

SUMMARY OF ACTIVITIES

Highlights

- \$3.6 million net cashflow for the quarter, increasing cash to \$16.98m
- Rig procurement underway for Paus Biru-1 exploration well
- WA-359-P Suspension and extension application pending with NOPTA

Sustainable Business

- Total net production of 30,132 barrels (bbls) of oil and 381 million cubic feet (mmcf) of gas.
- \$7.18 million cash received from oil and gas sales
- \$16.98 million cash and no debt.

Disciplined Growth

- **Indonesia:** Preparations for Paus Biru-1 Exploration well in Sampang PSC continued with expected drill timing of Q4 2018
- **New Zealand:** Annual maintenance shutdown and scheduled workovers completed

Step Change Opportunities

- **Australia:** WA-359-P Suspension and extension application still pending with NOPTA. Cue continues to review funding options for the Ironbark-1 well.

Production & Financial Summary

- Revenue during the quarter increased by 7% due to 2017 Oyong oil revenue received
- \$7.18 million cash received on oil and gas sales comprising of:
 - 26,749 bbls at an average price of US\$70.14/bbl
 - 20,381 bbls at a price of US\$46.86/bbl from delayed 2017 Oyong Oil revenue
 - gas sales of 366 mmcf at an average price of US\$7.18 per thousand cubic feet (Mcf).
- Production expenditure lower due to timing of Joint Venture payments

KEY PERFORMANCE METRICS

		Jun Quarter Q4 FY18	Mar Quarter Q3 FY18	Change %
Oil Production (net to Cue)	bbl	30,132	32,019	(6)
Gas Production (net to Cue)	mmcf	381	365	5
Oil Liftings (net to Cue receipts)	bbl	47,130	41,076	15
Gas Liftings (net to Cue receipts)	mmcf	366	350	5
Total Revenue Receipts	\$m	7.18	6.71	7
Production Expenditure	\$m	1.94	2.66	(27)
Closing Cash Position	\$m	16.98	13.40	27

PRODUCTION - NEW ZEALAND

PMP 38160

Cue Interest: 5% (Cue Taranaki Pty Ltd)

Operator: OMV New Zealand Limited

Maari and Manaia Fields

Net Oil Production	bbbl	29,314
Oil Liftings (net to Cue receipts)	bbbl	25,700
Revenue Receipts	\$m	2.37

Scheduled well workovers and an annual maintenance shutdown, which interrupted production during the last week of June, were performed during the quarter. Post the quarter end, all wells have returned to operation, except MR3, which developed an electric fault and is currently undergoing repair works.

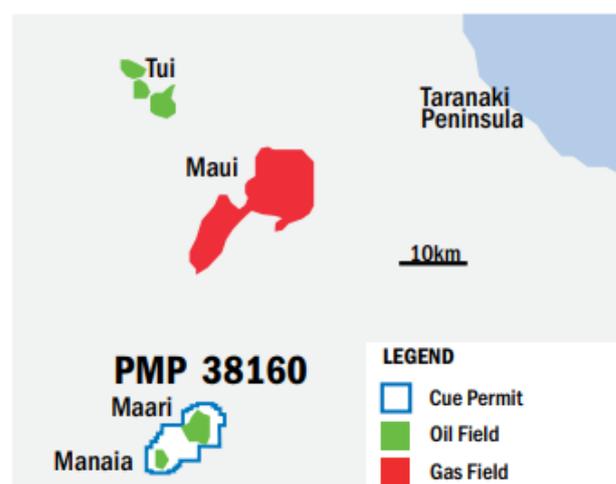
The Joint Venture has deferred further work on the proposal to appraise the Manaia Moki reservoir due to technical and commercial considerations.

On May 30 2018, Horizon Oil announced the completion of its acquisition of Todd Maari Limited's 16% interest in PMP 38160, which contains the Maari and Manaia fields.

