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Cooper Energy

ASX Announcement / Media Release

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COOPER ENERGY FARMS OUT BARGOU TUNISIA TO DRAGON OIL WELL SCHEDULED FOR 2012

- Agreement with Dragon Oil to farm in to 55% of Bargou Permit in Tunisia to expedite exploration, appraisal and development.
- Dragon Oil plc (**LSE, ISE: DGO**) is a leading international oil and gas exploration and production company with substantial and relevant offshore technical, development and operational expertise.
- Dragon Oil to earn 55% by contributing to funding of the Hammamet West-3 well.
- Cooper Energy fully carried for Hammamet West-3 well, considering both Dragon Oil and Jacka farm-ins.
- Well to test production potential planned for H1 2012.

Cooper Energy Limited (**ASX: COE**) (**"Company**") is pleased to announce its wholly owned subsidiary, C. E. Tunisia Bargou Ltd has signed a Farm-in Agreement with Dragon Oil Ltd., a wholly owned subsidiary of Dragon Oil plc, under which Dragon Oil will acquire a 55% working interest in the highly prospective Bargou Permit offshore Tunisia, North Africa.

Dragon Oil is a leading international oil and gas exploration, development and production company quoted on the London and Irish Stock Exchanges with a market capitalisation of approximately £2.5 Billion (approximately AUD$4.2 Billion), reserves of 639 million barrels of oil and condensate and 1.6 trillion cubic feet of gas.

Dragon Oil brings substantial offshore expertise and capability to the appraisal and development of the Hammamet West Oil Field within the Bargou Permit (**Bargou**), in the gulf of Hammamet, a proven and prospective oil basin with numerous discoveries and world class producing assets.

Laurie Shervington, Chairman, Cooper Energy, said:

"*Cooper Energy is delighted to welcome a strategic partner with the technical and operational experience and capability of Dragon Oil into the Bargou Permit and we look forward to a successful and productive Joint Venture."*

"The Farm-in represents a critical step in the appraisal and development of the Hammamet West Oil Field. Dragon Oil's experience in developing the Cheleken Contract Area fields offshore Turkmenistan will be invaluable," he added.

"We are confident Hammamet West-3 has the potential to unlock significant shareholder value. Dragon Oil will be of great technical assistance in assessing this and other prospects in the Bargou Permit. We are looking forward to testing the production potential of the Abiod Formation by drilling a horizontal well using modern drilling techniques thereby increasing the potential for the reservoir to flow at commercial rates," Mr Shervington said.

"We will work with Dragon Oil and Jacka Resources to lock in a well design with a view to drilling the well in 2012."

Dr Abdul Jaleel Al Khalifa, Chief Executive Officer, **Dragon Oil plc,** commented:

"Dragon Oil is pleased to work with Cooper Energy and Jacka Resources to drill the Hammamet West-3 well to test the development potential of the Abiod Formation in the Bargou Permit. We believe our experience offshore Turkmenistan with complex and challenging reservoirs will be useful in better understanding, appraising and developing the Hammamet West Oil Field.

In addition to drilling the Hammamet West-3 well, the Permit also contains a number of other prospects that we expect to evaluate further with our new partners.

We look forward to participating in this Permit and entering Tunisia's oil and gas sector."

About the Bargou permit - Hammamet West

The Bargou Permit is considered to be a highly prospective exploration and appraisal block with predominantly offshore prospects and leads in water depths of 50m to 100m within the Pelagian Basin, covering an area of 4,616km^2. Hammamet West-3 is a major focus of the exploration activity in the permit.

The Pelagian Basin is a prolific producing basin spanning Tunisia and Libya and contains some of Tunisia's most productive oil and gas fields.

Following completion of the Farm-in conditions, the Bargou Joint Venture will comprise Dragon Oil (LSE, ISE: DGO) 55%, Cooper Energy (ASX: COE) 30% and Jacka Resources (ASX: JKA) 15%.

An Independent Experts Report prepared by UK-based consultants Senergy in May this year confirmed a significant volume of oil in place in the Hammamet West Oil Field and, as a result, the Company believes this oil may ultimately prove to be a substantial economic oil resource. The Report estimated the Oil Field has oil in place in a range between 130-600 million barrels (P90-P10).

The Company's analysis of Hammamet West 3D seismic results undertaken earlier in the year indicates a mid-case (P50) Contingent Resource estimate for the Abiod Formation reservoir of 101 million barrels of recoverable oil with further discovered oil potential within the shallower Birsa reservoir.

A critical step in the Company's strategy to progress appraisal and development of the Hammamet West Oil Field has been to introduce a strategic Joint Venture Participant with appropriate experience to progress appraisal and development of the field.

The focus of the Joint Venture is to complete the well design and progress preparations for the drilling of Hammamet West-3. The well will be designed to collect data to address the key fracture porosity uncertainty and the overall deliverability of the Abiod carbonate reservoir.

