



## Cooper Energy

ABN 93 096 170 295

### ASX ANNOUNCEMENT

## Quarterly Activity Report - Period Ending 31 December 2010

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### Australia

- Cooper Basin production and revenue sustained at a relatively high level after recovering from ongoing but reducing adverse flooding conditions.
  - Production during the quarter of 117,395 barrels of oil – up 18% to previous period.
  - Revenue during the quarter of A\$10.4 million – up 40% to previous period.
- Cash of A\$89.6 million – down 4% - mainly due to payments for new ventures activities.
- Farmed out 35% of PEL495 to Beach Energy and 15% to Somerton Energy.

### Tunisia

- Menzel Horr-1 planning and approvals completed with rig move commenced (rig spud well 4 January 2011). Drilling temporarily suspended due to civil unrest.
- Nabeul Permit, Tunisia, acquired.

### Indonesia

- Sukananti approvals satisfactorily progressed with a rig arriving on site to commence operations on 26 January 2011.

During the 2Q10 the following financial and operational results were delivered:

## Key Company Indicators

Description	Units	Full Year 2009-2010 (audited)	September 2010 Quarter	December 2010 Quarter	Quarter Change
<b>PRODUCTION</b>					
Oil production	Barrels	465,012	99,483	<b>117,395</b>	18% ▲
Oil sales revenue	A\$000	40,030	7,431	<b>10,435</b>	40% ▲
<b>LIQUID ASSETS</b>					
Cash, cash secured advances and term deposits	A\$000	92,485	89,057	<b>85,630</b>	4% ▼
<b>FINANCIAL INSTRUMENTS</b>					
Debt	A\$000	None	None	<b>None</b>	0% →
Forex or Oil Price Hedging	A\$000	None	None	<b>None</b>	0% →
<b>EXPENDITURE</b>					
Exploration payments <sup>(1)</sup>	A\$000	17,622	2,075	<b>7,079</b>	
Development payments <sup>(1)</sup>	A\$000	4,694	987	<b>538</b>	
Production payments <sup>(1)</sup>	A\$000	8,293	1,757	<b>1,898</b>	
<b>FINANCIALS</b>					
Working capital <sup>(2)</sup>	A\$000	95,443	93,307	<b>89,629</b>	4% ▼
EBITDAX <sup>(3)</sup>	A\$000	21,247			
Profit before tax <sup>(2)</sup>	A\$000	7,221			
Profit after tax <sup>(2)</sup>	A\$000	1,247			
<b>CAPITAL</b>					
Issued shares	# millions	292.576	292.576	<b>292.576</b>	0% →
Unlisted Options	# millions	19.395	19.395	<b>11.620</b>	40% ▼

Notes:

(1) Operations payments that occurred during the quarter. Production payments do not include depreciation, royalty or tax.

(2) Working Capital is a balance sheet calculation equal to cash plus debtors minus creditors minus current tax payable. Unaudited if provided during the quarter.

(3) EBITDAX, PBT, PAT are accounting numbers that are reported at the half (December) and full year (June) once available.

Cash at the end of the quarter, which includes a cash secured advance to an associate of A\$13.8 million, stood at A\$86 million, resulting in a cash underpinning of A\$0.29 per share. The reduction in cash was mainly related to progressive payments for the Menzel Horr well and investment in Poland.

Production revenue was higher during the last quarter due to commissioning of the Butlers field pumping increasing production and a higher A\$/bbl during the period.

## Exploration

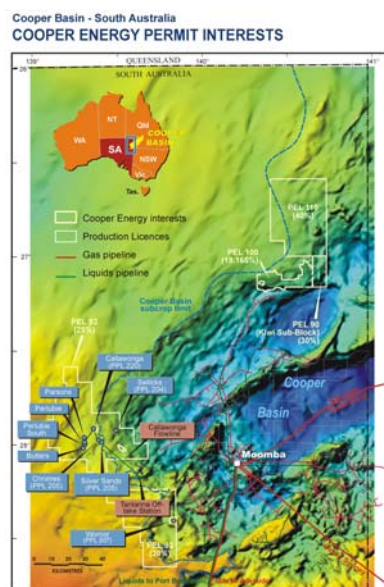
### AUSTRALIA

#### Cooper Basin Permits (PEL90, 92, 93, 100, 110)

Within PEL92 (COE 25%) a number of exploration and development targets have been approved for drilling and a rig has been secured for a back to back extended drilling program.