The PMP 38160 Joint Venture now comprises:

OMV NZ limited (Operator) 69%, Horizon Oil International Ltd 26%, Cue Taranaki Pty Ltd 5%

TARANAKI PENINSULA LOCATION MAP - NEW ZEALAND



PRODUCTION - INDONESIA

Sampang PSC

Cue Interest: 15% (Cue Sampang Pty Ltd)

Operator: Santos (Sampang) Pty Ltd

Oyong and Wortel Fields

		Oyong	Wortel
Net Oil Sale (2017 oil lift)	bbbl	20,381	
Revenue Receipts (Oil)	\$	1.26	
Net Condensate Production	bbbl	6	812
Net Condensate Sales	bbbl	8	1,041
Revenue Receipts (Condensate)	\$	559	74,598
Net Gas Production	mmcf	123	259
Net Gas Sales	mmcf	123	243
Revenue Receipts (Gas)	\$m	1.18	2.29

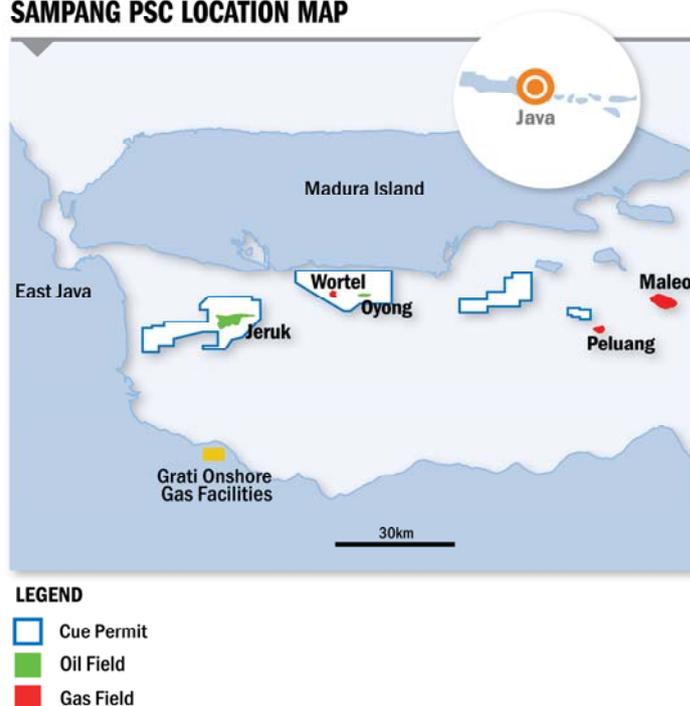
Sampang PSC continued to perform strongly as a gas only project with production from both Oyong and Wortel fields. \$1.26m was received during the quarter as delayed payment from 2017 Oyong oil lifting.

Rig procurement and detailed well planning for the Paus-Biru 1 exploration well progressed during the quarter, with the Operator confirming Q4 2018 as the target for drilling.

The Paus Biru prospect is located 27km east of the producing Oyong gas field. Paus Biru-1 will target a Mundu Formation four way dip structural closure, analogous to the producing zone in Oyong and Wortel fields.

On the 3rd May 2018, Santos announced the sale of its Asian Assets, including the Sampang PSC, to Ophir Energy subject to Ophir shareholder approval. All Santos employees associated with these assets will transfer to Ophir as part of the sale, so Cue does not anticipate any operational impacts from the sale.

SAMPANG PSC LOCATION MAP



EXPLORATION - AUSTRALIA

WA-359-P

Cue Interest: 100% (Cue Exploration Pty Ltd)

