



Cue Energy Resources Limited

A.B.N. 45 066 383 971

Level 21
114 William Street
Melbourne Victoria 3000
Australia

Telephone: (03) 9670 8668
Facsimile: (03) 9670 8661
Email: mail@cuenrg.com.au
Website: www.cuenrg.com.au

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

DATE : 9 March 2012

PAGES (including this page): 3

FROM : Andrew Knox

RE : **Naga Utara-1 Well, Mahakam Hilir PSC, Indonesia**

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



Cue Energy Resources Limited

A.B.N. 45 066 383 971

RELEASE

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

Naga Utara-1 Well, Mahakam Hilir PSC, Indonesia

Cue Energy Resources Ltd is pleased to provide the following update on the drilling status of Naga Utara-1. The well is located within the Mahakam Hilir PSC in the onshore Kutei Basin, Indonesia. The well operator is SPC Mahakam Hilir PTE Ltd (SPC).

As of the 9th March 2012 the sidetrack has been drilled in a 6 inch hole to 5066 feet measured depth (MD).

The high pressure gas zone seen in the original hole was again encountered from 4825 feet MD to 4880 feet MD. An additional gas bearing sandstone was encountered between 4975 feet MD to 5040 feet MD.

Due to high pressure gas influx from the lower sandstone interval and the rig equipment pressure rating now being close to the formation pressure encountered, the operator has decided to call total depth of the well (TD). The interval will be evaluated with wire-line logs.

The forward plan is to design an appraisal well to be drilled with appropriate high-pressure rig equipment.

The participants and their respective interests in the PSC are:

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

Cue will continue to release reports of well progress on a weekly basis or when further information is available.

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 'Mark Paton'.

Mark Paton
Chief Executive Officer

9th March 2012

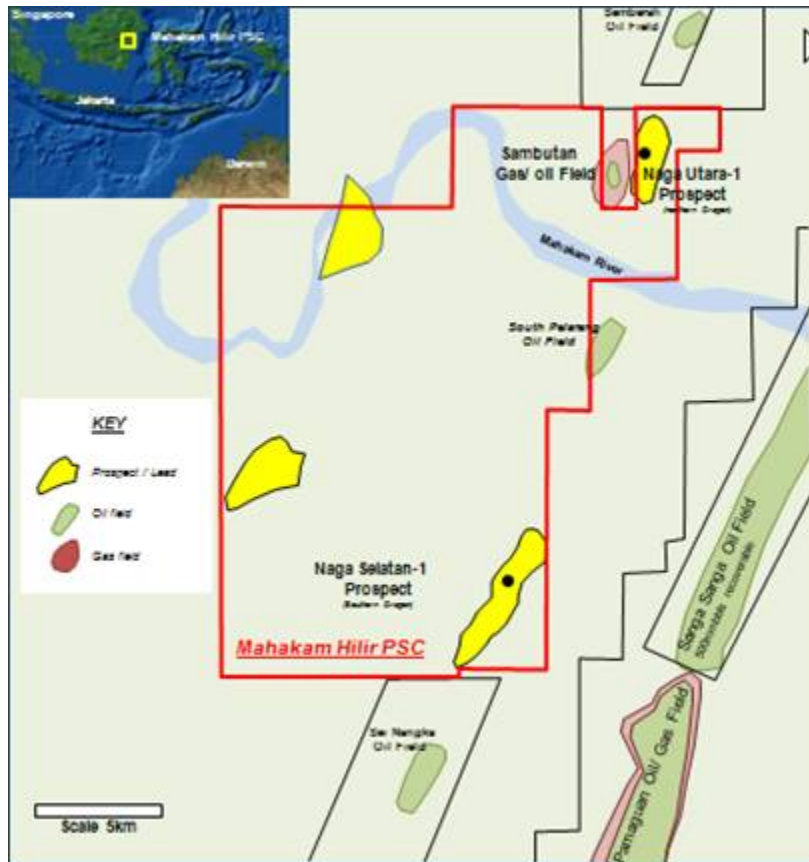


Figure 1 - Location of Mahakam Hilir PSC, Indonesia