



Cue Energy Resources Limited

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

DATE : 17 March 2006

PAGES (including this page): 2

FROM : Andrew Knox

RE : **Drilling Update**

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

A.B.N. 45 066 383 97

RELEASE

Drilling Update

- **Jeruk -3 Deviated Appraisal Well**

At 5.00pm on 16 March 2006, Jeruk -3 was at a depth of 4960 metres measured depth (4696 metres vertical depth) and was pulling out of the hole prior to running wire line logs, after encountering what is interpreted to be the top of the Kujung objective at 4960 metres measured depth.

The forward plan is to complete logging, run and cement the 9 ⁵/₈" casing and continue evaluation of the objective.

The planned total depth of the well is 5512 metres measured depth.

Economic interests in the well are expected to be as follows:

Santos Sampang Pty Ltd	40.5% (Operator)
Medco Strait Services*	22.5%
Singapore Petroleum Sampang Pte Ltd	19.64%
PT Petrogas Oyong Jatim ⁺	10%
Cue Sampang Pty Ltd	7.36%

*pursuant to an agreement with Singapore Petroleum and Cue

⁺subject to finalization of legal documentation

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

17 March 2006