



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 : Port Moresby Stock Exchange
Level 4, Defens Haus
Cnr of Champion Pde & Hunter St
Papua New Guinea

DATE : 3 September 2009 PAGES (including this page): 2

FROM : Andrew Knox

RE : **Spikey Beach – 1 Update, T/38P – Bass Basin**

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

Yours sincerely

A handwritten signature in black ink that reads "Andrew Knox".

Andrew M Knox
Public Officer



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RELEASE

Spikey Beach -1 Update T/38P – Bass Basin

Beach Petroleum Limited, the operator for a designated area of interest within permit T/38P, and the Spikey Beach-1 well, reported today (03/09/2009) that:

“The Ocean Patriot semi-submersible drilling rig is expected to be released to Beach for the drilling of the Spikey Beach-1 exploration well in T/38P, in the Bass Basin offshore Tasmania later today. Beach is the operator for the well and will be earning 80% in the Spikey Beach farmout blocks through the drilling of the well. Spikey Beach-1 will be targeting mean recoverable oil of 16 million barrels and a high side of 41 million barrels (recoverable) of oil in the Upper Eastern View Group. The well is expected to spud early next week, dependent upon weather conditions.

The participants in Spikey Beach-1 well are:

Beach Petroleum Limited (<i>operator</i>)	80%
Galveston Mining (<i>100% Cue Energy Resources Subsidiary</i>)	10%
Exoil Ltd	10%

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 blue ink, appearing to read "R. J. Coppin".

Robert J Coppin
Chief Executive Officer

03 September 2009