



---

## 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](mailto:mail@cuenrg.com.au)  
Website: [www.cuenrg.com.au](http://www.cuenrg.com.au)

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

DATE : 14 July 2006 PAGES (including this page): 2

FROM : Andrew Knox

RE : **Jeruk -3 Progress Report & Resource Downgrade**

---

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. 45 066 383 971

### **RELEASE**

#### **Jeruk -3 Progress Report & Resource Downgrade**

Santos has provided the attached to Cue this morning:-

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

As reported by Santos on 18 May 2006 and 8 June 2006, the Jeruk-3 appraisal well tested oil from the top of the reservoir section.

The well has subsequently been deepened to 4894m TVDSS. Interpretation of pressure data obtained to date infers an oil water contact at approximately 4760m TVDSS.

The height of the known hydrocarbon column in the Jeruk structure is now considered to be approximately 145m compared to the originally interpreted 379m.

This has reduced the most likely contingent resource to less than the 170 mmbbl estimate previously provided to the market in January 2005.

This is a complex reservoir and further appraisal will be required to determine whether a common oil water contact exists across the structure.

A test of the bottom hole section of the Jeruk-3 appraisal well is planned for next week. This test is expected to confirm the interpreted location of the oil/ water contact, and provide further reservoir and pressure data.

Following the completion of Jeruk-3, the rig will be released to drill other Santos wells, allowing time to integrate well and seismic data to better determine the most likely resource range."

Cue understands that the rig will now move to drill the Wortel exploration well in the Sampang PSC.

The participants in the Sampang PSC are:

	<b>Sampang PSC</b>	<b>Jeruk</b>
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 finalisation of documentation

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

14 July 2006