



Cue Energy Resources Limited

A.B.N. 45 066 383 971

RELEASE

Placement of 40 million Shares to Raise \$10 million

Cue Energy Resources Ltd (ASX Code: CUE, NZX Code: CUE, POMSOX Code: CUE) is pleased to advise that it has agreed to place 40 million ordinary fully paid shares at a price of 25 cents each with clients of Cartesian Capital Pty Limited to raise a total of \$10 million.

Funding for Oyong Development

The \$10 million in new equity raised will finance the expansion, and move to production, of the Company's interest in the Oyong oil and gas field, located in the Madura Strait in close proximity to Surabaya, Indonesia's second largest city.

International Institutional Support

The equity raising attracted support from leading Australian and Global funds managers, with Todd Energy also subscribing to retain its existing 9.9% interest in the Company. The issue was managed by Cartesian Capital, and involved participation by leading UK, Asian and Global funds managers, who subscribed for 40 million shares at \$0.25 per share. This marks a significant development for the company in attracting institutional investors as shareholders in Cue

The Oyong Development

The Oyong development will consist of a simple well head structure formed by triangular braced surface well conductors which will extend above the sea surface. Development wells will be drilled through and between the conductors. Up to seven development wells can be drilled through each structure. Oil and gas will be processed on a nearby moored barge. Oil will be exported by shuttle tanker. Gas will be sent by pipeline to the P.T. Indonesia electricity generating station at Grati, East Java, with first gas expected around 2006. Solution gas associated with the early oil production will be reinjected until gas production begins to Grati.

Oyong Participants

Participants in the Sampang PSC in which the Oyong development is located are:

Cue Sampang Pty Ltd	15%
Santos (Sampang) Pty Ltd	45% (Operator)
Singapore Petroleum Company Limited	40%

The Company has requested that the suspension of trading in Cue's securities requested earlier today be removed.

Any written queries regarding the announcement should be directed to the company on (03) 9629 7318 or email mail@cuenrng.com.au.

Contacts:

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A handwritten signature in dark ink, appearing to be 'E.G. Albers', written in a cursive style.

E.G. Albers
Director
For and on behalf of
Cue Energy Resources Limited

15 December 2004