ABN 45 066 383 971

26 August 2014 **PAGES (including this page):17**

Company Announcements Office
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FULL YEAR PRELIMINARY FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

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

Yours faithfully

Andrew M Knox
Chief Financial Officer

CUE ENERGY OVERVIEW
Cue is an Australian based oil & gas company with activities in Australia, New Zealand, Indonesia and PNG.

THE COMPANY HAS:
- Long life production
- A strong balance sheet
- An active exploration program

CUE ENERGY DIRECTORS
- Geoffrey King (Chairman)
- Andrew Young
- Rowena Sylvester
- Stuart Brown

CUE ENERGY MANAGEMENT
- David Biggs (CEO)
- Andrew Knox (CFO)
- Jeff Schrull (Exp Man)

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LISTINGS

ASX:	CUE
NZX:	CUE
POMSOX:	CUE
ADR/OTCQX:	CUEYY

CUE ENERGY RESOURCES LIMITED
ABN 45 066 383 971

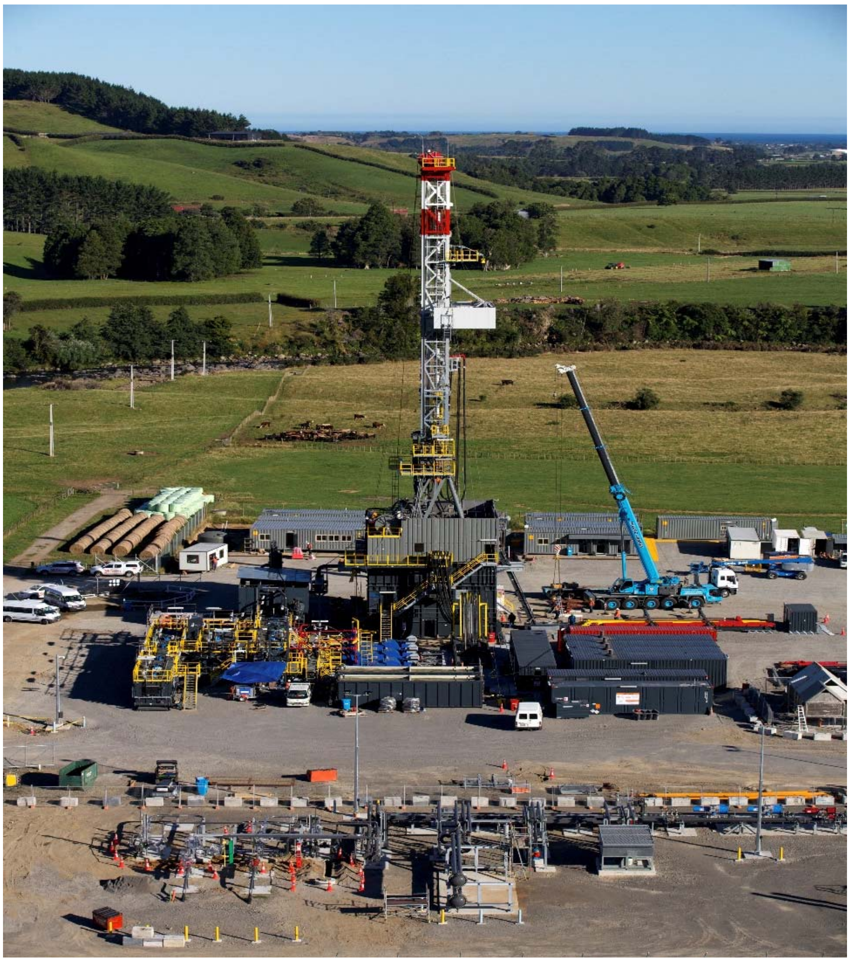
FULL YEAR PRELIMINARY FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

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

Current Reporting Period:	Financial Year ended 30 June 2014
Previous Corresponding Period:	Financial Year ended 30 June 2013

Contents



Bentec Rig, New Zealand

RESULTS FOR ANNOUNCEMENT TO THE MARKET FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

(Previous Corresponding Period: Financial Year Ended 30 June 2013)

- Production revenue of $34.0 million (2013: $49.8 million)
- Gross profit of $15.8 million (2013: $30.7 million)
- Net profit before tax of $0.1 million (2013: profit of $8.4 million)
- Net loss after tax of $2.2 million (2013: profit of $6.4 million)
- Movements primarily as a result of :
  - Production revenue down (Maari repairs) $34.0 million (2013: $49.8 million)
  - Reduced operating costs $18.2 million (2013: $19.1 million)
- Cash on hand $40.6 million (2013: $58.8 million)
- Group has no debt
- It is not proposed to pay a dividend due to calls on cash for growth and lack of franking credits

The 30 June 2014 financial year results were reduced compared to the 2013 financial year primarily due to the loss of production at Maari for five months during the second half of 2013.

