



Cue Energy Resources Limited

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TO : Company Announcements Office
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20 Bond Street
Sydney NSW 2000

DATE : 27 April 2012

PAGES (including this page): 3

FROM : Andrew Knox

RE : **Banambu Deep Prospect, WA-389-P, Carnarvon Basin**

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

Yours faithfully

A handwritten signature in black ink, appearing to read "Andrew Knox".

Andrew M Knox
Public Officer



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RELEASE

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

Banambu Deep Prospect, WA-389-P, Carnarvon Basin

Cue Energy Resources Ltd is pleased to advise that the Banambu Deep well is expected to commence drilling in mid-May, 2012. The well is located within the WA-389-P permit, Carnarvon Basin, offshore Western Australia. The well operator is Woodside as a result of a farm-out agreement announced on 13th July, 2010. Woodside is committed to carry Cue's share of costs in the drilling of this well.

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 1440km² of new 3D seismic shot and processed last year; the new data was merged with existing 3D data available in the block to select the target.

This objective is a high impact exploration opportunity within our focus area, and is part of a wider acreage holding in the Carnarvon Basin.

The Banambu Deep prospect is situated outboard of the giant Rankin trend gas fields and on trend with the Wheatstone and Pluto LNG developments. Banambu Deep is a gas prospect. It is proposed to drill to a total depth of 4800m using the Ocean America semi-submersible drilling rig and is expected to take approximately 60 days to complete.

The participants and their respective interests in the permit are:

Woodside (<i>Operator</i>)	65%
Cue Exploration Pty Ltd	35%

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

A handwritten signature in black ink, appearing to read "Mark Paton".

Mark Paton
Chief Executive Officer

27th April 2012

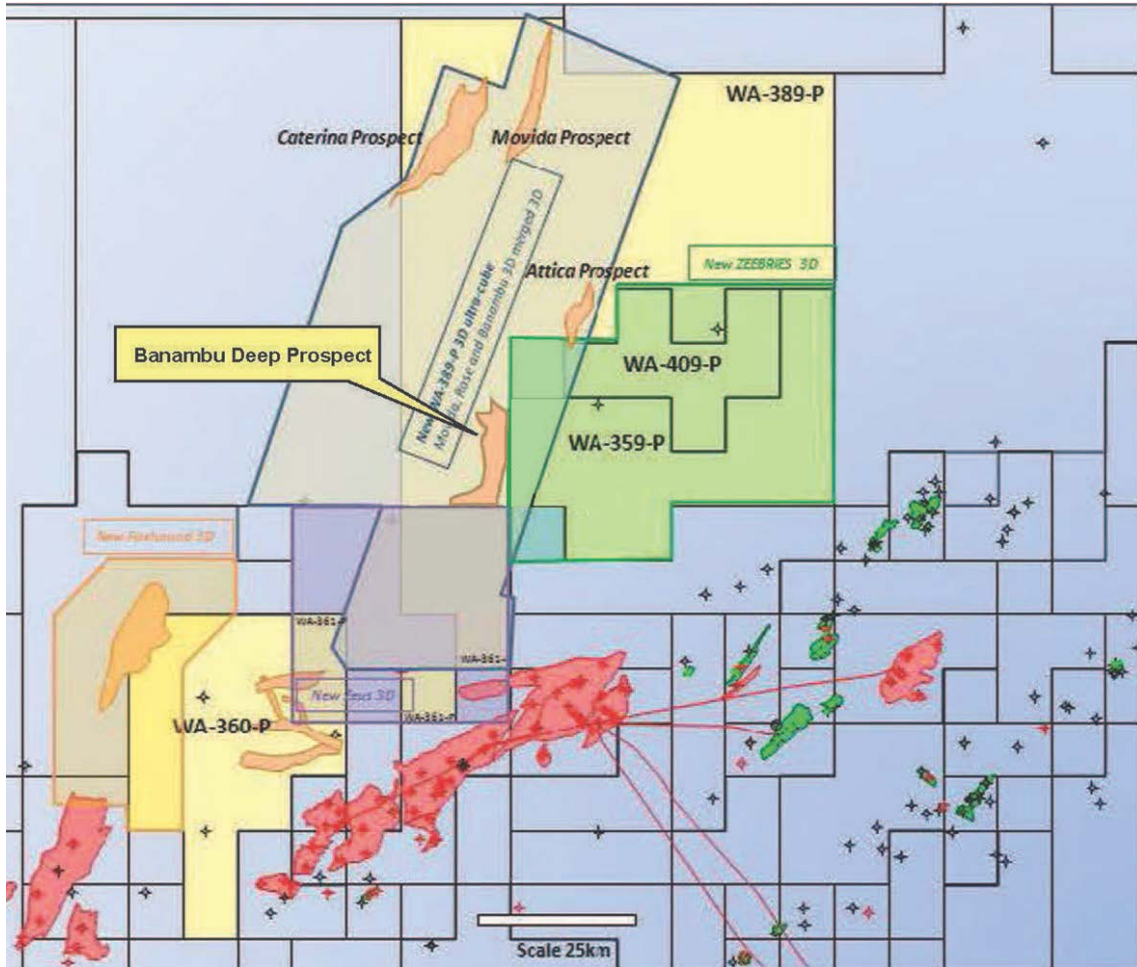


Figure 1: Location of Banambu Deep Prospect