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CHAIRMANS ADDRESS

ANNUAL GENERAL MEETING OF SHAREHOLDERS OF COOPER ENERGY LIMITED HELD AT NOVOTEL LANGLEY HOTEL ON FRIDAY, 16 DECEMBER, 2011 AT 10.00 AM.

The focus of my remarks today will be to review some of the milestones of the past year, and more importantly comment on the very significant changes we have implemented to strengthen the Company, position it for the next stage in its growth, and maximise returns to our shareholders.

I will also provide further background on the strategic process and events which lead to the announcement of these changes.

Following my address, I will invite our new Managing Director, David Maxwell, to present to you. In his presentation, David will discuss in more detail the Company's operations, financial position and importantly he will share with you the new growth strategy and plans being implemented.

This is a very significant time for the Company. I have no doubt that we will look back on 2011 as a watershed in our history – a transformational year.

It has certainly been a period of significant and decisive change.

The Board and the management have been working with a single-minded focus – to

ensure your Company is in the best possible shape to fulfil our goal of growing Cooper Energy into one of Australia's leading mid-sized oil and gas exploration and production companies generating top quartile shareholder returns.

I will not dwell on the continuing global economic uncertainty which has been more or less the constant backdrop to the year's activities, suffice to say the resultant market volatility has posed a significant challenge for the investment community and many companies in the resources sector and, like most, we have not been immune to that.

The Board acknowledges that some shareholders have had concerns with aspects of the Company's performance, in what has been a challenging environment.

As we look back over the past 12 months, we can ask ourselves – has the Company performed perfectly? Obviously, the answer is no.

However – have we done as poorly as some would argue?

I can answer that question with an unequivocal “no”.

In volatile times, your Company has performed better than many of its peers. Cooper Energy's performance in terms of shareholder return is about the median when compared with our peers. However, the Board felt we could have done a lot better. David will go into greater detail on our overall performance and achievements.

We retain a very strong balance sheet with cash and term deposits of \$76.3 million at year end. We are a low cost oil producer with strong operating cash flows, and a successful Australian production record together providing a very strong platform for future growth initiatives.

The Board has made some important decisions in the interests of delivering the best future performance and returns for our shareholders.

It was in this spirit that we embarked on a very significant strategic review of the Company in March of this year with the goal of initiating the necessary corporate and strategic changes to position the Company for the next stage of its growth.

Board succession planning had been in progress for some time before Mr Smith advised of his intention to requisition a meeting seeking changes to the Board.

The strategic review process was referred to in an announcement to the market in June in relation to the resignation of former Managing Director, Mr Michael Scott. Incidentally, Mr Scott received a payment from the Company in lieu of 6 months notice of \$280, 675.00, as well as accrued annual and long service leave of \$319, 924.00 and a STIP bonus of \$62, 479.00.

The Board subsequently appointed international oil and gas expert, Mr David Maxwell, in September to undertake a formal review of the Company and its strategy and provide a comprehensive set of strategic recommendations and plans to maximise shareholder value.

Mr Maxwell's recommendations were received by the Board in late September 2011.

Whilst I had received the strategy paper prepared by Mr Maxwell, I had not had the opportunity to discuss this with my fellow Directors until I returned from overseas on Saturday 8 October, 2011.

The Directors carefully considered the analysis and recommendations from Mr Maxwell and unanimously decided the proposed strategy should be pursued in the best interests of all shareholders.

The new strategy was announced to the market on 12 October 2011.

Mr Maxwell had reviewed the strategy paper with each of Messrs Hancock, Abbott and Porter individually while I was overseas.

Messrs Hancock, Abbott and Porter decided to resign to allow the Company to pursue the new strategy recommended by Mr Maxwell, and they advised me of their intention upon my return from overseas.

In the interest of clarity around this process and because of the speculation from others, further detail has been documented on the Company's website.

The circumstances surrounding the resignation of Messrs Hancock, Abbott and Porter as directors are straight forward as just described. Suggestions that it is otherwise are without any factual basis and represent uninformed speculation.

And so to the strategy itself - the key elements of what we firmly believe is a very exciting, clear and focussed growth strategy developed as a result of this process include:

- Develop and further grow the Cooper Basin and Eromanga Basin oil business;
- Pursue and develop gas opportunities in the Cooper Basin and Otway Basin to supply the Eastern Australian gas market;
- Farm-out the forthcoming Bargou well in Tunisia and evaluate the optimal plan to deliver maximum return for shareholders from the other two adjoining Tunisia licenses;
- Identify and implement the best method to maximise value for the Indonesia, Poland and Romania assets; and finally
- Pursue corporate activity which is consistent with the plan and adds shareholder value.

The changes we are making are not only wide-ranging, they are also being implemented rapidly.

The recommendations provided by Mr Maxwell in late September also included:

- To develop and recommend a Cooper Energy staff share rights scheme to shareholders and that this should be put to the AGM for shareholder approval.
- Amend and improve the organisation structure, capability and culture to help ensure success with the proposed strategy; and
- Review the desired skills mix for the Cooper Energy Board and implement a Board restructuring as and when appropriate.