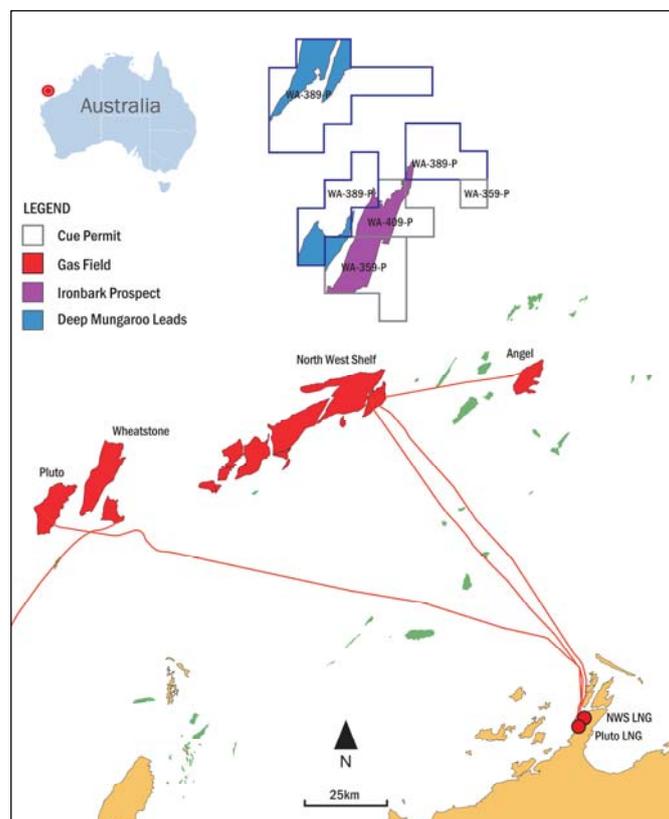
Operator: Cue Exploration Pty Ltd

WA-359-P contains the Ironbark prospect, a large and exciting Deep Mungaroo gas target close to the existing NWS LNG infrastructure.

The current WA-359-P permit expiry date was 25 April 2018. During February 2018, Cue submitted a Suspension, Extension and Variation application to the National Offshore Permit Titles Administrator (NOPTA) to allow time for analysis and review of new data as part of the Ironbark-1 drill planning.

This application is still pending with NOPTA, with a decision expected during the current quarter. The title remains in effect while the application is being reviewed.

Cue continues to progress Ironbark-1 well planning and review funding options to enable the well to be drilled during 2019 if the Suspension and Extension application is successful.



WA-409-P

Cue Interest: 20% (Cue Exploration Pty Ltd)

Operator: BP Developments Australia Pty Ltd

Analysis of reprocessed seismic is continuing by the Operator.

WA-389-P

Cue Interest: 100% (Cue Exploration Pty Ltd)

Operator: Cue Exploration Pty Ltd

Mapping and evaluation of the permit is continuing, with 2 leads analogous to the Ironbark prospect identified.

EXPLORATION - INDONESIA

Mahakam Hilir PSC; Kutei Basin

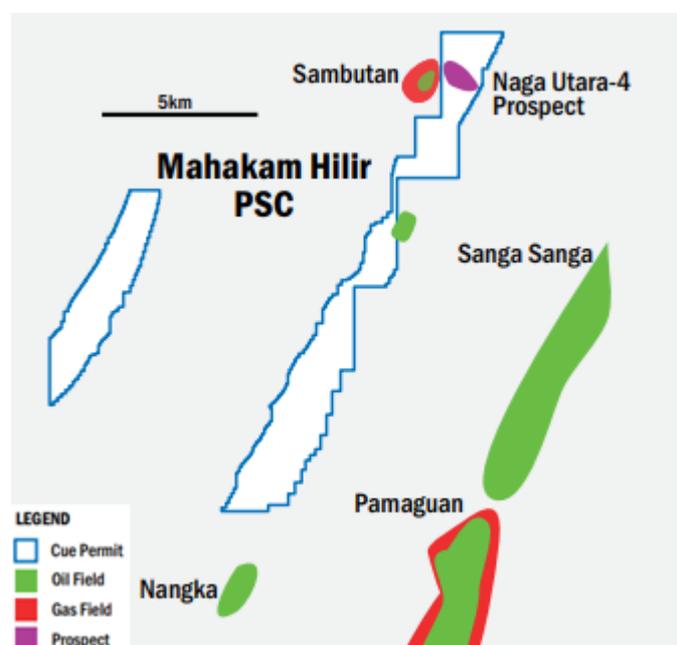
Cue Interest: 100% (Cue Mahakam Hilir Pty Ltd and Cue Kalimantan Pte Ltd)

Operator: Cue Kalimantan Pte Ltd

During the quarter approval was received for a change of Work Programme in the Mahakam Hilir PSC.

