



Cue Energy Resources Limited

A.B.N. 45 066 383 971

26 June 2012

PAGES (including this page): 3

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

Banambu Deep-1 Drilling Update, 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 Q4 12

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)
- David Whittam (Exp Man)
- Alex Parks (CCO)

OFFICE

Level 21
114 William Street
Melbourne Vic 3000

CONTACT DETAILS

Tel: +61 3 9670 8668
Fax: +61 3 9670 8661

EMAIL

mail@cuenrg.com.au

WEBSITE

www.cuenrg.com.au

LISTINGS

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



Cue Energy Resources Limited

A.B.N. 45 066 383 971

RELEASE

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

Banambu Deep-1 Drilling Update, WA-389-P

Cue Energy Resources Limited (ASX Code: CUE) provides the following update on the Banambu Deep-1 exploration well in permit WA-389-P offshore Carnarvon Basin, Western Australia.

Progress

The operator has advised that the current operation at 06:00hrs 26th June 2012 is drilling ahead at 4560 mMD in 216 mm (8 1/2") hole. Since the last report the 311mm (12 1/4") hole was drilled to 4134.4mMD and then the 244mm (9 5/8") casing was run and cemented with the casing shoe set at 4129.5mMD. The BOP and casing were pressure tested prior to the 216 mm (8 1/2") bottom hole assembly being run into hole to drill out cement, shoe track and drill to 4137.3mMD in new formation. A leak off test (LOT) was then conducted prior to drilling ahead to the current TD.

Forward Plan

Continue drilling the 216 mm (8 1/2") hole section to the primary target, sandstones within the Intra Mungaroo Formation.

Location / Proposed Depth

The Banambu Deep-1 well is located in permit WA-389-P, in the Carnarvon Basin, Western Australia (Figure 1). The well is being drilled in 320m of water to a planned total depth of approximately 4712mMD in the primary Intra Mungaroo Formation.

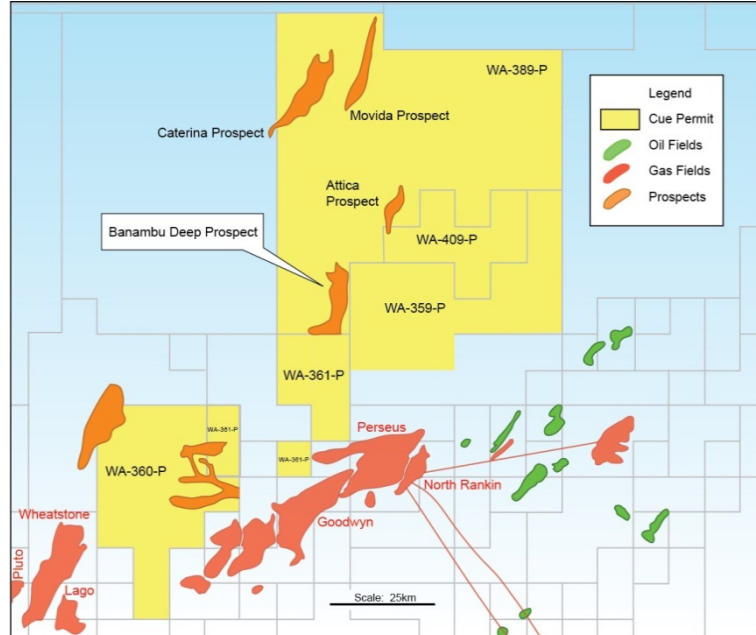


Figure 1: Location of Banambu Deep Prospect

Upon completion of evaluation, the well will be plugged and abandoned in the normal course of offshore operations.

Cue will provide further reports to the market once the primary target level has been conclusively evaluated.

Participants

Following government approvals of the recent farm in transaction with BHP Billiton the participants and their respective interests in the permit will be:

Woodside Burrup Pty Ltd (<i>Operator</i>)	25%
Cue Exploration Pty Ltd	35%
BHP Billiton (Australia) Pty Ltd	40%

Explanatory note: All measurements are from the rotary table, expressed in metres measured depth (mMD)

Any queries regarding the announcement should be directed to the Company on (03) 9670 8668 or email mail@cuenrg.com.au



Mark Paton
Chief Executive Officer

26 June 2012