



ABN 45 066 383 971

21 October 2014

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ASX Market Announcements
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
Sydney NSW 2000

Cue increases its interest in Mahakam Hilir PSC, Kalimantan to 100%

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

Yours faithfully

Andrew M Knox
Chief Financial Officer

CUE ENERGY OVERVIEW

Cue is an Australian based oil & gas company with activities 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)
- Stuart Brown
- Rowena Sylvester
- Andrew Young

CUE ENERGY MANAGEMENT

- David Biggs (CEO)
- Andrew Knox (CFO)
- Jeffrey Schull (Exp Man)

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LISTINGS

ASX: CUE
ADR/OTCQX: CUEYY



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RELEASE

(ASX: CUE and ADR/OTC: CUEYY)

Cue increases its interest in Mahakam Hilir PSC, Kalimantan to 100%

Cue Energy Resources Ltd is pleased to advise, that subject to government approvals, it has agreed to acquire a 100% interest in the Mahakam Hilir PSC in the prolific Kutei Basin onshore Kalimantan, Indonesia. Cue will purchase SPC Mahakam Hilir Pte Ltd, which holds the remaining 60% interest in the Mahakam Hilir PSC; under a sale and purchase agreement with SPC E&P Pte Ltd. Cue will assume operatorship with a 100% interest in the PSC and drill the remaining commitment well in the PSC (map attached).

Key Highlights

- As part of an internal review of the permit Cue has identified and is excited by a robust drill-ready oil prospect within the prospect inventory, the Naga Selatan -2 (Southern Dragon) which has encouraged Cue to move to a 100% interest in the permit. Cue may look to farmdown at an appropriate time.
- This oil prospect lies along trend of the large Sei Nangka and South Pelarang oil fields. The multiple targets are shallow, located at approximately 1000-1800 TVD. Additional exploration objectives have also been identified on the existing seismic data.
- The drilling programme preparations have commenced with a view to drilling in 2015.

The onshore Mahakam Hilir PSC aligns with Cue's objectives to acquire high quality exploration and appraisal opportunities within our SE Asian focus area, and marks Cue's first entry as a drilling operator. This acquisition adds to and compliments our continuing expansion of our Indonesian acreage portfolio.

Upon completion of the acquisition the participants and their respective interests will be:-

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

**The name of the Operator will be changed upon completion.*

Any queries regarding this announcement should be directed to the Company on (03) 8610 4000 or e-mail: mail@cuenrg.com.au.

A handwritten signature in black ink, appearing to read "Andrew Knox".

Andrew Knox
Chief Financial Officer

21 October 2014

