

Cue Energy Resources Limited

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TO : Company Announcements Office

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PAGES (including this page):2 DATE: 9 October 2006

FROM: Andrew Knox

RE : Wortel -2 Update

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

Yours faithfully

Andrew M Knox **Public Officer**



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

RELEASE

Wortel -2 Update

Wortel -2 is being plugged and abandoned at a total depth of 1421 metres. The well failed to encounter any reservoir or significant hydrocarbons. The well results are currently being evaluated.

Additional appraisal drilling will be required to determine the full potential of the Wortel gas accumulation and could take place before year end, depending on rig availability.

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 9 October 2006

^{*}Subject to finalization.