non-cancellable operating lease are payable as follows:		
Within one year	90	122
One to five years	99	2
	189	124

* If the economic entity decides to relinquish certain tenements and/or does not meet these obligations, assets recognised in the Statement of Financial Position may require review in order to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties could potentially reduce or extinguish these obligations.

All commitments relate to Joint Operation projects.

$27 million included in "one to five years" category refers to the total Cue commitment for the Ironbark well. Approximately $16 million will be funded by joint venture partners, with the remaining $11 million funded from Cue's cash reserves which have been escrowed for this purpose (refer to note 11).

** All development expenditure commitments relate to the development of oil and gas fields.

*** The operating lease commitments consist of the following:

- Property lease at Level 3, 10-16 Queen Street Melbourne renewed on 1 October 2018 and will expire on 30 September 2021.
- Property lease for Indonesian office renewed on 1 April 2019 and will expire on 31 March 2021.
- Minor lease commitment on printer.

Accounting policy for leases

Operating leases are leases which the lessor effectively retains substantially all the risks and benefits incidental to ownership of the leased asset. Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight line basis over the term of the lease.

Note 26. Parent entity information

Cue Energy Resources Limited is the parent entity.

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2019 $'000	Parent 2018 $'000
Loss after income tax	(1,390)	(1,403)
Total comprehensive income	(1,390)	(1,403)

Statement of financial position

	Parent 2019 $'000	Parent 2018 $'000
Total current assets	12,214	17,009
Total assets	23,404	24,853
Total current liabilities	200	353
Total liabilities	301	394
Equity		
Contributed equity	152,416	152,416
Options reserve	34	-
Accumulated losses	(129,346)	(127,957)
Total equity	23,104	24,459

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for the acquisition of capital assets as at 30 June 2019 (2018: nil).

Lease commitments
The parent entity has no commitments in relation to leases as at 30 June 2019 other than disclosed in note 25.

Note 27. Shares in subsidiaries

Shares held by parent entity at the reporting date:

Name	Principal place of business / Country of incorporation	Ownership interest 2019 %	Ownership interest 2018 %
Cue Mahato Pty Ltd	Australia	100.00%	100.00%
Cue Mahakam Hilir Pty Ltd	Australia	100.00%	100.00%
Cue Kalimantan Pte Ltd*	Singapore	100.00%	100.00%
Cue (Ashmore Cartier) Pty Ltd	Australia	100.00%	100.00%
Cue Sampang Pty Ltd	Australia	100.00%	100.00%
Cue Taranaki Pty Ltd	Australia	100.00%	100.00%
Cue Exploration Pty Ltd	Australia	100.00%	100.00%

All companies in the Group have a 30 June reporting date.

* Shares held by Cue Mahakam Hilir Pty Ltd

Note 28. Interests in joint operations

Property	Operator	Cue Interest (%)	Gross Area (km2)	Net Area (km2)	Permit expiry date
Petroleum exploration properties					
Carnarvon Basin – Western Australia					
WA-359-P	BP Developments Australia Pty Ltd	21.5	645	645	25/04/2021
WA-389-P	Cue Exploration Pty Ltd	100	1,939	775.60	08/10/2020
WA-409-P	BP Developments Australia Pty Ltd	20	565	169.50	20/07/2021
Indonesia					
Mahakam Hilir PSC	Cue Kalimantan Pte Ltd	100	222.14	88.90	15/05/2020
Mahato PSC	Texcal Mahato EP Ltd	12.50	5,600	700	19/06/2020
Petroleum production properties					
New Zealand					
PMP38160	OMV New Zealand Limited	5	80.18	4	02/12/2027
Madura - Indonesia					
Sampang	Ophir Indonesia (Sampang) Pty Ltd	15 (8.18 Jeruk Field)	534.50	80.20	04/12/2027

Information relating to joint operations that are material to the consolidated entity are set out below:

	2019 $'000	2018 $'000
Summarised statement of financial position		
Cash and cash equivalents	5	5
Receivables	1,478	3,930
Inventory	1,003	519
Deferred tax assets	3,002	2,733
Production Properties (note 14)	24,547	26,814
Exploration and evaluation assets (note 13)	3,401	-
Total assets	33,436	34,001
Payables	1,757	3,112
Current tax liabilities	457	1,370
Restoration provisions	11,793	9,832
Deferred tax liabilities	3,948	3,052
Total liabilities	17,955	17,366
Net assets	15,481	16,635
Summarised statement of profit or loss and other comprehensive income		
Production income	25,730	24,547
Production expenses	(7,223)	(9,881)
Exploration and evaluation expenditure	(1,222)	-
Profit before income tax	17,285	14,666
Other comprehensive income	-	-
Total comprehensive income	17,285	14,666

Note 28. Interests in joint operations (continued)

Refer to note 24 in relation to contingent liabilities of the Group.

