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4 May 2016

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ASX Market Announcements
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
Sydney NSW 2000

Approval of 4 Year Extension to Mahakam Hilir PSC Permit Term

Attached please find Cue Energy Resources Limited's release with respect to the above mentioned.

Yours faithfully

Andrew M Knox
Chief Financial Officer

CUE ENERGY OVERVIEW

Cue is an Australian based oil and gas company with activities in Australia, New Zealand, Indonesia and the USA.

THE COMPANY HAS:

- Long life production
- A strong balance sheet
- An active exploration programme

CUE ENERGY DIRECTORS

- Grant Worner (Executive Chairman)
- Koh Ban Heng
- Andrew Knight
- Brian Smith

CUE ENERGY MANAGEMENT

- Andrew Knox (CFO)
- Jeffrey Schroll (Exp Man)

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RELEASE

Approval of 4 Year Extension to Mahakam Hilir PSC Permit Term

- **SKK Migas approves 4 year extension to Mahakam Hilir PSC exploration period until May 2020**
- **Cue continues analysis of Naga Selatan-2 well results**

Cue Energy Resources Ltd (ASX:CUE) is pleased to advise that it has been notified by SKK Migas of the approval of its request for a four year extension to the exploration period of the Mahakam Hilir PSC until May 2020.

The 4 year extension includes 2 contingent wells in the first 2 years, which Cue can elect to drill or withdraw from the PSC; and geological studies, pre-FEED studies and a Plan of Development in the latter 2 years.

Cue has 100% equity and is operator of the Mahakam Hilir PSC.

Naga Selatan-2 Discovery

As announced on 3 February 2016, Cue successfully drilled the Naga Selatan-2 (NS-2) Exploration well and recovered oil and gas to surface.

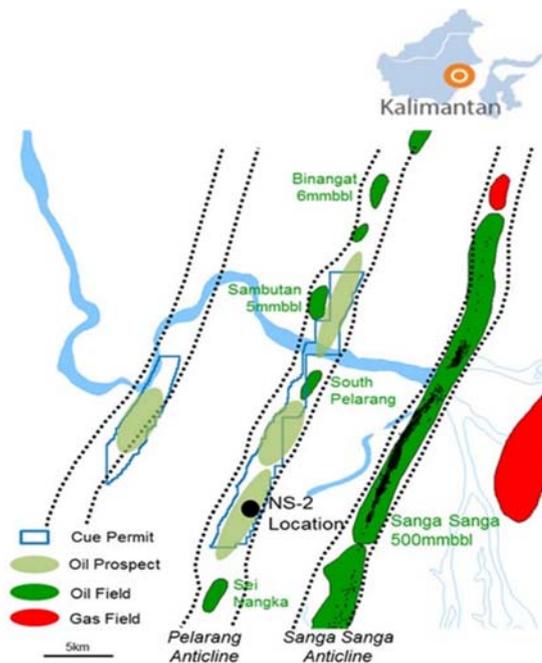
While drilling the deeper section, gas was also flared to surface. The well was suspended to allow for future production testing.

The results from NS-2 confirmed Cue's geological model of the area and have provided new information regarding the existence of a potential deeper gas play. Results from the exploration activity are being analysed and Cue expects to be able to announce an internal estimate of volumes in the second half of the year.

Any queries regarding this announcement should be directed to the Company on +613 8610 4000 or email mail@cuenrg.com.au.



Grant Worner
Executive Chairman



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