



Cue Energy Resources Limited

A.B.N. 45 066 383 971

30 May 2012

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Company Announcements Office
10th Floor
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Sydney NSW 2000

Banambu Deep Well 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)
- Terry White (Exp Man)
- Alex Parks (CCO)

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LISTINGS

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



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RELEASE

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

Banambu Well Drilling Update, WA-389-P

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

Cue is pleased to advise that the drilling of the Banambu Deep prospect has commenced with the spudding of the well at 16:30 hours WST on 29 May 2012. The well is anticipated to take approximately 50 days to drill.

The well will test the gas potential of sandstones in the prolific Triassic age, Mungaroo Formation, in a well-defined horst block as imaged by high quality modern 3D seismic data. This is one of the primary play types in the Carnarvon Basin.

Cue estimates there potentially may be up to 1.5 trillion cubic feet of recoverable gas in the prospect. The close proximity of Cue's licences to existing and planned LNG infrastructure could allow discovered hydrocarbons to be commercialised.

Location / Proposed Depth

The Banambu Deep 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 4686m below sea level in the primary Intra Mungaroo Formation target.

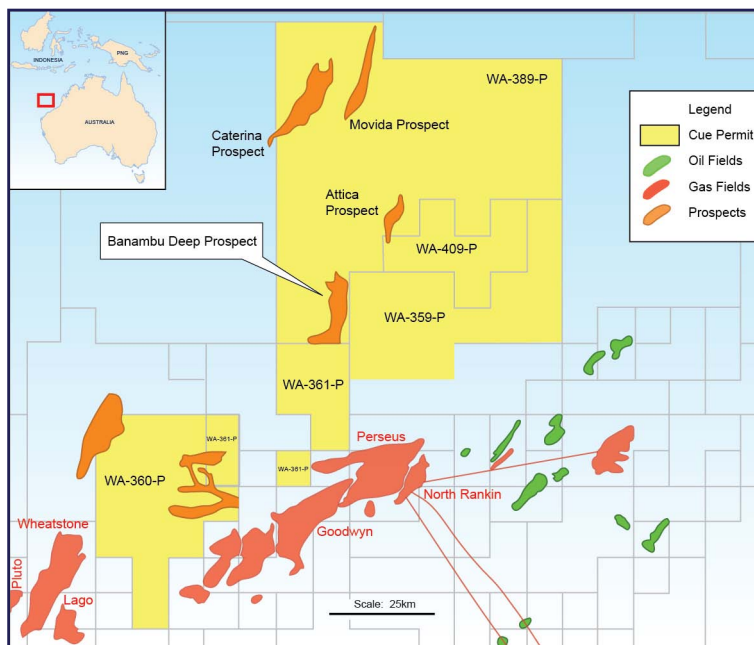


Figure 1: Location of Banambu Deep Prospect

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

Cue will release reports of well progress initially on a weekly basis.

Participants

Following various JV and 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 (Operator)	25%
Cue Exploration Pty Ltd	35%
BHP Billiton (Australia) Pty Ltd	40%

Comments

Commenting on the release Cue's CEO, Mark Paton said "This exploration well is the culmination of an extensive seismic and technical program conducted by Cue and our Joint Venture Partners over the last few years. Cue has an interest in five contiguous licenses in the Carnarvon Basin containing several of the established play types in the area. Multiple prospects within the blocks having large scale gas potential. Located in the centre of that acreage, the drilling of the Banambu Deep well gives Cue shareholders free carried exposure to very substantial upside in a success case."

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

30 May 2012