



Management Presentation
April 2010



The Horizontal Haynesville Shale drilling of the Red Oak Timber 6 No. 1 with the Trinidad Triple 132 operated by EXCO Operating Company LP

Disclaimer & Forward-Looking Statements

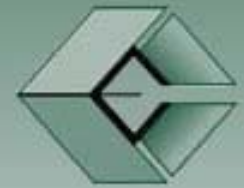


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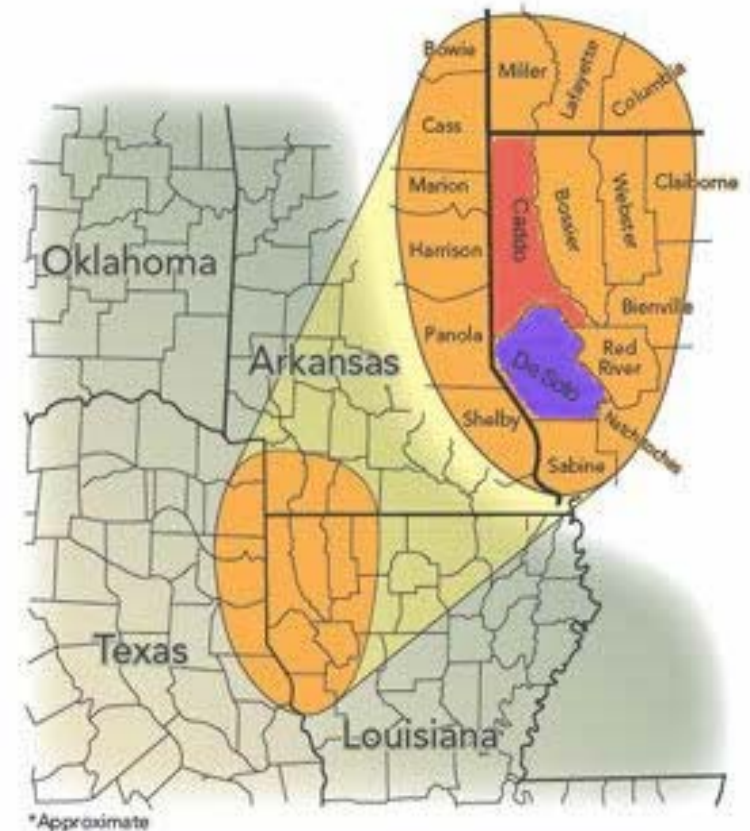


Right of Way at Red Oak Timber 6 No. 1 location in Cubic’s Bethany Longstreet acreage in Caddo Parish, Louisiana

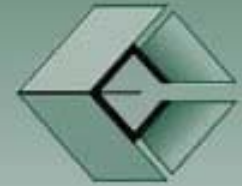
Company Snapshot



- **Ticker:** NYSE Amex: QBC
- **Headquarters:** Dallas, TX
- **Resource Potential:**
 - 309 Bcfe – Haynesville
 - 60 Bcfe – Cotton Valley
- **Acreage Position in NW Louisiana:**
 - Cotton Valley Acreage (approx 24,000 gross / 5,400 net), of which
Haynesville / Bossier Acreage (approx 22,000 gross / 4,300 net)
- **Shares Ownership in Acreage With:**
 - EXCO Operating Company LP
 - Chesapeake Energy Corp.
 - Goodrich Petroleum Company
 - BG Group
- **Proven Management Track Record**
 - Strong financial position with growth assets

