



CUBIC ENERGY INC.

Management Presentation
August 2010



Disclaimer & Forward-Looking Statements



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 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 operators, sufficient pipeline capacity, general economic conditions and the other 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.



Management Team



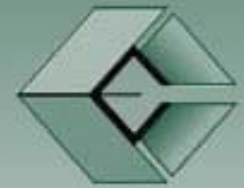
Calvin A. Wallen III has served as the President and Chief Executive Officer of the Company since 1997. Mr. Wallen has over 30 years of experience in the oil and gas industry working as a drilling and petroleum engineer, including tours with Superior Oil, Resource Drilling, Tom Brown and Rowan International. Mr. Wallen has considerable experience in drilling vertical, high-angle directional and horizontal wells in North and South American oil and gas fields, as well as in the North Sea and Gulf of Mexico. Mr. Wallen did his undergraduate engineering studies at Texas A&M.

Larry Badgley has been Chief Financial Officer for Cubic since October, 2008. Prior to joining Cubic, Mr. Badgley worked over 11 years in the venture capital market and has been responsible for Financial Planning and Analysis, SEC, SOX technical training and practice development, and served as the national practice leader for merger and acquisitions with a heavy focus on due diligence and post acquisition integration. Larry Badgley received a BBA in Finance from Hardin-Simmons University in 1978, and is a Certified Public Accountant.

Jon S. Ross has served in the office of Secretary of Cubic Energy since 1998. Mr. Ross is a practicing attorney in Dallas, Texas who specialized in the representation of over fifty corporate entities. He has served on several community and non-profit committees and Boards and has been asked to speak to corporate and civic leaders on a variety of corporate law topics. Mr. Ross graduated from St. Mark's School of Texas with honors in 1982 and graduated from the University of Texas at Austin in 1986 with a B.B.A. in Accounting. He then graduated from the University of Texas School of Law in 1989 attaining a Juris Doctorate degree.

Richard M. Sepulvado has been the chief exploration geologist for Cubic Energy, Inc. since 1997 and serves as Vice President of Exploration and Production. He received his undergraduate training at Trinity University, earning his Bachelor's degree in geology in 1974. Mr. Sepulvado spent the following eight years developing strong management and engineering skills as an officer in the U.S. Army Corps of Engineers. Following his tour of duty, he returned to school and earned his Master of Science Degree in Geology at Louisiana Tech University in 1985. Mr. Sepulvado has worked as an exploration geologist for Mobil Oil, Placid Oil, Phillips Oil, and various independent oil companies.

Company Snapshot



➤ **Ticker:** NYSE Amex: QBC

➤ **Headquarters:** Dallas, TX

➤ **Resource Potential:**

- 309 Bcf – Haynesville
- 60 Bcf – Cotton Valley

➤ **Acreage Position in NW Louisiana:**

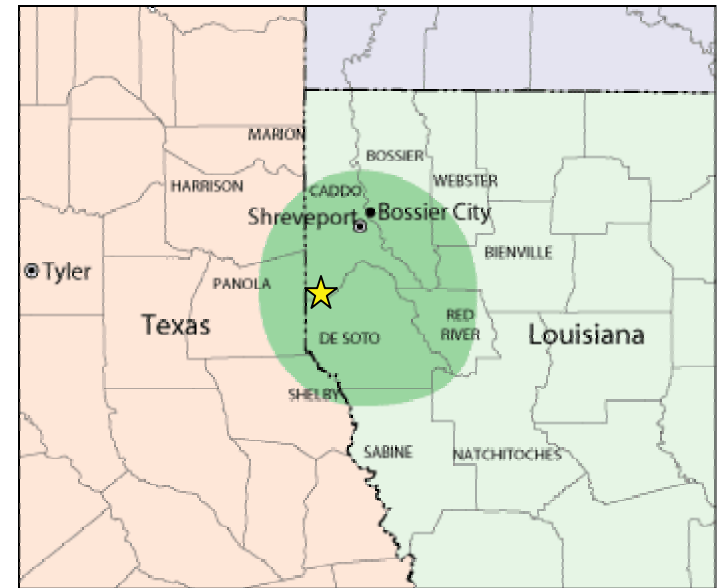
- Cotton Valley Acreage (approx 24,000 gross / 5,400 net), of which
Haynesville / Bossier Acreage (approx 22,000 gross / 4,300 net)