2 wells previously included in the Work Programme for contract year 8 (to May 2018) were replaced by G&G studies. The wells are now included in Permit year 9 (to May 2019). Cue continues to complete the technical work required for the Naga Utara 4 appraisal well planning.

Cue is currently seeking partners to participate in the Mahakam Hilir PSC and Naga Utara-4 well. A number of presentations with interested parties were conducted during the quarter.



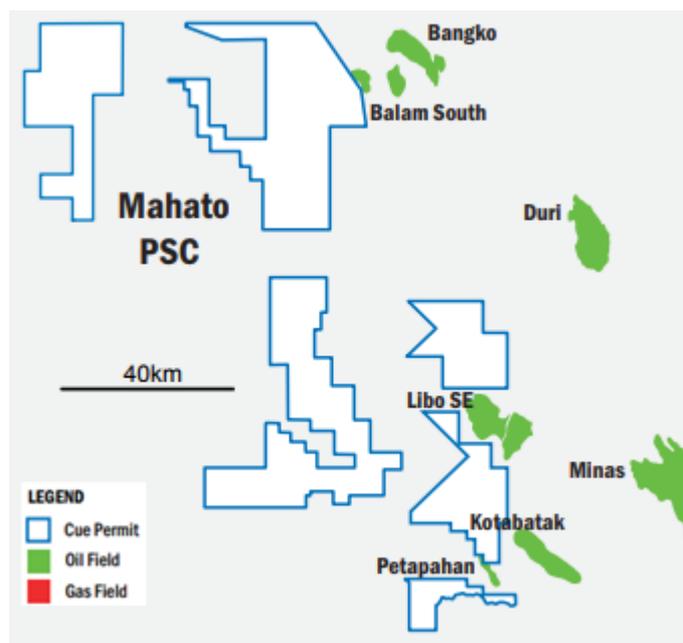
Mahato PSC; Central Sumatra Basin
Cue Interest: 12.5% (Cue Mahato Pty Ltd)
Operator: Texcal Mahato

The exploration period of the Mahato PSC expires on 19th July 2018. During the quarter, the partners have been in discussions with the Indonesian Government and the Mahato PSC Operator regarding the funding of exploration activities and an extension to the exploration period of the permit.

Subsequent to the end of the quarter, Cue has been advised that a number of transactions have taken place which will, subject to Government approval, alter the ownership and funding of the PSC. The Operator has also submitted an application for an extension to the exploration period to replace lost time due to previous issues with land ownership.

The ownership and equity changes do not affect Cue's 12.5% and Cue is optimistic that new participants in the PSC will aggressively pursue exploration opportunities if an extension is granted.

Should the exploration period lapse on 19th July 2018 without the granting of an extension, the PSC partners will have an exposure to penalties of up to US\$8m.



CORPORATE

The following Cue Energy Resources Limited board changes occurred during the quarter:

- Ms Rebecca Delaet was appointed as a director of Cue Energy Resources Limited
- Mr Grant Worner resigned as Chairman and Director
- Mr Alastair McGregor was appointed as Chairman of the Board
- Mr Peter Hood was appointed as Lead Independent Director

Cue Energy Resources Ltd and Cue Resources Inc. have been named as defendants, along with a number of other companies, in litigation pending in Texas, USA in relation to the Pine Mills oilfield. Cue Energy Resources Ltd and Cue Resources Inc. believe the suit has no merit and have filed motions to dismiss the proceedings.

-Ends-

Various statements in this report constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward looking statements and involve unknown risks, expectations, uncertainties and other important factors that could cause those future acts, events and circumstances to differ from the way or manner in which they are expressly or impliedly portrayed herein.

Some of the more important of these risks, expectations and uncertainties are pricing and production levels from the properties in which the Company has interests and the extent of the recoverable reserves at those properties. In addition, the Company has a large number of exploration permits. Exploration for oil and gas is expensive, speculative and subject to a wide range of risks. Individual investors should consider these matters in light of their personal circumstances (including financial and taxation affairs) and seek professional advice from their accountant, lawyer or other professional adviser as to the suitability for them of an investment in the Company.

