



## Cue Energy Resources Limited

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DATE : 12 January 2012

PAGES (including this page): 4

FROM : Andrew Knox

RE : **Sampang PSC, Indonesia Development Update**

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Attached please find Cue Energy Resources Limited 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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### **RELEASE**

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

### **Sampang PSC, Indonesia Development Update**

Further to our previous release dated 21<sup>st</sup> December, Cue Energy Resources Ltd (CUE) is pleased to provide the following update regarding the Sampang PSC offshore Indonesia.

The Sampang PSC is located south of Madura Island, offshore Indonesia. The PSC contains the Oyong Field, Wortel and Jeruk discoveries. The permit is operated by Santos (45%), with partners SPC (40%) and CUE (15%).

The Joint Venture is currently progressing the development of the Wortel gas discovery. The jackup drilling rig COSL Boss is being used to drill and complete two Wortel wells and one Oyong well. The Wortel 3 and 4 wells have now been drilled to a total measured depth of 2003 and 2271mMDRT respectively. Both wells have now been completed as future gas producers. The rig is in the process of being moved to the Oyong location and has commenced rigging up to drill Oyong-11, an infill horizontal oil production well.

Progress and schedule:

- The rig has completed the 2 Wortel wells and moved on Jan 8, 2012 to drill the Oyong infill oil production well;
- The construction work barge is now at Wortel jacket structure to prepare for installation of the Wortel topside platform deck;
- The platform deck installation is scheduled for mid Jan 2012 and will be followed by hook up, pre-commissioning and commissioning works;
- The 10 km pipeline from Wortel to Oyong has been commissioned and is ready to receive gas;
- The platform deck commissioning is scheduled to be completed in the 4th week of Jan 2012;
- First gas anticipated by the end of Jan 2012.

- The project is expected to be accomplished within the original US\$105.1 million budget with CUE's share of US\$15.8 million. CUE will use existing cash resources to fund its share of the development.

After completion of the infill drilling activity CUE's net share of production from the Sampang PSC will be approximately 2,700 barrels of oil equivalent per day before production sharing with the Indonesian Government.

Any queries regarding the announcement should be directed to the Company on (03)96708668 or email mail@cuenrg.com.au.



Andrew Knox  
Public Officer

12<sup>th</sup> January 2012



**Figure 1 - Wortel platform deck ready to sail out from the fabrication yard**

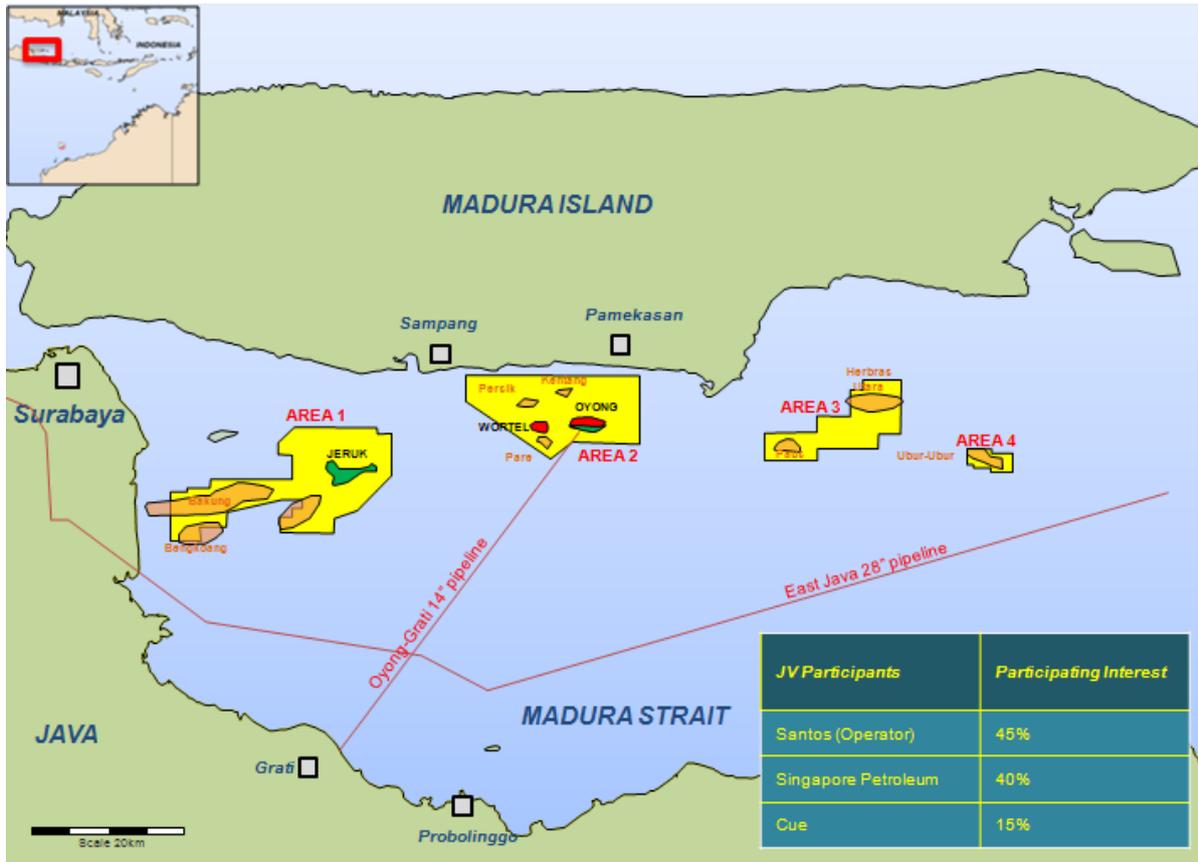


Figure 2 - Location of Sampang PSC, Indonesia