



Cue Energy Resources Limited

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TO : Company Announcements Office
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DATE : 29 November 2010

PAGES (including this page): 4

FROM : Andrew Knox

RE : **Wortel Gas Sale Contract Signed**

Attached please find Cue Energy Resources Limited's release with respect to the above mentioned.

Yours faithfully

A handwritten signature in black ink, appearing to read "Andrew Knox".

Andrew M Knox
Public Officer



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RELEASE

Wortel Gas Sale Contract Signed

(ASX:CUE; NZX:CUE; POMSOX:CUE; ADR/OTC:CUEYY)

Cue is pleased to announce that a gas sale contract has been signed for the sale of all the Wortel field gas to PT Indonesia Power (IP) at Grati, East Java, Indonesia. The gas will be used in IP's electricity generating station at Grati.

The Wortel field is located in the offshore Sampang PSC, East Java, Indonesia approximately 7 kilometres west of the producing Oyong field. (*map attached*)

The Wortel development is expected to consist of a small wellhead platform with two gas production wells and an approximately 10 kilometre pipeline to the Oyong facilities where the gas will be transported down the existing pipeline to Grati.

The Sampang PSC joint venture is expected to approve development of the field shortly, with first gas production expected around the end of 2011. The Wortel development costs are estimated to be US\$100 million gross with Cue's share US\$15 million. Cue has sufficient funds to pay for its share.

Recoverable gas volumes for Wortel are currently assessed as 118 billion cubic feet gross in a mid case, Cue's share approximately 16 BCF. This represents an approximate 140% increase in our gas reserves.

"Wortel gas production will provide a significant welcome addition to Cue's revenue from oil and gas production from the Oyong field, where the oil production rate is exceeding prediction and will most likely result in an increase to field oil reserves" said Cue's CEO Bob Coppin.

Gross gas production rates from Wortel and Oyong are expected to be around 90 mmscf/day at plateau rates. Oyong is currently producing approximately 3500 barrels of oil per day and about 60 mmscf/d of gas, gross.

Participants in the Sampang PSC are:

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

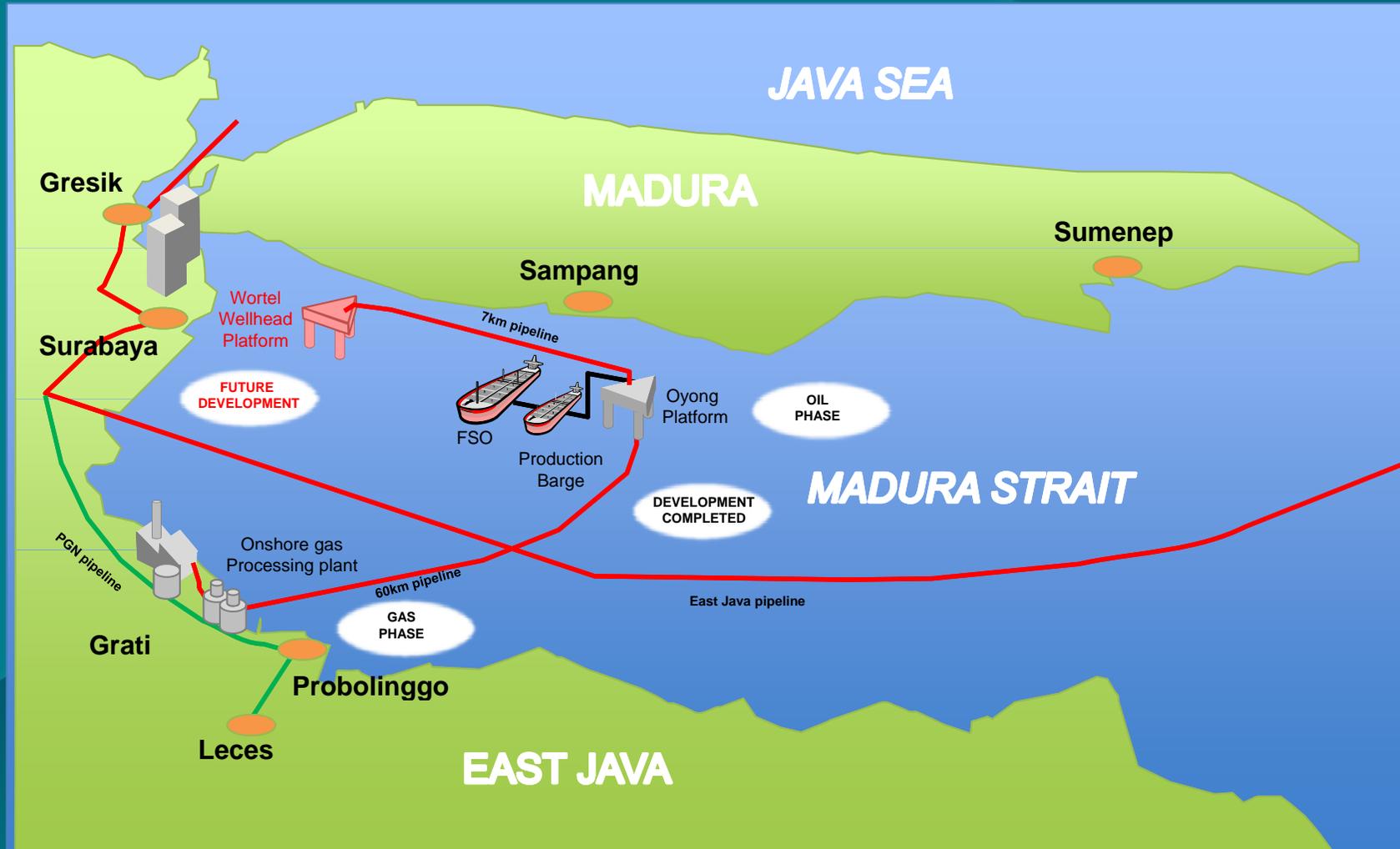
Any queries regarding the announcement should be directed to the Company on (03) 9670 8668 or email mail@cuenrg.com.au.

A handwritten signature in blue ink, appearing to read 'R. J. Coppin', with a stylized flourish at the end.

Robert J Coppin
Chief Executive Officer

29 November 2010

Oyong + Wortel Development



Source: Santos Ltd