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ASX Announcement

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COE160211b

Dear Shareholders,

Menzel Horr-1 Shows and Proposed Testing

Cooper Energy provides the following update for the Menzel Horr-1 well.

What has happened since the last update (activity):

Since the last report (COE140211a Operations Update) the rig has drilled the 8 ½" hole from 1,639 to 1,690 metres.

What we have observed (facts):

From the casing shoe at 1,638 metres to 1,683.5 metres the well intersected clean limestone formation and from 1,683.5 to 1,690 metres encountered a hard sandstone formation.

Gas peaks with hydrocarbon fractions up to C5 (pentane) were detected across three thin intervals within the limestone formation. These gas peaks were associated with indications of fracture porosity in the limestone samples which also exhibited oil stain, fluorescence and solvent cut. No mud losses were observed while drilling the carbonate formation. No shows were detected in the sandstone samples.

What we think (interpretation):

These shows may or may not be indicative of moveable hydrocarbons and/or permeable formation. The presence of calcite crystals with oil stain may be a positive indicator of the presence of open fractures. Alternatively, the absence of mud losses whilst drilling may be an indication of low permeable formation. At this stage no conclusive assessment of fracture density or permeability can be made from the data that is currently available.

Although hydrocarbon shows were restricted to a small fraction of the limestone samples, this is typical of fractured limestone reservoirs observed on trend with the Menzel Horr prospect, e.g. the Belli-1 well that made the Belli Oil Field discovery in 1991.

Although inconclusive, these shows provide sufficient support for a well test of the formation.

Forward Plan (way forward):

The forward plan for the well is to cease drilling, condition the hole and run a barefoot well test to determine if the observed hydrocarbon shows are indicative of moveable oil.

It is expected that the testing will take up to approximately 5 days to complete.

Once the well test is complete it is expected that the rig will drill onwards to target additional carbonate formations that are prognosed to lie below 1,690 metres.

Mr Michael Scott, Managing Director, noted that *"it is certainly encouraging that we have observed indications of hydrocarbons in the well, which demonstrates that the prospect is exposed to an active petroleum system. There are however a number of uncertainties still to be addressed. A production well test will provide us with further formation information regarding the significance or otherwise of these hydrocarbon shows. After this test there are still a number of target formations below us to be penetrated, which is very exciting considering what we have seen to date."*

Further information on the drilling of Menzel Horr-1 will be announced when appropriate.

The Joint Venture Participants in the Menzel Horr-1 well are Cooper Energy (ASX:COE, 85%, Operator) and Jacka Resources (ASX:JKA, 15%).

Note: All depths are referenced to metres drilled below rotary table.

Regards,
Cooper Energy Limited

Michael Scott
Managing Director

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