



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

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PAGES (including this page): 3

FROM : Andrew Knox

RE : **Wortel Gas Field Development Approved**

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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RELEASE

Wortel Gas Field Development Approved

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

Cue is pleased to announce that the Sampang PSC Joint Venture has approved the development of the Wortel gas field in offshore East Java, Indonesia (see attached map).

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.

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.

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.

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.

Robert J Coppin
Chief Executive Officer

20 December 2010

