



OPERATIONS UPDATE

FEBRUARY 1, 2010

The Company maintains its acreage position in Northwest Louisiana, and is in the established epicenter of the Bossier/Haynesville Shale play.

Cubic's acreage consists of Cotton Valley and shallower formations of the Hosston (upper and lower), Pettit, Gloyd, and Mooringsport, and the deeper Bossier/Haynesville Shale formations. This acreage, as seen on the following maps, is located in Caddo and DeSoto Parishes, Louisiana. The table below reflects the gross and net acreage of the Company.

ACREAGE POSITION	GROSS	NET
Cotton Valley	13,000	5,360
Bossier/Haynesville Shale	9,620	4,300

Cubic has developed, over recent months, industry E&P company relationships that operate its properties, and that join as partners in the development of its acreage. **Cubic shares ownership in its acreage with:**

EXCO Operating Company LP
Chesapeake Energy Corp (NYSE: CHK)
Goodrich Petroleum Company (NYSE: GDP)
BG Group (OTCQX: BRGY)

The Company's acreage ownership is in two primary fields known as Johnson Branch, our northern tract just southwest of Shreveport, Louisiana, and Bethany Longstreet, located approximately 4 miles south of the Johnson Branch. Both areas are only 4-5 miles east of the Texas line. The State of Louisiana requires a company to have approximately 640 acres in a "drilling unit" for Cotton Valley or Bossier/Haynesville well development. The 640 acre unit is also referred to as a "section" being approximately one square mile. Size of these units may vary based on surveys, townships, parishes, and state lines.

UNITS		
Gross Units	Net Cotton Valley Units	Net Bossier/Haynesville Units
38	8.5	6.7

The current operator of Cubic’s interest in the Cotton Valley and above is Fossil Operating, Inc (Fossil) which has maintained and developed the Cotton Valley and shallower formations owned by Cubic since its entry into Northwest Louisiana in 2004. Fossil is an affiliated company that has operated these interests since inception of the Company’s ownership.

Cubic’s early entry and activity in this area has allowed the Company to establish and maintain an ownership footprint that has evolved to become one of the more prolific plays in the United States.

Cubic’s Shale interests are operated by three successful companies that are very experienced in this area of the Haynesville. EXCO Operating Company LP (EXCO) has recently taken over operations of the majority of Cubic’s Shale interests from Fossil. Along with EXCO, Chesapeake Operating, Inc. and Goodrich Petroleum Company operate the balance of Cubic’s acreage and ownership in the Shale.

During 2010, Cubic expects to see many of the horizontal Shale wells it is currently involved in begin to generate revenue, once title ownership and division order title work is complete.

MIDSTREAM ASSETS

Cubic has caused to drill and participated in 22 Cotton Valley wells across its acreage position since 2004. In conjunction with this drilling and development activity, the Company acquired over 22 miles of Rights-of-Way (ROW) and built over 21 miles of low pressure 4” pipeline system. In addition, the Company has acquired land or maintains long term leases for its mid stream operations where it has constructed compression and processing facilities, and its pipeline taps with various purchasers.

CURRENT FIELD ACTIVITY

VERTICAL COTTON VALLEY WELLS

Fossil operated wells: Operates 23 Drilling Units, 13,800 gross Cotton Valley acres, 5,360 net Cotton Valley acres. Due to a more stable gas price, Fossil has begun a remedial well service plan in the first part of the year for the existing Cotton Valley wells. Produced formation water from the Cotton Valley can cause “salt plugs” down hole due to the production of formation water and this can curtail and even prevent production.

We have initiated work in the Johnson Branch field to address this and any other conditions that may help improve production. After and possibly during this activity, we will address any issues in the Bethany Longstreet field.

As Cubic moves forward with this work, and results are established, updates will be provided in the Operations section of our website: www.cubicenergyinc.com.

The horizontal drilling of the Red Oak Timber 6-1 with the Trinidad Triple 132 operated by EXCO Operating Company LP.

Located in Cubic's Bethany Longstreet Acreage in Caddo Parish, Louisiana



HORIZONTAL HAYNESVILLE SHALE WELLS

Chesapeake operated wells: Currently operates 10 Drilling Units, 400 gross acres, 200 net acres. Cubic has participated in or agreed to participate in 10 horizontal Haynesville Shale wells where Cubic owns acreage with Chesapeake in the drilling unit and where Chesapeake is also the operator. The following Horizontal Haynesville Shale Well map identifies these wells and their location and provides the initial production rates.

Several of these wells represent the initial horizontal activity in the Shale in the latter part of 2008. The rest have been spud and/or completed in 2009.