Following an extensive executive search for suitable candidates for the vacant Managing Director position, and including external advice, we were delighted to appoint David Maxwell, as Managing Director to drive the business forward.

I can state categorically that Mr Maxwell's strategic recommendations most certainly did not include any suggestion that Mr Maxwell be appointed to any office within the Company.

After receiving the strategy recommendations from Mr Maxwell, the Board decided he was the most suitable and qualified person to lead the Company from the short-listed candidates under consideration. The Board offered Mr Maxwell the Managing Director role and we were delighted that after consideration David accepted.

David Maxwell, who commenced in the role two months ago, comes to Cooper as a highly regarded, energetic oil and gas industry executive with significant international oil and gas experience. He has had a distinguished career spanning more than 25 years in senior executive roles with blue chip companies such as BG Group, Woodside Petroleum Limited and Santos Limited. David has a record of rapidly building business and improving performance. These characteristics together with his relevant background were the reasons we invited David to be Managing Director of your company.

The reorganisation of the Board envisaged in the new plans included the appointment of experienced oil and gas industry executive and director, Jeffrey Schneider, as a Non-Executive Director.

We plan to add at least one more new Director with strong technical oil and gas experience in the next 12 months. I also advise that, in line with the Board succession and renewal process, I intend to step down as Chairman at some time in the next 12 months.

At the same time, as already mentioned, three of our directors decided to resign their positions on the Board to allow the Company to pursue the new strategy recommended by Mr Maxwell.

Today I would like to formally acknowledge the efforts of Gregory Hancock, Stephen Abbott and Christopher Porter. These gentlemen were directors of your Company until October 2011 and each provided strong support and a valuable contribution to the development of Cooper Energy. Each of these gentlemen resigned as Directors as they felt it important for the Company to be able to have a fresh start in support of the new strategy.

Mr Hancock had an employment contract with the Company as well as a marketing consultancy agreement. He received payment of \$117, 420 in lieu of notice in relation to the termination of his employment contract and \$9,900 for the termination of his consultancy agreement – with a total payment to Mr Hancock being \$127, 320.

Messrs Hancock, Porter and Abbott received no termination payments relating to their role as directors.

As many of you know, Gregory Hancock was the founding Chairman of the Company which first listed in March 2002. Therefore it will not escape you I am sure that 2012 is our 10th year as a publicly listed Company.

These gentlemen are here with us today and on behalf of the Company and all involved I thank each of them for their tireless efforts and contributions.

I wish Gregory, Stephen and Christopher well in their future endeavours.

Whilst we are implementing changes within your Company there are also material changes occurring in the external environment. I will touch on just two of these external changes:

In 2010, the Australian federal government announced plans to impose a new tax on the resources sector. For Cooper Energy this means that from 2012 we will be faced with having to take account of a Petroleum Resources Rent Tax in addition to the royalties, corporate profits taxes and various state charges we already pay. The impact of this tax upon the Company will be important and when the details are available we will be advising shareholders accordingly.

The second major change we face is the carbon tax and the increased community awareness and associated regulation on all environmental matters. Whilst this is an additional cost for the business it is, for Cooper Energy, also an opportunity. In all future energy scenarios for Australia there is one common theme - and that is the growth of natural gas demand. Fortunately Cooper Energy has licenses in two of the gas prone basins in the Cooper Basin and the Otway Basin. It is for this reason that it is a natural extension of our existing business to also evaluate gas opportunities in our existing areas of operation in Australia.

Other highlights of a busy year have included:

- Participating in the drilling of 5 successful wells in the Cooper Basin.
- Significant increases in our 2P oil reserves from 2,000,000 to 2,472,000;
- And more recently introducing a major new global joint venture partner (Dragon Oil), in the Hammamet West-3 appraisal well offshore Tunisia.

I would like to conclude by acknowledging the Cooper Energy management and staff, along with our contractors, who have contributed to the Company over the past year. It is their efforts and commitments that are helping us grow the Company safely, and ensure its future success.

As we emerge from this transformational year, the Board believes the Company now has a strong platform in place to take Cooper to the next level.

The Company is in a very strong position, with a strong balance sheet and cash flows. The valuable production from our oil fields in the Cooper Basin is an important and growing asset of the Company. Important in this respect also is the relationship we have with each of our joint venture partners. I would like to make special mention of Beach Petroleum who operate most of our Cooper Basin production.

Our strategy is clear. We have the right leadership and a Board which is working hard with management to deliver on our commitments.

Our goal is to grow Cooper Energy into a highly profitable oil and gas producer generating top quartile shareholder returns.

We have listened to our shareholders, and initiated major corporate and strategic changes to position the Company for the next stage of its growth.

I believe these changes provide a strong foundation for future operational, corporate and financial success.

I look forward to keeping shareholders updated on our progress in implementing our new strategies.

I will now hand over to our new Managing Director, David Maxwell to make a short presentation.