As a result, total oil production volumes were significantly down at 0.15 million barrels, compared to the previous year's oil production of 0.29 million barrels.

Maari oil production was shut in for five months to effect repairs to the mooring lines and swivel deferring production to later years. Oyong oil and gas production reduced in line with field decline, with measures now underway to defer the decline.

KEY POINTS

- Production revenue $34.0 million
- Production 0.65 million boe
- Gross profit of $15.8 million
- Net loss after tax of $2.2 million
- Cash at year end $40.6 million
- Group debt free
- Repairs completed to Maari facilities and oil production restarted December 2013
- Maari Growth Project drilling underway
- Sampang PSC Joint Venture has:
  - approved a work over programme at Oyong to improve oil production
  - approved a Wortel compressor upgrade to maintain gas production
- Asset portfolio realignment underway
  - Cue is currently testing the market for sale of its PNG assets portfolio
  - Farming down Mahakam Hilir PSC, Indonesia
  - Farming down WA-359-P permit, Carnarvon Basin
  - Actively seeking new exploration acreage onshore Australia and Asia
  - Actively seeking to acquire additional production

Bentec Rig, New Zealand

CORPORATE DIRECTORY

Directors
Geoffrey J. King, BA, LL.B (Chairman)
Stuart A. Brown, BSc Hons
Rowena A. Sylvester, BBS
Andrew A. Young BE, MBA (Hons)

Chief Executive Officer
D.A.J. Biggs LL.B
Chief Financial Officer/Company Secretary
A.M. Knox B.Com
Co-Company Secretary
P.M. Moffatt B.Com

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Stock Exchange Listings
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Australian Securities Exchange Ltd
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Melbourne, Victoria 3000 Australia

UNITED STATES OF AMERICA
OTCQX
OTC Markets
304 Hudson Street 3rd Floor
New York, NY 10013 USA

Auditor
BDO East Coast Partnership
Level 14, 140 William Street
Melbourne Victoria 3000 Australia

Bankers
ANZ Banking Group Limited
91 William Street
Melbourne Victoria 3000 Australia

BOQ Specialist Bank Limited
Level 23, The Chifley Tower
2 Chifley Square, Philip Street
Sydney NSW 2000 Australia

ASB Bank Limited
PO Box 35, Shortland Street
Auckland 1140 New Zealand

National Australia Bank Limited
Level 4, 330 Collins Street
Melbourne Victoria 3000 Australia

Share Registry
AUSTRALIA
Computershare Investor Services Pty Ltd
Yarra Falls, 452 Johnston Street
Abbotsford, Victoria 3067 Australia
GPO Box 2975
Melbourne, Victoria 3000 Australia
Telephone: 1300 850 505 (within Australia)
or +61 3 9415 4000 (outside Australia)
Email: web.queries@computershare.com.au
Website: www.computershare.com.au

REVENUE AND NET PROFIT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	Percentage Change Over Results for Year Ended 30 June 2013	Amount $'000
Revenue from ordinary activities	Down 36.2%	34,248
Loss after tax attributable to members	N/A	(2,166)
Net loss attributable to members	N/A	(2,166)

Dividends

It is not proposed to pay a dividend.

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

(i) Revenue from Ordinary Activities

Revenues comprised production of oil and gas $34.0 million, interest $0.16 million and foreign exchange gain $0.08 million. Revenue decreased from 2013 due to lower production principally from Maari due to repairs and maintenance during the year.

(ii) Net Result

The net loss was primarily as a result of lower production revenue.

	30 June 2014	30 June 2013
Net Tangible Assets Per Security	13.7 cents	16.7 cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	NOTE	2014 $000's	2013 $000's
Production revenue		34,005	49,798
Production costs		(18,213)	(19,131)
Gross profit from production		15,792	30,667
Other revenue	2	162	160
Loss on sale of fixed assets		(3)	-
Amortisation expense		(9,262)	(17,520)
Interest expense		-	(3)
Net foreign currency exchange gain		81	3,702
Other expenses	3	(6,692)	(8,597)
Profit before income tax expense		78	8,409
Income tax expense		(2,244)	(2,040)
(Loss)/profit after income tax expense for the year		(2,166)	6,369
Other comprehensive income for the year, net of tax		-	-
Total comprehensive (loss)/income for the year		(2,166)	6,369
Profit for the year is attributable to: Owners of Cue Energy Resources Limited		(2,166)	6,369
Total comprehensive (loss)/income for the year is attributable to : Owners of Cue Energy Resources Limited		(2,166)	6,369
Basic earnings per share (cents per share)		(0.31)	0.91
Diluted earnings per share (cents per share)		(0.31)	0.91

