



Cue Energy Resources Limited

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DATE : 21 December 2007

PAGES (including this page):2

FROM : Andrew Knox

RE : **Cobra -1 Update**

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

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RELEASE

Cobra -1 Update

Cue is pleased to announce that preparations are well underway to drill the Cobra -1 exploration well.

The well site is substantially complete and drilling rig components are being moved to the site. The well is expected to begin drilling around the second week of January 2008.

Cobra -1 is located in Petroleum Prospecting Licence 190, on trend with the SE Gobe field, in onshore Papua New Guinea.

Cobra -1 will test a sub thrust closure that has the unrisks potential to contain 30-40 million barrels of oil, Cue share 3.3-4.4 million barrels. The well is expected to take approximately 60 days.

The participants in the PPL 190 are:

Oil Search Limited (Operator)	62.556%
Murray Petroleum Company	26.497%
Cue PNG Oil Company	10.947%

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 blue ink, appearing to read "R. Coppin".

Robert J Coppin
Chief Executive Officer

21 December 2007