



Cue Energy Resources Limited

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DATE : 4 August 2009

PAGES (including this page): 3

FROM : Andrew Knox

RE : Manaia -1 Appraisal Well Begins Drilling

Attached please find Notice of Change of Interests of Substantial Holder

Yours sincerely

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

Andrew M Knox
Public Officer



Cue Energy Resources Limited

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RELEASE

Manaia -1 Appraisal Well Begins Drilling

Cue is pleased to announce that the Manaia-1 appraisal well began drilling on August 1, 2009. As at 2400 hours on August 3, 2009, the well had drilled to 267.6m and had cemented 24" casing.

The well is being drilled following successful completion of the Maari development drilling program in which 5 production and 3 water injection wells in the Moki reservoir have been successfully drilled ahead of schedule.

The Manaia field is located approximately 10 km SW of the Maari field in Exploration Permit PEP 38413 in the offshore Taranaki Basin, New Zealand. The field was discovered in 1970 by the Maui-4 well. The well intersected an oil accumulation in the Mangahewa Formation reservoir which tested at 575 BOPD. Two additional oil accumulations were also encountered in the Moki Formation (main reservoir at Maari field) but were not tested at the time (Figure 1).

The Manaia-1 appraisal well is being drilled as an extended reach well from the Maari WHP using the *Ensco 107* jack-up rig. It is scheduled to take about 45 days to drill. It is expected to confirm the presence of the oil column established by the Maui-4 exploration well. If hydrocarbons are established the well will be completed and tied into the Maari facilities for subsequent testing and production. The field is assessed to have mean oil in place of 57.8 MMstb within the Mangahewa reservoir.

The participants in the Manaia-1 appraisal well are:

Cue Taranaki Pty Ltd	5%
OMV NZ Ltd (Operator)	69%
Todd Maari Limited	16%
Horizon Oil International Limited	10%

(a wholly owned subsidiary of Horizon Oil Limited (HZN))

MANAIA

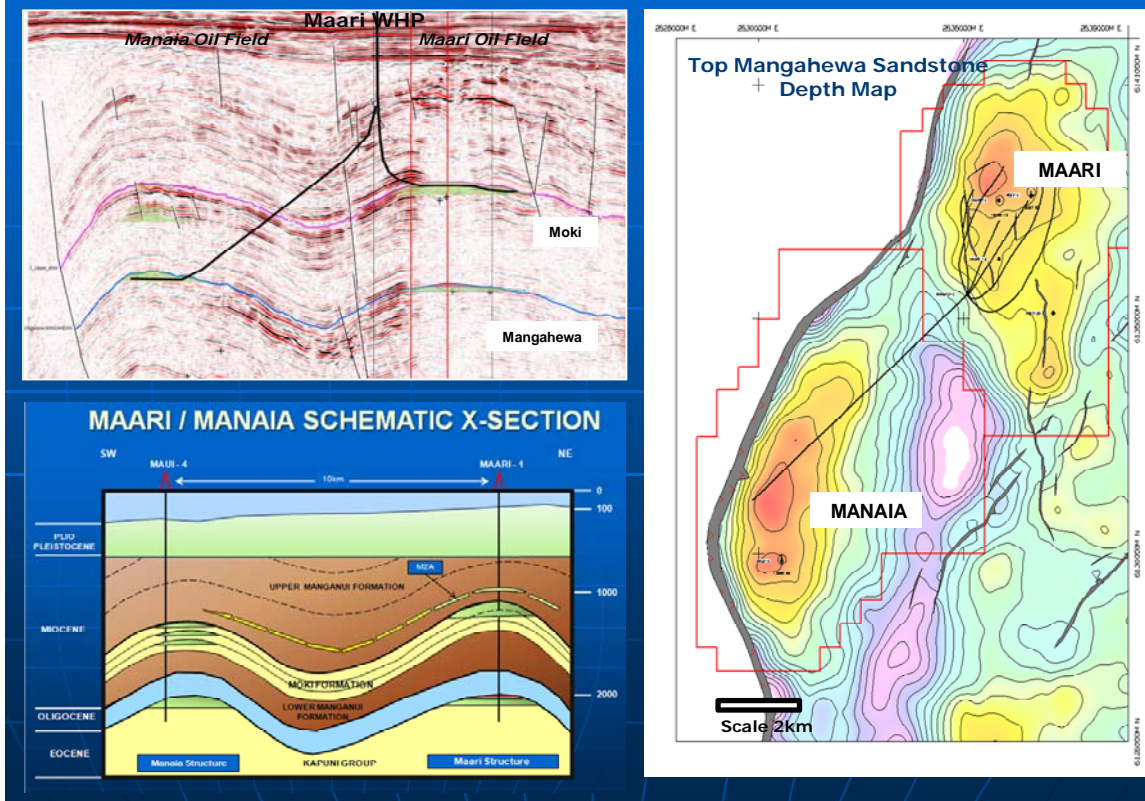


Figure 1. Manaia Field and Planned Appraisal well

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

Robert J Coppin
Chief Executive Officer

4th August 2009