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	NOTE	2014 $000's	2013 $000's
Current Assets			
Cash and cash equivalents	6(b)	40,558	58,828
Trade and other receivables		3,542	5,096
Inventories		843	1,157
Total Current Assets		44,943	65,081
Non-Current Assets			
Property, plant and equipment		118	63
Deferred tax assets		71	214
Exploration and evaluation expenditure		54,069	36,944
Production properties		79,458	73,935
Total Non-Current Assets		133,716	111,156
Total Assets		178,659	176,237
Current Liabilities			
Trade and other payables		21,184	11,977
Tax liabilities		2,398	3,973
Provisions		563	475
Total Current Liabilities		24,145	16,425
Non-Current Liabilities			
Deferred tax liabilities		19,484	22,106
Provisions		5,627	6,137
Total Non-Current Liabilities		25,111	28,243
Total Liabilities		49,256	44,668
Net Assets		129,403	131,569
Equity			
Issued capital	5	152,416	152,416
Reserves		-	22
Accumulated losses		(23,013)	(20,869)
Total Equity		129,403	131,569

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	Attributable to equity holders of the parent			
	Issued Capital $000's	Accumulated Losses $000's	Reserves $000's	Total $000's
Balance at 1 July 2013	152,416	(20,869)	22	131,569
Loss after income tax expense for the year	-	(2,166)	-	(2,166)
Other comprehensive income, net of tax, for the year	-	-	-	-
Total comprehensive loss for the year	-	(2,166)	-	(2,166)
Transactions with the owners in their capacity as owners:				
Share based payments	-	22	(22)	-
Balance at 30 June 2014	152,416	(23,013)	-	129,403
Balance at 1 July 2012	152,416	(27,663)	425	125,178
Profit after income tax expense for the year	-	6,369	-	6,369
Other comprehensive income, net of tax, for the year	-	-	-	-
Total comprehensive income for the year	-	6,369	-	6,369
Transactions with the owners in their capacity as owners:				
Share based payments	-	425	(403)	22
Balance at 30 June 2013	152,416	(20,869)	22	131,569

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	NOTE	2014 $000's	2013 $000's
Cash Flows from Operating Activities			
Receipts from customers		35,801	58,127
Interest received		167	149
Payments to suppliers		(23,319)	(23,420)
Income tax paid		(6,298)	(244)
Royalties paid		(731)	(1,880)
Interest paid		-	(3)
Net cash provided by operating activities	6 (a)	5,620	32,729
Cash Flows from Investing Activities			
Payments with respect to exploration expenditure		(9,666)	(4,932)
Payments with respect to production properties		(14,035)	(5,905)
Payments for plant and equipment		(155)	(18)
Net cash used in investing activities		(23,856)	(10,855)
Net cash used in financing activities		-	-
Net (Decrease)/Increase in Cash Held		(18,236)	21,874
Cash and cash equivalents at the beginning of the year		58,828	33,733
Effect of exchange rate change on foreign currency balances held at the beginning of the year		(34)	3,221
Cash and cash equivalents at the end of the year	6 (b)	40,558	58,828

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

NOTES TO THE FULL YEAR PRELIMINARY FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

NOTE 1 STATEMENT OF COMPLIANCE

The preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A, the disclosure requirements of ASX Appendix 4E. The accounting policies and methods of computation adopted in the preparation of the preliminary final report are consistent with those adopted and disclosed in the company's Annual Financial Report for the year ended 30 June 2013.

NOTE 2 OTHER REVENUE

	2014 $'000	2013 $'000
Interest from cash and cash equivalents	162	160
Total Other Revenue	162	160

NOTE 3 OTHER EXPENSES

	2014 $'000	2013 $'000
Depreciation	(100)	(39)
Employee expense (net of superannuation)	(3,582)	(4,556)
Superannuation contribution expense	(170)	(134)
Operating lease expense	(793)	(208)
Administration expenses	(911)	(887)
Business development expenses	(1,136)	(2,773)
Total Other Expenses	(6,692)	(8,597)

NOTES TO THE FULL YEAR PRELIMINARY FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (cont')

