



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

ASX Announcement

Thursday 23 December 2010

COE231210a

Dear Shareholders,

Otway Permit (PEL495) Farm Out to Beach Energy

We are pleased to inform shareholders that the Company has farmed out 35% of PEL495 in the Otway Basin, onshore South Australia.

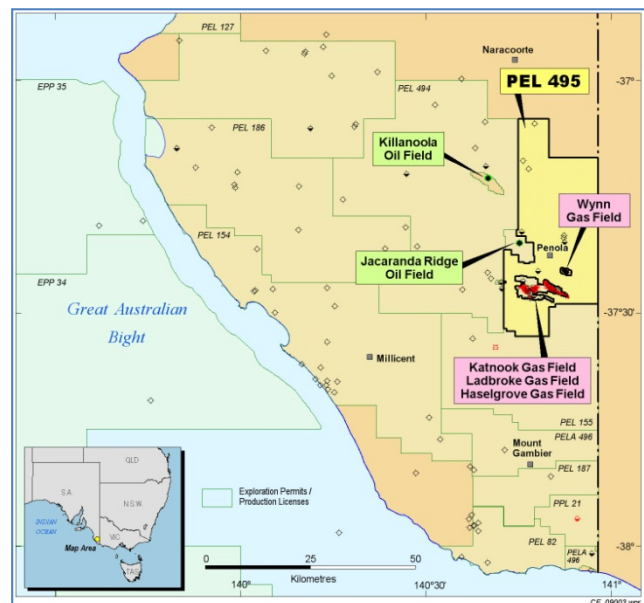
The farminee is Beach Energy Limited (ASX: BPT). In return for a 35% participating interest in the permit BPT has offered to pay \$220,000 cash, 35% of back costs (\$220,000) and 70% of the first well on the permit. The value of the farm-in is approximately A\$2.6 million dollars, which gives a transaction valuation for Cooper Energy's 50% share of approximately A\$3.7 million.

Beach Energy will manage the drilling of the first well in the Permit and will then be nominated as the Operator after conclusion of the well.

The farm-in is subject to the approval of the South Australia Government.

The Otway Permit has a number of attractive leads and prospects and the 52 million barrel resources portfolio was reported to the market on 21st September 2010 (COE210910a). Cooper Energy recently announced a 15% farm-out of the Permit to Somerton Energy (COE201210a).

The participants in PEL495 will be Cooper Energy (50%, current Operator), Beach Energy (35%, potential future Operator) and Somerton Energy (15%).



Mike Scott, Managing Director, noted *"We are pleased to be joined by Beach Energy in PEL495. We have had a long and fruitful relationship with Beach in the Cooper Basin and we are looking forward to replicating this success in the Otway Basin. There is an attractive portfolio of prospects and leads in the permit waiting to be unlocked and we are looking forward to drilling a well on the Sawpit Prospect next summer (December 2011-April 2012) when the weather is conducive to drilling operations."*

Regards,
Cooper Energy Limited

Michael Scott
Managing Director

Disclaimer

The information in this report:

- *Is not an offer or recommendation to purchase or subscribe for shares in Cooper Energy Limited or to retain or sell any shares that are currently held.*
- *Does not take into account the individual investment objectives or the financial situation of investors.*
- *Was prepared with due care and attention and is current at the date of the presentation.*
- *Actual results may materially vary from any forecasts (where applicable) in this report.*
- *Before making or varying any investment in shares of Cooper Energy Limited, all investors should consider the appropriateness of that investment in light of their individual investment objectives and financial situation and should seek professional financial advice.*

Person Compiling Information About Hydrocarbons

Pursuant to the requirements of the ASX Listing Rules 5.11, 5.11.1, 5.12 and 5.13, the reported recoverable hydrocarbon estimates are based on information compiled by Mr Michael Scott. Mr Scott holds a Master of Engineering in Petroleum Engineering and is a member of the Society of Petroleum Engineers. Mr Scott has worked in the industry as a practicing petroleum-reservoir engineer for over 20 years. Mr Scott is employed full-time by Cooper Energy as its Managing Director and has consented in writing to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Hydrocarbon Reporting Standard

Cooper Energy reports hydrocarbons in accordance with Cooper Energy's Hydrocarbon Reporting Guidelines that is freely available from Cooper Energy's website (www.cooperenergy.com.au/policies/index.php).