



Cue Energy Resources Limited

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FACSIMILE TRANSMISSION

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

DATE : 28 November 2003

PAGES (including this page): 2

FROM : Andrew Knox

RE : **Jeruk -1 Drilling Report**

Dear Sir

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". The signature is written in a cursive, flowing style.

Andrew M Knox
Chief Financial Officer



Cue Energy Resources Limited

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RELEASE

Jeruk -1 Drilling Report

Santos Ltd, the operator for the Sampang PSC in offshore East Java, has announced that the Jeruk -1 well began drilling on 21 November 2003 and at 6.00am on 27 November 2003 was at a depth of 948.5 metres and preparing to run blow out preventers after having set surface casing. Jeruk -1 is located 35km WSW of the Oyong field and 40km SE of Surabaya.

The Jeruk -1 well is programmed to a planned total depth of 5,172 metres to evaluate a carbonate objective and is expected to take around 50 days to reach total depth.

Santos Ltd is drilling the well on a sole-risk basis.

Both Cue and elpaso have declined to join the sole-risk.

Cue has declined to join the sole-risk on the basis that, in its opinion, the reward in a most likely success case does not warrant, the very considerable well cost (Cue share approximately A\$2 million on a dry hole basis) and the technical risk associated with both drilling the well and the viability of the potential trap.

Cue retains its rights to participate in any appraisal or development of a discovery, subject to a sole-risk premium.

Cue will again report on the well at the completion of drilling.

Participants in the Sampang PSC are :

| | |
|---|----------------|
| Cue Sampang Pty Ltd | 15% |
| Santos (Sampang) Pty Ltd | 45% (Operator) |
| Coastal Indonesia Sampang Ltd (El Paso) | 40% |

Any queries regarding the announcement should be directed to the company on (03) 96297577 or email mail@cuenrg.com.au.

A handwritten signature in blue ink, appearing to read "R. J. Coppin".

Robert J Coppin
Chief Executive Officer

28 November 2003