



Cue Energy Resources Limited

A.B.N. 45 066 383 971

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Australia

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8 May 2009

Ms Kate Kidson
ASX Markets Supervision Ltd
Level 45
South Tower
525 Collins Street
Melbourne Vic 3000

Dear Kate,

Re: **Cue Energy Resources Limited (the “Company”)**

I refer to your letter of 5 May 2009 with questions regarding the Company’s Quarterly Report for the period ended 31 March 2009 (Appendix 5B). Please find the following responses below to your specific numbered points:

- 1) The Company is of the view that it has sufficient funds at present to fund its ongoing activities. We draw your attention to items 1.16 and 3.1 in the Quarterly Report which detail financing facilities in place and the market release of 20 April 2009 (see below) announcing the commencement of liftings from the Maari oil field in the Taranaki basin, New Zealand.

“ Cue is pleased to announce that the tanker MS Sophie loaded about 165,000 barrels of crude oil (Cue share 39,000 barrels) from the Maari oil field in New Zealand on Saturday 18th April. The cargo has been loaded on behalf of Cue and Todd Energy who have elected to jointly ship their share of Maari oil production.

When the Maari field reaches its initial peak production rate of about 35,000 barrels of oil per day later this year, Cue and Todd expect to load cargos every three weeks or so. The oil will be sold to east coast Australian refineries.



“This represents another successful milestone for Cue” said Cue’s Chief Executive Officer, Bob Coppin. “The Maari oil production substantially enhances our existing oil production from the SE Gobe field in Papua New Guinea and the Oyong field in Indonesia.”

The participants in the Maari field are:

Cue Taranaki Pty Ltd	5%
OMV NZ Ltd (Operator)	69%
Todd Maari Limited	16%
Horizon Oil International Limited	10% ”

It is expected at this time that Cue will be participating in liftings approximately every month and hence production receipts, for the foreseeable future.

- 2) Due to the nature of the Company’s business activities in development and exploration it is possible that the Company will have future negative operating cash flows from time to time. The Maari field development is nearing completion, however, there are development costs associated with the Oyong and Wortel gas fields, Indonesia. Gas production from Oyong is expected to commence around September 2009. The Company monitors its funding requirements continuously in light of ongoing business activities and would put in place appropriate funding arrangements as required.
- 3) Please refer to 1) and 2) above.
- 4) We confirm to the best of our knowledge, the Company is in full compliance with the listing rules and, in particular, listing rule 3.1.
- 5) We confirm compliance with listing rule 12.2.

If you have any further questions please do not hesitate to contact the undersigned.

Yours sincerely,

Andrew Knox
Company Secretary



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Ltd
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5 May 2009

Andrew Knox
Company Secretary
Cue Energy Resources Limited

By email only

Dear Andrew

Cue Energy Resources Limited (the "Company")

I refer to the Company's Quarterly Report in the form of Appendix 5B for the period ended 31 March 2009, released to ASX Limited ("ASX") on 29 April 2009 (the "Appendix 5B").

ASX notes that the Company has reported the following.

1. Receipts from product sales and related debtors of \$5,841,000
2. Net negative operating cash flows for the quarter of (\$5,648,000).
3. Cash at end of quarter of \$10,231,000.

In light of the information contained in the Appendix 5B please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?

2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response may be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me by email on kate.kidson@asx.com.au. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than 5:00 p.m. EST on Friday 8 May 2009.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

Yours sincerely,

Sent by electronic means without signature

Kate Kidson
Principal Adviser, Issuers
ASX