



Cue Energy Resources Limited

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DATE : 13 June 2011

PAGES (including this page): 3

FROM : Andrew Knox

RE : **Cue Acquires New Exploration Acreage in Indonesia**

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

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

Cue Acquires New Exploration Acreage in Indonesia

Cue Energy Resources Ltd is pleased to advise, that subject to government approvals, it has agreed to acquire a 40% interest in the Mahakam Hilir PSC in the prolific Kutei Basin onshore Kalimantan, Indonesia (PSC) from SPC Mahakam Hilir Pte Ltd (SPC), the Operator holding 100% interest in the Mahakam Hilir PSC. Under a farm-in agreement with SPC, Cue will earn its interest by refunding 40% of the past costs to SPC where 200km of newly acquired 2D seismic has been the operator's major expenditure to date.

Key Highlights

- The prospect inventory includes two drill-ready prospects and numerous upside exploration objectives. These features were identified on the new seismic data.
- A drilling programme will commence in H2 2011, and forward long lead and earth-working operations will soon commence.
- The Naga Selatan (*Southern Dragon*) prospect will be drilled first. This is an oil prospect and lies along trend of the historic Sei Nangka and South Pelarang oil fields. The multiple targets are shallow, located at approximately 1500mTVD.
- The Naga Utara (*Northern Dragon*) prospect is situated adjacent to the Sambutan Gas Field which currently produces around 10mmcf/d. Naga Utara is a gas prospect.

The onshore Mahakam Hilir PSC fits with Cue's objectives to acquire high quality exploration/ appraisal opportunities within our SE Asian focus area, and specifically it adds to and compliments our Indonesian acreage holding in the Sampang PSC.

The participants and their respective interests upon completion of the acquisition shall be :-

SPC Mahakam Hilir Pte Ltd (<i>Operator</i>)	60%
Cue Mahakam Hilir Pty Ltd	40%

- Map attached.

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

13 June 2011