➤ **Shares Ownership in Acreage With:**

- EXCO Operating Company LP
- Chesapeake Energy Corp.
- Goodrich Petroleum Company
- BG Group

➤ **Proven Management Track Record**

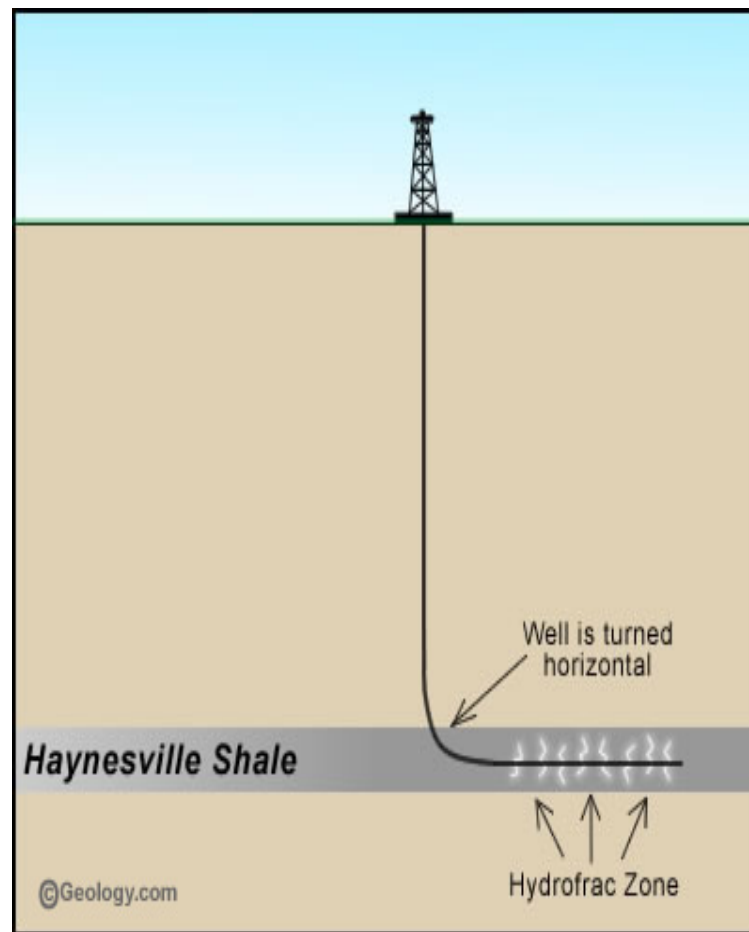
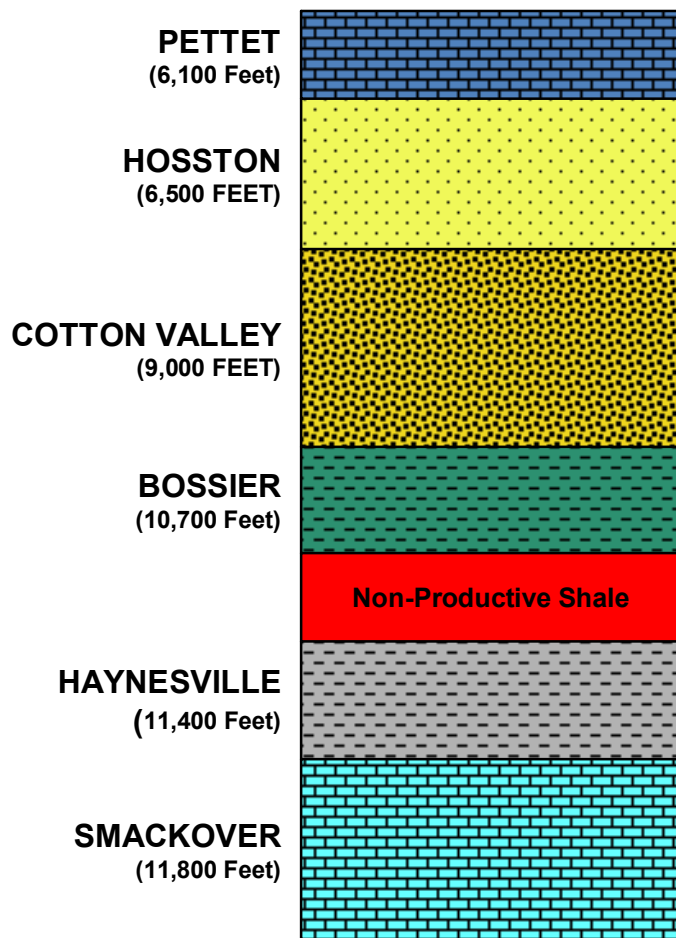
- Strong financial position with growth assets





