



Cue Energy Resources Limited

A.B.N. 45 066 383 971

Level 21
114 William Street
Melbourne Victoria 3000
Australia

Telephone: (03) 9670 8668
Facsimile: (03) 9670 8661
Email: mail@cuenrg.com.au
Website: www.cuenrg.com.au

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

DATE : 8 November 2007

PAGES (including this page):4

FROM : Andrew Knox

RE : **Chairman's Address – Annual General Meeting 8 November 2007**

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

**Cue Annual General Meeting of Shareholders
10.30am, 8 November 2007
Melbourne Australia**

Chairman's Address

Good morning ladies and gentlemen, welcome to the 26th Annual General Meeting of Cue shareholders.

I am Richard Tweedie and it is a pleasure to be addressing you again as chairman.

Before I continue, let me introduce the other members of your board and the company's senior management.

Chairman introduces board members and management.

When I took over the Chair of Cue six years ago, the company was in poor financial condition, strategically unfocused and with significant problems. Your current Board has been together since that time and today I am pleased to say can report that your company is now in excellent shape.

It is very difficult for small oil exploration companies to grow to be significant producers. They first of all have to obtain funds, prospects, licences, make a discovery, appraise it, develop it and then produce. This all takes a considerable period of time, often 10 years or more. The challenges of geology, country risk, capital, drilling risk, construction risk, and then ultimately oil gas prices and exchange rates create an extremely challenging business environment.

Cue has finally reached a milestone in its maturing portfolio of properties; spread across PNG, Indonesia, New Zealand and Australia.

It already has small production in PNG. With the advent of Oyong oil this year and gas next year, and with Wortel gas in 2010, Indonesia is at long last a valuable contributor to Cue. The Maari oil project in New Zealand is scheduled to come on stream in late 2008 and this again will favourably impact Cue's revenue stream.

As a consequence, over the next 5 years to 2012 Cue is expected to produce approximately 19 billion cubic feet (BCF) and up to 2.8 million barrels of oil.

Our current budget projections are for Cue to have revenue of A\$15.4M in 2008 and A\$48.8M in 2009. These were based on an oil price of US\$55 per barrel. At current oil prices this revenue stream will be significantly higher. Of course these targets will depend, amongst other matters on timely completion of Maari, achievement of production targets, and oil prices remaining buoyant.

Currently oil reserves stand at 3.5 million barrels and gas resources at 365 BCF.

Cue has a useful and diverse exploration portfolio. In PNG wells are planned to further appraise the Gobe field as well as the Barikewa and Kimu discoveries. Cue has an impressive position in PNG with in excess of 200 BCF of gas adjacent to the proposed ExxonMobil LNG gas pipeline. In time this gas will be monetised. In Indonesia, we will pursue Wortel exploration appraisal and at least two further exploration wells are planned.

Our exploration areas in Australia are in the Bass and Carnarvon Basins and several have been successfully farmed out, retaining for Cue a viable equity position should any discovery be made. Our Cash Maple gas resources in Timor Sea are a useful asset and we are working with the operator to evaluate opportunities to develop this field. In New Zealand we are committed to drill the Manaia prospect close to the Maari field.

Unfortunately, the Jeruk discovery in Indonesia has not fulfilled its early promise, again highlighting the inherent risks of this business. We have thus brought to account a significant write down of Jeruk (A\$28.9M). Nevertheless work continues to assess opportunities to commercialise Jeruk.

On the financial front, Cue still has significant additional project development expenditures at Oyong, Wortel and Maari. These should end 2008 (Oyong) and 2009 (Maari).

During the past 12 months we have carried out no equity raisings, but have project financed the Maari development with Bank of Scotland for \$US20M. Given the cash requirements of our current projects further funding may be required and the Board is currently looking at available options.

We have continued to develop our operating capability with added technical staff and support services in a difficult market short of skilled resources. Your company operates with an impressively low overhead cost, a real tribute to the hard work and effectiveness of all management and staff at Cue.

The next few years will see Cue continue to grow its production. Revenue will increase significantly and the challenge going forward will be to replace production with new discoveries. The cycle of renewal is never complete in the oil industry. Once we have successfully brought exploration into production we have to start again and repeat the process if we are to remain a vibrant growing oil producer.

Your company has significantly matured and has many exciting years ahead of it. The markets increasing confidence is reflected in the share price which has increased from 13-14 cents twelve months ago to the present 24 cents.

My fellow directors and I hope you are satisfied with the state of affairs your company is in today and we look forward to sharing the future with you.

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 "Andrew Knox". The signature is written in a cursive, flowing style with some loops and flourishes.

Andrew Knox
Public Officer

8 November 2007