



CUBIC ENERGY INC.

Shareholder Presentation

May 2010



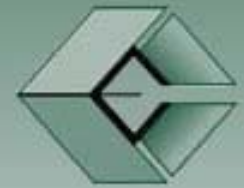
Disclaimer & Forward-Looking Statements



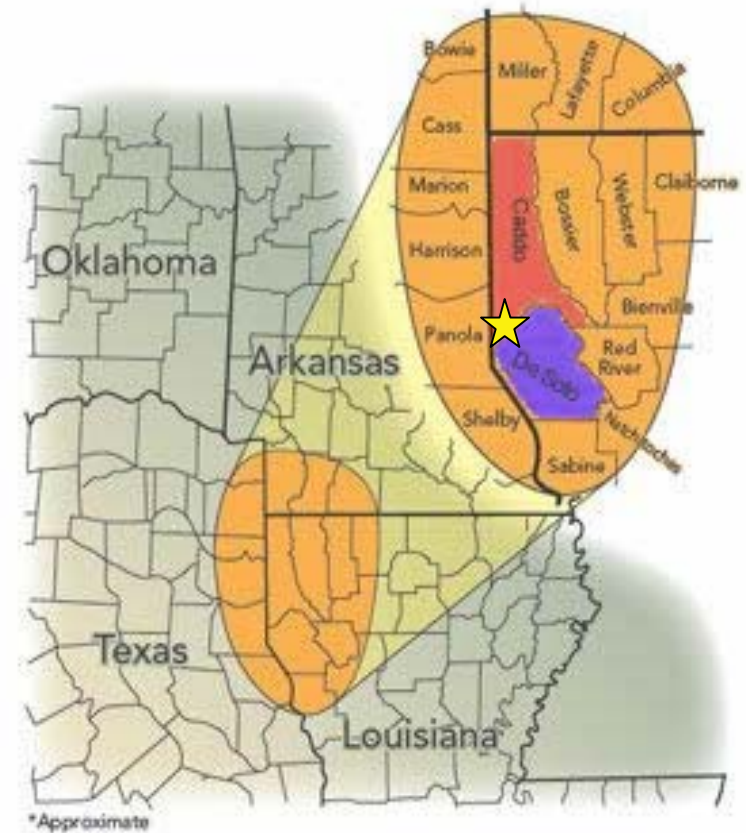
This presentation material contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The opinions, forecasts, projections or other statements, other than statements of historical 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.



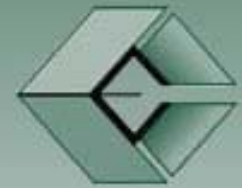
Company Snapshot



- **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)**
 - **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 below cash value and without warrant coverage 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**
 - **7 Gross Haynesville Shale wells now on-stream producing 26,054 Mcfe/d**
 - **5 Gross Haynesville Shale wells Waiting On Completion and/or State Potential**
 - **2 rigs currently operating on Cubic acreage**

□ 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



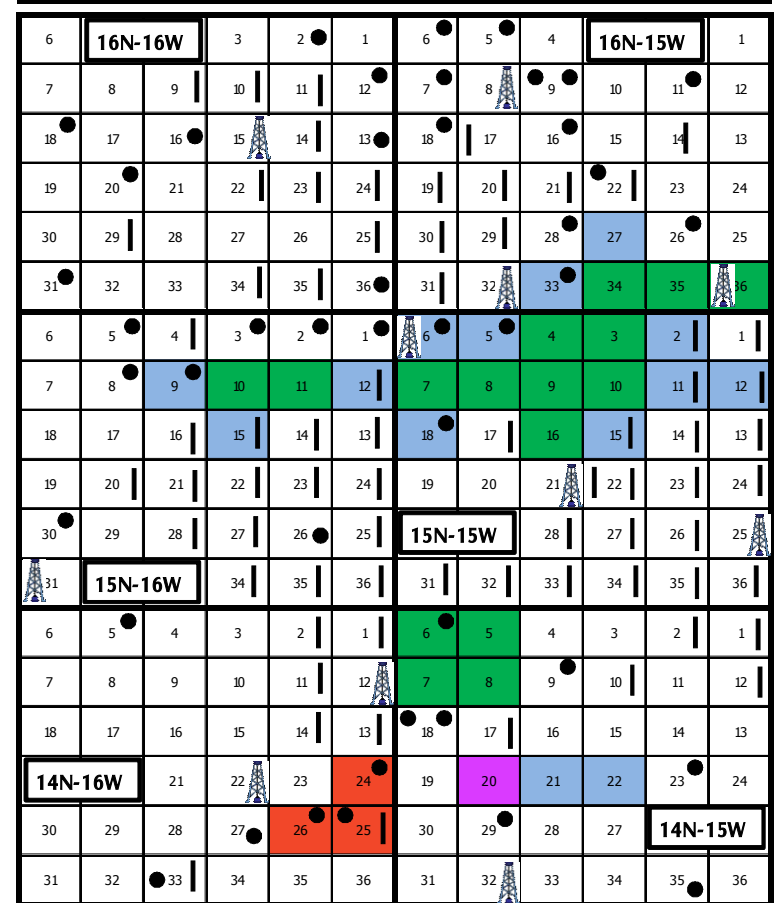
Cubic Energy's Strategic Haynesville Position

- 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 Mcfe/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.

