



Cue Energy Resources Limited

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Cnr of Champion Pde & Hunter St
Papua New Guinea

DATE : 24 March 2010

PAGES (including this page): 2

FROM : Andrew Knox

RE : **WA-360-P Update**

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

WA-360-P Update

On 21 December 2009, MEO through its wholly owned subsidiary North West Shelf Exploration Pty Ltd, under the terms of the farm-in agreement with Cue Exploration Pty Ltd a wholly owned subsidiary of Cue Energy Resources Limited and Rankin Trend Pty Ltd, irrevocably committed to drill the Artemis 1 well in WA-360-P at its sole cost. Cue will have a 15% interest in the well and will be fully carried for all costs related to the well. MEO has announced that the well will be drilled in Q3/Q4 2009.

MEO has been in negotiations with a potential farminee in relation to MEO's 70% interest in the well. Cue is not a party to those negotiations, but has been asked to vary a number of significant provisions of the current Joint Venture Operating Agreement (together with a Heads of Agreement WA-360-P).

In our view the proposed amendments disadvantage Cue and its shareholders relative to the status quo. We are continuing discussions in an attempt to resolve these differences.

Cue's 15% free carried interest in the Artemis 1 well will not be altered by the outcome of these discussions.

Participants in WA-360-P are:

- Cue Exploration Pty Ltd 15%
- North West Shelf Exploration Pty Ltd 70%
(MEO subsidiary, Operator)
- Rankin Trend Pty Ltd 15%
(Moby Oil & Gas Limited subsidiary)

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

24 March 2010