



Cue Energy Resources Limited

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DATE : 1 February 2008

PAGES (including this page):2

FROM : Andrew Knox

RE : **Weekly Drilling Report Cobra -1: 31st January 2008**

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



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RELEASE

Weekly Drilling Report Cobra -1: 31st January 2008

Oil Search, the operator for PPL190, reports as at 31 January 2008.

“that the Cobra 1 well in PNG commenced drilling on 25 January. During the week, the hole was drilled to 167 metres in the Darai Limestone, but some subsidence has been observed at the well site and investigations are underway to allow this issue to be addressed before drilling ahead.

Cobra 1 is located in PPL 190 and lies 13 kilometres east of the SE Gobe oil field and 7 kilometres east of the Bilip oil discovery. The well is targeting the lagifu Sandstone, which is the principal reservoir in the Gobe and SE Gobe fields, in a seismically-defined sub-thrust prospect. Cobra 1 is the first in PNG to target a sub-thrust play as the primary target. The planned total depth of the well is 3,100 metres.”

The participants in PPL 190 are:

Oil Search Limited (Operator)	62.556%
Murray Petroleum Company	26.497%
Cue PNG Oil Company	10.947%

Any queries regarding the announcement should be directed to the Company on (03) 9670 8668 or email mail@cuenrg.com.au.

A handwritten signature in blue ink, appearing to read "R. Coppin".

Robert J Coppin
Chief Executive Officer

1st February 2008