



Cue Energy Resources Limited

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FACSIMILE TRANSMISSION

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

DATE : 1 February 2005

PAGES (including this page):2

FROM : Andrew Knox

RE : **Placement of 60 Million Shares to Raise \$18 million**

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". The signature is written in a cursive, flowing style.

Andrew M Knox
Public Officer



Cue Energy Resources Limited

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RELEASE

Placement of 60 Million Shares to Raise \$18 million

Cue Energy Resources Limited is pleased to announce that Patersons Securities Limited (Patersons), a leading independent Australian investment house, has finalized the placement of 60 million ordinary fully paid shares in the Company at a price of A30 cents each, raising a total of \$18 million.

At the Annual General Meeting of the Company held on 26 November 2004, the shareholders of Cue Energy authorized the placement of up to 100 million ordinary shares. This placement and the placement of 40 million shares in December 2004 were made pursuant to and complete this authorization.

The placement has been made to institutional and sophisticated investor clients of Patersons. The equity raising attracted considerable support from institutional investors with over twenty new institutions investing in the Company.

The \$18 million will be used to meet the cost of a 5% interest in PEP 38413 which contains the Maari oil field. PEP 38413 is in the offshore Taranaki Basin of New Zealand. The funds will also be used to assist funding of Cue's share of project development costs and to augment working capital.

The recent capital raisings have allowed Cue to participate in both the Oyong and Maari development projects, which are expected to bring a substantial increase in corporate revenue, with benefit to all shareholders.

Any queries regarding the announcement should be directed to the company on (03) 9629 7577 or email mail@cuenrg.com.au

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

Robert J Coppin
Chief Executive Officer

1 February 2005