

3 May 2012

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Our ref AKS: 60-1496177

Somerton Energy Limited

Dear Sir

On behalf of our client, Cooper Energy Limited (**Cooper**), and pursuant to section 647(3)(b) and section 633, item 5 of the Corporations Act 2001 (Cth), we enclose:

- (a) a copy of the replacement bidder's statement served by our client on Somerton Energy Limited (**Somerton**) earlier today;
- (b) a copy of that statement marked to show the changes from the bidder's statement given to Somerton on 30 April 2012; and
- (c) a copy of the supplementary bidder's statement served by our client on Somerton earlier today.

Yours faithfully



Squire Sanders (AU)

Enclosure

BIDDER'S STATEMENT
an Offer by
COOPER ENERGY LIMITED
(ACN 096 170 295)
to acquire all of your fully paid ordinary shares in
SOMERTON ENERGY LIMITED
(ACN 089 956 150)

Cooper Energy Limited is offering:

- (1) one Cooper Share for every 2.8 of your Somerton Shares; or
- (2) one Cooper Share for every 4.73 of your Somerton Shares plus 9 cents for each one of your Somerton Shares.

The Offer is dated [] 2012 and will expire at 7.00pm (Sydney time) on [] 2012, unless extended.

The Voting Directors of Somerton unanimously recommend that you accept the Offer in the
absence of a superior proposal.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION
YOU SHOULD READ ALL OF THE CONTENTS OF THIS DOCUMENT

If you are in doubt as to how to deal with this document or the Offer contained in it, please consult your financial or other professional adviser.

Financial adviser:



Legal adviser:



Important information

This is a replacement bidder's statement dated 3 May 2012 (**Bidder's Statement**) and is issued by Cooper Energy Limited under Part 6.5 of the Corporations Act and in compliance with sections 636 and 637 of the Corporations Act. A copy of this Bidder's Statement was lodged with ASIC on 3 May 2012.

This Bidder's Statement replaces a bidder's statement dated 30 April 2012 and lodged with ASIC on that date (Original Bidder's Statement). ASIC takes no responsibility for the contents of this Bidder's Statement.

Defined terms

A number of defined terms are used in this Bidder's Statement. The definitions are set out in Part 10 of this Bidder's Statement.

Investment decisions

Somerton Shareholders should read all of this Bidder's Statement before deciding whether to accept the Offer.

This Bidder's Statement does not take into account the individual investment objectives, financial situation or particular needs of each Somerton Shareholder or any other person.

Somerton Shareholders may wish to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer.

Foreign or overseas shareholders

This Bidder's Statement does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of this Bidder's Statement may, in certain jurisdictions, be restricted by law. Persons who come into possession of this document should inform themselves of and observe any of these restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any of these jurisdictions. Cooper does not assume any responsibility for any violation by any person of any of these restrictions.

No action has been taken to register or qualify Cooper or to otherwise permit a public offering of Cooper Shares outside Australia or New Zealand. Cooper Shares have not been, and will not be, registered under the United States Securities Act of 1933 (**Securities Act**) or the securities laws of any United States state or other jurisdiction and therefore may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the Securities Act), except in a transaction exempt from the registration requirements of the Securities Act and applicable United States securities laws.

In making the Offer available to persons resident in New Zealand, Cooper is relying on an exemption contained in the *New Zealand Securities Act (Overseas Companies) Exemption Notice 2002* (as amended) in relation to prospectus and investment statement requirements in New Zealand.

Disclaimer as to forward-looking statements

Some of the statements appearing in this Bidder's Statement may be in the nature of forward-looking statements. You should be aware that such statements are only predictions and are based on assumptions and subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Cooper and Somerton operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in

the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement.

None of Cooper, the officers of Cooper, any persons named in this Bidder's Statement with their consent, or any person involved in the preparation of this Bidder's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfillment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

Disclaimer as to Somerton information

The information on Somerton and Somerton's securities contained in this Bidder's Statement has been prepared by Cooper using publicly available information.

The information in this Bidder's Statement concerning Somerton and the assets and liabilities, financial position and performance, profits and losses and prospects of Somerton, has not been independently verified by Cooper. Accordingly, subject to the Corporations Act, Cooper does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Further information relating to Somerton's business may be included in Somerton's target's statement which Somerton must provide to its shareholders in response to this Bidder's Statement.

Privacy

Cooper has collected your information from the Somerton register of shareholders for the purpose of making this Offer and, if accepted, administering acceptances over your holding of Somerton Shares. The Corporations Act requires the name and address of shareholders to be held in a public register. Your information may be disclosed on a confidential basis to Cooper's related bodies corporate and external service providers, and may be required to be disclosed to regulators such as ASIC. The registered office of Cooper Energy Limited is at 288-292 Churchill Avenue, Subiaco, WA 6008.

Imputed value

As the consideration being offered for your Somerton Shares includes Cooper Shares, the imputed value of the Offer to you may vary with the market price of Cooper Shares. In addition, all references to the imputed value of the Offer are subject to rounding.

Further information

For any queries in relation to the Offer, please contact the Offer Information Line on 1300 730 439 (if you are calling from Australia); or +61 8 6380 4530 (if you are calling from overseas).

[] 2012

Dear Somerton Shareholder,

Takeover Offer for Somerton Energy Limited

This Bidder's Statement sets out the terms of the Offer we are making to you as a Somerton Energy Limited (**Somerton**) shareholder. The Offer is supported and recommended by the board of Somerton in the absence of a superior proposal. This Bidder's Statement sets out the significant benefits of this Offer and merging with Cooper Energy Limited (**Cooper**) as well as how you can accept this Offer.

The boards of Cooper and Somerton believe the merger is highly attractive for Somerton Shareholders for a range of reasons, including:

- The Offer provides you with a choice of consideration, being the All Shares Alternative or Shares and Cash Alternative.
- The Offer represents a significant premium to Somerton's share price of 14 cents on 18 April 2012 (being the day prior to the Announcement Date).
- All of the directors of Somerton, along with several other shareholders, have entered into pre-bid acceptance agreements under which they agree to accept the Offer.
- The Merged Group will have exposure to a more diversified asset base, including existing production assets in the Cooper Basin, a very strong acreage position in the Otway Basin and attractive Tunisian exploration and appraisal opportunities.
- The Merged Group will have significant cash reserves of at least \$57 million¹ available to fund future exploration and development activities.
- The Merged Group will have an active exploration and appraisal drilling program over the next 12 months, both internationally and in Australia.

Somerton Shareholders are likely to enjoy the benefits of a larger combined entity including greater share trading liquidity and broker analyst coverage.

The board of Cooper encourages shareholders to read this Bidder's Statement and the enclosed Target's Statement in their entirety, and to consider the Offer having regard to their own personal risk profile, investment strategy and tax position.

The Offer is scheduled to close at 7.00pm (Sydney time) on [] (unless extended). To accept the Offer, simply follow the instructions set out in section 5 of the Offer Terms in the Bidder's Statement. If you have any further queries in relation to the Offer, please call 1300 730 439 (if you are calling from Australia); or +61 8 6380 4530 (if you are calling from overseas).

Yours sincerely



Laurie Shervington

Non-executive Chairman

Cooper Energy Limited

¹ Refer to pro forma balance sheets in section 4 of Part 6.