At this time it is expected that drilling operations will be initiated during the quarter, subject to ongoing rain and flooding.

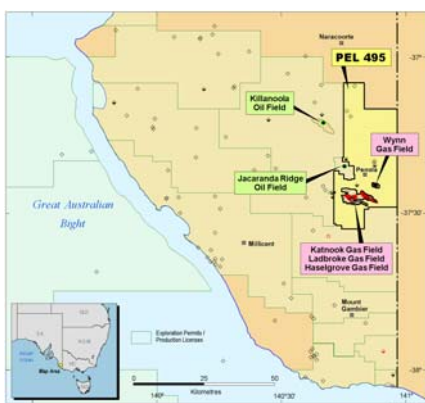
The rig at this time has been released from its prior operations and is waiting to move to PEL92.



**Otway Basin Permits  
(PEL495 – COE 100% and Operator)**

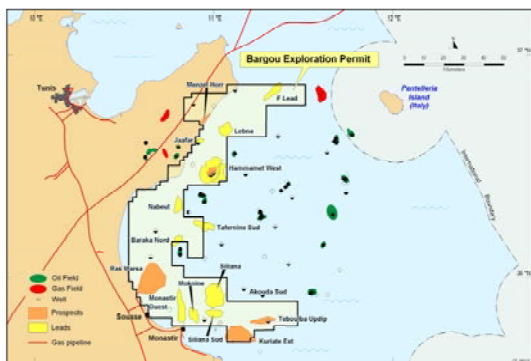
As per the ASX announcements made on 20/12/2010 and 23/12/2010, 50% of the Permit has been farmed out to Beach Energy (35%) and Somerton Energy (15%). This gives Cooper Energy a full carry on the well costs and repayment of back costs.

At this time it is planned to drill a well during the December 2011 to April 2012 timeframe when the weather is more conducive to drilling operations.



**TUNISIA**

**Bargou Permit  
(COE 85% and Operator)**



Menzel Horr-1 spud on 3<sup>rd</sup> January 2011 (ASX Announcement: COE040111a Menzel Horr-1 Spud).

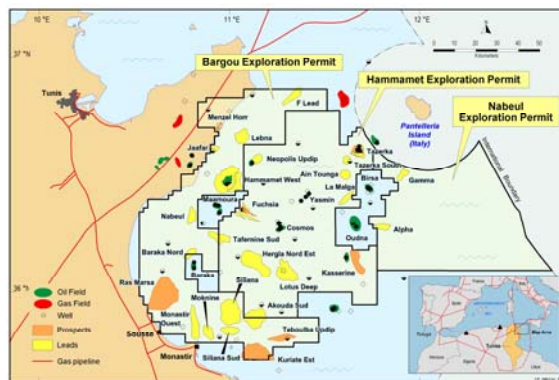
On 17/01/2011 an announcement was made regarding the suspension of the Menzel Horr-1 well due to civil unrest (ASX Announcement: COE170111a Suspension of Menzel Horr-1 well in Tunisia).

In the same announcement it was noted that oil shows had been encountered in the Ain Grab formation.

At this time the political situation in Tunisia is being closely monitored and it is hoped that drilling can recommence in the near future.

A further announcement on Menzel Horr-1 will be made when appropriate.

**Nabeul Permit  
(COE 85% and Operator)**



As per the ASX announcement on 16/11/2010 (COE161110a Nabeul Exploration Permit Acquired), Cooper Energy has acquired a third permit in the Gulf of Hammamet, Tunisia.

The Nabeul Permit has a number of attractive leads and the acquisition gives Cooper Energy a strategic foothold in the area.

Cooper Energy will be looking to acquire 3D seismic over the permit to mature one or more of the leads for drilling.

The acquisition is subject to the approval of the Tunisia Government and the process to secure this approval has commenced.

**INDONESIA, POLAND AND ROMANIA**

No significant on-the-ground activities were undertaken during the period.