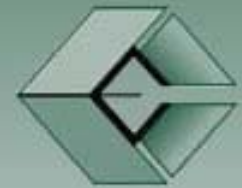


Company Overview



- **1999- Company Founded**
- **2006-2008- Cubic Assembled Interests In 24,000 Gross Acres Caddo/DeSoto Parishes**
 - **100% OF ITS ACREAGE IS HELD BY PRODUCTION (HBP)**
 - **Strategically held acreage to allow other operators to establish optimal drilling and completion techniques in the Haynesville Shale**
- **2009- Cubic Entered Into Strategic Transaction**
 - **Swapped QBC Common Stock and Preferred Stock with an affiliate to acquire \$30.9 million of Drilling Credits from EXCO Operating Company LP**
 - **Eliminated the need to staff up to drill Haynesville Shale**
 - **Transferred operatorship to one of the most active and experienced Haynesville operators**
- **2010- Company Positioned For Haynesville-Driven Growth**
 - **\$33 million of liquidity immediately available for drilling**
 - **7 Gross Haynesville Shale wells now on-stream producing 26,054 Mcfepd**
 - **5 Gross Haynesville Shale wells Waiting On Completion and/or State Potential**
 - **2 rigs currently operating on Cubic acreage**

Five Township Ownership Area



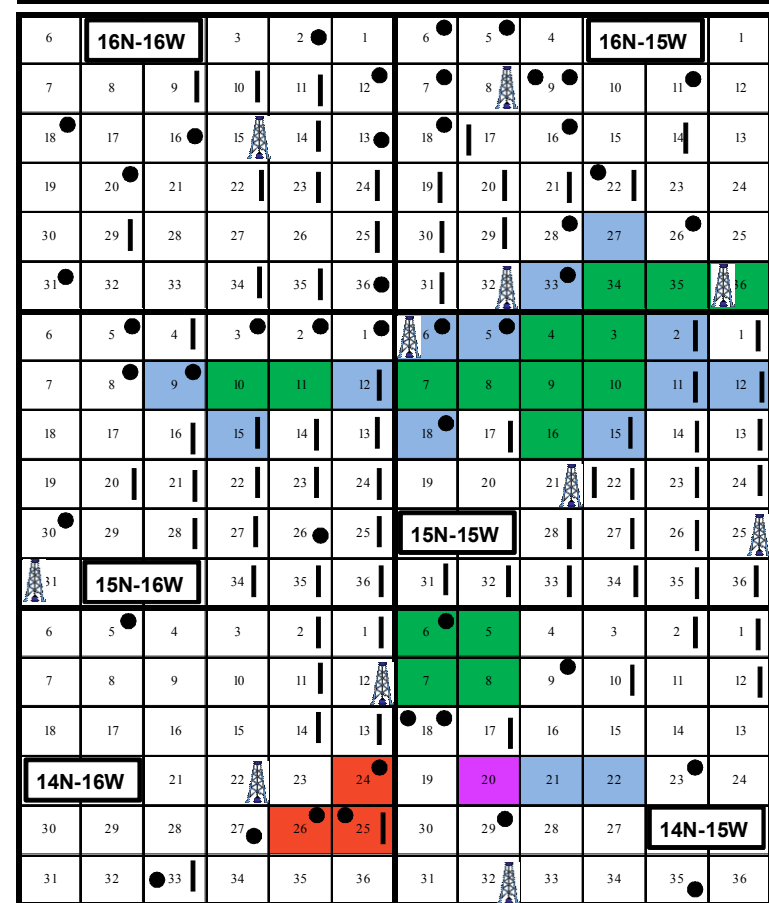
Cubic Energy's Strategic Haynesville Position

- Cubic Energy Holds Leases in the core of the Haynesville Shale play in Caddo & DeSoto Parishes – 100% Held By Production (HBP)
- EXCO-operated (10,880 gross / 3,788 net acres)
- CHK-operated (7,680 gross / 199 net acres)
- GDP-operated (3,200 gross / 249 net acres)

Industry Activity

- **Well Optimization-** Since 4Q 2008, drilling and completion techniques have been optimized, the lateral lengths have increased 4,500 feet and a 15-stage frac program, resulting in ~30 wells with 30-Day Production Rates averaging 10,000 Mcfe/d.
- **Highly Productive Area-** There are roughly 70 wells online producing at total rates of 230,000 Mcfe/d.
- **Activity Continues At High Rates-** There are over 40 “Wells-in-Completion” and 11 rigs drilling in our Six Township Ownership Area. The drilling activity in the play continues to progress.