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Important dates

Announcement Date	19 April 2012
Original Bidder's Statement lodged with ASIC and ASX	30 April 2012
Record Date	1 May 2012
Bidder's Statement lodged with ASIC and ASX	3 May 2012
Date of Offer (Offer opens)	[] 2012
Offer closes (unless extended)	[] 2012

Corporate information

Directors

L J Shervington	Non-Executive Chairman
D P Maxwell	Managing Director
J W Schneider	Non-Executive Director

Company Secretary

Ian Gregory

Share registry

Computershare Investor Services Pty Limited
Reserve Bank Building
45 St Georges Terrace
Perth, WA 6000

Registered Office

288-292 Churchill Avenue
Subiaco, WA 6008

Financial Adviser

Euroz Securities Limited
Level 18, Alluvion
58 Mounts Bay Road
Perth, WA 6000

Legal Adviser

Squire Sanders (AU)
Level 49, Central Park
152 St Georges Terrace
Perth, WA 6000

Part 1 – Summary of the Offer, key questions, and how to accept

Summary of the Offer

Set out below is an overview of the Offer. This information is a summary only and should be read in conjunction with the detailed terms of the Offer set out in Part 9 and other information contained in this Bidder's Statement.

You should read the entire Bidder's Statement before deciding whether to accept the Offer.

The bidder

Cooper is making the Offer. Further details about Cooper are set out in Part 3.

The Offer

Cooper is offering to acquire all of your Somerton Shares on the terms set out in Part 9.

Offer price

Under the Offer you may choose to receive either:

- (a) one Cooper Share for every 2.8 of your Somerton Shares; or
- (b) one Cooper Share for every 4.73 of your Somerton Shares plus 9 cents for each one of your Somerton Shares.

Closing date

Unless extended or withdrawn in accordance with the Corporations Act, the Offer remains open for acceptance from the Offer Date until 7.00pm (Sydney time) on [] 2012.

Conditions

The Offer is subject to the conditions set out in section 7 of the Offer Terms. Cooper may waive any of those conditions in accordance with the Offer Terms.

Payment

If you accept the Offer then, subject to the satisfaction (or waiver) of the conditions of the Offer, Cooper will issue the Cooper Shares and pay the cash to which you are entitled on or before the earlier of:

- (a) one month after the Offer is validly accepted or the contract resulting from its acceptance becomes unconditional (whichever is the later); and
- (b) 21 days after the Offer closes.

Further information

For any queries in relation to the Offer, please contact the Offer Information Line on 1300 730 439 (if you are calling from Australia); or +61 8 6380 4530 (if you are calling from overseas). Enquiries in relation to the Offer will not be received on any other telephone number of Cooper or its advisers.

Key questions

This section answers some key questions that you may have about the Offer and should only be read in conjunction with the entire Bidder's Statement.

What is the Bidder's Statement?

The Bidder's Statement sets out the terms of the Offer and information relating to the Offer and the consideration you will receive if you accept the Offer (subject to satisfaction or waiver of the conditions of the Offer).

What is the Offer?

Cooper is offering to acquire all of your Somerton Shares by way of an off-market takeover offer. You may choose to receive either:

- (a) one Cooper Share for every 2.8 of your Somerton Shares; or
- (b) one Cooper Share for every 4.73 of your Somerton Shares plus 9 cents for each one of your Somerton Shares.

What is the value of the Offer?

The implied value of the Offer will vary, depending on the price of Cooper Shares.

Based on the closing price of Cooper Shares on 18 April 2012 (being the day prior to the Announcement Date), the implied value of the Offer is 21.8 cents per Somerton Share (if you choose the All Shares Alternative) or 21.9 cents per Somerton Share (if you choose the Shares and Cash Alternative).

What are the tax consequences if I accept the Offer?

You should consult your financial or other professional adviser on the tax implications of accepting the Offer.

See section 2 of Part 7 and Annexure C for further information on the availability of rollover relief and tax considerations generally.

How do I accept the Offer?

To accept the Offer you must follow the instructions set out in section 5 of the Offer Terms. Acceptances of the Offer must be received before the close of the Offer Period.

Can I accept the Offer for part of my holding?

No, generally speaking you can only accept the Offer for all of your holding. Special arrangements apply to trustee and nominee shareholdings, as to which see section 9 of the Offer Terms.

What happens if I do not accept the Offer?

If you do not accept the Offer, then subject to what is stated below, you will remain the holder of your Somerton Shares.

If you have not accepted the Offer and Cooper acquires at least 90% of the Somerton Shares on issue at any time during the Offer Period, and the other conditions of the Offer are either satisfied or waived, Cooper intends to proceed to acquire your Somerton Shares compulsorily (see section 3 of Part 5).

At the conclusion of the compulsory acquisition process, you will receive the All Shares Alternative.

If Cooper acquires less than 90% of the Somerton Shares, Cooper will not be able to acquire your Somerton Shares compulsorily. Cooper's intentions if it has an interest in less than 90% but more than 50% of the Somerton Shares are described in section 4 of Part 5.

Can I withdraw my acceptance?

No, unless a withdrawal right arises under the Corporations Act. Generally, this right would only arise if

Cooper extended the Offer Period for more than one month whilst the Offer remained conditional.

When does the Offer close?

Unless extended or withdrawn in accordance with the Corporations Act, the Offer remains open for acceptance from the Offer Date until 7.00pm (Sydney time) on [] 2012.

Can Cooper extend the Offer Period?

Yes, the Offer Period can be extended by Cooper in accordance with the Corporations Act. In certain circumstances, the Corporations Act imposes a mandatory extension of the Offer Period.

Can I sell the Cooper Shares I receive from accepting the Offer on the market?

Yes. You will be able to sell the Cooper Shares you receive on the ASX.

What if I am an Ineligible Foreign Shareholder?

Certain foreign holders of Somerton Shares will not be entitled to receive Cooper Shares on accepting the Offer. These holders will be paid the net proceeds from the sale of the Cooper Shares which they would otherwise have received (see section 6.5 of the Offer Terms).

If I accept the Offer, when will I receive the consideration for my Somerton Shares?

If you accept the Offer, and subject to satisfaction or waiver of the conditions of the Offer, Cooper will issue the Cooper Shares and pay any cash to which you are entitled on or before the earlier of:

- (a) one month after the Offer is validly accepted or the contract resulting from its acceptance becomes unconditional (whichever is the later); and
- (b) 21 days after the Offer closes.

For further information, see section 6 of the Offer Terms.

Will I need to pay stamp duty or brokerage if I accept the Offer?

You will not pay any stamp duty on accepting the Offer.

If your Somerton Shares are registered in an Issuer Sponsored Holding and you deliver them directly to Cooper, you will not incur any brokerage in accepting the Offer.

If your Somerton Shares are in a CHESS Holding or you hold your Somerton Shares through a bank, custodian or other nominee, you should ask your Controlling Participant (usually, your broker or the bank, custodian or other nominee) whether it will charge any transaction fees or service charges connected with you accepting the Offer.

If you are an Ineligible Foreign Shareholder, the proceeds of sale of the Cooper Shares which you would otherwise have received as a consequence of accepting the Offer will be net of sale costs, including brokerage (see section 6.5 of the Offer Terms).

What are the conditions to the Offer?

The Offer is subject to a number of conditions, which are set out in full in section 7 of the Offer Terms.

What happens if the conditions of the Offer are not satisfied or waived?

If the conditions of the Offer are not satisfied or waived before the Offer closes, the Offer will lapse. Cooper will make an announcement to the ASX if the conditions of the Offer are satisfied or waived during the Offer Period.

Are there any risks in accepting the Offer?

If you accept the Offer you will become a shareholder in Cooper. There are risks associated with holding Cooper Shares. These are summarised in Part 7. You are already exposed to several of these risks, to varying degrees, as a result of holding Somerton Shares.

How to Accept

What you should do next

- Step 1:** Carefully read the entire Bidder's Statement and consider the information provided on Cooper and Somerton, as well as all the risk factors described in Part 7.
- Step 2:** If you need advice, consult your financial or other professional adviser.
- If you have any queries about this Bidder's Statement, the Offer or how to accept the Offer, please contact the Offer Information Line on 1300 730 439 (if you are calling from Australia); or +61 8 6380 4530 (if you are calling from overseas).
- Step 3:** If you wish to accept the Offer, follow the instructions below (and detailed further in the Offer Terms).

