



Cue Energy Resources Limited

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DATE : 29 August 2006

PAGES (including this page):3

FROM : Andrew Knox

RE : **Wortel – Gas Discovery**

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". The signature is written in a cursive, flowing style.

Andrew M Knox
Public Officer



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RELEASE

Wortel - Gas Discovery

The Wortel near-field exploration well is being drilled 7km west of the Oyong oil and gas field in the Sampang PSC, offshore Indonesia.

Wortel -1 has reached a total depth of 1464 metres and wire line logging is ongoing. Initial interpretation indicates a gross gas column of 141 metres in good quality reservoir, above a gas water contact at 1383 metres.

The forward plan is to run a 7 inch liner and flow test the well.

Cue Comment

The discovery of gas at Wortel is encouraging given that Wortel is only 7 km west of the Oyong oil and gas field, where a platform has been installed and a gas pipeline is planned from the field to Grati to supply gas under an existing gas contract.

Cue expects that further comments on the significance of the discovery will be made once flow testing is completed.

Participants in the Sampang PSC are:

Santos (Sampang) Pty Ltd	40.5% (Operator)
Singapore Petroleum Sampang Ltd	36%
Cue Sampang Pty Ltd	13.5%
PT Petrogas Oyong Jatim*	10%

*Subject to finalization.

Location map is attached.

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. J. Coppin".

Robert J Coppin
Chief Executive Officer

29 August 2006

