



Cue Energy Resources Limited

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DATE : 16 March 2012

PAGES (including this page): 3

FROM : Andrew Knox

RE : **Naga Utara-1 Well, Mahakam Hilir PSC, Indonesia**

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

Yours faithfully

A handwritten signature in black ink that reads "Andrew Knox".

Andrew M Knox
Public Officer



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RELEASE

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

Naga Utara-1 Well, Mahakam Hilir PSC, Indonesia

Cue Energy Resources Ltd is pleased to provide the following update on the drilling status of Naga Utara-1. The well is located within the Mahakam Hilir PSC in the onshore Kutei Basin, Indonesia. The well operator is SPC Mahakam Hilir PTE Ltd (SPC).

As of the 16th March 2012 the sidetrack has reached total depth of 5066 feet MD.

The open-hole section below 4645 feet (MD) has been logged using wire-line. A gas sample was successfully obtained using wire-line tools. The results are being evaluated.

An open-hole drill-stem well test is being conducted.

The forward plan is to continue the well test and evaluate.

The participants and their respective interests in the PSC are:

SPC Mahakam Hilir Pte Ltd (<i>Operator</i>)	60%
Cue Mahakam Hilir Pty Ltd	40%

Cue will continue to release reports of well progress on a weekly basis or when further information is available.

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

A handwritten signature in black ink, appearing to read 'Mark Paton'.

Mark Paton
Chief Executive Officer

16th March 2012

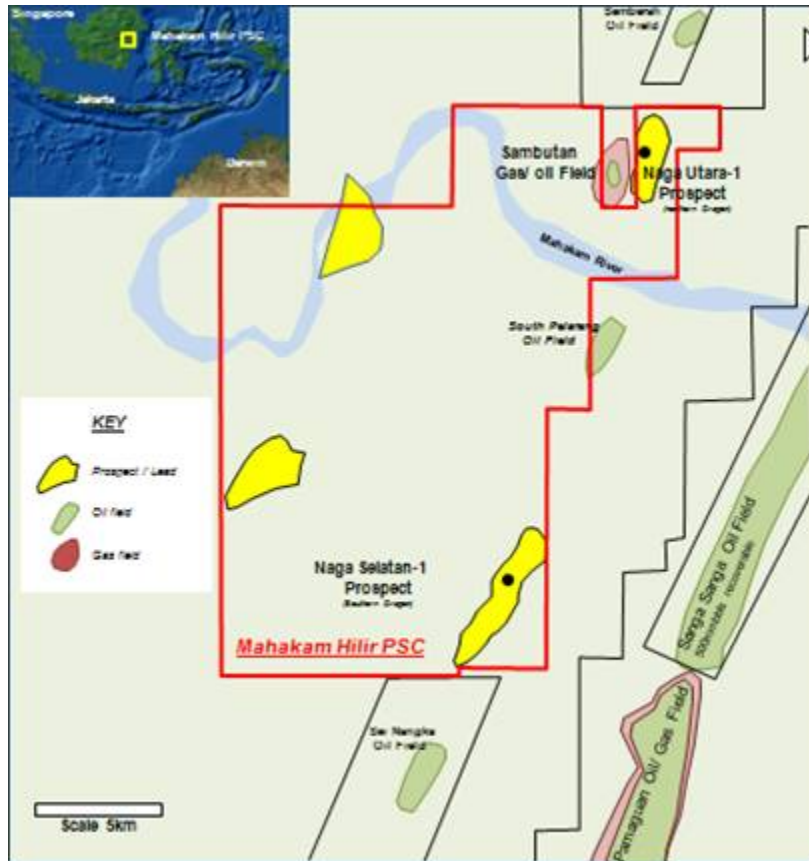


Figure 1 - Location of Mahakam Hilir PSC, Indonesia