Location of Haynesville Shale

(approximate depth)



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)**
 - **We strategically held acreage position while other operators established optimal drilling and completion techniques in the Haynesville Shale**
- **2009: Cubic Entered Into Strategic Transaction**
 - **Swapped QBC Common and Preferred Stock priced at a premium and without warrant coverage, and a small override, with an affiliate to acquire \$30.9 million of Drilling Credits from EXCO Operating Company LP**
 - **Transferred operatorship of Haynesville Shale to one of the most active and experienced Haynesville operators (EXCO)**
- **2010: Company Positioned For Haynesville-Driven Growth**
 - **\$31.5 million of liquidity immediately available for drilling**
 - **12 Gross Haynesville Shale wells now on-stream producing 43,398 Mcf per day**
 - **2 Gross Haynesville Shale wells Waiting On Completion**
 - **1 Gross Haynesville Shale Well currently drilling**
- **Comparison to Successful and Significantly Positioned Haynesville Peers, Evaluated by Market Value of A share of Common Stock**
 - **EXCO - XCO; Petrohawk - HK; Chesapeake - CHK; Goodrich - GDP; GMX Resources - GMXR; Delta Petroleum - DPTR**

	QBC	XCO	HK	CHK	GDP	GMXR	DPTR	NG Price/Mcf
6-30-08	\$4.19	\$36.91	\$46.31	\$65.96	\$82.92	\$74.10	\$25.52	\$13.18
6-30-09	\$1.08	\$12.92	\$22.30	\$19.83	\$24.59	\$10.64	\$1.93	\$3.72
4-30-10	\$1.04	\$18.55	\$21.59	\$23.80	\$16.93	\$8.01	\$1.55	\$3.89
% chg	<75%>	<50%>	<53%>	<64%>	<80%>	<89%>	<94%>	<70%>

Five Township Ownership Area



Cubic Energy's Strategic Haynesville Position

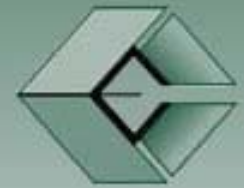
- Cubic Energy holds leases in the core of the Haynesville Shale play in Caddo & DeSoto Parishes – 100% Held By Production (HBP)
- EXCO-operates (10,880 gross / 3,788 net acres)
- CHK-operates (7,680 gross / 199 net acres)
- GDP-operates (3,200 gross / 249 net acres)

Industry Activity

- **Well Optimization-** Since 4Q 2008, drilling and completion techniques have been optimized, the lateral lengths have increased up to 4,500 feet with 15-20 stage frac programs.
- **Highly Productive Area-** There are roughly 70 mature wells online producing at total rate in excess of 230,000 Mcf/d.
- **Activity Continues At High Rates-** There are over 40 “Wells-in-Completion” and 10 rigs drilling in our Five Township Ownership Area. The drilling activity in the play continues to progress.



Improving Production Rates



- 30-day initial production rates have climbed from 4-6 MMcf/day in early-2008 to 8-12 MMcf/day through 2009. In addition, wells in 2010 are seeing 24 hour flow rates in excess of 20 MMcf/day and 30 day initial production rates between 12-15 MMcf/day on a control flow basis.
- We expect our Haynesville wells to have an Estimated Ultimate Recovery of 6.5-7 Bcf 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.