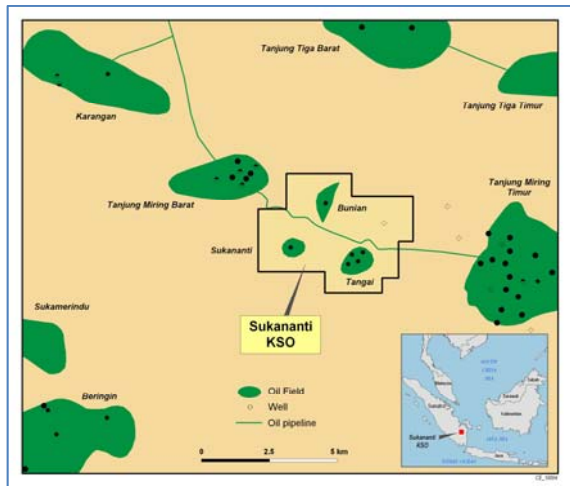
A number of studies continued in all these areas with a view to progressing seismic acquisition or wells in the 2011 timeframe. It is expected that Pola-2, Poland, will be tested in April 2011.

Further specific announcements on activities will be made when appropriate.

## Development

### INDONESIA

#### Sukananti Production Project (COE 55%)



A rig was mobilised to the Sukananti area on 26 January to commence working over Bunian-1, which is the first well to be targeted for production reinstatement.

A further announcement on the results of the operations will be made when appropriate.

## Production

During the quarter Cooper Energy's share of production was 117,395 of barrels of oil, which is up 18% on the previous quarter.

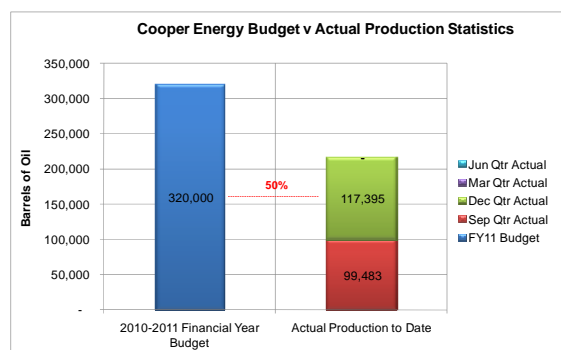
The increase in production was due to flooding having less impact on operations and the installation of increased pumping capacity in PEL92.

## Corporate Reporting Schedule

Cooper Energy's look forward reporting schedule is expected to be as follows:

Item	Timing	(Estimated Dates)
Half Yearly Accounts	End February 2011	(28/02/2011)
March 2011 Quarterly Report	End April 2011	(29/04/2011)
June 2011 Quarterly Report	End July 2011	(29/07/2011)
Full Year Accounts	End August 2011	(31/08/2011)
Annual Report Dispatched	Early October 2011	(04/10/2011)
September 2011 Quarterly Report	End October 2011	(28/10/2011)
Annual General Meeting	Early November 2011	(10/11/2011)
December 2011 Quarterly Report	End January 2011	(28/01/2012)

Cooper Energy previously advised an annual full year production budget of 320,000 barrels of oil from the Cooper Basin for the 2010-2011 financial year.



#### Quarterly Production Statistics Relative to "No Success" Budget

As per previous years, this is a base case "do-nothing, no-success" budget. Any exploration and development success during the financial year would be expected to increase production over this base case budget. As examples, the successful Warrior-7 development well that came on-line in September 2010 was not included in this budget as the volumes were unproven at mid-year and pumping capacity has been enhanced in PEL92 during the year – both events enhancing production volumes.

Cooper Energy has previously advised that it is budgeting to produce 37,491 barrels of oil from the Sukananti production area during the financial year. This production is very dependent upon on the ground activities commencing in a timely manner.

## **Next Quarter Key Items Look-Ahead**

Subject to a number of internal and external, controllable and uncontrollable factors, the following items will potentially occur during the next quarter:

### **Australia**

- Subject to ongoing adverse weather conditions in the Eastern States, the PEL92 exploration and development drilling program will hopefully commence during the first quarter.

### **Indonesia**

- Sukananti Bunian-1 well successfully worked over and production re-started.

### **Tunisia**

- Menzel Horr-1 recommencing drilling and reached total depth.

Further announcements on the various activities will be made at the appropriate time.

Regards,  
**Cooper Energy Limited**

**Michael Scott**  
Managing Director

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