



Cue Energy Resources Limited

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DATE : 3 July 2006

PAGES (including this page): 2

FROM : Andrew Knox

RE : **Drilling Outlook**

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

Drilling Outlook

Cue anticipates that during the remaining six months of 2006, it will participate in the following wells.

Location			Prospect	
Well Name	Permit	Cue%	Potential	Anticipated
			(Gross Interest)	Timing
<u>Indonesia Offshore</u>				
Jeruk -3	Sampang PSC	7.36*	? mmbbls	2Q-3Q (drilling)
Wortel -1	Sampang PSC	13.5*	4 mmbbls	3Q
			+150 bcf gas	
Jeruk -4	Sampang PSC	13.5*	? mmbbls	3Q
<u>Papua New Guinea Onshore</u>				
SE Gobe 14	SEG Unit	3.2857	1-2 mmbbls	3Q (drilling)
Masalai -1	PPL 190	10.947	50 mmbbls	3Q - 4Q
(Formerly Murray Deep)				

*Subject to finalization.

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

Robert J Coppin
Chief Executive Officer

3 July 2006