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ASX Announcement

Monday 21 March 2011

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Dear Shareholders,

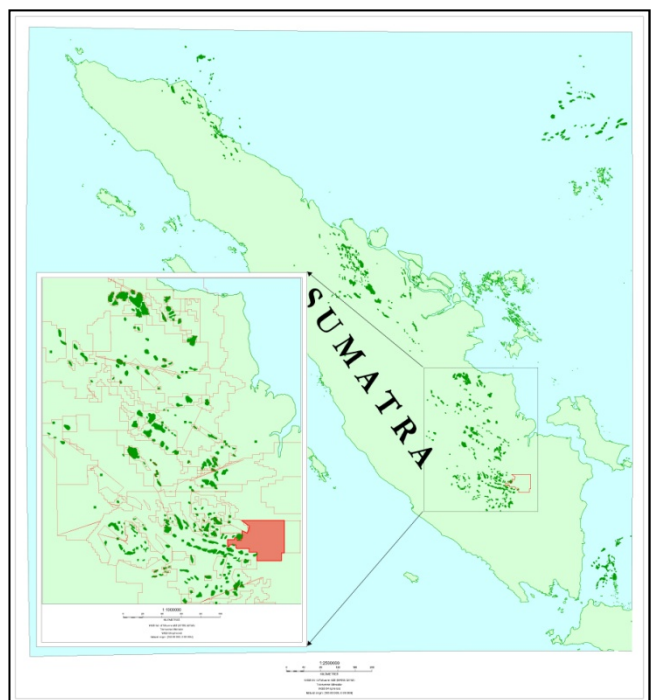
New Indonesian Exploration Block Secured – Sumbagsel PSC

We are pleased to inform shareholders that, after participating in a direct bid tender round offered by the Indonesian Government, the Company has been awarded the Sumbagsel PSC in South Sumatra, Indonesia.

The Sumbagsel PSC has an area of 1,753 km² and lies in the highly prolific South Sumatra Petroleum Basin. A large number of discovered oil and gas fields are on trend with the block.

The block has been awarded 100% to Cooper Energy.

The signature bonus for the PSC is US\$1 million and the firm commitment for the block in the first 3 years includes G&G studies, acquisition of 1,000 km 2D seismic and the drilling of one exploratory well. The cost of the firm commitment is expected to be around US\$5.9 million.



The Company considers this to be the minimum work program and would be looking to exceed the work commitments in order to fully explore this prolific hydrocarbon area.

The geological work by the Company and the Gadjah Mada University of Yogyakarta demonstrates that the block has access to a prolific hydrocarbon source and has proven reservoir formations. A number of leads have been identified for immediate pursuit, which will be the focus of the exploration activities.

The block lies 20 km directly north of the Sukananti Production Area (Cooper Energy 55%, Operator) where the Company recently commenced production at over 100 barrels of oil per day. The award of Sumbagsel is an excellent strategic fit with Sukananti and increases the Company's footprint in the area. The Company is a proven Operator in the area and the addition of this block is within the capabilities of the organisation.

Mr Michael Scott, Managing Director noted: *"After considerable technical work and negotiation effort we are very pleased to have been awarded the Sumbagsel PSC in South Sumatra, Indonesia. The block lies in the South Sumatra petroleum basin and we are expecting that our technical activities will yield a deep and valuable exploration portfolio that can further boost our production volumes and reserves in South Sumatra. Sumbagsel is close to and on trend with a large number of oil and gas fields and very close to our Sukananti Production Area. This is a strategic addition to our expanding international portfolio that will offer our shareholders oil and gas exploration exposure in a highly prolific and proven petroleum basin."*

The Company will complete the administrative activities associated with the award of the PSC and then proceed with the reprocessing of the existing seismic and the acquiring of infill 2D seismic, which will be used to mature various leads to drill ready prospect status.

Further details on the block portfolio of leads and prospects will be announced when the technical work has matured to a sufficient level.

Further announcements on the area will be made when appropriate.

Regards,
Cooper Energy Limited

Michael Scott
Managing Director

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