



Cue Energy Resources Limited

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Papua New Guinea

DATE : 19 October 2009

PAGES (including this page):4

FROM : Andrew Knox

RE : **Cue Expands Interests in New Zealand**

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



Cue Energy Resources Limited

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RELEASE

Cue Expands Interests in New Zealand

Cue is pleased to advise that it has farmed into two new exploration permits in New Zealand.

PEP 51313

Cue has obtained a 20% interest from Todd Exploration in permit PEP 51313 which lies immediately adjacent to the Maari and Manaia oil fields in the offshore Taranaki Basin of New Zealand (see map). The permits cover an area of 2628 sq km and the 5 year permit term began on 30 July 2009.

The permit incorporates most of the area of PEP 38494 in which Cue was obtaining a 20% interest. This permit was relinquished earlier this year and has been incorporated into PEP51313.

The permit work programme, in the first 2 years, consists of seismic reprocessing, 3D seismic acquisition over the greater Matariki area and the acquisition of 2D seismic in year 2.

The joint venture has the option to drill exploration wells in the third and fifth years of the permit.

Cue will earn its 20% interest by reimbursing Todd for Cue's equity share of prior permit costs and in addition funding part of Todd's share of the 3D seismic costs.

Participants in PEP 51313 are:

<i>Cue Taranaki Pty Ltd</i>	<i>20%</i>
<i>Todd Exploration Limited</i>	<i>50% Operator</i>
<i>Horizon Oil (New Zealand) Limited</i>	<i>30%</i>

PEP 51149

Cue is obtaining a 20% interest from Todd Exploration in permit PEP 51149. The permit is largely onshore in the Taranaki Basin south of New Plymouth, New Zealand (see map)

Cue is earning its interest by reimbursing Todd Exploration for Cue's equity share of permit costs incurred from the award of the permit in September 2008.

PEP 51149 contains several prospects and leads that have potential to contain significant commercial volumes of natural gas.

A 2D seismic survey has recently been acquired over the Tohu lead. The joint venture has the option to drill exploration wells in later years.

Cue's Comment

The acquisition of interests in these permits will build on Cue's interests in the successful Maari and Manaia oil fields. Each of the new permits contain several prospects and leads that have excellent potential for future oil and gas discoveries.

Participants in PEP 51149 are:

<i>Cue Taranaki Pty Ltd</i>	<i>20%</i>
<i>Todd Exploration Limited</i>	<i>50% Operator</i>
<i>Mighty River Power Limited</i>	<i>30%</i>

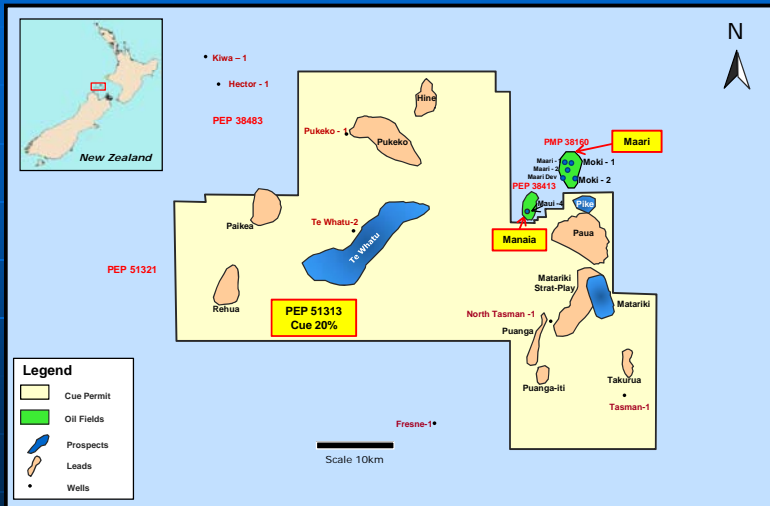
Any queries regarding the announcement should be directed to the Company on (03) 9670 8668 or email mail@cuenrg.com.au



Robert J Coppin
Chief Executive Officer

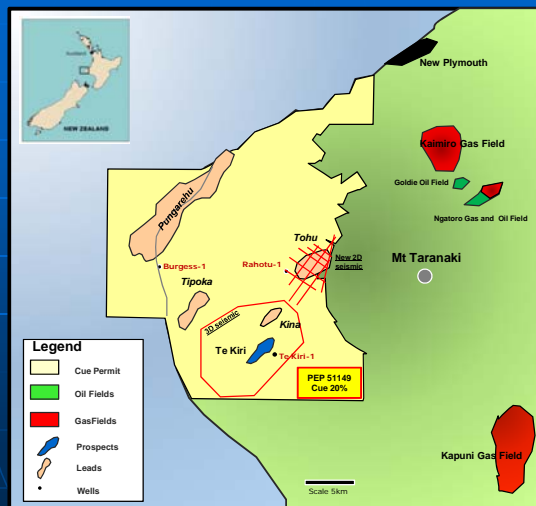
19th October 2009

PEP 51313 Location



Source: Todd Petroleum 2009

PEP 51149 Location



Source: Todd Petroleum 2009