



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):2

FROM : Andrew Knox

RE : **Progress Report - Jeruk -3 Appraisal Well**

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

Progress Report - Jeruk -3 Appraisal Well

The Jeruk -3 appraisal well is being drilled in the Sampang PSC, offshore Indonesia, approximately 1.8km west of Jeruk -1 and 40km south east of Surabaya.

As reported by Santos on 18 May 2006, the Jeruk -3 appraisal well has been flow tested over the open hole interval 4939m MD to 4978m MD (4663m TVDSS to 4696m TVDSS). This test was curtailed after several hours, prior to the flow and pressure being stabilized, due to a loss of control line pressure.

The operator has advised that, following repairs the well was subsequently re-tested over the same interval. The main flow test was conducted over a 48 hour period, and the well flowed oil at as stabilized rate of approximately 2750 bbl/day with a GoR of approximately 320 scf/bbl through a 16/64" choke, at a well head pressure of approximately 4500 psi.

Flow rates were constrained by surface facility limitations.

The forward plan is to drill ahead to locate the oil / water contact and to continue the evaluation of the reservoir interval.

Participants in the Sampang PSC are:

	Sampang PSC	Jeruk
Santos (Sampang) Pty Ltd (operator)	40.5%	40.5%
Singapore Petroleum Sampang Ltd	36.0%	19.64%
Cue Sampang Pty Ltd	13.5%	7.36%
PT Petrogas Oyong Jatim*	10.0%	10.0%
Medco Strait Services Pte Ltd	0.0%	22.5%

*Subject to finalization.

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

9 June 2006