



Cue Energy Resources Limited

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TO : Company Announcements Office
10th Floor
20 Bond Street
Sydney NSW 2000

DATE : 30 June 2006

PAGES (including this page):3

FROM : Andrew Knox

RE : **SE Gobe 14 Begins Drilling**

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

Yours faithfully

A handwritten signature in black ink that reads "Andrew Knox". The signature is written in a cursive, flowing style.

Andrew M Knox
Public Officer



Cue Energy Resources Limited

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RELEASE

SE Gobe 14 Begins Drilling

Cue is pleased to announce that the SE Gobe 14 deviated development well began drilling on 29 June 2006.

The well is planned to be drilled to a total depth of 2715 metres measured depth with a bottom hole location in the SEG 11 fault block.

Depending on results, it is planned to complete the well as an oil producer, or as a water injector to provide pressure support to SEG 11. SEG 14 is expected to add an incremental 1-2 million barrels of gross oil reserves.

The participants in the SE Gobe unit have agreed to extend the unit boundary to cover the SEG 14 location and the expected extent of the SE Gobe field to the south east. Current unit participation factors will remain unchanged.

A map is attached.

Participants in the SE Gobe unit are :-

AGL Gas Developments (PNG) Pty Limited	27.35%
Oil Search (PNG) Limited	25.55% (Operator)
Southern Highlands Petroleum Co Ltd	23.69%
Barracuda Limited (Santos)	9.39%
Ampolex (Highlands) Limited	5.95%
Cue PNG Oil Company Pty Ltd	3.29%
Merlin Petroleum Company Limited	2.78%
Petroleum Resources Gobe Limited	2.00%

Any queries regarding the announcement should be directed to the Company on (03) 9670 8668 or email mail@cuenrg.com.au.

A handwritten signature in blue ink, appearing to read "R. J. Coppin".

Robert J Coppin
Chief Executive Officer

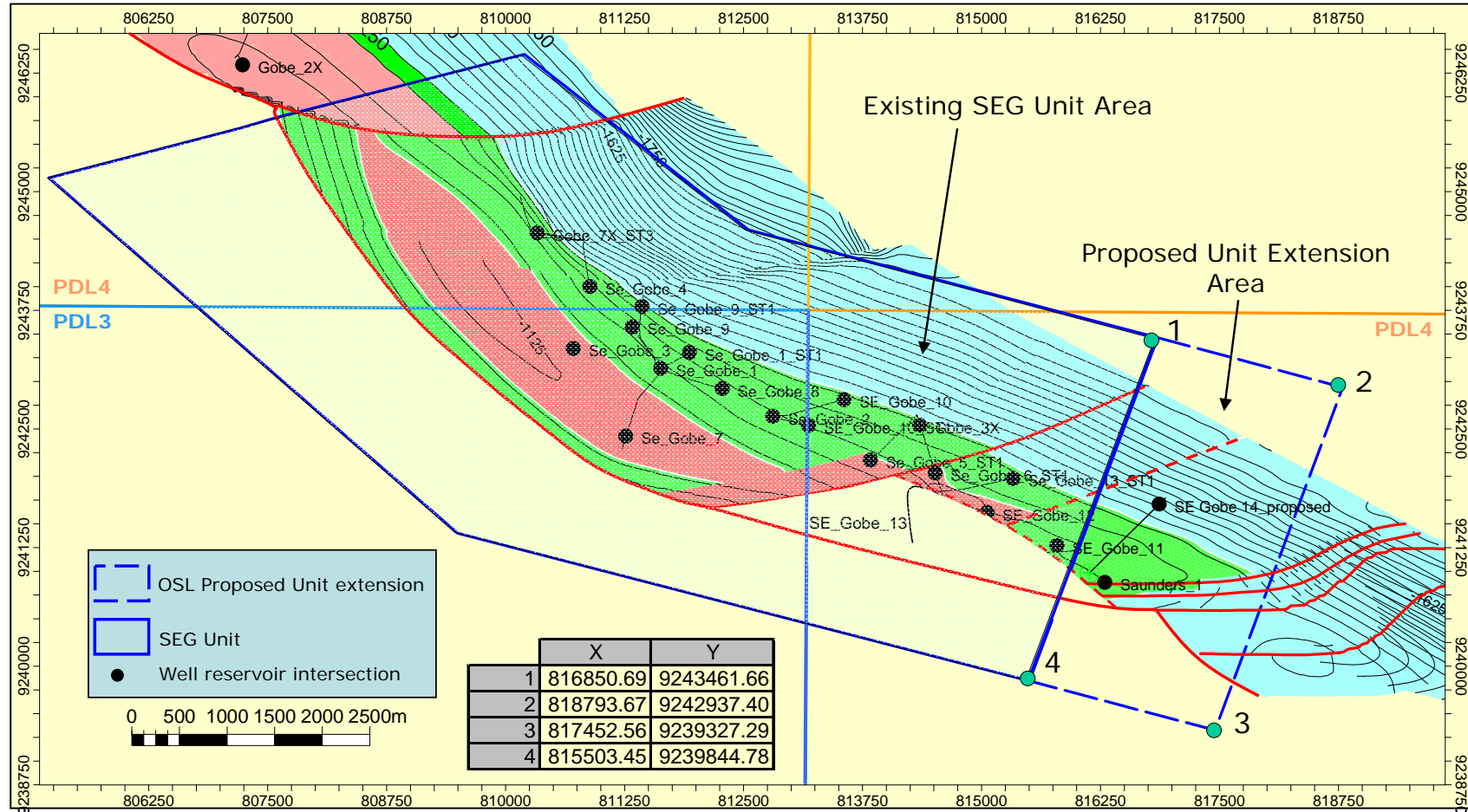
30 June 2006



OIL SEARCH LIMITED

Incorporated in Papua New Guinea
ARBN 055 079 868

Schedule 1



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