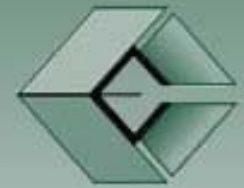
Cubic Energy Acreage Position



■ EXCO Resources- Op.
 ■ Chesapeake- Op.
 ■ Goodrich- Op.
 ■ El Paso- Op.
⚙️ Wells Drilling
 | Producing Wells
 ● Wells-In-Completion

Note: Data as of 04/20/2010

Improving Production Rates



- 30-day initial production rates have climbed from 4-6 MMcfepd in early-2008 to 8-12 MMcfepd through 2009. In addition, recent 24-hour flow rates have exceeded 20 Mmcfepd.
- We expect our Haynesville wells to produce initially at 10 MMcfepd (30-day average), and have an Estimated Ultimate Recovery 6.5 Bcfe over its productive life.
- We estimate our Type Well will generate returns exceeding 20% at \$4.00 NYMEX, and more than 40% at current strip.



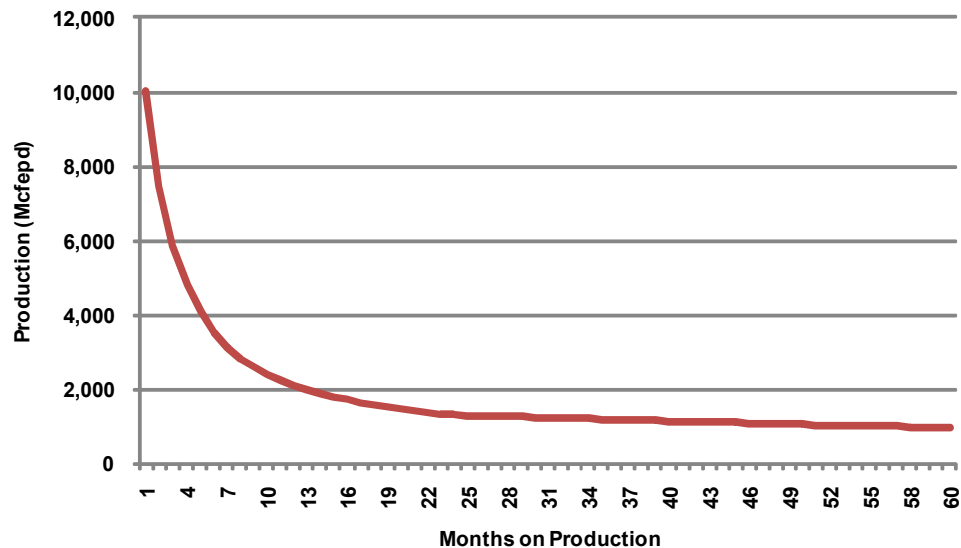
Haynesville Shale Type Well Economics



Operating Assumptions

Capital Costs (\$MM)		\$7.5	
Average Reserves Per Well			
	Oil	Gas	Total
	<u>MMBo</u>	<u>Bcfg</u>	<u>Bcfe</u>
Gross	0.0	6.5	6.5
Net	0.0	5.1	5.1
Onstream Costs (Per Mcfe)		\$1.46	
Peak Month Average Production Rate (1st Month)			
Oil (Bopd)		0	
Natural Gas (Mcfcpd)		10,000	
MCFEPD		10,000	
Royalty		21%	
Differentials (% of NYMEX)			
Oil		100%	
Natural Gas		94%	
Production Taxes (\$ Per Mcfe)		\$0.27	
Ad Valorem Taxes (% of Revenue)		2.0%	
Operating Expenses (Per Well Per Month)		\$6,600	

