



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 : 26 November 2008

PAGES (including this page): 3

FROM : Andrew Knox

RE : **Chairman's Address - AGM**

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

Cue Annual General Meeting of Shareholders

10.30am, 26 November 2008

Melbourne Australia

Chairman's Address

Good morning ladies and gentlemen, welcome to the 27th Annual General Meeting of members of Cue Energy Resources Limited.

My name is Leon Musca and I am a non-executive director of the Company.

The standing chairman, Richard Tweedie regrets that he is unable to be here today and sends his apologies. As a consequence, it is my pleasure to act as Chairman of this meeting today.

Before I continue let me first introduce you to the Company's Board members and senior management.

In the past year, Cue has experienced a very significant increase in its oil production and consequently in its sales revenue. In fact the Company's revenue increased almost 500% from A\$7.8 million in financial year 2007 to A\$38.4 million for financial year 2008. This resulted in a net profit of A\$11.7 million, being a record for the Company.

The increase was primarily driven by the new oil production from the Oyong field in Indonesia since end of September 2007, but in part also attributable to the record crude oil prices experienced over the year.

The gas development phase of the Oyong field is well underway also and we expect first gas production in the third quarter of 2009.

We also anticipate additional oil production and sales revenue to accrue to the Company from around mid 2009 when the Maari field in New Zealand is expected to reach full oil production.

Our current budget projections are for total revenue of about A\$55 million in calendar year 2009 and about A\$85 million in 2010. These projection estimates are based on various assumptions, including on an oil price of USD\$60 per barrel, timely completion of Maari development drilling, achievement of production targets, and of course, stability in the current exchange rate and the oil price.

Having regard to today's volatile and uncertain markets and depressed oil prices, it would of course be folly to presently attempt future profitability projections.

The Company is facing ongoing capital development costs in New Zealand for the Maari project to mid 2009 and in Indonesia for the Oyong and Wortel gas development projects to end of 2010. We are fortunate though that the Company enjoys revenue from established oil production and has project financing in place for the Maari field development.

Nevertheless the Board will of course consider funding opportunities should changed circumstances necessitate a requirement for additional funds.

It is pleasing to note that Cue does have a diverse portfolio of well balanced quality assets ranging from producing oil fields to exploration areas, plus discovered gas resources, that in time can be monetized. In addition, our exploration drilling programme in 2008 and for 2009 has the potential to replace our current oil reserves and to substantially increase our gas resources.

As a Board we are cognizant of the current difficult global economic times and we are putting in place measures to monitor and reduce discretionary spending where possible and also to contain costs. However, despite the stressed current economic circumstances, the Company is well placed to resume its path of growth and enhancement of shareholder value following stability and an upswing in economic conditions.

Finally, I would like to take this opportunity to publicly and formally thank the management and staff of the Company for their hard work and dedication and, secondly, all shareholders of the Company, for their continuing support.

L. Musca

Chairman