



Cue Energy Resources Limited

A.B.N. 45 066 383 971

29 June 2012

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

Naga Selatan-1 Well, Mahakam Hilir PSC, Indonesia

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

Yours faithfully

Andrew M Knox
Public Officer

CUE ENERGY OVERVIEW

Cue is an Australian based oil & gas company with projects in Australia, New Zealand, Indonesia and PNG.

THE COMPANY HAS:

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

CUE ENERGY DIRECTORS

- Richard Tweedie (Chairman)
- Timothy Dibb
- Geoffrey King
- Steve Koroknay
- Paul Moore
- Leon Musca
- Andrew Young

CUE ENERGY MANAGEMENT

- Mark Paton (CEO)
- Andrew Knox (CFO)
- David Whittam (Exp Man)
- Alex Parks (CCO)

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LISTINGS

ASX:	CUE
NZX:	CUE
POMSOX:	CUE
ADR/OTCQX:	CUEYY



Cue Energy Resources Limited

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RELEASE

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

Naga Selatan-1 Well, Mahakam Hilir PSC, Indonesia

Cue Energy Resources Ltd is pleased to provide the following update regarding the drilling of the Naga Selatan-1 well. The well is located within the Mahakam Hilir PSC in the Kutei Basin, Indonesia. The well operator is SPC Mahakam Hilir Pte. Ltd.

The Naga Selatan (Southern Dragon) prospect is situated approximately 7.5km to the west of the producing Sanga-Sanga oilfield.

Total depth (TD) of 8,300 feet was reached on 20th June 2012. Gas shows were recorded throughout the 8½ inch hole section with hydrocarbons interpreted to be potentially present in several sandstone units based on wire-line logs. Poor hole conditions have now prevented further evaluation of the fluid content of these intervals with wire-line tools. As currently interpreted, the potential accumulations do not warrant running casing or drill-stem testing at this time and the well will be plugged and abandoned in accordance with normal good oil field practice.

The current drilling campaign for the Mahakam Hilir PSC is now complete. Whilst no commercial discovery has been conclusively proven in the block, the JV has significant new data to integrate into our evaluation of the PSC. We have established that moderate to good quality reservoir is present down to depths of approximately 8,000ft and the presence of hydrocarbons is established in a number of horizons. The JV will study the new data and plan an appropriate work program for the next 12 months to appraise and evaluate the two drilled prospects and the remaining prospectivity of the PSC.

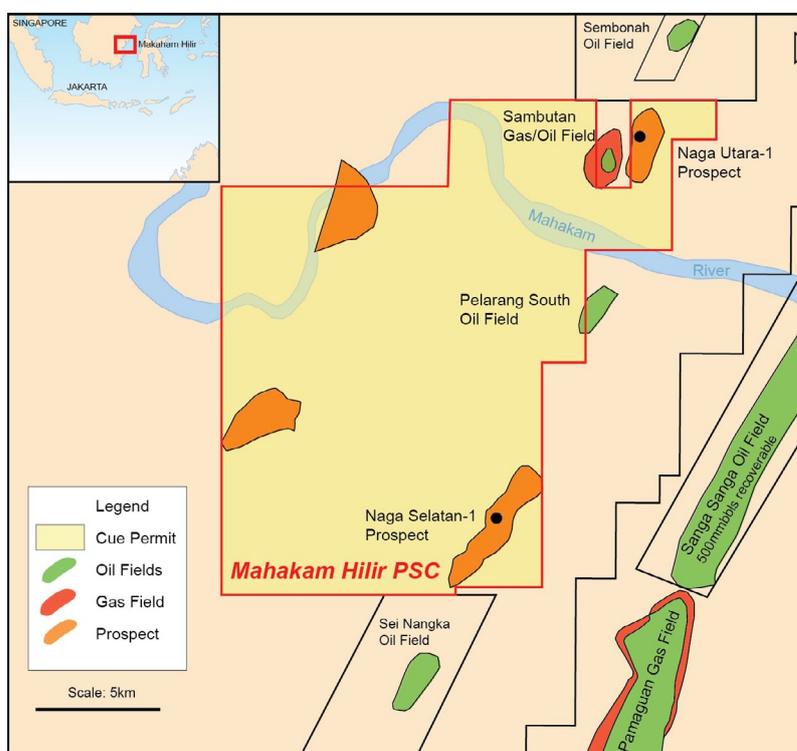


Figure 1 - Location of Mahakam Hilir PSC, Indonesia

The participants and their respective interests in the PSC are:

SPC Mahakam Hilir Pte Ltd (Operator) 60%

Cue Mahakam Hilir Pty Ltd 40%

This will be the final release on the drilling of Naga Selatan-1

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



Mark Paton
Chief Executive Officer

29th June 2012