



Cue Energy Resources Limited

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TO : Company Announcements Office
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DATE : 9 March 2012

PAGES (including this page): 3

FROM : Andrew Knox

RE : **Sampang PSC, Indonesia Development 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



Cue Energy Resources Limited

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RELEASE

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

Sampang PSC, Indonesia Development Update

Cue Energy Resources Limited (CUE) is pleased to provide an update on the Sampang PSC development project.

As per the ASX release of 1st February the Wortel Field commenced gas production on 31st January 2012. Over the course of the last month the production rate from Wortel has been gradually increased up to the current stable rate of approximately 50 billion BTU per day (BBTU/D). The balance of the gas production is from the Oyong Field. Combined they are currently producing the daily contract quantity of 90 BBTU/D to the power station at Grati. Cue's share of production is 13.5 BBTU/D (approximately 12.6 million standard cubic feet per day) before production sharing with the Indonesian government.

Drilling of the Oyong-11 infill oil production well was completed in February and production from the well has been brought on-stream. The new production from Oyong-11 has increased current oil production from the field to over 3,000 barrels of oil per day. (Total oil and gas production equates to approximately 2,500 barrels of oil equivalent per day net to Cue before production sharing with the Indonesian government). The well is still cleaning up and production is being optimized.

The Sampang PSC is located south of Madura Island, offshore Indonesia. The PSC contains the Oyong Field, Wortel Field and Jeruk discoveries. The permit is operated by Santos (45%), with partners SPC (40%) and Cue (15%).

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 black ink, appearing to read 'Mark Paton'.

Mark Paton
Chief Executive Officer

9th March 2012

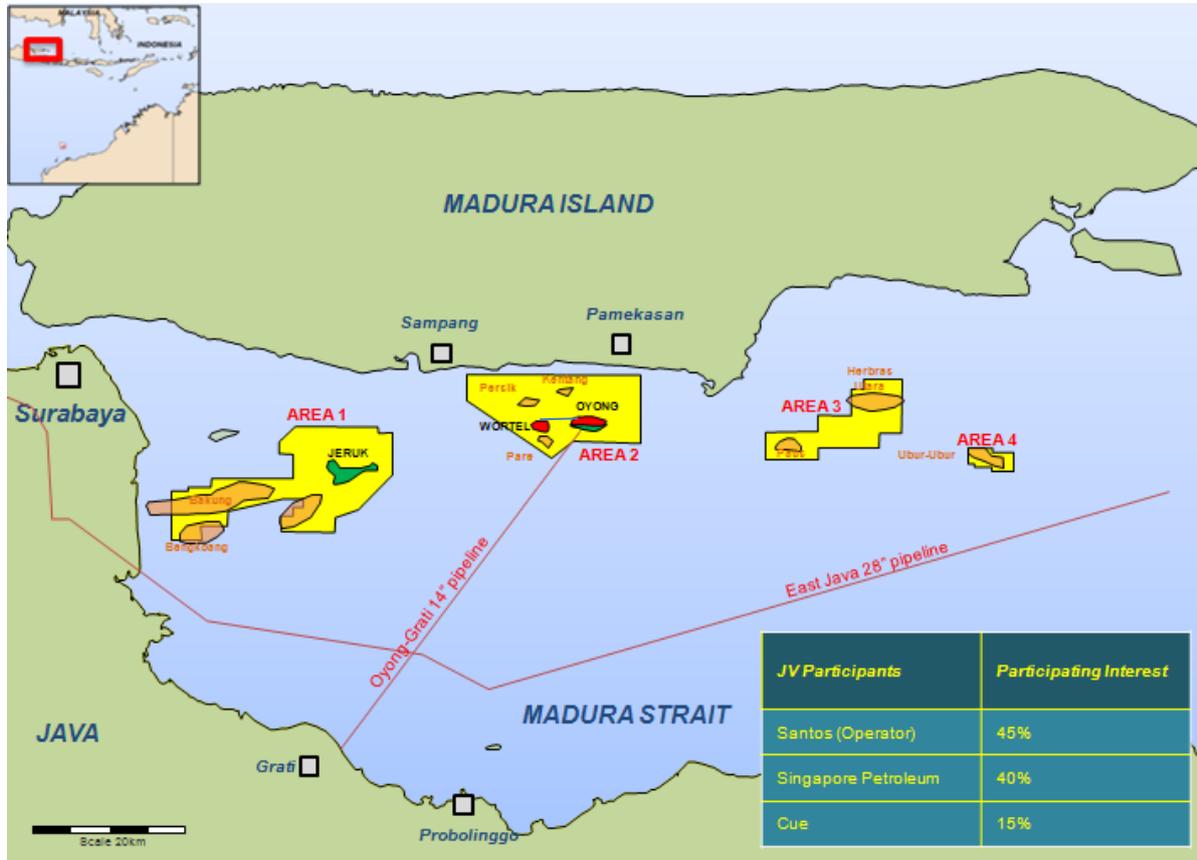


Figure 1 - Location of Sampang PSC, Indonesia