

Cue Energy Resources Limited A.B.N. 45 066 383 971

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TO : Company Announcements Office

> 10th Floor 20 Bond Street Sydney NSW 2000

DATE : 21 June 2006 PAGES (including this page):2

FROM: Andrew Knox

RE : Indonesian Drilling Update

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

Yours faithfully

Andrew M Knox **Public Officer**



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RELEASE

Indonesian Drilling Update

Herbras -1

The well is being plugged and abandoned at a depth of 2515 metres after penetrating the primary objective without encountering any significant hydrocarbons.

Participants in the Sampang PSC are:

Santos (Sampang) Pty Ltd 40.5% (Operator)

Singapore Petroleum Sampang Ltd 36% Cue Sampang Pty Ltd 13.5% PT Petrogas Oyong Jatim* 10%

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

Robert J Coppin

Chief Executive Officer

21 June 2006

^{*}Subject to finalization.