



Cue Energy Resources Limited

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TO : Company Announcements Office
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DATE : 2 October 2009

PAGES (including this page): 3

FROM : Andrew Knox

RE : **First Gas From Oyong Field**

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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First Gas From Oyong Field

Cue Energy Resources Limited is pleased to announce that first gas production has begun from the Oyong Oil and Gas Field located in the Sampang Production Sharing Contract ("Sampang PSC") in the Straits of Madura, offshore East Java, Indonesia, today.

The gas is being transported, via a 14" 60km pipeline, from the offshore Oyong production facility to the onshore processing plant at Grati, East Java. Liquid rich components are removed from the gas onshore and the gas is then metered and supplied to PT Indonesia Power for electricity generation under an existing gas supply contract for the whole of the gas from the field.

The Oyong Field is a simple structural closure with oil and gas contained in the Pliocene aged carbonate Mundu Formation. The field contains approximately 103BCF (P50) of recoverable gas (95% methane). A plateau gas production rate of approximately 60BBtu per day is estimated. This target rate is expected to be reached during October 2009. Oil production will continue alongside gas production.

Cue's Chief Executive Officer, Bob Coppin states that, "this first gas production for the company represents yet another significant milestone for Cue and adds to our existing oil producing assets in Papua New Guinea Indonesia and New Zealand.

Participants in the Sampang PSC are

Santos (Sampang) Pty Ltd	45% (Operator)
Singapore Petroleum Sampang Ltd	40%
Cue Sampang Pty Ltd	15%

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

2nd October 2009

