



288 – 292 Churchill Avenue
Subiaco WA 6008

PO Box 1281
Subiaco WA 6904
Tel: +61 8 9489 3777
Fax: +61 8 9489 3799

admin@cooperenergy.com.au
www.cooperenergy.com.au

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ASX Announcement

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CHAIRMAN'S ADDRESS

Good morning Ladies and Gentlemen and welcome

I would like to commence proceedings this morning by underlining several of the main points which our Managing Director Mike Scott and myself said in our letter to you and which is contained in this year's annual report.

First, I am very pleased to inform you that Cooper Energy, your company, completed the 2010 financial year in a very robust position both with respect to its cash, working capital, production and recoverable oil position. This position of strength was due, in our view, to a year that delivered production success coupled with portfolio build. This has gone further to consolidate your company's position as a successful international exploration and production company in the oil and gas industry.

Secondly, our nine oil fields in the Cooper Basin of South Australia delivered 487,254 barrels of oil and \$40 million of revenue. This revenue enables the company to fund its ongoing activities and search for growth which include the achievement of the key goals of delivering our first overseas exploration discovery and to expand additional projects in the five countries in which we have interests.

And thirdly, to note that our cash position driven by investment activities and production revenue, gave the cash balance at the end of the financial year of \$92.5 million with a working capital position of \$95.4 million. This noted, it should be remembered that any overseas discovery requiring development will involve a significant utilisation of these cash reserves.

At this point I wish to note that I do not want to encroach on Mike Scott's excellent presentation which follows these few words as that will very adequately give you a comprehensive view of the profile and workings of our company from a current, retrospective and prospective point of view. I would like to emphasise that the replacement of our produced volumes through exploration and development is a key future priority as this sustains the magnitude of our recoverable oil portfolio and underpins our future production, revenue generating potential and company value.

As noted in the annual report in parallel with our operational activities, the injection of new projects into the company's portfolio is considered to be one of the critical success factors if we are to meet our longer growth aspirations. I will note here that this year we are budgeting in excess of 37,000 barrels of oil from the company's Sukananti production area in South Sumatra in Indonesia which is the company's inaugural overseas production. Note however, as in all budgeting exercises, that the final actual production volumes remain subject to a large number of positive and negative controllable and uncontrollable variables.

In a highly competitive environment, our management and technical team continues to seek out and review additional new ventures and growth opportunities both in our core focus areas and other areas of the world where the risk reward balance is appropriate. It is of some interest to note here that our management team continues to review very many projects which when calibrated against our risk reward criteria have been found not to be appropriate to our circumstances.

However the Board is confident that further high value and risk balance projects will be added to the company's portfolio in the future and will continue to review all matters that come to its notice, either by being brought to us from external sources or initiated by internal research and analysis. As you will see from Mike's presentation in that regard, the past year has been an exceptionally busy one for our team and the amount of professional and intellectual challenges have been many, varied and stimulating.

In conclusion, I would like to further congratulate Mike Scott and his management team for delivering another excellent year of growth and development for the company through their efficient, energetic and enthusiastic efforts.

I also thank my fellow Board members for the energy and input they have demonstrated and contributed during the course of the year and look forward to working with them towards a successful new financial year.

On behalf of the Board and management team, I also thank you as shareholders and advisers for your ongoing support and faith in the company and its vision.