



Cue Energy Resources Limited

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FACSIMILE TRANSMISSION

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

DATE : 29 April 2004

PAGES (including this page): 2

FROM : Andrew Knox

RE : **Pre-development Agreement for Chemical Plant in PNG**

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
Chief Financial Officer



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RELEASE

Pre-development Agreement for Chemical Plant in PNG

Oil Search Limited announced yesterday that it had signed a Pre-Development Agreement with Itochu Corporation and Mitsubishi Gas Chemical Company to progress plans for a chemical plant in PNG.

The Pre-Development Agreement is designed to facilitate Front End Engineering and Design entry in the event that certain pre-requisites are met regarding the sourcing of gas, chemical plant location and to the co-location of other industries in particular.

Cue Comment

Cue is pleased to see this positive step towards gas commercialization in PNG. Cue holds a 10.947% interest in the Kimu gas field in the PNG foreland and a 14.894% interest in the Barikewa gas field. Kimu is estimated to contain recoverable natural gas volumes of around 1 trillion cubic feet (Cue share approximately 110 billion cubic feet) and Barikewa is estimated to contain approximately 800 billion cubic feet of recoverable natural gas (Cue share approximately 120 billion cubic feet). Both of these fields could potentially be favorably situated to provide gas feedstock to a future chemical plant.

Any queries regarding the announcement should be directed to the company on (03) 96297577 or email mail@cuenrg.com.au.

A handwritten signature in blue ink, appearing to read "R. J. Coppin".

Robert J Coppin
Chief Executive Officer

29 April 2004