Production Type Curve



Haynesville IRR Sensitivity --- Gas Prices Vs. Drilling & Completion Costs

Drilling & Comp Costs	NYMEX Spot Price						
	Current						
	\$3.00	\$4.00	\$5.00	Strip	\$6.00	\$7.00	\$8.00
\$6,000	15.7%	36.7%	67.4%	67.3%	112.6%	178.3%	272.3%
\$6,500	12.5%	30.2%	55.2%	56.9%	91.0%	141.9%	213.2%
\$7,000	9.9%	25.2%	46.0%	48.8%	75.2%	115.7%	171.4%
\$7,500	7.7%	21.2%	38.9%	42.5%	63.2%	96.2%	140.9%
\$8,000	5.9%	18.0%	33.3%	37.4%	53.8%	81.3%	118.0%
\$8,500	4.4%	15.3%	28.8%	33.2%	46.4%	69.7%	100.3%
\$9,000	3.1%	13.0%	25.1%	29.7%	40.5%	60.4%	86.4%

Resource Potential - Capitalization



- Cubic has 300 gross / 60 net drilling locations ... at 6.5 Bcfe per well and an average 79% NRI, we estimate Haynesville resource potential at over 300 Bcfe.
- Other operators have announced plans to further test the Bossier Shale.
- While we will refrain from quantifying the resource potential from the Bossier Shale for now, it could add meaningful reserves and production.

RESOURCE POTENTIAL (BCFE)	
PDP Reserves At June 30, 2009	0.4
Haynesville Shale	
Net Drilling Locations	60
EUR Per Well (Bcfe)	6.5
<u>NRI %</u>	<u>79%</u>
Haynesville Resource Potential	308.1
Proved + Haynesville Resource Potential	308.5
Bossier Shale	???
Horizontal Cotton Valley	60.0
Total Resource Potential	368.5+

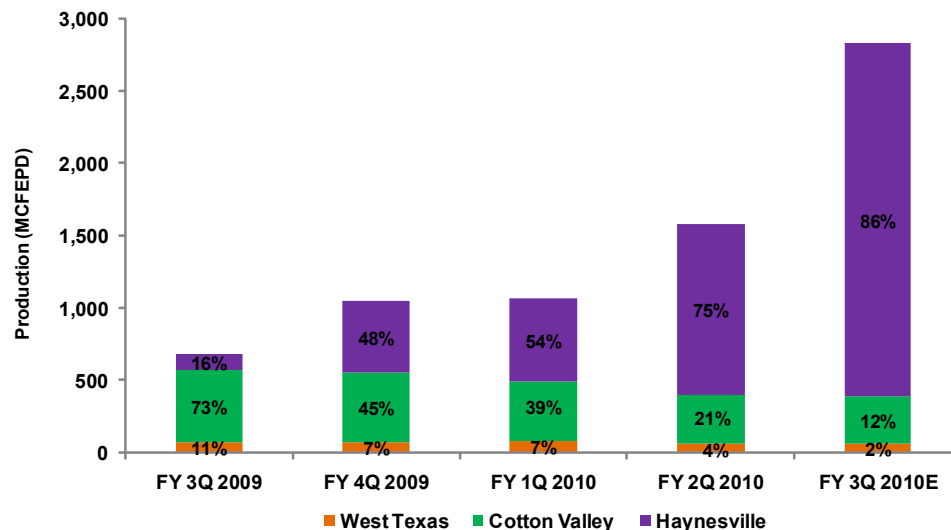
- Wells Fargo agreed to increase Cubic's revolving credit line from \$20MM to \$40MM, and bump our borrowing base from \$20MM to \$25MM.

