



A.B.N. 45 066 383 971

13 December 2013

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Company Announcements Office
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20 Bond Street
Sydney NSW 2000

Naga Utara-2 Progress Report # 10

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

Yours faithfully

Andrew M Knox
Chief Financial Officer

CUE ENERGY OVERVIEW

Cue is an Australian based oil & gas company with activities in Australia, New Zealand, Indonesia and PNG.

THE COMPANY HAS:

- Long life production
- A strong balance sheet
- An active exploration program

CUE ENERGY DIRECTORS

- Geoffrey King (Chairman)
- Timothy Dibb
- Paul Moore
- Andrew Young

CUE ENERGY MANAGEMENT

- David Biggs (CEO)
- Andrew Knox (CFO)
- David Whittam (Exp Man)

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LISTINGS

ASX:	CUE
NZX:	CUE
POMSOX:	CUE
ADR/OTCQX:	CUEYY



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RELEASE

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

Naga Utara-2 Progress Report # 10

Cue Energy Resources Ltd (Cue) advises that at 06:00 local time on 13 December 2013, the Naga Utara-2 well is at a depth of 5,961 ft MDKB (1,817m).

Since the last report, several attempts have been made to free the stuck drill string which became stuck whilst drilling the 8½" hole. These operations have not been successful and the drill string has been cut at a depth of 4,862 ft MDKB (1,482m). Preparations are underway to sidetrack the well around the obstruction left in the hole.

The well site is located in the onshore portion of the Kutei Basin on the island of Kalimantan (Borneo), approximately 10 km NE of the town of Samarinda (map attached). Naga Utara-2 is operated by SPC Mahakam Hilir Pte Ltd, a subsidiary of Singapore Petroleum Company Ltd.

The well is the third to be drilled by the Mahakam Hilir Joint Venture and will appraise the gas shows seen in Miocene-age sandstones at Naga Utara-1 which were not fully evaluated in the previous well due to mechanical problems. The well will then be deepened to evaluate additional reservoir objectives. The well is being drilled from the same pad as Naga Utara-1 to a target location approximately 475m north of the earlier well. The proposed total depth of the well is 6,777 ft MDKB (2,065m).

Cue will provide weekly progress reports during the drilling of Naga Utara-2. Participating interests in the Mahakam Hilir PSC are as follows:

Cue Mahakam Hilir Pty Ltd	40%
SPC Mahakam Hilir Pte Ltd	60% (<i>Operator</i>)

Any queries regarding the announcement should be directed to the Company on +61 3 8610 4000 or email mail@cuenrg.com.au.

A handwritten signature in black ink, appearing to read "David Biggs".

David A.J. Biggs
Chief Executive Officer

13 December 2013

