



Cue Energy Resources Limited

A.B.N. 45 066 383 971

6 June 2012

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

Banambu 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)
- Terry White (Exp Man)
- Alex Parks (CCO)

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LISTINGS

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



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RELEASE

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

Banambu Well Drilling Update, WA-389-P

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

Progress

Current operations at 06:00hrs (6th) June 2012 are that the well is drilling ahead in 445mm (17 ½”) hole at a depth of 2527 metres measured depth (m MD). Since the last report the 914mm (36”) conductor and the 508mm (20”) surface casings were set together with their respective shoes at 418.15m MD and 408.9m MD.

Forward Plan

The 445 mm (17 ½”) hole section will be drilled to the planned intermediate casing point at 2570m MD.

Location / Proposed Depth

The Banambu Deep 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 4712m MD within the primary target, Intra Mungaroo Formation.

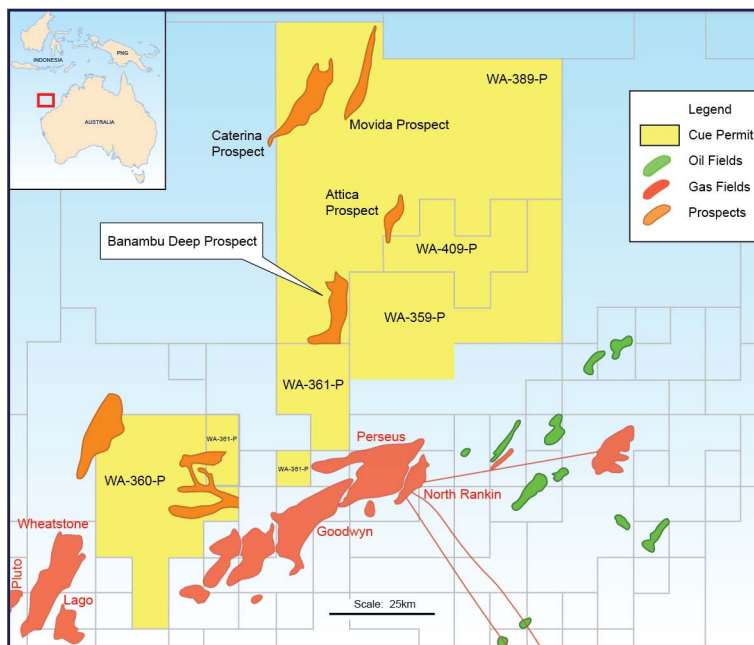


Figure 1: Location of Banambu Deep Prospect

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 various JV and 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 (m MD)

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

6 June 2012