



ABN 45 066 383 971

10 October 2014

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ASX Market Announcements
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
Sydney NSW 2000

Company Response to Requisition from Security Holder to Elect Directors

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

Yours faithfully

Andrew M Knox
Chief Financial Officer

CUE ENERGY OVERVIEW

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

THE COMPANY HAS:

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

CUE ENERGY DIRECTORS

- Geoffrey King (Chairman)
- Stuart Brown
- Rowena Sylvester
- Andrew Young

CUE ENERGY MANAGEMENT

- David Biggs (CEO)
- Andrew Knox (CFO)
- Jeffrey Schull (Exp Man)

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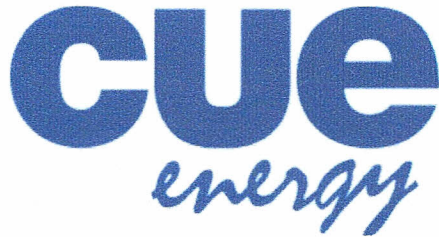
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LISTINGS

ASX: CUE
ADR/OTCQX: CUEYY



A.B.N. 45 066 383 971

10 October 2014

Mr Duncan Saville
Director
Zeta Energy Pte Limited
896 Dunearn Road
#03-07
Sime Darby Centre
Singapore, 589472

Dear Mr. Saville

Thank you for your letter of 7 October 2014. As I have previously told Dugald Morrison, Cue welcomes Zeta Energy Pte Limited (**Zeta**) as a shareholder and I thank you for your interest in the Company.

I would be delighted to meet when you are in Melbourne in early November to discuss your proposed nominations.

The Board has discussed Zeta's nomination of Dugald Morrison and yourself to the Cue Board. In that discussion, the Cue Board noted that:

- Zeta has been a ~9% shareholder for less than two weeks.
- Your request for two directors on the Board would represent a proportion of around 33% of the Board, assuming all the directors standing for re-election at the AGM are re-elected.
- Cue has two major shareholders with significantly higher shareholdings than Zeta and they do not seek Board representation.
- You are currently standing for appointment to the New Zealand Oil & Gas Limited Board and we are concerned about a potential conflict of interest.
- Zeta has not provided any information as to how the Zeta nominees will add shareholder value.
- The current Cue Board consisting of 4 independent members has been recently assembled with an appropriate balance of geological, engineering, commercial, legal and financial skills.

In view of Zeta's very recent position as a ~9% shareholder and the disproportionate representation you are seeking in relation to that holding, the Board does not consider it is able to support your nominations at this stage.

Obviously you are entitled to put your nominations forward and Cue will comply with the relevant legal process.

The Board is open to revisiting the position in 12 months' time if Zeta is still a shareholder at the time.

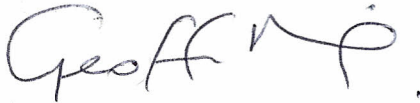
The Board is pleased to note that you have been following the Company's progress via its presentations to the market; in particular our growth strategy through value accretive acquisitions in the interests of all shareholders.

The Board has appointed financial and legal advisors to assist it in assessing acquisition opportunities and we are currently well advanced in consideration of a number of confidential acquisition opportunities.

I hope I can update shareholders on these opportunities at the AGM. Cue will continue to keep shareholders informed of all material developments.

In the interests of keeping the market informed, we are releasing to the ASX your request for director positions together with this response.

Yours sincerely



Geoffrey King
Chairman



7 October 2014

Mr Geoffrey King
Chairman
Cue Energy Limited
Level 19, 357 Collins Street
Melbourne VIC 3000
Australia

Dear Mr King

As you are aware Zeta Energy Pte Limited ("Zeta Energy") now owns approximately 9% of the share capital of Cue Energy Resources Limited ("Cue"). Given that neither of the two largest shareholders have nominated a representative to the Board of Cue, as far as we are aware, my colleague, Dugald Morrison and I have decided to stand for election at the forthcoming Cue AGM.

This letter serves as notice that Zeta Energy as a shareholder in Cue is hereby nominating both Dugald Morrison and myself for election at the forthcoming AGM. Please find attached the relevant director consent forms.

I note in the recent Cue presentation at RIU Good Oil September 2014, on page 11, that Cue highlights, in the third dot point that "Asset and corporate transactions may be suitable". While we do not have any specific corporate transactions in mind, I highlight that Zeta Energy does hold strategic investments in both New Zealand Oil & Gas Limited and Pan Petroleum Pacific NL.

I will be in Melbourne on the evening of the 4th November and the 5th and possibly the 6th of November and would be pleased to meet with you at a convenient time to discuss our proposed nominations and any other matter of interest.

Kind regards.

Yours sincerely

Duncan Saville
Director
Zeta Energy Pte Limited