How to accept the Offer

You should read section 5 of the Offer Terms for full details on how to accept the Offer. Acceptances of the Offer must be received before the close of the Offer Period.

How you accept the Offer will depend on whether your Somerton Shares are in an Issuer Sponsored Holding or a CHESS Holding. If they are in an Issuer Sponsored Holding, you will have a securityholder reference number (SRN) beginning with 'I'. If they are in a CHESS Holding, you will have a holder identification number (HIN) beginning with 'X'. Your Acceptance Form will also have these descriptions and specific details of your holding printed on it.

For Issuer Sponsored Holdings of Somerton Shares

You must complete and sign the enclosed Acceptance Form in accordance with the instructions on that form and within this Bidder's Statement and return it to the address provided on the form so that it is received before the close of the Offer Period.

For CHESS Holdings of Somerton Shares

You must either:

- (a) instruct your broker or other CHESS Controlling Participant to initiate acceptance of the Offer on your behalf in sufficient time for the Offer to be accepted before the close of the Offer Period; or
- (b) complete, sign and return the Acceptance Form in accordance with the instructions on that form and within this Bidder's Statement and return it to the address provided on the form so that Cooper can relay your instruction on your behalf in sufficient time for the Offer to be accepted before the end of the Offer Period.

The mailing address for completed Acceptance Forms is:

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne VIC 3001
Australia

Further information

For any queries in relation to the Offer, please contact the Offer Information Line on 1300 730 439 (if you are calling from Australia); or +61 8 6380 4530 (if you are calling from overseas). Enquiries in relation to the Offer will not be received on any other telephone number of Cooper or its advisers.

Part 2 - Reasons why you should accept the Offer to merge with Cooper

A choice of consideration

- You have the choice of receiving either:
 - (1) one Cooper share for every 2.8 of your Somerton shares (**All Shares Alternative**); or
 - (2) one Cooper share for every 4.73 of your Somerton shares plus 9 cents for each one of your Somerton shares (**Shares and Cash Alternative**).

A significant premium

- Whichever alternative you choose, you will receive a substantial premium of 56% to the Somerton share price of 14 cents on 18 April 2012 (being the day prior to the Announcement Date).

The Offer has been recommended by the Somerton Board

- The Voting Directors of Somerton recommend that you **ACCEPT** the Offer in the absence of a superior proposal.
- Some Somerton Shareholders, including all directors of Somerton, have unconditionally accepted the Offer through pre-bid acceptance agreements with Cooper, providing Cooper with a 19% relevant interest in Somerton.

You will benefit from Cooper's strong cash balance

- The pro forma cash balance of the Merged Group will be approximately \$57 million to \$70 million² which will facilitate exploration and appraisal of the Merged Group's onshore Australian conventional and unconventional oil and gas portfolio and its international assets.

You will benefit from greater exposure to Cooper's Otway and Cooper Basin permits

- Cooper has a 50% working interest³ in PEL-495 in the Otway Basin, the permit that Somerton is farming into for a 15% working interest.
- Cooper has proved and probable reserves and oil production associated with its Cooper Basin permits. Cooper's Cooper Basin production is currently more than 1,700 barrels of oil per day.⁴

You will benefit from exposure to Cooper's international portfolio

- Whilst onshore Australia will be the main focus of the Merged Group, you will obtain exposure to an attractive exploration and appraisal portfolio offshore Tunisia, as well as producing and exploration interests in Indonesia.

² Refer to pro forma balance sheets in section 4 of Part 6.

³ Post farm out to Somerton and Beach.

⁴ Production as at January 2012.

You will benefit from increased near term drilling activity

- Significant 2012 drilling programs onshore Cooper Basin, and internationally with the Hammamet West-3 fully carried well up to a maximum of US\$26.6 million, with the potential to significantly enhance reserves and resources.

You will benefit from an increased market capitalisation and liquidity

- The Merged Group will have a market capitalisation of approximately \$210 million based on the All Shares Alternative or \$197 million based on the Shares and Cash Alternative.⁵
- Increased liquidity in the trading of the Merged Group's shares given Cooper's trading volume has been significantly higher than Somerton's over the last 12 months.

You will benefit from analyst research coverage

- Immediate broker analyst coverage.

The above is a summary only of the reasons why you should accept the Offer. Each of the reasons is explained in detail below.

⁵ Based on a Cooper share price of 61 cents.

1. A choice of consideration

You have the choice of receiving either:

- (1) one Cooper share for every 2.8 of your Somerton shares (**All Shares Alternative**); or
- (2) one Cooper share for every 4.73 of your Somerton shares plus 9 cents for each one of your Somerton shares (**Shares and Cash Alternative**).

The relative values of each of the alternatives will fluctuate as the Cooper share price changes.

Based on the closing price of Cooper shares on the ASX on 18 April 2012 (being the day prior to the Announcement Date) of 61 cents, the implied value of the Offer per Somerton share is:

- (a) 21.8 cents for the All Shares Alternative; and
- (b) 21.9 cents for the Shares and Cash Alternative.

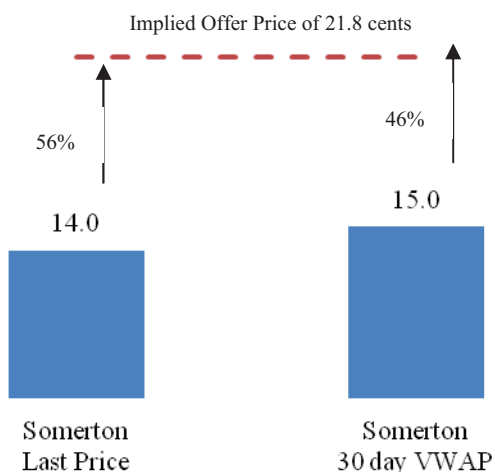
You are able to choose the alternative that best suits your particular circumstances. The All Shares Alternative provides you with maximum exposure to the benefits of the Merged Group. The Shares and Cash Alternative provides you with the ability to monetise a portion of your investment whilst maintaining exposure to the benefits of the Merged Group.

2. A significant premium

The implied Offer price of 21.8 cents for the All Shares Alternative⁶ represents:

- (a) a premium of 56% based on the last price of Somerton shares of 14 cents on 18 April 2012; and
- (b) a premium of 46% based on the 30 trading day VWAP of Somerton shares of 15.0 cents up to and including 18 April 2012.

Implied All Shares Alternative Offer Value



Source: IRESS Market Technology Ltd

⁶ Based on the closing price of Cooper shares on the ASX on 18 April 2012 (being the day prior to the Announcement Date) of 61 cents.

3. The Offer has been recommended by the Somerton Board

The Voting Directors of Somerton recommend that you **ACCEPT** the Offer in the absence of a superior proposal.

No superior proposal has been made, and under the merger implementation agreement between Cooper and Somerton dated 18 April 2012 the Somerton directors have agreed not to solicit higher offers under no shop and no talk arrangements

A number of Somerton Shareholders have entered into pre-bid acceptance agreements in respect of 19% of Somerton's issued shares. These shareholders include all of the directors of Somerton (one of whom is also the Chairman of Beach Energy Limited, Somerton's largest shareholder⁷) who have entered into pre-bid acceptance agreements for all of their shareholding, and interests associated with Somerton's second largest shareholder, Peter J Woodford.

4. Cooper's strong cash balance

You will benefit from Cooper's strong cash position, which was \$68.6 million (including security deposits) at 31 December 2011, and Cooper's cash flow from existing production of more than 1,700 bopd⁸.

Depending upon the level of take up between the All Shares Alternative and the Shares and Cash Alternative, the Merged Group's pro forma cash position will be between \$57 and \$70 million⁹.

