



Cue Energy Resources Limited

A.B.N. 45 066 383 971

7 May 2012

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

Farm-in to Banambu Deep Prospect, WA-389-P

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

Yours faithfully

Andrew M Knox

Public Officer

CUE ENERGY OVERVIEW

Cue is an Australian based oil & gas company with projects in Australia, New Zealand, Indonesia and PNG.

THE COMPANY HAS:

- Long life production
- A strong balance sheet
- An active exploration program

DRILLING PROGRAM

- Naga Utara exp well Q1 12
- Naga Selatan exp well Q2 12
- WA-389-P exp well Q2 12
- Maari appraisal well Q1 13

CUE ENERGY DIRECTORS

- Richard Tweedie (Chairman)
- Timothy Dibb
- Geoffrey King
- Steve Koroknay
- Paul Moore
- Leon Musca
- Andrew Young

CUE ENERGY MANAGEMENT

- Mark Paton (CEO)
- Andrew Knox (CFO)
- Terry White (Exp Man)
- Alex Parks (CCO)

OFFICE

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LISTINGS

ASX:	CUE
NZX:	CUE
POMSOX:	CUE
ADR/OTCQX:	CUEYY



Cue Energy Resources Limited

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RELEASE

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

Farm-in to Banambu Deep Prospect, WA-389-P

Cue Energy Resources Ltd is pleased to advise that Woodside, the WA-389-P operator, has completed a farm-in agreement with BHP Billiton Petroleum (Australia) Pty Ltd (BHP Billiton). Under the terms of the agreement BHP Billiton will acquire a 40% participating interest in the WA-389-P permit (subject to Cue not exercising its pre-emptive rights and regulatory approvals). As part of the farm-in arrangements BHP Billiton will pay up to a capped amount for 100% of the drilling of the Banambu Deep prospect.

The Banambu Deep-1 target was identified after a comprehensive study of the seismic data available in respect of permit WA-389-P. The data included 1440 km² of new 3D seismic acquired and processed last year; the new data was merged with existing 3D data available in the block to select the target.

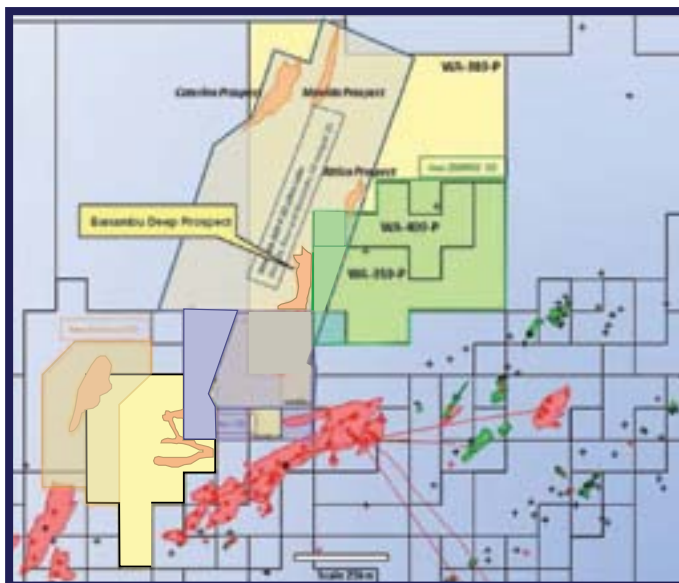
The objective is a high impact exploration opportunity within our focus area, and is part of a wider acreage holding in the Carnarvon Basin. Cue considers that the entry of BHP Billiton into the permit to participate in drilling Banambu Deep is an endorsement of the high potential of the prospect and the permit.

Following government approval of the transaction the participants and their respective interests in the permit will be:

Woodside (Operator)	25%
Cue Exploration Pty Ltd	35%
BHP Billiton (Australia) Pty Ltd	40%

Cue will release reports of well progress initially on a weekly basis from commencement of drilling.

Any queries regarding the announcement should be directed to the Company on (03) 96708668 or email mail@cuenrg.com.au



Mark Paton
Chief Executive Officer

7th May 2012