



Cue Energy Resources Limited

A.B.N. 45 066 383 971

25th Floor
500 Collins Street
Melbourne Victoria 3000
Australia

Telephone: (03) 9629 7577
Facsimile: (03) 9629 7318
Email: mail@cuenrg.com.au
Website: www.cuenrg.com.au

FACSIMILE TRANSMISSION

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

DATE : 27 May 2005

PAGES (including this page): 2

FROM : Andrew Knox

RE : **Oyong Development Drilling Underway**

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

Oyong Development Drilling Underway

Cue is pleased to announce that Oyong field development drilling is underway and 20 inch casing has been set on all seven planned development wells (Oyong 4 DW1 - Oyong 10 DW1) and 13 3/8 inch casing has been set to date on Oyong 7 DW1 and Oyong 8 DW1. The seven deviated development wells are being batched drilled through the Oyong well head platform by the Ocean Sovereign jack up drilling rig.

Development drilling and well completions are expected to continue to around the end of third quarter 2005 with first oil production expected by the end of 2005.

The Oyong field is located in the Sampang Production Sharing Contract area, offshore East Java, Indonesia, in 41 metres water depth.

Participants in the Sampang PSC are:

Cue Sampang Pty Ltd	15%
Santos (Sampang) Pty Ltd	45% (Operator)
Singapore Petroleum Company Limited	40%

Any queries regarding this announcement should be directed to the Company on (03) 9629 7577 or email mail@cuenrg.com.au.

A handwritten signature in blue ink, appearing to read 'R. Coppin'.

Robert J Coppin
Chief Executive Officer

27 May 2005