The Merged Group will be well funded to execute the planned exploration and appraisal work programs over the next twelve months.

5. Greater exposure to Cooper's Otway and Cooper Basin permits

The Merged Group will have a strong onshore Australia position in the Cooper and Otway basins. This will provide Somerton Shareholders with exposure to a more balanced portfolio of conventional and unconventional oil and gas interests.

Cooper has an interest in twelve onshore oil fields in the South Australian Cooper Basin which are on production or expected to commence production in the near term. Cooper's Cooper Basin production was more than 1,700 barrels of oil per day in January 2012.

In the Otway Basin, Cooper has a 50% working interest¹⁰ in PEL-495, the permit that Somerton is farming into for a 15% working interest. The Otway Basin is a core focus for Cooper and combined with Somerton's Otway permits, will provide the Merged Group with a very strong acreage position in the Otway Basin.

6. Exposure to Cooper's international portfolio

Whilst onshore Australia will be the main focus of the Merged Group, you will obtain exposure to an attractive exploration and appraisal portfolio offshore Tunisia, as well as producing and exploration interests in Indonesia.

Cooper's offshore Tunisian interests represent a high-impact exploration and appraisal opportunity. The Bargou permit contains the discovered Hammamet West oil field, which will be further

⁷ Notwithstanding Mr Robert Kennedy's position as Chairman of Beach Energy Limited, Mr Kennedy does not have a Relevant Interest in the Somerton Shares held by Beach Energy Limited.

⁸ as at January 2012.

⁹ Refer to pro forma balance sheets in section 4 of Part 6.

¹⁰ Post farm out to Somerton and Beach.

appraised later this year by the drilling of the Hammamet West-3 well. Cooper is fully carried up to US\$26.6 million for this well. After the farm-out Cooper will have a 30% interest in the Hammamet West oil field.

You will also gain exposure to Cooper's onshore oil production in Indonesia with gross oil production of 150 barrels of per day.

7. Increased near term drilling activity

The Merged Group will have an active exploration and appraisal drilling program over the next 12 months, both internationally and in Australia. By accepting the Offer, you will have the opportunity to benefit from:

- (a) Cooper's ongoing exploration and appraisal drilling program in the Cooper Basin where a multi well drilling program is planned to commence from mid 2012; and
- (b) Cooper's Hammamet West-3 appraisal well (fully carried up to US\$26.6 million) planned for drilling in the December 2012 quarter.

You will also retain exposure to the drilling of one onshore well in the PEL-495 block in the Western Otway Basin and the technical and economic evaluation of the Wombat discovery in the PRL-2 block in the Gippsland Basin.

8. Increased market capitalisation and liquidity

As at 18 April 2012 Cooper and Somerton had market capitalisations of approximately \$179¹¹ and \$20¹² million respectively. Based on the implied value of the All Shares Alternative at 18 April 2012¹³, the Merged Group is expected to have a market capitalisation of approximately \$210 million.

The increased market capitalisation should:

- (a) attract an increased number of institutional investors;
- (b) enhance the ability of the combined business to access capital markets to fund growth and acquisition opportunities; and
- (c) increase the likelihood of the Merged Group's inclusion in S&P ASX indices additional to Cooper's existing inclusion in the All Ordinaries Index.

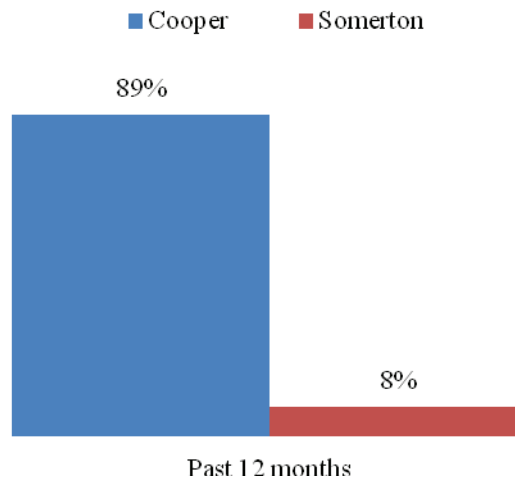
In addition, you are expected to benefit from increased liquidity in the trading of the Merged Group's shares. Over the past 12 months, Cooper's trading volume has been significantly higher than Somerton's. This has been partly due to Cooper's larger market capitalisation, greater proportion of institutional shareholders and analyst research coverage.

¹¹ Based on a Cooper share price of 61 cents.

¹² Based on a Somerton share price of 14 cents.

¹³ Based on a Cooper share price of 61 cents.

Comparison of Liquidity of Cooper and Somerton



Source: IRESS Market Technology Ltd¹⁴

9. You will benefit from analyst research coverage

Cooper is currently researched by a number of leading finance houses both in Australia and internationally. Somerton Shareholders will benefit from the broker analyst coverage, which generally enhances market awareness, institutional investor interest and fund raising capabilities.

¹⁴ To close of trade 18 April 2012, being the day prior to announcement of the Offer. Total share turnover as a percentage of weighted average total issued share capital outstanding.

Part 3 – Information on Cooper

1. Principal activities of Cooper

1.1 Overview of Cooper

Cooper is an ASX listed oil and gas exploration and production company with a market capitalisation of \$179 million as at 18 April 2012¹⁵. The company has its primary production assets in the Cooper Basin of Australia. There is also production in Indonesia as well as exploration assets located in Australia, Indonesia, Tunisia and Poland.

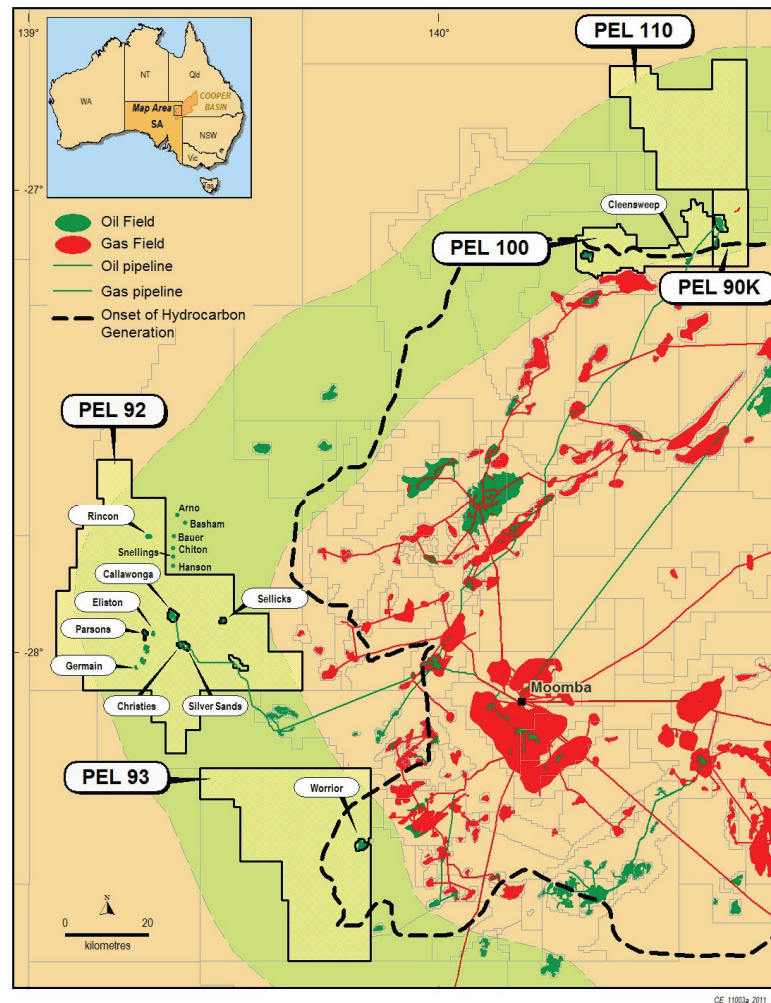
In Australia, the Cooper strategy is to focus on and grow in the Cooper Basin, Otway Basin and develop a long term upstream gas supply business for the Australian gas market. Internationally, Cooper is focussed on pursuing the opportunities in the Tunisian permits and maximising value for shareholders from the Indonesian and Polish assets. The Cooper strategy includes corporate activity as a key means to increase the return for shareholders and grow the company.

