



Cue Energy Resources Limited

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

DATE : 19 June 2006

PAGES (including this page):2

FROM : Andrew Knox

RE : **Drilling update SE Gobe 13 Development Well**

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". The signature is written in a cursive, flowing style.

Andrew M Knox
Public Officer



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RELEASE

Drilling update

SE Gobe 13 Development Well

The SE Gobe 13 development well sidetrack has been completed as a water injector to provide pressure support for the lagifu sandstone reservoir. It is expected that the pressure support from SE Gobe 13 will result in incremental field oil recovery of approximately 1.75 million barrels.

The Parker 140 drilling rig is moving to drill the SE Gobe 14 well.

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 mail@cuenrg.com.au.

A handwritten signature in blue ink, appearing to read "R. J. Coppin".

Robert J Coppin
Chief Executive Officer

19 June 2006