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## ASX Announcement

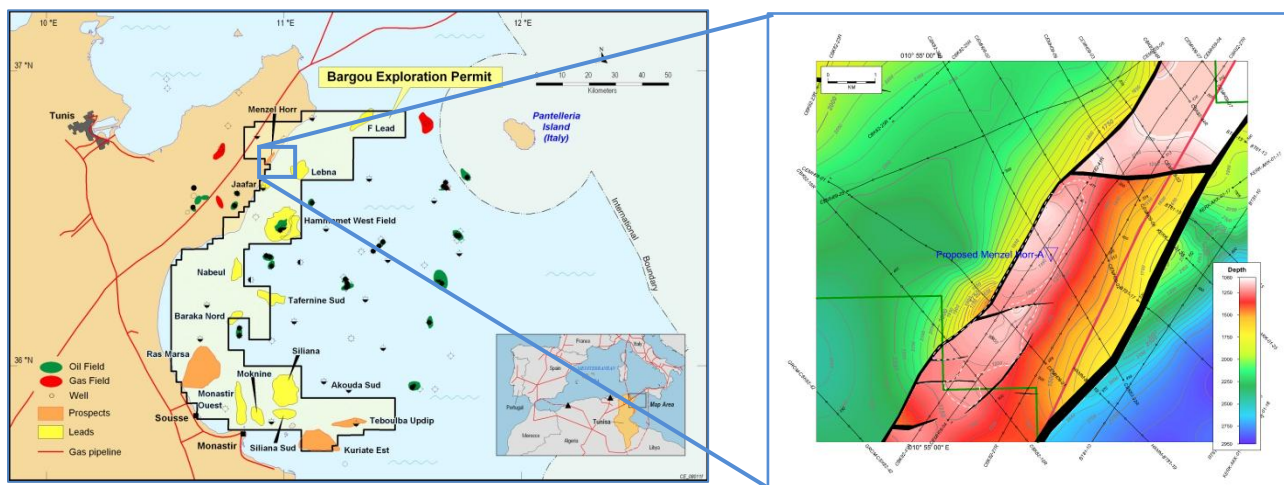
Tuesday, 4 January 2011

COE040111a

Dear Shareholders,

### Menzel Horr-1 Spud

We are pleased to inform shareholders that the H&P 228 drilling rig commenced drilling the Menzel Horr-1 well in Tunisia at 1830hrs (Tunisia time, 7 hours behind Perth) on 3<sup>rd</sup> January 2011.



The Menzel Horr Prospect lies wholly within the Bargou Exploration Permit, Tunisia, which Cooper Energy was awarded in 2006. Cooper Energy is the 85% owner and Operator of the permit. Jacka Resources (ASX: JKA) is earning 15% in the Permit.

The Menzel Horr Prospect is a robust thrust-bound, dip-closed structure and there is the potential for hydrocarbons to exist at multiple reservoir horizons. Potential exists for a much larger upside volume to exist should the bounding faults be proven to seal.

The exploration evaluations have estimated the following in-place volumetrics for the Menzel Horr Prospect (100% Joint Venture):

<b>Reservoir</b>	<b>P90 in-place (million barrels)</b>	<b>P50 in-place (million barrels)</b>	<b>P10 in-place (million barrels)</b>
Ain Grab Fm Limestone	2	7	22
Bou Dabbous Fm Limestone	21	48	89
Abiod Fm Carbonate	17	39	79
<b>Arithmetic Total</b>	<b>40</b>	<b>94</b>	<b>190</b>

The recoverable oil estimates (classified as Prospective Resources in accordance with SPE PRMS) for the prospect are as follows (100% Joint Venture):

<b>Reservoir</b>	<b>P90 Recoverable Oil (million barrels)</b>	<b>P50 Recoverable Oil (million barrels)</b>	<b>P10 Recoverable Oil (million barrels)</b>
Ain Grab Fm Limestone	0.5	2	7
Bou Dabbous Fm Limestone	5	11	20
Abiod Fm Carbonate	5	11	20
<b>Arithmetic Total</b>	<b>10.5</b>	<b>24</b>	<b>47</b>

As the Menzel Horr Prospect lies onshore, it is expected that around 1-2 million barrels of recoverable oil would be the minimum field size that can be economically developed.

The chance of success for the Prospect has been assessed at approximately 17% per reservoir, which when statistically combined results in an overall chance of success of 30% for the total Prospect.

A Menzel Horr-1 exploration well and production test is expected to cost around US\$10 million (100% JV).

A depth versus time curve is attached to this announcement. It is expected that the key target formations will be encountered between 10 and 25 days.

Michael Scott, Managing Director, noted; *“After a thorough and long planning phase we are pleased to have spud Menzel Horr-1. The geological feature appears to be robust and the prospect is in an area that has a number of proven oil and gas fields. We are expecting to spend around \$5 million and the potential exploration reward is 20 million barrels of oil – an excellent risk reward ratio that has limited downside and large upside. Success at Menzel Horr would be expected to substantially change the value of the Company.”*

Further information on the drilling of Menzel Horr will be announced when the key target formations have been penetrated.

Regards,  
**Cooper Energy Limited**

**Michael Scott**  
Managing Director

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**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 their own independent professional 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](http://www.cooperenergy.com.au/policies/index.php)).*

## Attachment 1 – Depth versus Time Curve

