



Cue Energy Resources Limited

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Papua New Guinea

DATE : 28 August 2009 PAGES (including this page): 2

FROM : Andrew Knox

RE : **Weekly Drilling Report Manaia-1 Appraisal Well: 28 August 2009**

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

Weekly Drilling Report Manaia-1 Appraisal Well: 28 August 2009

Cue advises that since the last report the Manaia appraisal well has drilled to a depth of 4633m in 12-1/4" hole. The bottom hole assembly failed at this depth and has been pulled out of the hole and replaced. As at 0600 on 28 August 2009, the drillpipe is being run back into the hole in preparation to continue drilling ahead in 12-1/4" hole.

The Manaia field is located approximately 10km 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.

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 and 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 participants in the Manaia-1 appraisal well are

Cue Taranaki Pty Ltd	5%
OMV NZ Ltd (<i>Operator</i>)	69%
Todd Maari Limited	16%
Horizon Oil International Limited	10%
(a wholly owned subsidiary of Horizon Oil Limited (<i>HZN</i>))	

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

28 August 2009