Goodrich operated wells: Currently operates 3 Drilling Units, 680 acres gross, 170 net acres. Goodrich has drilled and completed two recent horizontal Haynesville Shale wells in which Cubic has participated: the Garland 25-1H and the Plants 26-1H. These wells are currently producing at a controlled rate of 20,000 MCFD collectively. Their associated initial rates and location is provided on the following Horizontal Haynesville Shale Well map. Cubic will also participate in a third well, the Garland 24-1H, in which Goodrich is currently drilling the vertical part of the well.

EXCO operated wells: Currently operates 16 Drilling Units, 8,160 gross acres, 3,690 net acres. EXCO has initiated development on the Company's acreage with the drilling and pending completion of the Red Oak Timber 6-1 well. The location of the Red Oak Timber 6-1 is indicated on the following Horizontal Haynesville Shale Well map. EXCO has successfully drilled and run casing through the lateral (horizontal) section of the well. EXCO is currently preparing the well for completion and building pipeline access. Continued development of the acreage this year will be further identified once takeaway capacity has been improved.

HORIZONTAL COTTON VALLEY WELLS

Goodrich operated wells: Although Cubic **does not own an interest in any horizontal Cotton Valley wells** of its own, or with any other third party at this time, management believes that the horizontal development of the Taylor Sand (lower section) of the Cotton Valley is coming and that this formation appears to have very good reserve potential.

Following is a Horizontal Cotton Valley Well map that identifies two Goodrich owned and operated horizontal wells. These wells were drilled horizontally in the Taylor Sand of the Cotton Valley. The Champe Graham 3-Alt was spud and completed in the first part of 2007 and has produced approximately over 2 Bcf of gas through October of 2009. The Champe Graham 5-Alt was drilled and completed one year later and has produced approximately 1 Bcf of gas through October 2009.

These wells are contiguous to Cubic's acreage in the Bethany Longstreet field, and provide insight to the prolific potential of the horizontal Cotton Valley. The Company will be evaluating the horizontal potential of the Cotton Valley in 2010.

DISCLAIMER: This presentation material contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The opinions, forecasts, projections or other statements, other than the statements of historical fact, are forward-looking statements. Although Cubic Energy, Inc. (the "Company") believes that the expectations reflected in such forward-looking statements are reasonable, they do involve a number of risks and uncertainties. Among the important factors that could cause actual results to differ materially from those indicated by such forward-looking statements are delays and difficulties in developing currently owned properties, the failure of exploratory drilling to result in commercial wells, delays due to the limited availability of drilling equipment and personnel, the availability of capital, fluctuations in oil and gas prices, dependency on third party operator's sufficient pipeline capacity, general economic conditions and the risk factors detailed in the Company's 10-k filed for the fiscal year ending June 30, 2009, filed with the Securities and Exchange Commission.

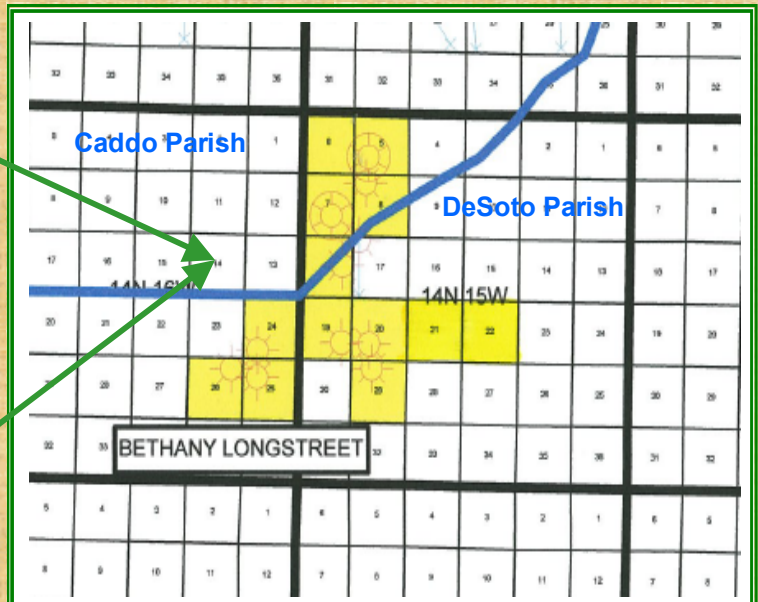
HORIZONTAL COTTON VALLEY WELLS



Cubic's Northwest Louisiana Acreage

Champe Graham 3-Alt
14-14N-16W
OP: GDP
IP: 3,834 MCFD
04-04-07

Champe Graham 5-Alt
14-14N-16W
OP: GDP
IP: 1,948 MCFD
12-05-08



Cubic's Northwest Louisiana Acreage