This Part 3 contains a short summary of Cooper's activities. Further information can be obtained from Cooper's website, www.cooperenergy.com.au.

1.2 Australian Interests

In Australia, Cooper's main activities are focused on the Cooper Basin of South Australia where it holds interests in numerous exploration and production licenses covering 4,338 km². As at January the net production was more than 1,700 barrels per day from conventional oil fields in PEL-92 and PEL-93.

¹⁵ Based on a Cooper share price of 61 cents.



Source: Cooper Energy Limited

PEL-92 (25% interest)

The PEL-92 permit (operated by Beach Energy Limited) is located on the western flank of the Cooper Basin and covers an area of 1,896 km². Oil was first discovered in PEL-92 in 2002 with the drilling of the Sellicks-1 well. The permit now hosts eleven oil fields with production averaging 6,177 barrels of oil per day (Cooper share 25%) in December 2011. Oil production from the permit is currently exported to Moomba via the Santos operated Tantanna to Gidgealpa and Gidgealpa to Moomba pipelines, as well as by trucking.

Since June 2011, the PEL-92 joint venture has made three new oil field discoveries with the drilling of the Germain, Elliston and Rincon wells. These discoveries are being tied in as production wells over the first half of 2012.

Exploration activity is ongoing in the permit. A 194 km² 3D seismic acquisition program has commenced over the Rincon discovery and the surrounding area and a 54 km 2D seismic program is planned to the south west of the Rincon 3D survey. A multi well exploration drilling program is expected to commence in mid 2012.

PEL-93 (30% interest)

The PEL-93 permit (operated by Senex Energy Limited) is located to the south east of PEL-92 and covers an area of 1,249 km². The permit contains the Worrior oil field, which was discovered in 2003 and currently produces through up to seven wells. Oil from the field is trucked to Moomba, located 100 kilometres to the north.

Other Cooper Basin Exploration: PEL-90K, PEL-100 and PEL-110

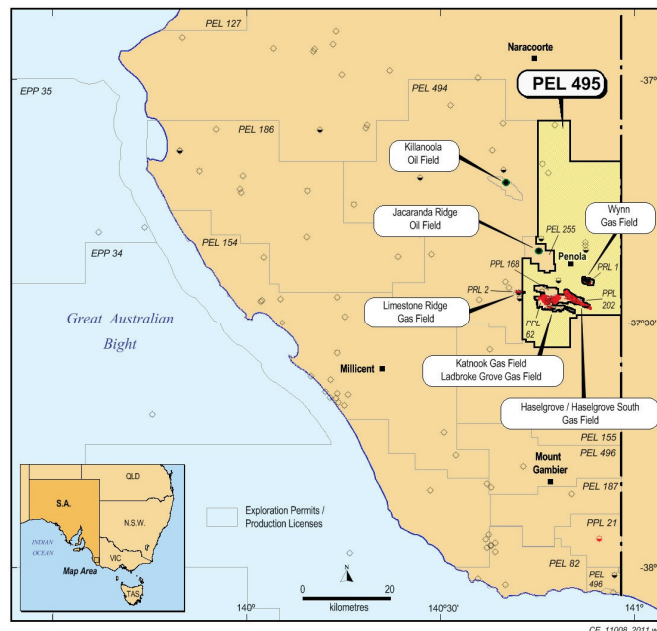
The PEL-90K, PEL-100 and PEL-110 permits are located in the north eastern part of the Cooper Basin and cover a combined area of 1,169 km².

Exploration activity is ongoing across PEL-100 and PEL-110. In PEL-100 the joint venture is planning to acquire additional 3D seismic along the southern edge of the permit to high grade the exploration prospects in the area. In PEL-110, a 3D seismic program is planned for late 2012 to upgrade prospects for drilling.

Otway Basin: PEL-495

Cooper holds a 50% operated interest in PEL-495 located in the onshore Otway Basin of south eastern South Australia. The permit covers 793 km² and contains the prospective Casterton Shale gas and oil play as well as conventional oil and gas plays. The License surrounds the excised Katnook, Ladbroke Grove, Haselgrove and Wynn Gasfields and the Jacaranda Ridge and Kilanoola oil fields are adjacent to the permit.

Drilling of the Sawpit-2 well is anticipated for the second half of 2012 and will target both conventional and unconventional hydrocarbons and in particular the Casterton shale. Cooper is carried for 70% of the well cost through its farm-out agreement with Beach Energy Limited.

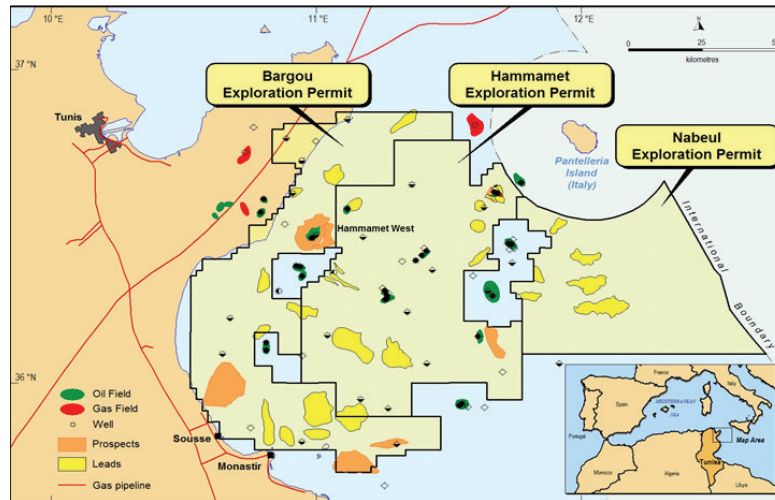


Source: Cooper Energy Annual Report 2011

1.3 Tunisia

Cooper's main international activities are focused in Tunisia where it holds an interest in three contiguous offshore exploration blocks. The blocks are located in the Gulf of Hammamet and cover a combined area of 12,644 km²:

- (a) Bargou (30% Cooper);
- (b) Hammamet (35% Cooper); and
- (c) Nabeul (85% Cooper).



Source: Cooper Energy Annual Report 2011

The Gulf of Hammamet possesses a proven petroleum system with several discovered onshore and offshore fields. Across the three permits, Cooper has identified many prospects and leads and there are material producing oil fields nearby.

The Bargou exploration block contains the Hammamet West oil field, which was discovered in 1967 and appraised in 1990 when the Hammamet West-2 well intersected a 192 metre oil column and recovered oil from two drill stem tests.

The drilling of the Hammamet West-3 well is planned for the December 2012 quarter. Cooper will be fully carried for the cost of the well up to US\$26.6 million through its farm-out agreements with Dragon Oil, funding 75% of the well cost, and Jacka Resources, funding 30% of the well cost. A successful Hammamet West-3 well has the potential to change the size and scope of the company.

In the Nabeul block, Cooper completed a 600km² 3D seismic survey in November 2011. The 3D seismic is now being processed and it is expected to be available for interpretation in the September 2012 quarter. The high resolution 3D seismic has been acquired to define prospects ahead of selecting and locating the best exploration well to be drilled some time from late 2012 onwards.

1.4 Other International Interests

Cooper also holds interests in onshore acreage in Indonesia and Poland.

