



ABN 45 066 383 971

3 February 2016

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ASX Market Announcements  
ASX Limited  
Exchange Centre  
Level 4, 20 Bridge Street  
Sydney NSW 2000

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### Cue Discovers Oil at Naga Selatan-2

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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 the USA.

#### THE COMPANY HAS:

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

#### CUE ENERGY DIRECTORS

- Paul Foley (Chairman)
- Stuart Brown
- Peter Hazledine
- Koh Ban Heng
- Brian Smith

#### CUE ENERGY MANAGEMENT

- David Biggs (CEO)
- Andrew Knox (CFO)
- Jeffrey Schrull (Exp Man)

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#### LISTINGS

ASX: CUE  
ADR/OTC: CUEYY



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## **RELEASE**

### **Cue Discovers Oil at Naga Selatan-2**

Cue Energy Resources Limited (ASX: CUE) advises that the Naga Selatan-2 well (NS-2) has discovered oil and is currently being suspended to allow for future production testing. The well has safely reached TD at a depth of 1170 ft.

NS-2, the first well to be drilled by Cue as Operator, is located onshore within the Mahakam Hilir PSC (Cue 100% and Operator) in the Kutai Basin, East Kalimantan, Indonesia.

The well was designed to test a shallow anticlinal closure with potential hydrocarbons very near the surface. The model was validated early on by gas shows from 300-315 ft, but this interval was not logged due to operational constraints. While drilling the next hole section, gas shows and fluorescence were observed from 370-495 ft with heavier gas readings and oil shows encountered at 465 ft and below. Logs were run from 315-670 ft and an MDT test was run over a potential 10 ft oil sand at 476 ft. From this test, three 350 cc sample chambers were filled with light, 32° API oil and a one gallon chamber was filled with a combination of oil, gas and water. Lab work is currently under way to fully evaluate the results of the MDT. The pressure build-up data indicates the sand is relatively low permeability but the bore-hole image log (FMI) indicates several zones of open fracturing which could potentially be productive.

The lower section of the hole (720–1170 ft) encountered oil shows and high background gas, however due to drilling constraints caused by high pressure, the decision was made to TD the well before the planned 2240 ft. This section could not be logged and will be plugged, leaving the 9 5/8" cased hole for production testing. Engineering and geological studies integrating all of the data from the well will be undertaken to determine an optimal production testing programme.

NS-2 has successfully validated a play concept analogous to the nearby Sanga Sanga fields and use of appropriate technologies will be used to further delineate the sweet spots along the anticlinal axis.

Any queries regarding the announcement should be directed to the Company on +613 8610 4000 or email at [mail@cuenrg.com.au](mailto:mail@cuenrg.com.au).

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

David A.J. Biggs  
Chief Executive Officer

3 February 2016

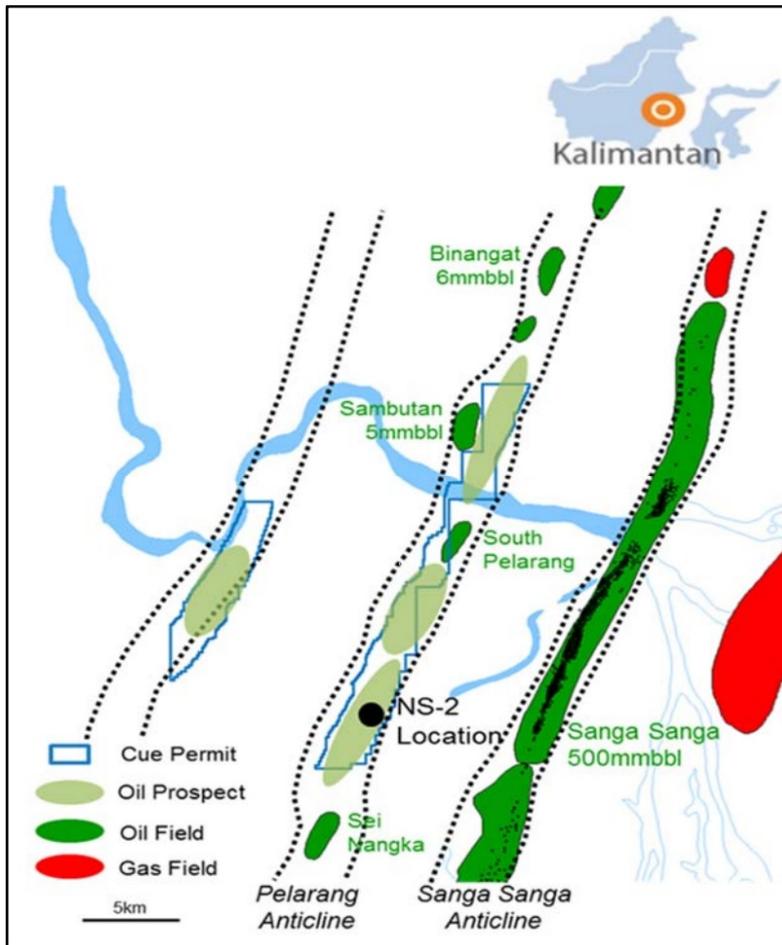


Figure 1: Mahakam Hilir PSC and Naga Selatan-2 well location