



Cue Energy Resources Limited

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DATE : 19 June 2006

PAGES (including this page):2

FROM : Andrew Knox

RE : **Indonesian Drilling Update**

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



Cue Energy Resources Limited

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RELEASE

Indonesian Drilling Update

Jeruk -3 ST 1 Deviated Appraisal Well

At 5 am on the 17 June 2006, Jeruk -3 St 1 was at a depth of 5086m measured depth (4811m vertical depth) and was running intermediate wireline logs.

Following completion of DST 1A, core 2 was cut over the interval 4978.5 to 5005.5m MD, with 5.5 metre of core recovered from 27 meters cut. Oil shows were present over the recovered portions of core.

The well was then drilled ahead to the current depth with no returns to the surface.

The forward plan is to complete logging and drill ahead to locate the oil water contact and to continue the evaluation of the reservoir interval.

Herbras -1

At 6 am on 17 June 2006, Herbras -1 was at a depth of 2428 meters and running into the hole after intermediate wireline logging operations.

The forward plan was to drill ahead.

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.

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

19 June 2006