Cue Energy Resources Limited

A.B.N. 45 066 383 971

20 June 2012 **PAGES (including this page): 3**

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

Banambu Deep-1 Well Drilling Update, WA-389-P

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)

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LISTINGS

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

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RELEASE

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

Banambu Deep-1 Well Drilling Update, WA-389-P

Cue Energy Resources Limited (ASX Code: CUE) provides the following update on the Banambu Deep-1 exploration well in permit WA-389-P offshore Carnarvon Basin, Western Australia.

Progress

The operator has advised that the current operation at 06:00hrs 20th June 2012 is pulling out of hole with the drilling assembly. Since the last report the 311mm (12 ¼") hole was drilled from 2573mMD to 3833mMD before the drill bit and bottom hole assembly was pulled and changed out. The blow out preventer was then tested prior to running back into hole to drill to the current depth of 4134.4mMD.

Forward Plan

Continue pulling out of hole and then rig up, run and cement casing prior to commencing to drill the 216mm (8 ½ ") hole section to the primary target.

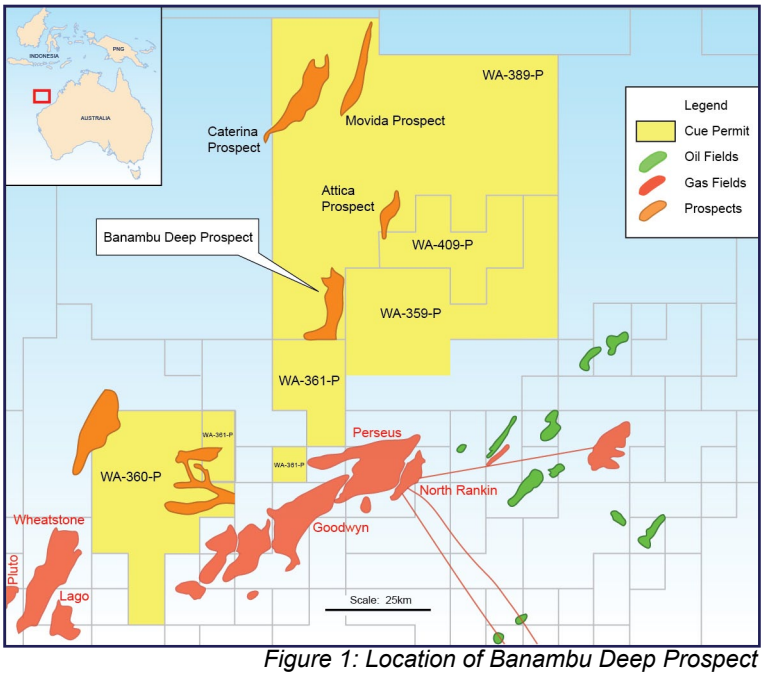

Figure 1: Location of Banambu Deep Prospect

Location / Proposed Depth

The Banambu Deep-1 well is located in permit WA-389-P, in the Carnarvon Basin, Western Australia (Figure 1). The well is being drilled in 320m of water to a planned total depth of approximately 4712mMD in the primary Intra Mungaroo Formation target.

Upon completion of evaluation, the well will be plugged and abandoned in the normal course of offshore operations.

Cue will release reports of well progress initially on a weekly basis.

Participants

Following government approvals of the recent farm in transaction with BHP Billiton the participants and their respective interests in the permit will be:

Woodside Burrup Pty Ltd (Operator)	25%
Cue Exploration Pty Ltd	35%
BHP Billiton (Australia) Pty Ltd	40%

Explanatory note: All measurements are expressed in metres measured depth from the Rotary Table (mMD)

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

Mark Paton
Chief Executive Officer

20th June 2012