



Cue Energy Resources Limited

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Papua New Guinea

DATE : 4 January 2010

PAGES (including this page): 2

FROM : Andrew Knox

RE : **MEO to Reassign WA-359-P Interest to Cue**

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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MEO to Reassign WA-359-P Interest to Cue

MEO has elected not to exercise its drill option in WA-359-P and will reassign a 30% interest to Cue. Cue will have a 50% interest and resume operatorship of the permit.

MEO's announcement follows below.

"MELBOURNE, AUSTRALIA (**January 4th, 2010**) MEO Australia Limited (ASX: **MEO**) advises that its drill/drop option over WA-359-P expired unexercised at 5pm on 31st December 2009.

Technical studies have not sufficiently de-risked the Hephaestus lead identified by MEO in the permit to warrant committing to funding 100% of the Permit Year 6 well commencing 1st February 2010.

Consequently, MEO's 60% interest in the permit will be re-assigned in equal proportions to the original farmers Cue Energy (ASX: **CUE**) and Exoil (unlisted)."

Participants in WA-359-P following reassignment will be :-

Cue Exploration Pty Ltd (operator)	50%
Exoil limited	50%

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. Coppin'.

Robert J Coppin
Chief Executive Officer

4 January 2010