Indonesia

Cooper's interests in Indonesia consist of a 55% interest in the Sukananti Production KSO and a 100% interest in the Sumbagsel Production Sharing Contract. Both permits are located onshore in South Sumatra and in total cover an area of 1,771 km².

Gross oil production from the Sukananti KSO commenced in March 2011 and is currently averaging 150 barrels of oil per day. Reserves for the field are currently under review following the acquisition of 24 km² of 3D seismic in November 2011.

Poland

Cooper holds a 40% interest in six contiguous exploration concessions in the Polish Carpathian fold belt covering an area of 3,211 km². The concessions are situated in an established and proven petroleum province that contains proven hydrocarbon play types with shallow oil fields in sandstone reservoirs of the Carpathian thrust-fold belt and additional large deep gas exploration leads in the underlying sub-thrust of the Carpathian Foredeep.

Cooper's Production Interests

Name	Permit	Geographic Location	Country	Interest	Status	Location
Sellicks	PPL204	South West Cooper Basin	Australia	25.00%	Non-operator	Onshore
Christies	PPL205	South West Cooper Basin	Australia	25.00%	Non-operator	Onshore
Warrior	PPL207	South West Cooper Basin	Australia	30.00%	Non-operator	Onshore
Silver Sands	PPL205	South West Cooper Basin	Australia	25.00%	Non-operator	Onshore
Callowonga	PPL220	South West Cooper Basin	Australia	25.00%	Non-operator	Onshore
Parsons	PPL224	South West Cooper Basin	Australia	25.00%	Non-operator	Onshore
Perlubie	EPT PEL-92	South West Cooper Basin	Australia	25.00%	Non-operator	Onshore
Perlubie South	EPT PEL-92	South West Cooper Basin	Australia	25.00%	Non-operator	Onshore
Butlers	EPT PEL-92	South West Cooper Basin	Australia	25.00%	Non-operator	Onshore
Sukananti, Tangai, Bunian	KSO	South Sumatra	Indonesia	55.00%	Operator	Onshore

Cooper's Exploration Interests

Permit	Geographic Location	Country	Interest	Status	Location
PEL-90 (Kiwiblock)	North East Cooper Basin	Australia	25.00%	Non-operator	Onshore
PEL-92	South West Cooper Basin	Australia	25.00%	Non-operator	Onshore
PEL-93	South West Cooper Basin	Australia	30.00%	Non-operator	Onshore
PEL-100	North East Cooper Basin	Australia	19.165 %	Non-operator	Onshore
PEL-110	North East Cooper Basin	Australia	20.00%	Operator	Onshore
PEL-495	Western Otway Basin	Australia	50.00%	Operator	Onshore
Sumbagsel PSC	South Sumatra	Indonesia	100.00 %	Operator	Onshore
Bargou Exploration Permit	Gulf of Hammamet	Tunisia	30.00%	Operator	Offshore
Hammamet Exploration Permit	Gulf of Hammamet	Tunisia	35.00%	Non-operator	Offshore

Nabeul Permit	Exploration	Gulf of Hammamet	Tunisia	85.00%	Operator	Offshore
MUA1 (434, 435,455)		Southern Carpathians	Poland	40.00%	Non-Operator	Onshore
MUA2 (414, 415)		Southern Carpathians	Poland	40.00%	Non-Operator	Onshore
MUA3 (433)		Southern Carpathians	Poland	40.00%	Non-Operator	Onshore

Cooper's Infrastructure Interests

Name	Permit	Geographic Location			Country	Interest	Status	Location
Tantanna Unloading Station	AFL 128	South Basin	West	Cooper	Australia	25.00%	Non-operator	Onshore
Parsons-Callowonga-Tantanna Flowline	AFL 98	South Basin	West	Cooper	Australia	25.00%	Non-operator	Onshore
Kudnarri Bridge	-	North Basin	East	Cooper	Australia	25.00%	Non-operator	Onshore

2. Publicly available information

As Cooper is offering Cooper Shares as consideration for the acquisition of Somerton Shares under the Takeover Bid, the Corporations Act requires that this Bidder's Statement must include all information that would be required for a prospectus for an offer of Cooper Shares under sections 710 to 713 of the Corporations Act.

By virtue of section 710, this Bidder's Statement is required to contain all the information investors and their professional advisers would reasonably require to make an informed assessment of:

- (a) the rights and liabilities attaching to the Cooper Shares to be issued pursuant to the Takeover Bid; and
- (b) the assets and liabilities, financial position and performance, profits and losses and prospects of Cooper.

A summary of the rights and liabilities attaching to Cooper Shares is set out in section 3.6 of this Part 3.

Cooper's annual report to shareholders for the year ended 30 June 2012 was lodged with ASIC on 31 October 2011 (**Annual Report**). The Annual Report includes the directors' report, remuneration report and auditor's independence declaration, statements of comprehensive income, financial position, changes in equity and cash flows, comprehensive notes to the financial statements, and an independent auditor's report.

Pursuant to section 712 of the Corporations Act, this Bidder's Statement incorporates by reference the Annual Report and all continuous disclosure notices given by Cooper since 31 October 2011. A list of those notices is set out in Annexure A.

To obtain a copy of the Annual Report or any of Cooper's continuous disclosure notices, Somerton Shareholders may call the Offer Information Line on 1300 730 439 (if you are calling from Australia); or +61 8 6380 4530 (if you are calling from overseas) or obtain a copy from the ASX website (at ASX code: COE) or ASIC.

There is no other information, other than that set out elsewhere in this Bidder's Statement, which investors or their professional advisers would reasonably require for the purpose of making an informed assessment of:

- (a) the assets and liabilities, financial position and performance, profits and losses and prospects of Cooper; or
- (b) the rights and liabilities attaching to the Cooper Shares to be issued pursuant to the Takeover Bid.

This Bidder's Statement contains details specific to the issue of those Cooper Shares. If Somerton Shareholders require further information in relation to Cooper, Cooper recommends that they take advantage of the ability to inspect or obtain copies of the documents referred to above.

3. Information about Cooper Shares

3.1 Capital structure

As at the date of this Bidder's Statement Cooper has 292,791,528 fully paid ordinary shares on issue. There are no other classes of shares on issue.

There are also currently outstanding 600,000 Cooper Options and 5,855,830 Cooper Performance Rights.

3.2 Ownership of Cooper

Cooper has a diverse shareholder base, with over 4,700 shareholders on its register. Based on Cooper's register of shareholders as at 24 April 2012, Cooper's top 20 shareholders accounted for approximately 56% of Cooper's issued share capital.

3.3 Dividends

Subject to the Corporations Act, Cooper's board of directors may pay any dividend it thinks appropriate out of the company's profits, and may fix the time of payment. Historically, Cooper has not paid dividends, preferring instead to re-invest profits in developing its assets.

3.4 Recent trading in Cooper Shares

The last recorded sale price of Cooper Shares on the ASX before the Announcement Date was 61 cents per share.

The last recorded sale price of Cooper Shares on the ASX before the Lodgement Date was 59 cents per share on 27 April 2012.

The highest and lowest recorded sale prices of Cooper Shares on the ASX in the four months prior to the Lodgement Date were 69 cents per share (on 13 April 2012) and 30.5 cents per share (on 19 December 2011) respectively.

3.5 Directors' interests in Cooper securities

As at the date of this Bidder's Statement, the Company's directors have relevant interests in the following Cooper securities:

Name	Cooper Shares	Cooper Options	Cooper Performance Rights
L J Shervington	405,933	-	-
D P Maxwell	715,527	-	1,647,713
J W Schneider	-	-	-

3.6 Summary of rights and liabilities attaching to Cooper Shares

All Cooper Shares to be issued pursuant to the Takeover Bid will rank equally with all other Cooper Shares then on issue.

