

SUMMARY OF ACTIVITIES

Highlights

- \$2.1 million Net Cashflow for the quarter
- WA-359-P application for Suspension, Extension and Variation submitted

Sustainable Business

- Total net production of 32,019 barrels (bbls) of oil and 365 million cubic feet (mmcf) of gas.
- \$6.71 million revenue on oil sales of 41,076 bbls at an average price of US\$67/bbl and gas sales of 350 mmcf at an average price of US\$7.17 per thousand cubic feet (Mcf).
- \$13.4 million cash and no debt.

Disciplined Growth

- **Indonesia:** Paus-Biru 1 exploration well planning continued targeting Q4 2018 drilling.
- **New Zealand:** Maari wellhead platform multiphase pump installation complete.

Step Change Opportunities

- **Australia:** BP WA-359-P 42.5% equity option extended until 25 October 2018.

Production & Financial Summary

- Revenue during the quarter increased due to higher Maari oil liftings and increased oil price.

KEY PERFORMANCE METRICS

		Mar Quarter Q3 FY18	Dec Quarter Q2 FY18	Change %
Oil Production (net to Cue)	bbl	32,019	35,597	(10)
Gas Production (net to Cue)	mmcf	365	373	(2)
Oil Liftings (net to Cue receipts)	bbl	41,076	32,197	28
Gas Liftings (net to Cue receipts)	mmcf	350	345	1
Total Revenue Receipts	\$m	6.71	5.50	22
Production Expenditure	\$m	2.66	3.20	(17)
Closing Cash Position	\$m	13.40	11.34	18

PRODUCTION - NEW ZEALAND

PMP 38160

Cue Interest: 5%

Operator: OMV New Zealand Limited

Maari and Manaia Fields

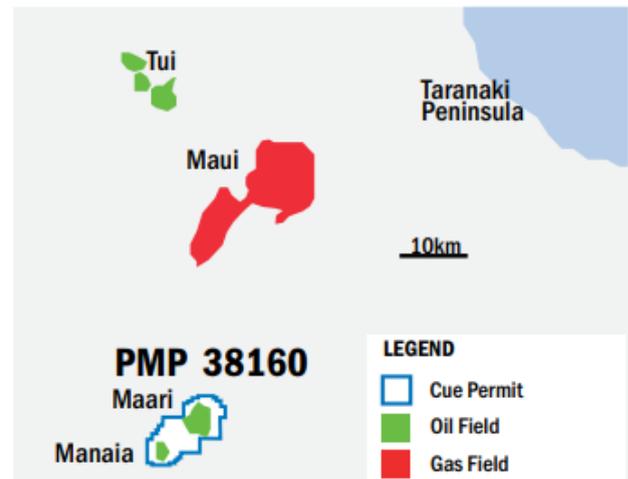
Net Oil Production	bbbl	31,225
Oil Liftings (net to Cue receipts)	bbbl	40,345
Revenue Receipts	\$m	3.48

During the quarter, production from Maari was interrupted for four days as multiphase pumps were installed on the wellhead platform as part of the Flowing Bottom Hole Pressure project, to reduce production pressure and expand production.

The project was completed and was being optimised at the end of the quarter.

The Joint Venture partners continued with technical and commercial reviews of a potential appraisal well targeting the Manaia Moki reservoir.

TARANAKI PENINSULA LOCATION MAP - NEW ZEALAND



PRODUCTION - INDONESIA

Sampang PSC

Cue Interest: 15%

Operator: Santos (Sampang) Pty Ltd

		Oyong	Wortel
Net Condensate Production	bbl	6	789
Net Condensate Sales	bbl	5	726
Revenue Receipts (Condensate)	\$	351	46,805
Net Gas Production	mmcf	120	244
Net Gas Sales	mmcf	115	235
Revenue Receipts (Gas)	\$m	1.05	2.13

Sampang field continued to perform strongly after the completion of the conversion to gas only production in December 2017. Wortel production was temporarily reduced during February due to operational issues at Indonesia Power's (IP) Grati Power Plant, the field customer, reducing demand.

Santos, the Sampang PSC Operator, worked with other operators and customers to divert other gas supplies and restore demand for Wortel gas to normal levels by March. The problem at the IP plant has not been resolved but is currently not affecting Sampang production levels.

Planning for Paus Biru -1 exploration well continued during the quarter with the results of the site surveys being incorporated into well site selection. The Operator continued with rig procurement processes and discussions with nearby operators for rig sharing opportunities.

