



Cue Energy Resources Limited

A.B.N. 45 066 383 971

27 June 2012

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

Naga Selatan-1 Well, Mahakam Hilir PSC, Indonesia

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

Yours faithfully

Andrew M Knox
Public Officer

CUE ENERGY OVERVIEW

Cue is an Australian based oil & gas company with projects in Australia, New Zealand, Indonesia and PNG.

THE COMPANY HAS:

- Long life production
- A strong balance sheet
- An active exploration program

DRILLING PROGRAM

- Naga Utara exp well Q1 12
- Naga Selatan exp well Q2 12
- WA-389-P exp well Q2 12
- Maari appraisal well Q4 12

CUE ENERGY DIRECTORS

- Richard Tweedie (Chairman)
- Timothy Dibb
- Geoffrey King
- Steve Koroknay
- Paul Moore
- Leon Musca
- Andrew Young

CUE ENERGY MANAGEMENT

- Mark Paton (CEO)
- Andrew Knox (CFO)
- David Whittam (Exp Man)
- Alex Parks (CCO)

OFFICE

Level 21
114 William Street
Melbourne Vic 3000

CONTACT DETAILS

Tel: +61 3 9670 8668
Fax: +61 3 9670 8661

EMAIL

mail@cuenrg.com.au

WEBSITE

www.cuenrg.com.au

LISTINGS

ASX:	CUE
NZX:	CUE
POMSOX:	CUE
ADR/OTCOX:	CUEYY



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RELEASE

(ASX: CUE; NZX: CUE; POMSOX: CUE; ADR/OTC: CUEYY)

Naga Selatan-1 Well, Mahakam Hilir PSC, Indonesia

Cue Energy Resources Ltd is pleased to provide the following update regarding the drilling of the Naga Selatan-1 well. The well is located within the Mahakam Hilir PSC in the Kutei Basin, Indonesia. The well operator is SPC Mahakam Hilir Pte. Ltd.

The Naga Selatan (*Southern Dragon*) prospect is situated approximately 7.5km to the west of the producing Sanga-Sanga oilfield.

Total depth (TD) of the 8 ½ inch hole section was reached on 20th June 2012 at 8,300 feet. Following conditioning of the hole, wire-line logs have been run and this programme is on-going. Cue will provide further reports to the market once wire-line logging has been completed and the results have been conclusively evaluated.

The participants and their respective interests in the PSC are:

SPC Mahakam Hilir Pte Ltd (<i>Operator</i>)	60%
Cue Mahakam Hilir Pty Ltd	40%

Any queries regarding the announcement should be directed to the Company on (03) 96708668 or email mail@cuenrg.com.au

A handwritten signature in black ink, appearing to read 'Mark Paton'.

Mark Paton
Chief Executive Officer

27th June 2012

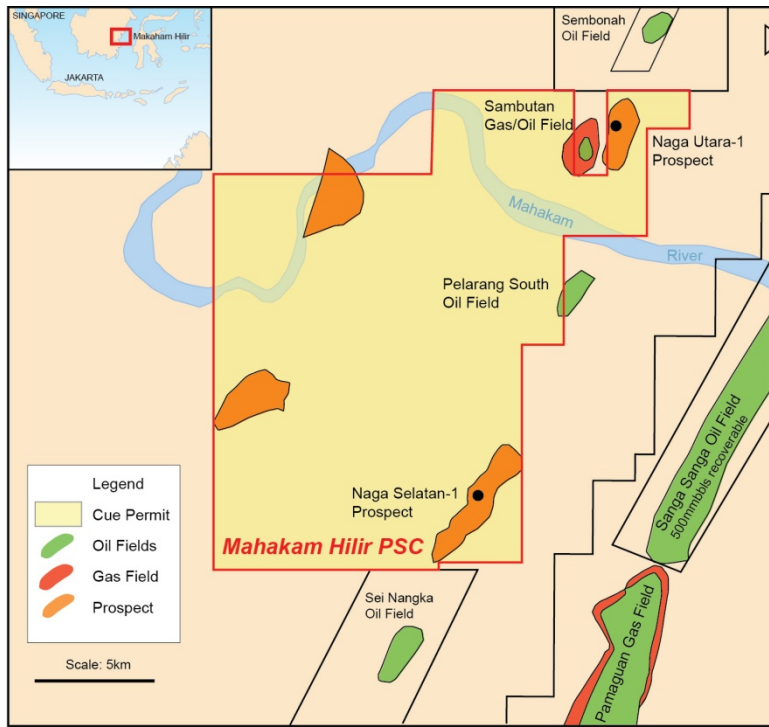


Figure 1 - Location of Mahakam Hilir PSC, Indonesia