Cooper Shares are quoted on the ASX. As stated in section 3 of the Offer Terms, Cooper will make an application to the ASX for quotation of the new Cooper Shares issued pursuant to the Takeover Bid, and the grant of that quotation is a condition of the Offer.

The rights attaching to Cooper Shares arise from a combination of Cooper's constitution, statute and general law. The primary rights attaching to Cooper Shares include the rights to receive notice of meetings, attend and vote at meetings, receive non-cumulative dividends which are declared and any surplus on winding up. A brief summary of some of the more significant rights attaching to the Cooper Shares is set out below. This summary does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of holders of Cooper Shares.

(a) Voting

At a general meeting, every member present in person or by proxy, body corporate representative or attorney has one vote on a show of hands in respect of their shareholding and has one vote on a poll for each fully paid Cooper Share held and a fraction of a vote for each partly paid Cooper share held (subject to any rights or restrictions attached to any class of shares). If two or more persons are jointly entitled to a share, and more than one joint holder is present at any meeting, either personally or by attorney or proxy, the vote of the person present whose name stands first in the register of members in respect of that share shall be accepted to the exclusion of the other joint holders.

(b) Meetings of members

A general meeting may be called by a director or, as permitted under the Corporations Act, at the request of Cooper members with at least 5% of the votes that may be cast at a general meeting. Each member of Cooper is entitled to notice of all general meetings.

(c) Dividends

The directors of Cooper may deduct from the dividends payable to any member all sums as may be presently payable by that member to Cooper for calls due and payable and apply the amount deducted in or towards satisfaction of the money owing.

(d) Issue of further Cooper Shares

The directors of Cooper may issue shares in Cooper and may also decide the terms on which shares in Cooper are issued and the rights and restrictions attached to those Cooper Shares. This power is subject to the requirements of the Corporations Act and the Listing Rules.

(e) Transfer of Cooper Shares

Holders of Cooper Shares may transfer those shares by a proper transfer effected in accordance with the ASX Settlement Operating Rules, the Corporations Act or by a written transfer in any usual or common form or in any other form approved by Cooper.

Cooper must not decline to register a transfer of a share except in certain circumstances.

(f) Dividend reinvestment

Cooper's constitution contains a provision whereby the directors of Cooper may implement a dividend reinvestment plan on the terms they think fit under which the whole or any part of a dividend due to members who participate in the plan on their shares or any class of shares may be applied in subscribing for securities of the Company or of a related body corporate.

Part 4 – Information about Somerton

1. Source of information

The information about Somerton included in this Bidder's Statement has been prepared by Cooper using publicly available information, including, but not limited to, Somerton annual reports, Somerton ASX announcements and Somerton's website. The information about Somerton in this Bidder's Statement should not be considered to be comprehensive and is based on public information regarding the business of Somerton which is known to Cooper at the Lodgement Date.

Whilst Cooper has completed a substantial review of the business operated by Somerton, information in this Bidder's Statement concerning Somerton's business has not been independently verified. Accordingly, Cooper does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information, other than as required by the Corporations Act.

For further information on Somerton, investors should read the ASX announcements made by Somerton and Somerton's 2011 Annual Report, which are available on the ASX website (Code: SNE). A list of the ASX announcements made by Somerton since 12 August 2011 is attached as Annexure B.

Additional information relating to Somerton and its assets may be included in the target's statement which Somerton must provide to its shareholders in response to this Bidder's Statement, and reference should also be made to that information.

2. Overview of Somerton

Somerton is an ASX listed oil and gas exploration company with a market capitalisation of approximately \$20 million as at 18 April 2012¹⁶. The company's strategic focus is on unconventional oil and gas plays and other high impact petroleum projects, primarily in the onshore Otway and Gippsland Basins of Victoria and South Australia, where it holds interests in seven petroleum tenements.

Somerton's Appraisal Interests

Permit	Geographic Location	Country	Interest	Status	Location
PRL-2	Gippsland Basin	Australia	Farm-in earning 5.000% - 16.667%	Non- Operator	Onshore

¹⁶ Based on a Somerton share price of 14 cents.

Somerton's Exploration Interests

Permit	Geographic Location		Country	Interest	Status	Location
PEL-186	Western Basin	Otway	Australia	33.33%	Operator	Onshore
PEL-495	Western Basin	Otway	Australia	15.000%	Non-Operator	Onshore
PEP-150	Western Basin	Otway	Australia	20.000% Subject to native title agreement	Non-Operator	Onshore
PEP-151	Western Basin	Otway	Australia	75.000%	Operator	Onshore
PEP-168	Eastern Basin	Otway	Australia	50.000%	Non-Operator	Onshore
PEP-171	Western Basin	Otway	Australia	25.000% Subject to native title agreement	Non-Operator	Onshore
EP-126 & EP(A)-138	Bonaparte Basin		Australia	Option to earn 18.000% ¹⁷	Non-Operator	Onshore
EP(A)-135 & NTC/P-10	Bonaparte Basin		Australia	Option to earn 10.000% ¹⁸	Non-Operator	Offshore

3. Information about Somerton securities

3.1 Capital structure

According to an Appendix 3B lodged by Somerton with the ASX on 23 April 2012, there are 143,486,642 Somerton Shares and 1,000,000 Somerton Incentive Rights on issue.

3.2 Cooper's interest in Somerton securities

As at the date of this Bidder's Statement:

- (a) Cooper has a relevant interest in 27,072,462 Somerton Shares and a voting power in Somerton of 19%; and
- (b) Cooper does not have a relevant interest in any Somerton Incentive Rights.

As at the Offer Date:

¹⁷ Beach Energy Limited has granted Somerton options to earn interests in acreage in the Bonaparte Basin including up to an 18% interest in EP 126 and EPA 138 and up to a 10% interest in EPA 135 and NTC/P10 under the same farm-in terms as Beach Energy Limited has agreed with Territory Oil and Gas Pty Limited. These options are subject to a change of control provision.

¹⁸ Refer to footnote 17.

- (a) Cooper's voting power in Somerton is [] %;
- (b) Cooper has a relevant interest in [] Somerton Shares; and
- (c) Cooper does not have a relevant interest in any Somerton Incentive Rights.

3.3 Dealings in Somerton Shares

During the period of four months prior to the Offer Date, neither Cooper nor any of its associates provided, or agreed to provide, consideration for Somerton Shares under any purchase or agreement, except that on 18 April 2012 Cooper entered into pre-bid acceptance agreements in respect of 19% of Somerton's issued shares with a number of Somerton Shareholders, including all of the directors of Somerton (one of whom is also the Chairman of Beach Energy Limited, Somerton's largest shareholder¹⁹) who have entered into pre-bid acceptance agreements for all of their shareholding, and interests associated with Somerton's second largest shareholder, Peter J Woodford (**Acceptors**).

Under these agreements, the Acceptors have agreed to accept the Offer within two business days after receiving the Offer.

¹⁹ Notwithstanding Mr Robert Kennedy's position as Chairman of Beach Energy Limited, Mr Kennedy does not have a Relevant Interest in the Somerton Shares held by Beach Energy Limited.

Part 5 – Cooper's intentions in relation to Somerton

1. Introduction

This Part 5 sets out Cooper's intentions in relation to the following:

- (a) the continuance of, and any major changes to be made to, the business of Somerton, including any redeployment of the fixed assets of Somerton (section 2.1 in this Part 5); and
- (b) the future employment of the present directors and employees of Somerton (section 2.2 in this Part 5).

Cooper considers that Somerton's business and assets are a good fit both financially and strategically and would seek, subject to the review referred to in section 2.2 below, to retain all employees.

These intentions are based on the public information regarding the business of Somerton, which is known to Cooper at the time of preparation of this Bidder's Statement. Cooper does not currently have access to all material information that is necessary to assess all the implications of its current intentions. A final decision on these matters has not been made and can only be concluded once all material facts and circumstances are known and an internal review of the assets and operations of Somerton has been completed. The statements set out in this Part 5 are statements of current intention only which may change as new information becomes available or circumstances change.