Commitments for expenditure are disclosed in note 25.

Accounting policy for joint operations
A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The consolidated entity has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

Note 29. Events after the reporting period

On 29 July 2019, the consolidated entity issued 4,277,888 unlisted options to eligible employees for services rendered from 1 July 2018, exercisable at $0.07 (7 cents). The options will vest on 1 July 2021 and expire on 1 July 2023.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 30. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated	
	2019 $'000	2018 $'000
Profit after income tax (expense)/benefit for the year	8,549	7,739
Adjustments for:		
Share-based payments	34	-
Abandonment provision expense	777	495
Depreciation	10	14
Amortisation	4,352	5,430
Net gain on foreign currency conversion	(1,141)	(728)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	2,296	(3,222)
Decrease/(increase) in inventories	(484)	28
Increase in deferred tax assets	(269)	(2,733)
Decrease in trade and other payables	(1,549)	(475)
(Decrease)/Increase in tax liabilities	(719)	1,004
Increase/(decrease) in deferred tax liabilities	895	(348)
Increase/(decrease) in provisions	72	(372)
Net cash from operating activities	12,823	6,832

Note 31. Earnings per share

	Consolidated	
	2019 $'000	2018 $'000
Profit after income tax attributable to the owners of Cue Energy Resources Limited	8,549	7,739

Note 31. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	698,119,720	698,119,720
Weighted average number of ordinary shares used in calculating diluted earnings per share	698,119,720	698,119,720

	Cents	Cents
Basic earnings per share	1.22	1.11
Diluted earnings per share	1.22	1.11

Accounting policy for earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the earnings attributable to the owners of Cue Energy Resources Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 32. Share-based payments

On 29 July 2019, the consolidated entity issued 4,277,888 unlisted options to eligible employee under the share option scheme. The options are exercisable at $0.07 (7 cents) per option, and will vest on 1 July 2021 and expire on 1 July 2023.

Under IG4, which is set out in the Appendix to AASB 2 Share Based Payments, the service commencement date of these options were deemed to be 1 July 2018. The options were valued using Black-Scholes option pricing model. $34,255 of share-based payment expense was recorded in relation to these options for the financial year ending 30 June 2019.

Set out below are summaries of options granted under the plan:

2019

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/07/2018	01/07/2023	$0.07	-	4,277,888	-	-	4,277,888
			-	4,277,888	-	-	4,277,888
Weighted average exercise price			$0.00	$0.07	$0.00	$0.00	$0.07

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
01/07/2018	01/07/2023	$0.06	$0.07	53.00%	-	2.25%	$0.024

Accounting policy for share-based payments
Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

Note 32. Share-based payments (continued)

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Cue Energy Resources Limited
Directors' declaration
30 June 2019

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Alastair McGregor
Non-Executive Chairman

21 August 2019

Tel: +61 3 9603 1700
Fax: +61 3 9602 3870
www.bdo.com.au

Collins Square, Tower Four
Level 18, 727 Collins Street
Melbourne VIC 3008
GPO Box 5099 Melbourne VIC 3001
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Cue Energy Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cue Energy Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of Production Assets

Key audit matter	*How the matter was addressed in our audit*
The total carrying value of the oil and gas production property assets at 30 June 2019 is $24.547 million (2018: $26.814 million), which consists of Maari and Sampang (Oyong and Wortel) assets, as disclosed in Note 14. The nature of these production property assets requires management to assess for indicators of impairment. For the year ended 30 June 2019, management has undertaken a formal impairment test of these production property assets using a value in use (VIU) methodology. A VIU impairment assessment is complex and highly judgemental, and includes modelling a range of assumptions and cash flow estimates that are affected by expected future performance and market conditions.	During our audit, we evaluated management's assessment of the recoverable value of each production asset. Our procedures included, but were not limited to: • Obtaining and reviewing the reserve quantity reports from an external expert. This included assessing the competency, objectivity and independence of the expert and reviewing the report to determine if the assumptions were reasonable and in line with our understanding and expectations of the asset and the industry. • Engaged our corporate valuation specialists to assess the discount rates used by management to other comparable participants in the industry. • Benchmarking and analysing management's future oil price assumptions against external data. • Comparing the expected future costs to operator budgets and other third party reports. • Performing a sensitivity analysis over the underlying variables to determine the impact of unfavourable changes to cash flows and in turn recoverable value of each production asset.