FUNDS AVAILABLE FOR CAPITAL EXPENDITURES		
	<u>30-Sep-09</u>	<u>31-Dec-09</u>
Senior Credit Facility		
Borrowing Base	\$20.0	\$25.0
<u>Less: Drawn</u>	<u>(\$20.0)</u>	<u>(\$25.0)</u>
Funds Available On Revolver	\$0.0	\$0.0
Working Capital	\$0.1	\$1.8
<u>Drilling Credit</u>	<u>\$0.0</u>	<u>\$31.0</u>
Current Liquidity	\$0.1	\$32.8
<u>Expansion in Borrowing Base</u>		<u>\$15.0</u>
Expected Liquidity		\$47.8

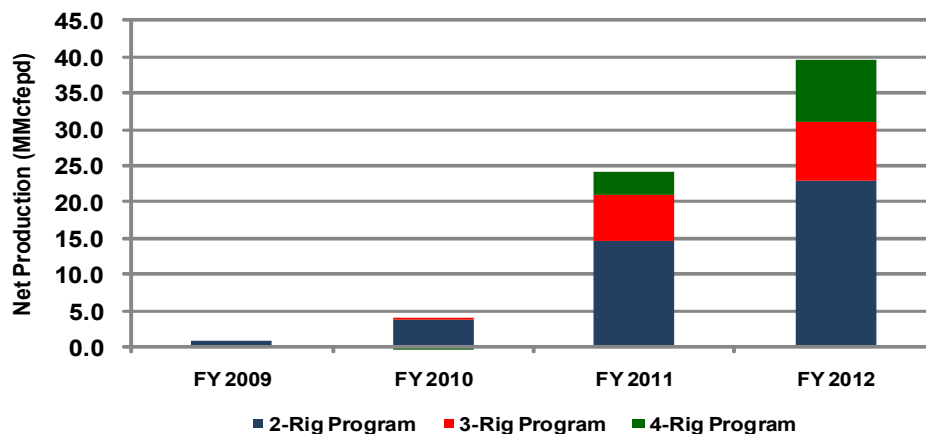
Cubic Is Financially Prepared To Move Forward



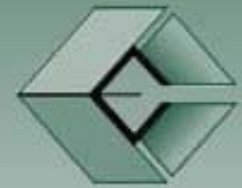
- The drilling credit should carry Cubic for most of its capital expenditures in FY 2010, with availability on the revolver filling the remaining gap.
- In FY 2011, once the remaining drilling credit is exhausted, we expect to use primarily internally-generated cash flows to meet our capital requirements.
- However, by FY 2011 we expect to have enough wells online to meaningfully increase the borrowing base on our Senior Facility, enabling us to fill any remaining gaps in our capital budget.
- Cubic has a core position in one of America's most economic shale plays
- Cubic has created significant liquidity via its Drilling Credit and an expanded line of credit with Wells Fargo.
- Cubic is ready to become a growth company.
- Production growth should commence in FY 2010, and accelerate thereafter.
- Depending on the drilling program utilized by the primary operator on our acreage, production could average 25-40 MMcfepd in FY 2012 – up from less than 1 MMcfepd in FY 2009.



PRODUCTION COULD AVERAGE 25+ MMCFEPD IN FY 2012



Haynesville Well Status Summary



Haynesville Shale Well Status

PRODUCING

Well Name	W.I. (%)	Operator	IP Rate MCF/D	Current Rate MCF/D	IP Date
A) Clingman Acres 11H	2.5%	Chesapeake	17,040	3,207	2/20/09
B) Mitchell 12H	2.2%	Chesapeake	8,112	2,277	4/2/09
C) Woolworth 15H	1.5%	Chesapeake	10,656	2,805	4/12/09
D) Clingman Acres 2H	5.0%	Chesapeake	10,487	3,698	5/12/09
E) Garland 25-1	10.2%	Goodrich	18,826	5,605	11/10/09
F) Muslow 5H	4.6%	Chesapeake	16,757	2,176	11/17/09
G) Plants 26-1	10.2%	Goodrich	N/A	6,286	9/2/09

WAITING-ON-STATE POTENTIALS

Well Name	W.I. (%)	Operator	Status	Current Rate MCF/D	TD Date
H) SLRT 33H	2.4%	Chesapeake	WOSP	N/A	10/25/09
I) Red Oak Timber 6-1	35.0%	EXCO	WOSP	N/A	12/29/09

