



Cue Energy Resources Limited

A.B.N. 45 066 383 971

Level 21
114 William Street
Melbourne Victoria 3000
Australia

Telephone: (03) 9670 8668
Facsimile: (03) 9670 8661
Email: mail@cuenrg.com.au
Website: www.cuenrg.com.au

TO : Company Announcements Office
10th Floor
20 Bond Street
Sydney NSW 2000

DATE : 11 January 2012

PAGES (including this page): 2

FROM : Andrew Knox

RE : **Naga Utara – 1 Well, Mahakam Hilir PSC, Indonesia Update**

Attached please find Cue Energy Resources Limited 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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RELEASE

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

Naga Utara-1 Well, Mahakam Hilir PSC, Indonesia

Cue Energy Resources Ltd is pleased to advise that the Naga Utara-1 well was spudded on 5th January, 2012. The well is located within the Mahakam Hilir PSC in the Kutei Basin, Indonesia. The well operator is SPC Mahakam Hilir PTE Ltd (SPC).

It is proposed to drill to a total depth of 5500 ft measured depth and is expected to take approximately 30 days to complete including production testing as required.

As of 10th January 2012 the well is at 223 ft measured depth. The 20 inch casing is currently being set. Forthcoming operations will be to complete setting the casing, cement in place and drill the 17 ½ inch hole section.

The participants and their respective interests in the PSC are:

SPC Mahakam Hilir Pte Ltd (<i>Operator</i>)	60%
Cue Mahakam Hilir Pty Ltd	40%

Cue will continue to release reports of well progress on a weekly basis.

Any queries regarding the announcement should be directed to the Company on (03) 96708668 or email mail@cuenrg.com.au

A handwritten signature in black ink, appearing to read 'Mark Paton'.

Mark Paton
Chief Executive Officer

11th January 2012