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ASX Announcement

Wednesday, 16 February 2011

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Dear Shareholders,

Cooper Basin Drilling to Commence

- Ensign #30 Rig almost fully moved to PEL92.
- Drilling expected to commence within seven days.
- Four development wells scheduled for Parsons and Butlers Oil Fields.
- Seven exploration wells scheduled.
- Construction of Kudharri Bridge over the flowing Cooper Creek facilitating vehicle movements into the area.

Cooper Energy reports that drilling in PEL92 in the Cooper Basin is expected to commence within the next seven days. Up to eleven wells are planned to be drilled in a back to back program.

High Impact Appraisal/Development Wells

The program will commence with the drilling of two appraisal/development wells on the prolific Parsons Oil Field. These wells are expected to accelerate production of the 800,000 barrels of Proved Reserves (100% Joint Venture) and increase recovery over the field's economic life. The two wells are forecast to initially add 1,000 barrels of oil per day (100% Joint Venture) to PEL92 production, which is currently around 5,000 barrels per day.

Attractive Exploration Targets

Exploration prospects to be targeted by the program range in size from approximately 0.5 to 5.5 million barrels of oil Prospective Resources (100% Joint Venture). If successful these projects would be expected to result in a material reserves and production upgrade for the Company.

Successful Production Risk Management

PEL92 transports crude via the PEL92 to Tantanna flow-line, which has enable production from PEL92 to continue during the recent flooding as the flow-line removes the need for offtake trucking.

Drilling Continuity Risk Management

The Kudnarri Bridge has been constructed to provide vehicle access to drilling locations whilst the Cooper Creek is flowing. Work is also underway to maintain supply to the drilling rigs in the event that further flooding or local rain temporarily limits road access. Contingency plans include the setting up of supply hubs on the western side of the Cooper Creek for services such as wireline logging and cementing.

Mr Michael Scott, Managing Director noted that *"we are very pleased to be commencing drilling again in the Cooper Basin. The extraordinary rain and flooding that has occurred over the past year severely curtailed our ongoing drilling plans. As drilling is core to supporting our organic growth aspirations, in the event of success we are looking forward to this large back to back program materially increasing our reserves, production and value."*

The PEL92 Joint Venture consists of Beach Petroleum (75% and Operator) and Cooper Energy (25%).

Further information on the drilling program will be announced when appropriate.

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 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).