



Cue Energy Resources Limited

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

DATE : 24 February 2006

PAGES (including this page):3

FROM : Andrew Knox

RE : **Drilling Update**

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



Cue Energy Resources Limited

A.B.N. 45 066 383 97

RELEASE

Drilling Update

Indonesia

- **Jeruk-3 Deviated Appraisal Well**

At 5.00 pm on Thursday 23 February, Jeruk-3 operations were, drilling 17¹/₂ inch hole at 3322 metres measured depth. A 16 inch liner has been set to 1691 metres measured depth.

The planned total depth of the well is 5512 metres measured depth.

Economic interests in the well are expected to be as follows:

Santos Sampang Pty Ltd	40.5% (Operator)
Medco Strait Services*	22.5%
Singapore Petroleum Sampang Pte Ltd	19.64%
PT Petrogas Oyong Jatim+	10%
Cue Sampang Pty Ltd	7.36%

*pursuant to an agreement with Singapore Petroleum and Cue

+subject to finalization of legal documentation

Papua New Guinea

- **SE Gobe-12 Deviated Development Well**

On Friday morning 24 February, the well was at a depth of 957 metres (measured and vertical depth) and was preparing to drill ahead after setting 13³/₈ inch casing in the upper Ieru Formation.

The planned total depth of the well is 2420 metres measured depth (2215 metres vertical depth).

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.

Robert J Coppin

A handwritten signature in blue ink, appearing to read 'R J Coppin', written in a cursive style.

Chief Financial Officer

24 February 2006