<p>DIRECTORS Alastair McGregor (Non Exec. Chairman) Koh Ban Heng (Non Exec. Director) Andrew Jefferies (Non Exec. Director) Peter Hood (Non Exec. Director) Rebecca DeLaet (Non Exec. Director) Richard Malcolm (Non Exec. Director) Roderick Ritchie (Non Exec. Director) Samuel Kellner (Non Exec. Director)</p> <p>CHIEF EXECUTIVE OFFICER Matthew Boyall</p> <p>COMPANY SECRETARY/CHIEF FINANCIAL OFFICER Melanie Leydin</p>	<p>REGISTERED OFFICE Level 3 10-16 Queen Street MELBOURNE VIC 3000</p> <p>Phone: +613 8610 4000 Fax: +613 9614 2142 Email: mail@cuenrg.com.au Web: www.cuenrg.com.au</p> <p>AUDITOR BDO East Coast Partnership Level 18, 727 Collins Street MELBOURNE VIC 3000</p>	<p>SECURITIES EXCHANGE LISTING ASX: CUE</p> <p>SHARE REGISTER Computershare Investor Services Pty Ltd Telephone: 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) Email: web.queries@computershare.com.au Website: www.computershare.com.au</p>
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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Cue Energy Resources Limited

ABN

45 066 383 971

Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	7,182	25,681
1.2 Payments for		
(a) exploration & evaluation	(334)	(1,832)
(b) development		
(c) production	(1,944)	(11,076)
(d) staff costs	(293)	(2,561)
(e) administration and corporate costs	(175)	(665)
1.3 Dividends received (see note 3)		
1.4 Interest received	55	171
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid	(1,259)	(2,972)
1.7 Research and development refunds		
1.8 Other (GST)	92	86
1.9 Net cash from / (used in) operating activities	3,324	6,832
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets – production properties	(163)	(2,766)

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(163)	(2,766)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	13,397	12,420
4.2	Net cash from / (used in) operating activities (item 1.9 above)	3,324	6,832
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(163)	(2,766)
4.4	Net cash from / (used in) financing activities (item 3.10 above)		
4.5	Effect of movement in exchange rates on cash held	425	497
4.6	Cash and cash equivalents at end of period	16,983	16,983

Mining exploration entity and oil and gas exploration entity quarterly report

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	10,956	7,481
5.2 Call deposits	6,027	5,916
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	16,983	13,397

6. Payments to directors of the entity and their associates**Current quarter
\$A'000**

6.1 Aggregate amount of payments to these parties included in item 1.2

53

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Directors' fees and Director's travel expenses

7. Payments to related entities of the entity and their associates**Current quarter
\$A'000**

7.1 Aggregate amount of payments to these parties included in item 1.2

-

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

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Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	1,907
9.2 Development	347
9.3 Production	3,078
9.4 Staff costs	382
9.5 Administration and corporate costs	185
9.6 Other (tax)	2,049
9.7 Total estimated cash outflows	7,948

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:


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Chief Financial Officer

Date: 26 July 2018

Print name: Melanie Leydin

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

**QUARTERLY REPORT OF CONSOLIDATED CASHFLOWS
- QUARTER ENDED 30 JUNE 2018**

List of Mining Tenements

PERMIT	OPERATOR	LOCATION	CUE INTEREST (%)
Petroleum Properties			
Indonesia			
Sampang PSC ⁽ⁱ⁾	Santos (Sampang) Pty Ltd	Madura Strait Offshore	15.00
Mahakam Hilir PSC	Cue Kalimantan Pte Ltd	Kalimantan Onshore	100.00
Mahato PSC	Texcal Mahato Pte Ltd	Central Sumatra Onshore	12.50
Australia			
WA-359-P	Cue Exploration Pty Ltd	Carnarvon Offshore	100.00
WA-389-P	Cue Exploration Pty Ltd	Carnarvon Offshore	100.00
WA-409-P	BP Developments Australia Pty Ltd	Carnarvon Offshore	20.00
New Zealand			
PMP 38160	OMV New Zealand Limited	Taranaki Offshore	5.00
	(i) economic interest in the Jeruk field		8.1818