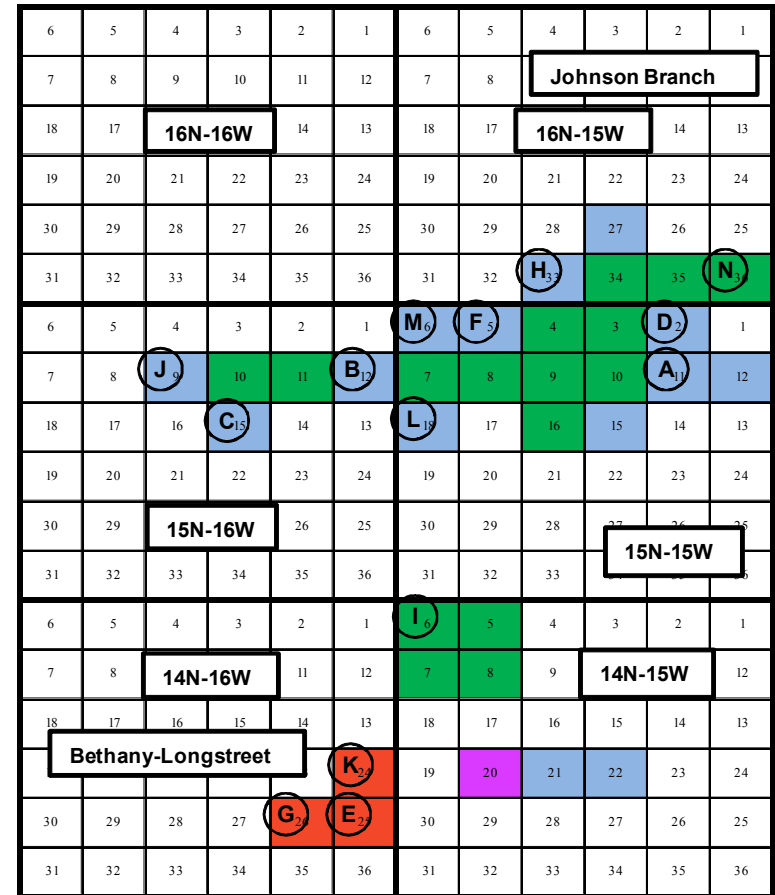
WAITING-ON-COMPLETION

Well Name	W.I. (%)	Operator	Status	Current Rate MCF/D	TD Date
J) Saddle 9H	1.1%	Chesapeake	WOC	N/A	1/27/10
K) Garland 24-1	6.3%	Goodrich	WOC	N/A	12/25/09
L) Western D H-1	0.7%	Chesapeake	WOC	N/A	3/27/2010

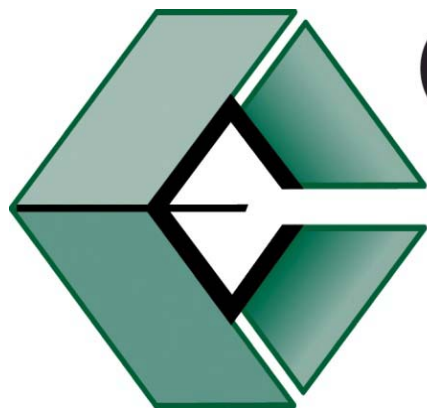
DRILLING

Well Name	W.I. (%)	Operator	Status	Current Rate MCF/D	TD Date
M) Slaughter 6-15-15H	0.6%	Chesapeake	Drilling	N/A	N/A
N) Thomas 36-1	37.0%	EXCO	Drilling	N/A	N/A

Cubic Energy Acreage Position



- EXCO Resources- Operated
- Goodrich Petroleum- Operated
- Chesapeake- Operated
- El Paso Corp.- Operated



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