



Cue Energy Resources Limited

A.B.N. 45 066 383 971

12 December 2012

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Company Announcements Office
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Sydney NSW 2000

Cue Increases Exploration Interests in the Taranaki Basin, New Zealand

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

Yours faithfully

Andrew M Knox
Public Officer

CUE ENERGY OVERVIEW

Cue is an Australian based oil & gas company with projects in Australia, New Zealand, Indonesia and PNG.

THE COMPANY HAS:

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

CUE ENERGY DIRECTORS

- Geoffrey King (Chairman)
- Timothy Dibb
- Steve Koroknay
- Paul Moore
- Andrew Young
- Richard Tweedie

CUE ENERGY MANAGEMENT

- Andrew Knox (CFO)
- David Whittam (Exp Man)

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LISTINGS

ASX:	CUE
NZX:	CUE
POMSOX:	CUE
ADR/OTCQX:	CUEYY



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RELEASE

(ASX: CUE; NZX: CUE; POMSOX: CUE; ADR/OTC: CUEYY)

Cue Increases Exploration Interests in the Taranaki Basin, New Zealand

Cue is pleased to advise that it has been awarded a new exploration permit in the Taranaki Basin in New Zealand's offshore waters.

PEP 54865

Cue has been successful in a bid for a 20% interest together with Todd Exploration (80%) interest in permit PEP 54865 which lies immediately adjacent to PEP 51313 and the Maari and Manaia oil fields in the offshore Taranaki Basin of New Zealand (see map). The permit covers an area of 2,475 sq km and is for a 5 year permit term.

The award was announced by the Hon. Phil Heatley, Minister of Energy & Resources on the 11th December 2012. PEP 54865 was one of several areas offered by the government of New Zealand for competitive bidding.

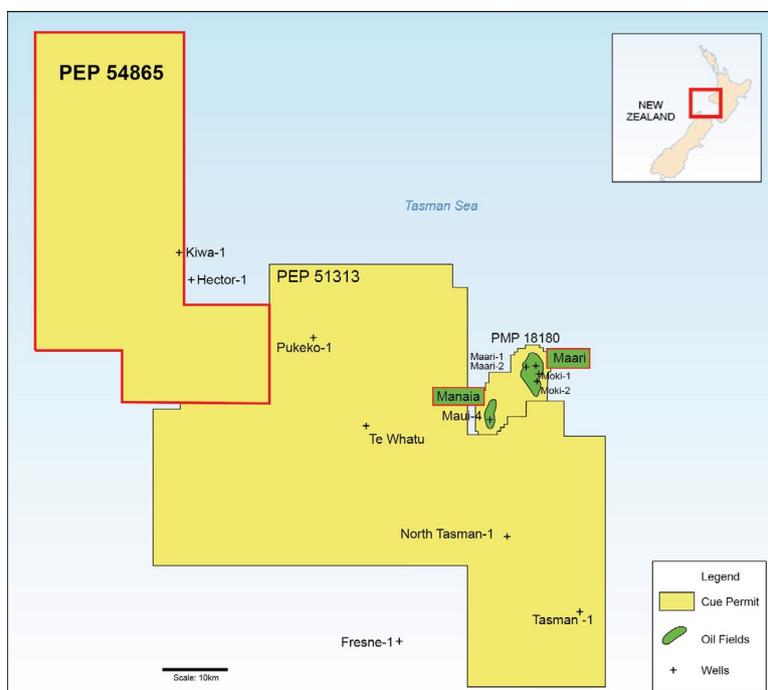


Figure 1 - Location of PEP 54865 in New Zealand

The permit work programme in the first 30 months consists of seismic reprocessing, geological studies and 285 sq km 3D seismic acquisition and processing.

The joint venture has the option to drill an exploration well in either the third or fourth year of the permit.

Participants in PEP 54865 are:

Cue Taranaki Pty Ltd
Todd Exploration Limited

20%
80% Operator

Cue's Comment

The award of PEP 54865 builds on Cue's existing interests in the Taranaki Basin which include the successful Maari and Manaia oil field development and PEP 51313. The new permit contains several prospects and leads that have excellent potential for future oil and gas discoveries.

Any queries regarding the announcement should be directed to the Company on (03) 96708668 or email mail@cuenrg.com.au.



Andrew Knox
Chief financial Officer

12th December 2012