



ABN 45 066 383 971

20 October 2014

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

Company response to withdrawal of requisition to elect Director

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 PNG.

THE COMPANY HAS:

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

CUE ENERGY DIRECTORS

- Geoffrey King (Chairman)
- Stuart Brown
- Rowena Sylvester
- Andrew Young

CUE ENERGY MANAGEMENT

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

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A.B.N. 45 066 383 971

20 October 2014

Mr Duncan Saville
Director
Zeta Energy Pte Limited
896 Dunearn Road
#03-07
Sime Darby Centre
Singapore, 589472

Dear Mr Saville

Thank you for your letter of 13 October 2014.

Cue notes Zeta Energy Pte Limited's (**Zeta**) decision to withdraw your nomination for election as a director at Cue's forthcoming AGM as a result of the potential conflict of interest concerns raised by Cue. We note also your intention to provide more information about the way in which a Zeta nominee could add shareholder value.

The Cue Board looks forward to receiving this information from Zeta.

Pending further information from you, the Board remains of the view that the current Cue Board is very well equipped to guide and direct the Company. Thank you for your comment on Cue's business expansion plans and acquisition opportunities.

Cue continues to seek and evaluate exploration and production investment opportunities which are aligned with its strategy. These opportunities are evaluated utilising a long term oil price forecast rather than reacting to shorter term movements in the price of oil. The oil and gas business is a long term business where the fundamentals of the market should guide investment decisions.

The Cue Board will consider all appropriate methods of funding such acquisitions and will continue to be flexible in the structuring of its funding requirements.

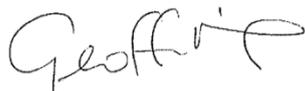
The Cue Board currently has specific abilities derived from the individual activities of members in the energy industry. These abilities come from providing advice on corporate valuations in the international oil and gas industry and long experience as senior management in the industry including the preparation of independent expert valuations for the market. The Board can also call on experience gained from work in various international jurisdictions.

The focus of the Board is the growth of Cue within the energy sector consistent with our published growth strategy, all in the interests of the Cue shareholders, by realising full value for those shareholders. I am confident from discussions that the shareholders understand and value the new direction of Cue under our strategic plan.

I am available on Wednesday morning, 5 November 2014 and look forward to discussing Zeta's interest in Cue further. I shall provide a time and venue for such a meeting in a separate letter.

In the interests of keeping the market informed, we are releasing your letter dated 13 October 2014 to the ASX together with this response.

Yours sincerely

A handwritten signature in black ink that reads "Geoff King". The signature is written in a cursive, flowing style.

Geoff King
Chairman



13 October 2014

Mr Geoffrey King
Chairman
Cue Energy Limited
Level 19, 357 Collins Street
Melbourne VIC 3000
Australia

Dear Mr King

Thank you for your letter of 10 October 2014.

Obviously I was disappointed to read of your concerns regarding a potential conflict with Cue given my proposed appointment to the Board of New Zealand Oil & Gas, but given these concerns I am hereby withdrawing my request to stand for election as a director at Cue's forthcoming AGM. The Zeta Energy board will take the comments made in your letter on board and endeavour to nominate a suitably qualified person who is free from perceived conflicts and in addition, will outline how the Zeta nominees would expect to add shareholder value.

I noted in your letter that the Board is considering a corporate acquisition and have appointed a financial adviser. Hopefully, given the significant fall in the oil price in recent weeks and global economic outlook generally that the Board would agree that these are times for caution and valuable cash resources should only be invested in opportunities of compelling value. Similarly, and importantly, debt should only be used when downside risk is limited and repayment of principal is not subject to the pricing of a commodity, given the inherent risk.

Can you advise me of a suitable time on Wednesday morning, the 5th of November, to discuss the proposed nominations?

Kind regards.

Yours sincerely

Duncan Saville
Director
Zeta Energy Pte Limited