Resource Potential - Capitalization



➤ **Cubic has 300 gross / 60 net drilling locations...at 6.5 Bcf per well and an average 79% NRI, we estimate Haynesville resource potential at over 300 Bcf.**

➤ **Other operators have announced plans to further test the Bossier Shale.**

RESOURCE POTENTIAL (BCF)

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

➤ **While we will refrain from quantifying the resource potential from the Bossier Shale for now, it could add meaningful reserves and production.**

➤ **Wells Fargo agreed to increase Cubic's revolving credit line from \$20MM to \$40MM, and our borrowing base from \$20MM to \$25MM in addition, the Company has a current balance of \$29.7MM (as of March 31, 2010) on our drilling credit with EXCO.**

Cubic Is Financially Prepared To Move Forward



- The drilling credit should carry Cubic for most of its capital expenditures in FY 2010, with availability under 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 North America's most economic and prolific shale play.
- Production could average 25+ MMcf/day in FY 2012.
- Cubic has created significant liquidity via its Drilling Credit and an expanded line of credit with Wells Fargo well below market cost to the Company.
- Cubic is ready to become a growth company. Production growth commenced in FY 2010, and will accelerate thereafter.
- Depending on the drilling program utilized by the primary operator on our acreage, production could average 25-40 MMcf/day in FY 2012 – up from less than 1 MMcf/day in FY 2009.

FREE CASH FLOW ANALYSIS: ONE HAYNESVILLE SHALE WELL NET TO CUBIC

	<u>Year 1</u>
Mcf/Year	643,210
Natural Gas Price	\$4.00
Revenue	\$2,572,840
LOE - \$6,600/mo.	79,200
Prod. Taxes - .075% - 2yr waiver	0
Free Cash Flow	\$2,493,640

