



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
Website: www.cuenrg.com.au

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

DATE : 21 August 2007

PAGES (including this page):3

FROM : Andrew Knox

RE : **Bass Basin Farmout to Beach Petroleum**

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

Bass Basin Farmout to Beach Petroleum

Cue is pleased to announce that it has farmed out an interest in T/38P in the offshore Bass Basin, to Beach Petroleum Limited (Beach).

Beach will earn an 80% interest in a defined portion of the permit by paying for the drilling of the Spikey Beach – 1 exploration well which will be operated by Beach and is expected to be drilled in the second half of 2008. (See map)

Cue Energy Resources will remain operator for the overall permit.

Participants in the T/38P farmout block will be:

Beach Petroleum Limited	80% (Operator)
Galveston Mining Corporation Pty Ltd (a wholly owned subsidiary of Cue Energy Resources Limited)	10%
Exoil Limited	10%

(The T/38P farmout is subject to formal documentation and regulatory authority approval)

The participants in the remainder of the T/38P are:

Galveston Mining Corporation Pty Ltd	50%
Exoil Limited	50%

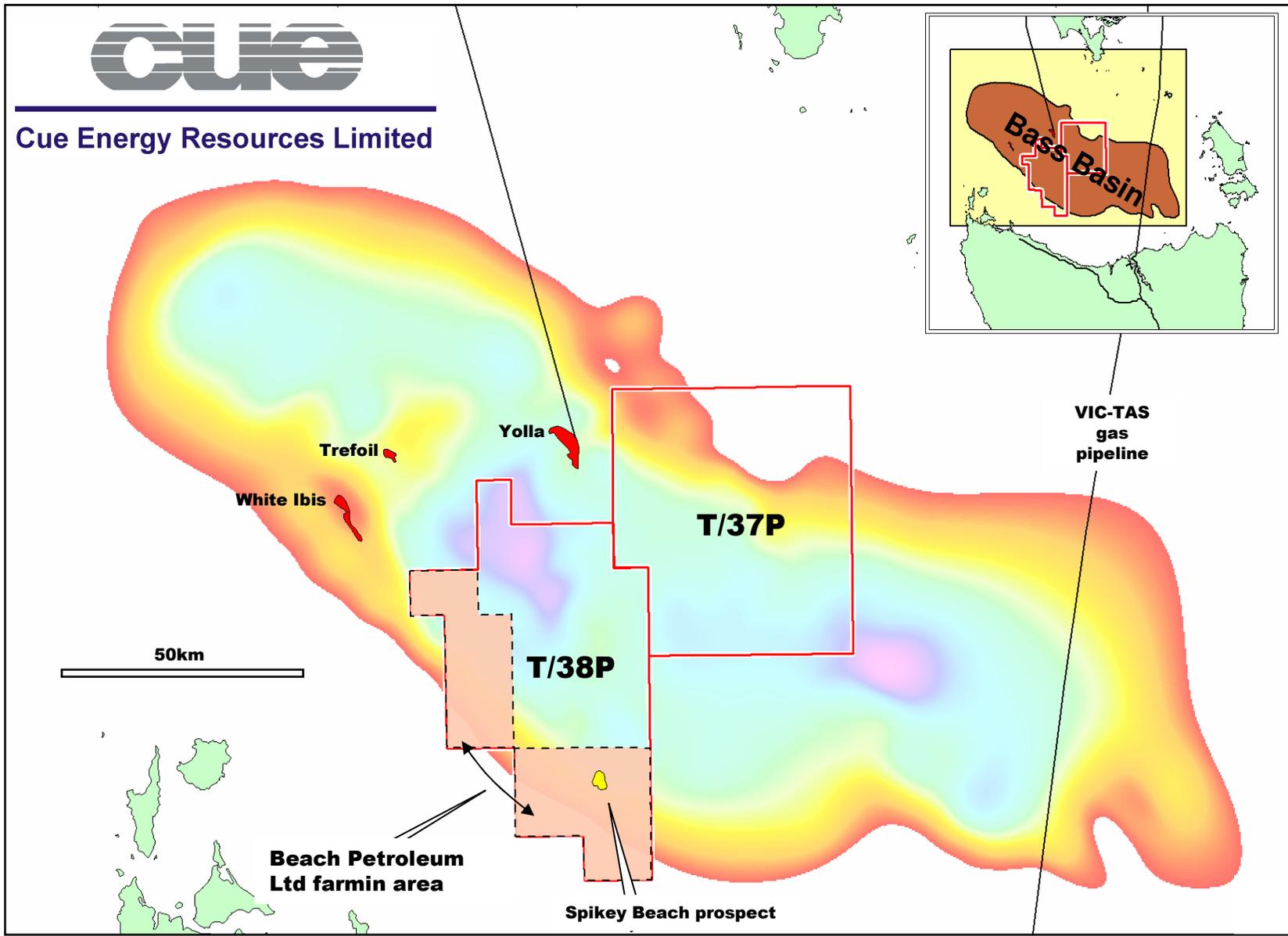
Any queries regarding the announcement should be directed to the Company on (03) 9670 8668 or email mail@cuenrg.com.au.

Robert J Coppin
Chief Executive Officer

21 August 2007



Cue Energy Resources Limited



50km

White Ibis
Trefoil

Yolla

T/37P

T/38P

Beach Petroleum
Ltd farmin area

Spikey Beach prospect

VIC-TAS
gas
pipeline

Bass Basin