Farm-in Agreement - Key Terms

Under the terms of the Farm-in, Dragon Oil will earn a 55% participating interest in the Bargou Permit as follows:

- Dragon Oil pays 75% of the cost to drill the Hammamet West-3 well, according to an agreed well plan scope, up to a capped well cost of US$26.6 million (on a 100% basis);
- If the well cost exceeds US$26.6 million, costs in excess of this amount will be shared between Cooper Energy and Dragon Oil pro rata to their participating interest (Dragon Oil 55%; Cooper 30%).

The Farm-in is subject to Government of Tunisia and joint venture approvals and the completion of legal and commercial due diligence by Dragon Oil.

1. Exploration Phase

Cooper Energy will be responsible for designing and operating the exploration well, with Dragon Oil's representatives fully participating in well planning, design and associated activities. Dragon Oil, Cooper Energy and Jacka will work together to design an optimal well plan and to develop an efficient and successful well construction phase. The Joint Venture Participants will determine how best to drill the prospect, including whether to drill the well to allow for future development and production, should the well be a discovery.

2. Development Phase

If the Hammamet West-3 well is a success:

- Dragon Oil will assume Operatorship of the Bargou Permit during the Development Phase subject to confirmation from the Government of Tunisia.
- Dragon Oil will compensate Cooper for a pro rata share of past costs by carrying Cooper in an amount equal to US$5,074,000 (subject to audit) in the development phase.

Ian Gregory
Company Secretary

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About Cooper Energy

Since listing on the ASX in 2002, Cooper Energy has built up a substantial international portfolio of near term low risk development / appraisal projects as well as high impact exploration prospects stretching from Eastern Europe and North Africa to Asia and Australia. More recently the Company has entered into low risk, low cost prolific petroleum producing countries that were previously monopolised by state entities. The Company benefits from approximately 1,150 barrels of oil per day net production from the Cooper Basin, South Australia, with approximately 130 bbl/d gross production from its Sukananti field, in Indonesia.

The Company has 2.5 Mmbbls in 2P reserves the greater proportion coming from the Cooper Basin, Australia with the remainder from its operations in Indonesia.

The majority of the Company's contingent and prospective resource base of approximately 160 Mmbbls is held across its Tunisian permits, Bargou and Nabeul. An exploration and development drilling programme in the Cooper basin, Australia, in the near term could add a further 2.6 Mmbbls net 2P reserves as well as boosting production levels.

The Company enjoys a solid balance sheet, good production earnings, and a diversified asset portfolio, and is pursuing a 4 pronged strategy to generate further shareholder wealth:

1. Positioning itself to benefit from the growth in the gas industry (conventional and unconventional) both in Australia and internationally;
2. Further developing the existing oil business;
3. Looking for new partnerships to unlock the value of the international assets; and
4. Evaluating corporate opportunities and investment proposals received from other companies

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About Dragon Oil

Dragon Oil plc is an international oil and gas exploration, development and production company, quoted on the London and Irish Stock Exchanges (Ticker symbol: DGO) with a market capitalisation of approximately £2.5 Billion (approximately AUD$4.2 Billion).

Headquartered in Dubai, UAE, Dragon Oil operates its principal producing asset is in the Cheleken Contract Area, in the eastern section of the Caspian Sea, offshore Turkmenistan. The asset comprises two oil and gas fields, Dzheitune ("LAM") and Dzhygalybeg ("Zhdanov").

Dragon Oil (Turkmenistan) Ltd., a wholly owned subsidiary of Dragon Oil plc, holds 100% interest in and is the operator of the Production Sharing Agreement for the Cheleken Contract Area. Its operational focus is on the re-development of the two fields. Dragon Oil has increased gross production by an average of over 20% per year during its 11 years of operatorship to a current level of approximately 58,000 barrels of oil per day as of 1H 2011.

Dragon Oil had proved and probable oil and gas reserves as at 31 December 2010 of 639 million barrels of oil and condensate, 1.6 trillion cubic feet of gas reserves (corresponding to 260 million barrels of oil equivalent) and 1.4 trillion cubic feet of gas resources.

Dragon Oil earned revenues of US$780 million and NPAT of US$386 million in 2010; for the first half of 2011, the revenues were US$527 million with NPAT of US$309 million.

For more information on Dragon Oil, visit their website – dragonoil.com

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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.

Competent Persons Statement

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. Stephen Twartz. Mr. Twartz holds a BSc in Geology and Marine Sciences, a Masters in Environmental Studies and is a member of the American Association of Petroleum Geologists and the Society of Petroleum Engineers. Mr. Twartz has worked in the industry as a practicing petroleum geoscientist for over 30 years. Mr. Twartz is employed full-time by Cooper Energy as its Exploration Manager 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 http://www.cooperenergy.com.au/policies/index.php.