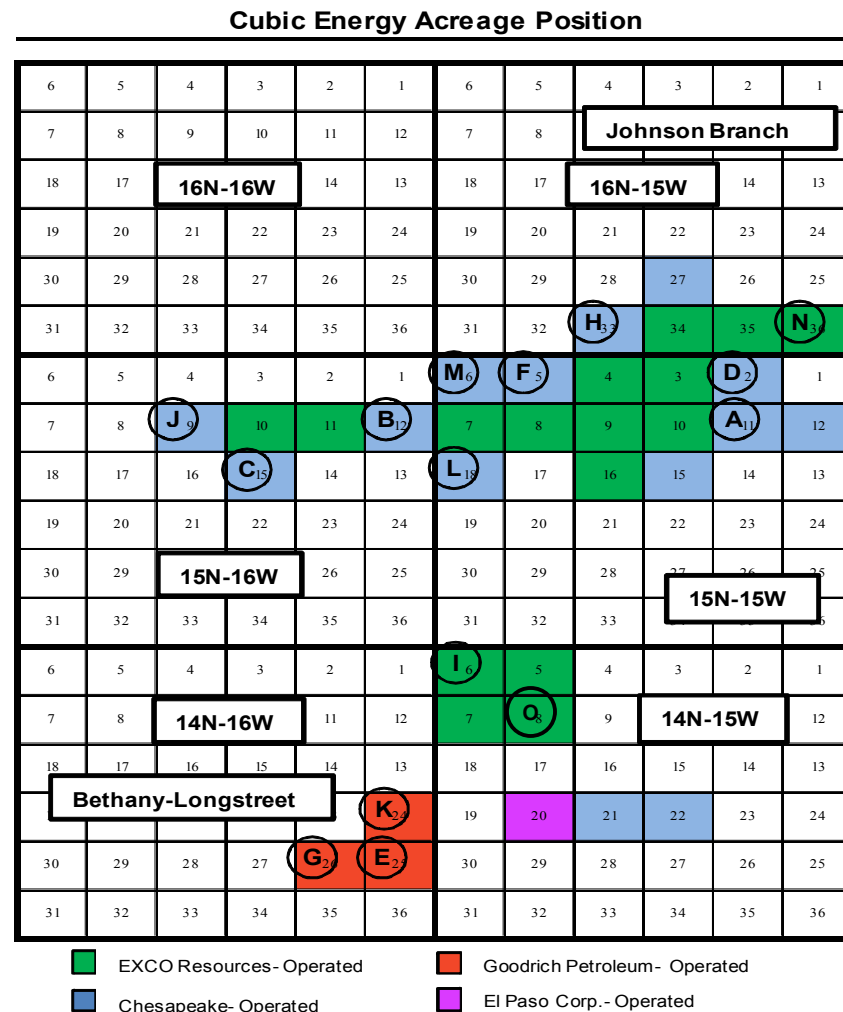
Haynesville Well Status Summary



PRODUCING						
Well Name	Working Interest	Operator	IP Date	IP Rate MCF/D	Current Rate MCF/D	
A) Clingman Acres 11H	2.5%	Chesapeake	02/20/09	17,400	2,726	
B) Mitchell 12H	2.2%	Chesapeake	02/04/09	8,112	1,733	
C) Woolworth 15H	1.5%	Chesapeake	05/30/09	10,656	2,382	
D) Clingman Acres 2H	5.0%	Chesapeake	05/12/09	10,487	2,726	
E) Garland 25-1H	10.2%	Goodrich	11/10/09	18,826	5,568	
F) Muslow 5H	4.6%	Chesapeake	01/25/10	16,757	6,083	
G) Plants 26-1H	10.2%	Goodrich	10/20/09	15,134	4,682	
H) SLRT 33H	2.4%	Chesapeake	12/21/09	14,520	5,231	
I) Red Oak Timber 6-1	35.0%	EXCO	WOSP	WOSP	2,636	
J) Saddler 9H	1.1%	Chesapeake	04/13/10	10,750	N/A	
K) Garland 24-1H	6.3%	Goodrich	03/14/10	15,938	9,631	
N) Thomas 36-1	37.0%	EXCO	WOSP	WOSP	N/A	

WAITING ON COMPLETION			
Well Name	Working Interest	Operator	TD Date
L) Western D H-1	0.7%	Chesapeake	03/27/10
M) Slaughter 6-15-15H	0.6%	Chesapeake	05/10/10

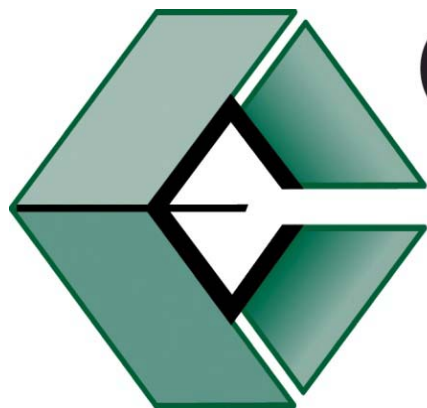
DRILLING			
Well Name	Working Interest	Operator	Spud Date
O) Crow 8-1	24.00%	EXCO	08/10/10



Ownership



	Shares (millions)	% of F-D Shares
5% Owners (2) <small>*Owner has 3.2 million common shares and a warrant for 1 million common shares</small>	3.2	3.0%
Officers and Directors (8)	40.5	40.0%
Public Float	31.7	32.0%
Outstanding Common Shares	75.4	75.0%
Calvin A. Wallen III - Preferred stock, if-converted	8.6	9.0%
Wells Fargo Energy Capital - Convertible Term Loan	5.0	5.0%
Wells Fargo Energy Capital - Warrants	7.5	7.0%
Other Warrants	3.8	4.0%
Fully-Diluted Shares	100.3	100.0%



CUBIC ENERGY INC.

NYSE Amex: QBC

Website: www.CubicEnergyInc.com

Jon S. Ross: jross@cubicenergyinc.com
Larry Badgley: larry@cubicenergyinc.com

9870 Plano Road, Dallas, TX 75238
Phone: 972-686-0369

