



Cue Energy Resources Limited

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TO : Company Announcements Office
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20 Bond Street
Sydney NSW 2000

DATE : 17 April 2012

PAGES (including this page): 3

FROM : Andrew Knox

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

Cue Energy Resources Limited is pleased to advise that the Naga Selatan-1 well is expected to spud today on 17th April, 2012. The well is located within the Mahakam Hilir PSC in the Kutei Basin, Indonesia. The well operator is SPC Mahakam Hilir Pte Ltd.

The Naga Selatan (*Southern Dragon*) prospect is situated approximately 7.5km to the west of the producing Sanga Sanga oilfield. Naga Selatan is an oil prospect. It is proposed to drill to a total depth (TD) of 6500ft MD and is expected to take approximately 33 days to reach TD followed by a further 15 days for evaluation with wireline logs and production testing if required.

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 release reports of well progress initially on a weekly basis.

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

17 April 2012

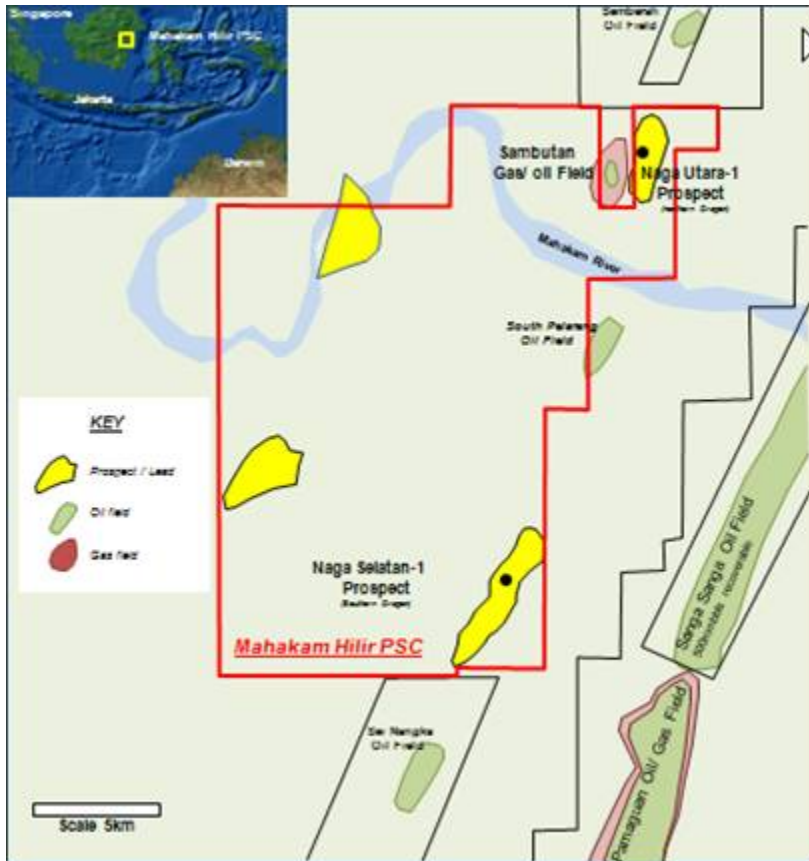


Figure 1 - Location of Mahakam Hilir PSC, Indonesia