



Cue Energy Resources Limited

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DATE : 16 January 2007

PAGES (including this page):2

FROM : Andrew Knox

RE : **Oyong Production Vessel Contract Awarded**

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

Oyong Production Vessel Contract Awarded

Cue is pleased to announce that the contract for the Oyong field production vessel has been awarded to PT Pulau Kencana Raya for use of the Seagood 101 production barge.

The Oyong field is located in the Sampang PSC area, offshore East Java, Indonesia.

The Seagood 101 is being modified in Batam, Indonesia for service on the Oyong field. Modifications are underway and the vessel is expected to be in position by June 2007, to take delivery of first oil by the end of the second quarter at an estimated initial rate of 10,000 barrels of oil per day.

Participants in the Sampang PSC are:

Santos (Sampang) Pty Ltd	40.5% (Operator)
Singapore Petroleum Sampang Ltd	36%
Cue Sampang Pty Ltd	13.5%
PT Petrogas Oyong Jatim*	10%

*Subject to finalization.

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 blue ink, appearing to read 'R. J. Coppin'.

Robert J Coppin
Chief Executive Officer

16 January 2007