



Cue Energy Resources Limited

A.B.N. 45 066 383 971

29 November 2012

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

Farm Out of PEP 51313 – 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)

OFFICE

Level 21
114 William Street
Melbourne Vic 3000

CONTACT DETAILS

Tel: +61 3 9670 8668
Fax: +61 3 9670 8661

EMAIL

mail@cuenrg.com.au

WEBSITE

www.cuenrg.com.au

LISTINGS

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



Cue Energy Resources Limited
A.B.N. 45 066 383 971

RELEASE

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

Farm Out of PEP 51313 – New Zealand

Cue Energy Resources Limited (“Cue”) is pleased to announce that together with its joint venture partners it has farmed out a 30% interest in the PEP 51313 Licence to OMV New Zealand Limited (OMV).

Prior to the farm-out PEP 51313 Joint Venture (JV) interests are:

Todd Exploration Ltd	(50%)
Horizon Oil (New Zealand) Ltd	(30%)
Cue Taranaki Pty Ltd	(20%)

Following the farm-out the new PEP 51313 Joint Venture (JV) interests will be:

OMV New Zealand Limited	(30%)
Todd Exploration Ltd	(35%)
Horizon Oil (New Zealand) Ltd	(21%)
Cue Taranaki Pty Ltd	(14%)

All these parties are all also partners in PMP 38160, the Maari Production JV. The farm-in agreement is subject to regulatory approval. OMV will assume operatorship post completion of a seismic acquisition programme planned for first quarter 2013.

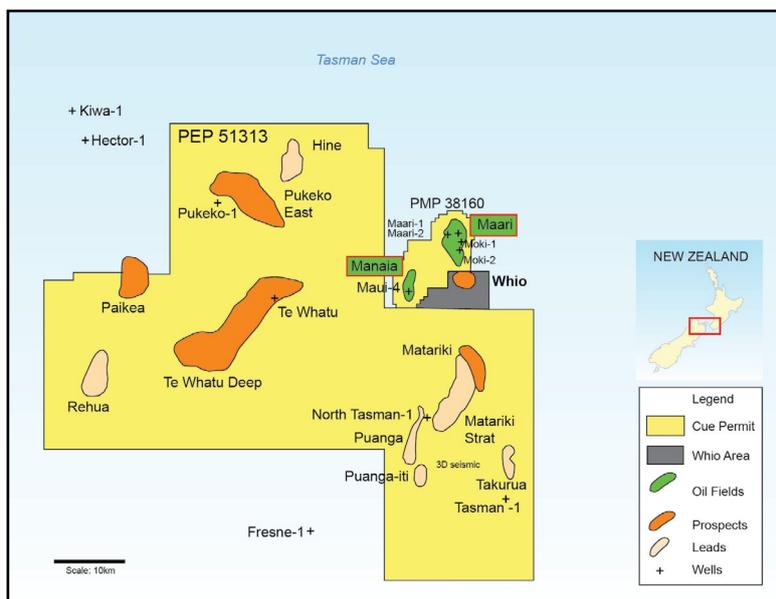


Figure 1 - Location of PEP 51313 New Zealand

As part of the farm-out agreement, OMV will fund 100% of an initial single exploration well in the licence targeting the Whio prospect near the border between the PEP 51313 licence and PMP 38160, the Maari production permit. The PEP 51313 licence covers 2,628km².

A commercial discovery at Whio could be developed using the existing facilities at Maari as the Whio prospect is approximately 4 kilometres from the Maari installation in a water depth of 95 metres. Subject to rig availability, drilling is expected to take place in conjunction with appraisal drilling at Maari which is expected to begin in the fourth quarter 2013.

In the event of a commercial discovery at the Whio prospect, OMV's share in the Whio area alone will increase to 69% under the farm-in agreement. The equity interests over the Whio area in this instance will match those of the Maari licence (PMP 38160) and would be as follows:

OMV New Zealand Limited (operator)	69%
Todd Exploration Ltd	16%
Horizon Oil (New Zealand) Ltd	10%
Cue Taranaki Pty Ltd	5%

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

29 November 2012