



Cue Energy Resources Limited

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DATE : 9 October 2009

PAGES (including this page): 2

FROM : Andrew Knox

RE : **Drilling Report for the period 25th September to October 2009**

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

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RELEASE

Drilling Report for the period 25th September to 9th October 2009

M2A Development Well

Cue is pleased to advise that since the last report (25/09/2009) the completion has been run in the M2A well and the well successfully suspended as an oil producer. A 660 meter section of net oil reservoir was encountered in the horizontal portion of the well. M2A will be tied into to the Maari Production facilities for subsequent production.

Manaia-1 Appraisal Well

The *ENSCO 107* jack-up rig was skidded back to the Manaia-1 appraisal well at 1800hrs on the 28th September 2009.

As of 20.40 hrs 8th October 2009, the well had reached total depth (TD) of 7945mMD (2001mTVDSS) in the horizontal 8½" hole section. A horizontal hole of 1524m was drilled through the Mangahewa reservoir with approximately 60-70% net-to-gross reservoir section penetrated. Cue is pleased to advise that Logging-While-Drilling (LWD) tools plus gas-ratio analyses confirm the presence of hydrocarbons throughout net Mangahewa reservoir section.

The forward plan is to complete the horizontal section of the well and suspend as an oil producer. The well will be tied into the Maari Production facilities for subsequent testing and production. Manaia oil will be produced when spare production capacity is available.

The participants in the Manaia-1 appraisal well are

Cue Taranaki Pty Ltd	5%
OMV NZ Ltd (Operator)	69%
Todd Maari Limited	16%
Horizon Oil International Limited	10%
<i>(a wholly owned subsidiary of Horizon Oil Limited (HZN))</i>	

Any queries regarding the announcement should be directed to the Company on (03) 9670 8668 or email mail@cuenrg.com.au.

Robert J Coppin

9 October 2009