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## Cue Energy Resources Limited

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10th Floor  
20 Bond Street  
Sydney NSW 2000

DATE : 12 May 2006

PAGES (including this page):3

FROM : Andrew Knox

RE : **Drilling Update**

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

Yours faithfully

A handwritten signature in black ink that reads "Andrew Knox".

Andrew M Knox  
Public Officer



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## Cue Energy Resources Limited

A.B.N. 45 066 383 97

### **RELEASE**

#### **Drilling Update**

##### **Indonesia**

###### **Jeruk -3 sidetrack 1, deviated appraisal well, Sampang PSC, Offshore East Java.**

At 5pm on Thursday 11 May 2006, drilling operations were, running into the hole to cut core 1 at the top of the Kujung limestone objective.

###### **Dukuh -1 Exploration Well, Sampang PSC**

At 5pm on Thursday 11 May 2006, drilling operations were, conditioning mud at 2685 metres measured depth prior to drilling ahead in 8 1/2 inch hole.

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%

\*Subject to finalization.

##### **Papua New Guinea**

###### **SE Gobe -13, Side track 1, deviated development well**

On Friday morning 12 May 2006, the well was at a depth of 1705 metres measured depth and preparing to drill ahead in 12.25 inch hole. The SEG -13 well is being side tracked to the east after intersecting a number of thrust faults, which resulted in the objective lagifu sandstone reservoir not being intersected at the original well location .

Participants in the SE Gobe unit are:

AGL Gas Developments (PNG) Pty Limited	27.35%
Oil Search (PNG) Limited	25.55% (Operator)
Southern Highlands Petroleum Co Ltd	23.69%
Barracuda Limited (Santos)	9.39%
Ampolex (Highlands) Limited	5.95%
Cue PNG Oil Company Pty Ltd	3.29%

Merlin Petroleum Company Limited	2.78%
Petroleum Resources Gobe Limited	2.00%

Any queries regarding the announcement should be directed to the Company on (03) 9670 8668 or email at [mail@cuenrg.com.au](mailto:mail@cuenrg.com.au).



Robert J Coppin  
Chief Executive Officer

12 May 2006