



Cue Energy Resources Limited

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PAGES (including this page):2

FROM : Andrew Knox

RE : **Jeruk -3 Flows Oil**

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

Jeruk -3 flows oil

Cue has received the following update on the Jeruk -3 well from Santos (Sampang) Pty Ltd, the operator for the Sampang PSC.

Quote

"The Jeruk-3 appraisal well is being drilled in the Sampang PSC, offshore Indonesia, approximately 1.8 km west of Jeruk -1 and 40 km south east of Surabaya.

Current operations are to flow test the well over the open hole interval 4939m MD to 4978m MD (4663m TVDSS to 4696m TVDSS). After cleaning up, the well flowed oil at a choked-back rate of approximately 3200 barrels per day with a GOR of 230 scf/bbl through a 6.5mm (16/64") choke. The flow rate was constrained by surface facility limitations.

Prior to testing, a nine metre core sample was retrieved from the lower section of the test interval.

The forward program is to complete the current testing operations and then drill ahead to continue the evaluation of the reservoir interval."

The participants in the Sampang PSC and the Jeruk field are:

	Sampang PSC	Jeruk
Santos (Sampang) Pty Ltd (operator)	40.5%	40.5%
Singapore Petroleum Sampang Ltd	36.0%	19.64%
Cue Sampang Pty Ltd	13.5%	7.36%
PT Petrogas Oyong Jatim*	10.0%	10.0%
Medco Strait Services Pte Ltd	0.0%	22.5%

* subject to finalisation of documentation

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

Robert J Coppin
Chief Executive Officer

18 May 2006