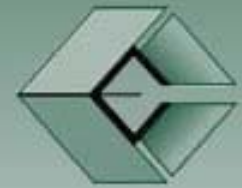
Cubic Energy Acreage Position



■ 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, wells in 2010 are seeing 24 hour flow rates in excess of 20 MMcfepd and 30 day initial production rates between 12-15 MMcfepd on a control flow basis.
- We expect our Haynesville wells to have an Estimated Ultimate Recovery of 6.5-7 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.



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.

RESOURCE POTENTIAL (BCFE)

PDP Reserves at June 30, 2009	0.4
Haynesville Shale	
Net Drilling Locations	60
EUR Per Well (Bcfe)	6.5
NRI %	79%
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 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+ MMcfepd 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 MMcfepd in FY 2012 – up from less than 1 MMcfepd 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



Haynesville Shale Well Status

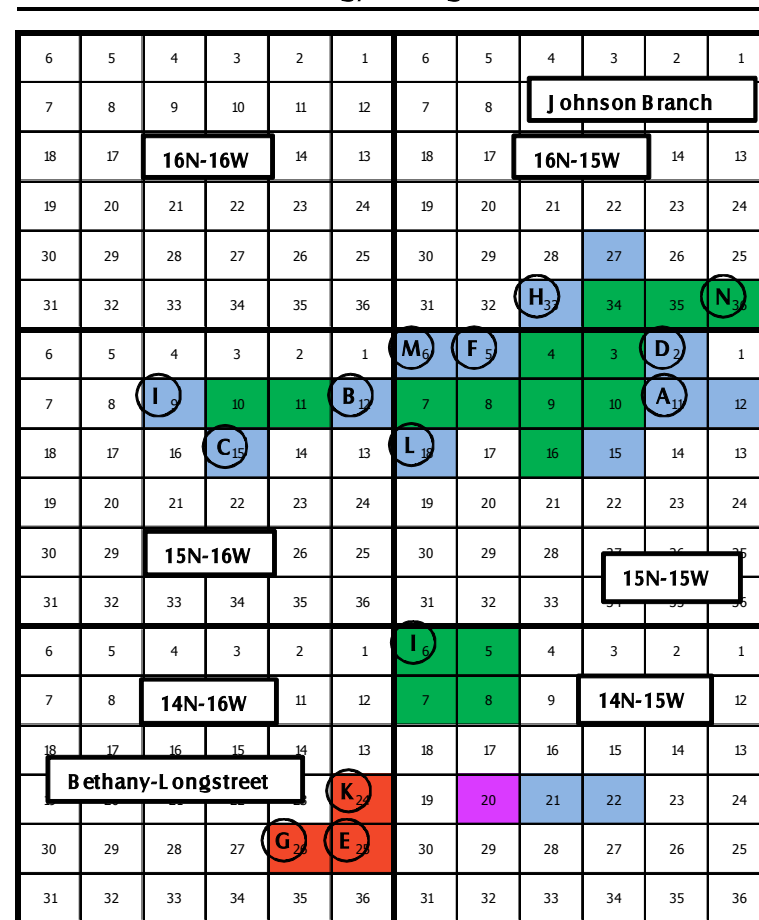
PRODUCING					
Well Name	W.I. (%)	Operator	IP Rate MCF/D	Current Rate MCF/D	IP Date
A) Clingman Acres 11H	2.5%	Chesapeake	17,040	3,207	02/20/09
B) Mitchell 12H	2.2%	Chesapeake	8,112	2,277	04/02/09
C) Woolworth 15H	1.5%	Chesapeake	10,656	2,805	04/12/09
D) Clingman Acres 2H	5.0%	Chesapeake	10,487	3,698	05/12/09
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	09/02/09

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

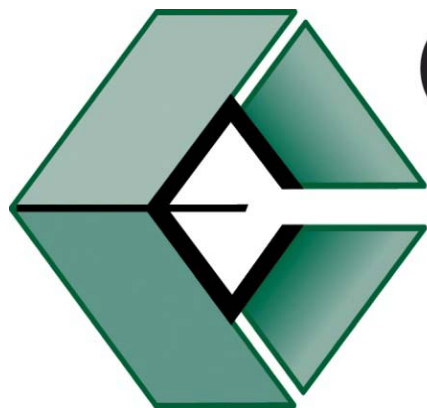
WAITING-ON-COMPLETION					
Well Name	W.I. (%)	Operator	Status	Current Rate MCF/D	TD Date
J) Saddler 9H	1.1%	Chesapeake	WOC	N/A	01/27/10
K) Garland 24-1	6.3%	Goodrich	WOC	N/A	12/25/09
L) Western D H-1	0.7%	Chesapeake	WOC	N/A	03/27/10

DRILLING					
Well Name	W.I. (%)	Operator	Status	Current Rate MCF/D	Spud Date
M) Slaughter 6-15-15H	0.6%	Chesapeake	Drilling	N/A	04/01/10
N) Thomas 36-1	37.0%	EXCO	Drilling	N/A	04/29/10

Cubic Energy Acreage Position



- EXCO Resources - Operated
- Chesapeake - Operated
- Goodrich Petroleum - Operated
- EIPaso Corp. - Operated



CUBIC ENERGY INC.

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