SAMPANG PSC LOCATION MAP



LEGEND

- Cue Permit
- Oil Field
- Gas Field

EXPLORATION - AUSTRALIA

WA-359-P

Cue Interest: 100%

Operator: Cue Exploration Pty Ltd

WA-359-P contains the Ironbark prospect, a large and exciting Deep Mungaroo gas target.

The current WA-359-P permit expiry date is 25 April 2018. Cue has 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.

As of the date of this report, Cue had not received any notification of a decision on the application. The permit will remain in full force while the application with NOPTA is pending.

On 17 April 2017, Cue announced the extension of the BP option to acquire 42.5% equity in WA-359-P until 25 October 2018.

WA-409-P

Cue Interest: 20%

Operator: BP Developments Australia Pty Ltd

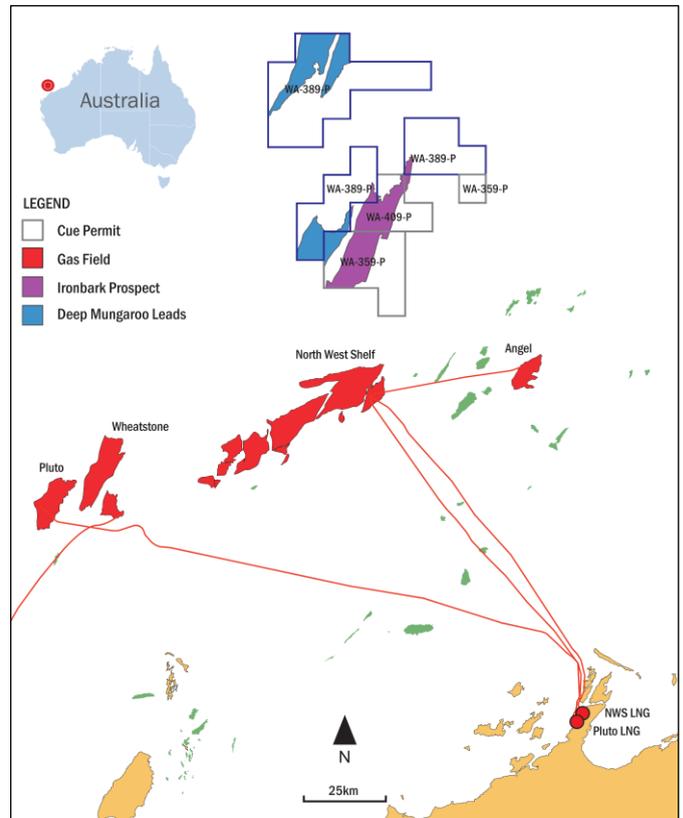
Analysis of reprocessed seismic is continuing by the Operator.

WA-389-P

Cue Interest: 100%

Operator: Cue Exploration Pty Ltd

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



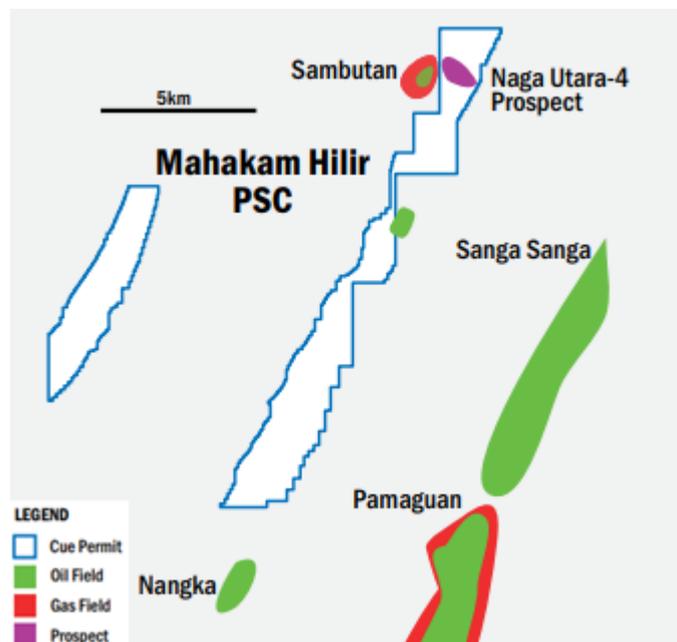
EXPLORATION - INDONESIA

**Mahakam Hilir
PSC Kutei Basin
Cue Interest: 100%
Operator: Cue Kalimantan Pte Ltd**

During the quarter Cue completed further technical work required for the Naga Utara-4 appraisal well planning.

