



A.B.N. 45 066 383 971

25 October 2013

PAGES (including this page):3

Company Announcements Office
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Sydney NSW 2000

Naga Utara-2 Progress Report # 3

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)
- Timothy Dibb
- Paul Moore
- Andrew Young

CUE ENERGY MANAGEMENT

- David Biggs (CEO)
- Andrew Knox (CFO)
- David Whittam (Exp Man)

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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)

Naga Utara-2 Progress Report # 3

Cue Energy Resources Ltd (Cue) advises that at 06:00 local time on 25 October 2013, the Naga Utara-2 well is at a depth of 1,305 ft MDKB (398m) and is preparing to drill ahead in 17½" hole.

Since the last report, 18⁵/₈" casing has been run and cemented and the BOP installed and successfully tested.

The well site is located in the onshore portion of the Kutei Basin on the island of Kalimantan (Borneo), approximately 10 km NE of the town of Samarinda (map attached). Naga Utara-2 is operated by SPC Mahakam Hilir Pte Ltd, a subsidiary of Singapore Petroleum Company Ltd.

The well is the third to be drilled by the Mahakam Hilir Joint Venture and will appraise the gas shows seen in Miocene-age sandstones at Naga Utara-1 which were not fully evaluated in the previous well due to mechanical problems. The well will then be deepened to evaluate additional reservoir objectives. The well is being drilled from the same pad as Naga Utara-1 to a target location approximately 475m north of the earlier well. Naga Utara-2 has a proposed TD of 2,068mMD (1,981mTVD) and drilling is expected to take approximately 62 days.

Cue will provide weekly progress reports during the drilling of Naga Utara-2. Participating interests in the Mahakam Hilir PSC are as follows:

Cue Mahakam Hilir Pty Ltd	40%
SPC Mahakam Hilir Pte Ltd	60% (<i>Operator</i>)

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

A handwritten signature in black ink, appearing to read "David Biggs".

David A.J. Biggs
Chief Executive Officer

25 October 2013