Accounting treatment of the Ironbark Project Farm-Out

Key audit matter	*How the matter was addressed in our audit*
During the 2019 financial year, a joint arrangement was formed between BP Developments Australia, Beach Energy Limited, New Zealand Oil & Gas and Cue Exploration Pty Ltd to drill the Ironbark-1 well in exploration permit WA-359-P in Western Australia. The arrangement in place stipulates that Cue Exploration Pty Ltd (Farmer) receives cash consideration for reimbursement of back costs and a free carry consideration up to a maximum of US$11.308 million from the other parties (Farmees). This joint arrangement is material to the company.	During the audit, we evaluated the accounting adopted by the company for reimbursement of back costs and the free carry amount included as part of the Ironbark Farm-out. Our procedures included, but were not limited to: • Reviewing the underlying agreement for the joint arrangement including the obligations of each party involved. • Discussing the transaction with Cue Board of Directors and management to ensure all implications of the various accounting approaches were considered. • Reviewing Cue's management position paper to support the accounting treatment of the Ironbark Project. • Obtaining a technical consultation from our IFRS accounting specialists to ensure that the accounting approach adopted is in line with best practice.

Other information

The directors are responsible for the other information. The other information comprises the information contained in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Reserve Report, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the Reserve Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included pages 12 to 17 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Cue Energy Resources Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO East Coast Partnership

BDO

David Garvey

David Garvey
Partner

Melbourne, 21 August 2019

Shareholder Information

1. Distribution of equitable securities

The shareholder information set out below was applicable as at 19 August 2019:

	Number of holders of ordinary shares
1 to 1,000	62
1,001 to 5,000	161
5,001 to 10,000	487
10,001 to 100,000	1,504
100,001 and over	320
	2,534
Holding less than a marketable parcel	225

2. Registered Top 20 Shareholders

The registered names and holdings of the 20 largest holdings of quoted ordinary shares in the Company as at 19 August 2019:

	Ordinary shares	
Shareholder	Number held	% of total shares issued
1. NZOG Offshore Limited	349,368,803	50.04
2. BNP Paribas Noms Pty Ltd (DRP)	113,875,816	16.31
3. ABN Amro Clearing Sydney Nominees Pty Ltd (Custodian A/C)	12,225,025	1.75
4. Portfolio Securities Pty Ltd	10,000,000	1.43
5. Reviresco Nominees Pty Ltd (Reviresco S/F A/C)	7,500,000	1.07
6. HSBC Custody Nominees (Australia) Limited	6,436,415	0.92
7. Finot Pty Ltd	5,000,000	0.72
8. HSBC Custody Nominees (Australia) Limited - A/C 2	4,677,647	0.67
9. Jarden Scrip Limited	4,629,850	0.66
10. Citicorp Nominees Pty Limited	3,903,161	0.56
11. Mrs Janet Backhouse	3,847,338	0.55
12. Berne No 132 Nominees Pty Ltd (52293 A/C)	3,300,000	0.47
13. Grizzley Holdings Pty Limited	3,202,203	0.46
14. Lakemba Pty Ltd	3,084,051	0.44
15. Ms Rachel Irene Alembakis	2,960,000	0.42
16. Beira Pty Limited	2,909,452	0.42
17. Milliara Nominees (Aust) Pty Limited (Gill Family A/C)	2,818,289	0.40
18. Custodial Services Limited (Beneficiaries Holdings A/C)	2,217,425	0.32
19. Equity Trustees Limited (Lowell Resources Fund A/C)	2,000,000	0.29
20. Mr Damiano Giorgio Pilla	1,996,427	0.29
	545,951,902	78.19

3. Unquoted equity securities

	Number on issue	Number of holders
Unquoted options over ordinary shares	4,277,888	7

The following persons hold 20% or more of unquoted equity securities:

Name	Class	Number held
Balakrishnan Kunjan	Unquoted options	1,482,580
Matthew Boyall	Unquoted options	1,288,338

4. Vendor Securities

There are no restricted securities on issue as at 14 August 2019.

5. Voting rights

At meeting of members or classes of members:

(a) each member entitled to vote may vote in person or by proxy, attorney or respective;

(b) on a show of hands, every person present who is a member or a proxy, attorney or representative of a member has one vote; and

(c) on a poll, every person present who is a member or a proxy, attorney or representative of a member has:

(i) for each fully paid share held by person, or in respect of which he/she is appointed a proxy, attorney or representative, one vote for the share;

(ii) for each partly paid share, only the fraction of one vote which the amount paid (not credited) on the share bears to the total amounts paid and payable on the share (excluding amounts credited).

Subject to any rights or restrictions attached to any shares or class of shares.

6. Share registry

Enquiries

Cue's share register is managed by Computershare. Please contact Computershare for all shareholding and dividend related enquiries.

Change of shareholder details

Shareholders should notify Computershare of any changes in shareholder details via the Computershare website (www.computershare.com.au) or writing (fax, email, mail). Examples of such changes include:

- Registered name
- Registered address
- Direct credit payment details

Computershare Investor Services Pty Ltd

GPO Box 2975
Melbourne, Victoria 3001 Australia
Telephone: 1300 850 505 (within Australia)
or +61 3 9415 4000 (outside Australia)
Facsimile: +61 3 9473 2500
Email: web.queries@computershare.com.au
Website: www.computershare.com.au

7. Sharecodes

ASX Share Code: CUE