The current exploration period of the PSC is due to expire on 12 May 2018. Cue continued discussions with the Indonesian regulator, SKKMigas, for a variation to the work program to enable the May 2018 deadline for the optional well commitment to be deferred for 12 months.

Cue is currently seeking partners to participate in the Mahakam Hilir PSC and NU-4 well.

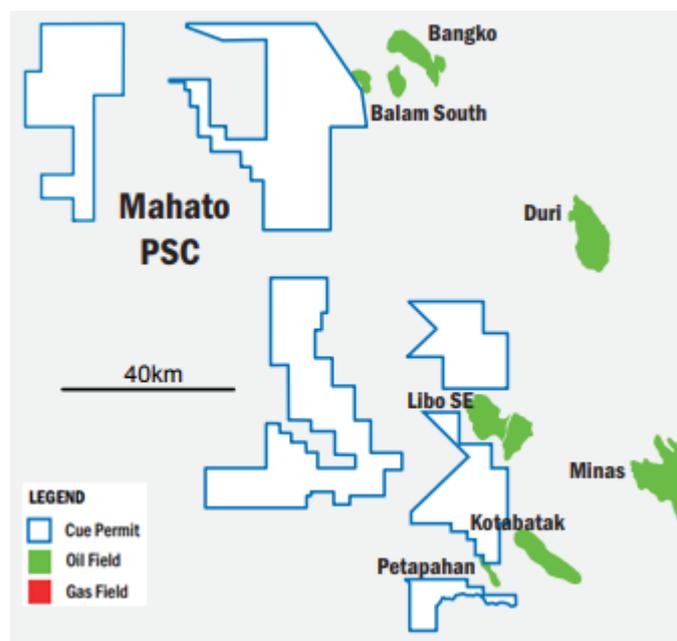


**Mahato PSC
Central Sumatra Basin
Cue Interest: 12.5%
Operator: Texcal Mahato**

The Mahato partners continue discussions to move forward with exploration and sign a legally binding Operating Agreement.

The current exploration period of the Mahato PSC expires 20 July 2018. Operator discussions with SKKMigas regarding an application for replacement of time lost during the exploration period of the permit are continuing.

Should the exploration period lapse on 20 July 2018 the PSC partners will have an exposure to penalties of up to US\$8m.



CORPORATE

The following Cue Energy Resources Limited board appointments were announced on 23 February 2018.

Mr Samuel Kellner
Mr Alastair McGregor
Mr Rod Ritchie
Mr Andrew Jefferies
Mr Peter Hood
Mr Richard Malcolm

Ms Melanie Leydin resigned as a director on the same day.

Subsequent to the end of 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 Chariman of the Board
- Mr Peter Hood was appointed as Lead Independent Director

-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.

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) Rod Ritchie (Non Exec. Director) Samuel Kellner (Non Exec. Director) CHIEF EXECUTIVE OFFICER Matthew Boyall COMPANY SECRETARY/CHIEF FINANCIAL OFFICER Melanie Leydin	REGISTERED OFFICE Level 3 10-16 Queen Street MELBOURNE VIC 3000 Phone: +613 8610 4000 Fax: +613 9614 2142 Email: mail@cuenrg.com.au Web: www.cuenrg.com.au AUDITOR BDO East Coast Partnership Level 18, 727 Collins Street MELBOURNE VIC 3000	SECURITIES EXCHANGE LISTING ASX: CUE 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
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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")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	6,709	18,499
1.2 Payments for		
(a) exploration & evaluation	(358)	(1,498)
(b) development	-	-
(c) production	(2,661)	(9,132)
(d) staff costs	(337)	(2,268)
(e) administration and corporate costs	(96)	(490)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	40	116
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(565)	(1,713)
1.7 Research and development refunds	-	-
1.8 Other (GST)	(31)	(6)
1.9 Net cash from / (used in) operating activities	2,701	3,508
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	(831)	(2,603)

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 (9 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	(831)	(2,603)

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	11,336	12,420
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,701	3,508
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(831)	(2,603)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	191	72
4.6	Cash and cash equivalents at end of period	13,397	13,397

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	7,481	5,505
5.2 Call deposits	5,916	5,831
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)	13,397	11,336

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	28
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 consulting fees

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	508
9.2 Development	726
9.3 Production	2,739
9.4 Staff costs	384
9.5 Administration and corporate costs	138
9.6 Other (tax)	1,918
9.7 Total estimated cash outflows	6,413

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:
Chief Financial Officer

Date: 27 April 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 31 MARCH 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