NOTE 4 SEGMENT INFORMATION

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

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

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

2014	Australia	NZ	Indonesia	PNG	All Other Segments	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Production Revenue	-	10,156	22,090	1,759	-	34,005
Production Expenses	-	(5,688)	(10,280)	(2,245)	-	(18,213)
Gross Profit	-	4,468	11,810	(486)	-	15,792
Loss on sale of fixed assets	(3)	-	-	-	-	(3)
Other revenue	162	-	-	-	-	162
Foreign exchange movement	(25)	34	72	-	-	81
Earnings before interest expense, tax, depreciation and amortisation	(6,458)	4,502	11,882	(486)	-	9,440
2013	**Australia**	**NZ**	**Indonesia**	**PNG**	**All Other Segments**	**Total**
	$'000	$'000	$'000	$'000	$'000	$'000
Production Revenue	-	19,590	27,926	2,282	-	49,798
Production Expenses	-	(8,450)	(9,201)	(1,480)	-	(19,131)
Gross Profit	-	11,140	18,725	802	-	30,667
Other revenue	160	-	-	-	-	160
Foreign exchange movement	4,443	(237)	(504)	-	-	3,702
Earnings before interest expense, tax, depreciation and amortisation	(3,955)	10,903	18,221	802	-	25,971
Total segment assets						
30 June 2014	47,200	73,342	54,282	3,835	-	178,659
30 June 2013	63,905	61,394	46,912	4,026	-	176,237
Total segment liabilities						
30 June 2014	1,927	15,582	30,477	1,270	-	49,256
30 June 2013	1,340	13,949	27,651	1,728	-	44,668

NOTE 4 SEGMENT INFORMATION (CONT')

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

	2014 $'000	2013 $'000
EBITDA	9,440	25,971
Interest expense	-	(3)
Depreciation	(100)	(39)
Amortisation	(9,262)	(17,520)
Net Profit before Income Tax	78	8,409

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

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

NOTE 5 CONTRIBUTED CAPITAL

	June 2014 Number	June 2013 Number	June 2014 $'000	June 2013 $'000
Ordinary shares fully paid (no par value)	698,119,720	698,119,720	152,416	152,416
Total Share Capital	698,119,720	698,119,720	152,416	152,416

Movements in contributed capital since 1 July 2013 were as follows:

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

NOTES TO THE FULL YEAR PRELIMINARY FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (cont')

NOTE 6 NOTES TO THE STATEMENT OF CASH FLOWS STATEMENT	2014 $'000	2013 $'000
(a) Reconciliation of operating profit to net cash flows from operating activities:		
Reported (loss)/profit after tax	(2,166)	6,369
Impact of changes in working capital items		
Decrease/(increase) in assets	2,008	7,101
Increase in liabilities	(3,514)	5,430
Items not involving cash flows		
Depreciation	100	39
Amortisation	9,262	17,520
Share based payments	-	22
Loss on disposal of assets	3	-
Net gain on foreign currency conversion	(73)	(3,752)
Increase net cash flows from operating activities	5,620	32,729

	2014 $'000	2013 $'000
(b) Cash comprises cash balances held in Australia and foreign currencies, principally US dollars, within Australia and overseas:		
Australia	39,873	57,554
New Zealand	400	102
Indonesia	277	1,164
Papua New Guinea	8	8
Cash and bank balances	40,558	58,828
Cash Flow Statement cash balance	40,558	58,828

NOTES TO THE FULL YEAR PRELIMINARY FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (cont')

NOTE 7 LIST OF JOINT VENTURE INTERESTS

PERMIT	OPERATOR	CUE INTEREST (%)
Petroleum Properties		
Indonesia		
Sampang PSC [(i)]	Santos (Sampang) Pty Ltd	15.00
Mahakam Hilir PSC	SPC (Mahakam Hilir) Pte Ltd	40.00
Papua New Guinea		
PRL 14	Oil Search (PNG) Limited	10.947
PDL 3	Barracuda Pty Ltd	5.569
PRL 9	Oil Search (PNG) Limited	14.894
SE Gobe Field Unit	Oil Search (PNG) Limited	3.286
Australia		
WA-359-P	Cue Exploration Pty Ltd	100.00
WA-360-P	MEO Australia Limited	37.50
WA-361-P	MEO Australia Limited	15.00
WA-389-P	BHP Billiton (Australia) Pty Ltd	40.00
WA-409-P	Apache Northwest Pty Ltd	30.00
New Zealand		
PMP 38160	OMV New Zealand Limited	5.00
PEP 51313	OMV New Zealand Limited	14.00
PEP 51149	Todd Exploration Limited	20.00
PEP 54865	Todd Exploration Limited	20.00

(i) Economic interest in the Jeruk field 8.181818

NOTES TO THE FULL YEAR PRELIMINARY FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (cont')

NOTE 8 EVENTS SUBSEQUENT TO BALANCE DATE

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

NOTE 9 INFORMATION ON AUDITOR REVIEW

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