2. Operational intentions

2.1 The business of Somerton

If, at the close of the Offer Period, Cooper holds 90% or more of the Somerton Shares:

- (a) Cooper intends to continue the business of Somerton as an operating oil and gas exploration company;
- (b) Cooper will undertake a financial, strategic and technical review of the assets held by Somerton, including assessing the performance, profitability, commitments and prospects on an asset by asset basis. Following this review, assets will be ranked and expenditure and personnel allocated to the assets of the Merged Group on a best quality-most attention type process;
- (c) the key objective of the review will be to ascertain whether improvements can be made to Somerton's operations;
- (d) if Cooper receives an offer to purchase an asset upon terms and conditions that present a value higher than the value assessed by Cooper, then Cooper may consider a divestment of the asset. As at the Lodgement Date Cooper was not in discussions with any third party regarding the assets of Somerton; and
- (e) Cooper plans to have an office in Adelaide as well as an office in Perth. After the acquisition of Somerton it is likely that the Cooper head office will move to Adelaide and this decision will probably be made by the time of Cooper's 2012 annual general meeting. The actual relocation of the head office may not be until sometime in 2013.

Without having access to the confidential data that Somerton will hold on each of its assets and without having yet conducted the review, Cooper cannot formulate a specific and prescribed intention in relation to each of the permits and assets until a future review has been completed. The above intentions are based upon Cooper's current level of knowledge and understanding of the business of Somerton and may change as new information becomes available or circumstances change.

2.2 Directors and employees

If, at the close of the Offer Period, Cooper holds 90% or more of the Somerton Shares:

- (a) Cooper will appoint Mr Hector Gordon (currently Managing Director of Somerton) as an executive director on the Cooper Board; and
- (b) Cooper will undertake an operational review of Somerton's staff and premises and relocate all corporate head office functions (secretarial, treasury, financial and information technology) and overall direction and control to Cooper's head office.

Without having full access to Somerton's operational employee records and without yet completing the operational review, Cooper cannot formulate a specific and prescribed intention in relation to employees and office locations until a future review has been completed.

3. Intentions upon acquiring 90% or more of Somerton Shares

If Cooper becomes entitled to do so under Part 6A.1 of the Corporations Act, Cooper intends to despatch notices seeking compulsory acquisition of all outstanding Somerton Shares in accordance with the provisions of Part 6A.1.

If Cooper exercises its rights of compulsory acquisition under Part 6A.1 and/or Part 6A.2 of the Corporations Act, it intends to procure the removal of Somerton from the Official List of the ASX.

3.1 Dividends

Cooper is of the view that as a result of the historically high energy price environment and attractive growth projects in the Merged Group's portfolio, any surplus cash should be re-invested in the portfolio projects rather than paid out as dividends. However, this policy will be reviewed from time to time.

3.2 Oil price risk management

It is Cooper's intention that no oil price swap contracts or other oil price hedging instruments be taken out to reduce exposure to oil price movements.

4. Intentions upon gaining control of Somerton but less than 90% of Somerton Shares

Cooper has no present intention of waiving the 90% minimum acceptance condition to which the Offer is subject. Whether or not this condition would be waived would be determined on the facts and circumstances at the relevant time.

If following the close of the Offer Period, Somerton becomes a controlled entity but not a wholly-owned subsidiary of Cooper, Cooper would attempt to procure that the Somerton Board implements the objectives and goals outlined in section 2 to the extent possible and appropriate.

In addition, Cooper intends in these circumstances to:

- (a) maintain Somerton's listing on the ASX, subject to the Listing Rules; and

- (b) possibly replace some of the members of the Somerton Board with nominees of Cooper, subject to the Corporations Act and Somerton's constitution. In doing so, Cooper would retain an appropriate number of independent directors to represent the minority shareholders in Somerton. Cooper has not made any decision about which Somerton directors it may seek to replace or which Cooper individuals may be nominated for appointment to the Somerton Board in these circumstances.

The extent that Cooper's intentions described in this section 4 may be realised if Somerton is not wholly owned by Cooper will be subject to:

- (a) the law and the Listing Rules which may, in some circumstances require approval of the remaining Somerton Shareholders for arrangements between Cooper and Somerton;
- (b) the legal obligations of the then Somerton Board to act in good faith and in the best interests of Somerton and for proper purposes;
- (c) the exercise of the right of general compulsory acquisition under Part 6A.2 of the Corporations Act, for example as a result of acquisition of Somerton Shares in reliance on the '3% creep' exception in item 9 of section 611 of the Corporations Act; and
- (d) the outcome of the financial, strategic and technical review conducted by Cooper in relation to Somerton's assets and costs.

Any transactions between Cooper (on the one hand) and Somerton (on the other) required to effect those intentions (including the initiatives described in section 2) will be entered into on arm's length terms. In addition, if required by law or the Listing Rules, Cooper will seek any necessary approval of the remaining Somerton Shareholders to implement those steps.

5. Other intentions

Cooper has no current intentions with respect to Somerton or its business or assets other than those set out above.

Part 6 – Profile of Merged Group following successful completion of the Takeover Bid

1. Strategic benefits

The boards of both Cooper and Somerton believe there is a compelling strategic rationale for the merger. Combining the complementary assets and technical expertise of both companies will create a focused oil and gas production and exploration company.

The key strategic benefits of bringing Cooper and Somerton under common management are outlined in further detail below.

Greater Australian Focus

The Merged Group will have a strong onshore Australia position in the Cooper and Otway basins as well as a permit in the Gippsland basin.

Cooper has an interest in twelve onshore oil fields in the South Australian Cooper Basin which are on production or expected to commence production in the near term. Cooper's Cooper Basin production was more than 1,700 barrels of oil per day in January 2012. The Cooper Basin interests will provide a platform to develop the Merged Group's conventional and unconventional interests in the Otway and Gippsland basins.

In the Otway Basin, Cooper has a 50% working interest²⁰ in PEL-495, the permit that Somerton is farming into for a 15% working interest. The Otway Basin is a core focus for Cooper and combined with Somerton's Otway permits, will provide the Merged Group with a very strong acreage position in the Otway Basin covering a large portion of the Casterton Formation which hosts shales that are the source rocks for gas accumulations in the Penola Trough.

Developing and growing a position in the Australian gas business will be a core part of the Merged Group's strategy. Gas demand for Eastern Australia is forecast to grow from some 700PJ/year to 1,400PJ/Year in 2020, an annual demand growth of more than 8% per year. The Otway and Cooper basins are an important part of this growth industry for Australia.

Well Funded Portfolio

Combined with Cooper's strong cash balance, which was \$68.6 million (including security deposits) at 31 December 2011, and cash flow from existing production, the Merged Group will be well positioned to execute an active exploration and appraisal work program over the next twelve months.

Depending upon the level of take up between the All Shares Alternative and the Shares and Cash Alternative, the Merged Group's pro forma cash position will be between \$57 and \$70 million²¹.

High Impact International Interests

Whilst onshore Australia will be the main focus of the Merged Group, the offshore Tunisian interests provide complementary low cost, high impact exploration and appraisal opportunities. The Bargou permit contains the discovered Hammamet West oil field. The successful appraisal of this resource later this year would see an increase in the Merged Group's oil reserves.

²⁰ Post farm out to Somerton and Beach.

²¹ Refer to pro forma balance sheets in section 4 of Part 6.

Increased Near Term Activity

The Merged Group will have an active exploration and appraisal drilling program over the next 12 months, both internationally and in Australia including:

- (a) Cooper's ongoing exploration and appraisal drilling program in the Cooper Basin where a multi well drilling campaign is planned to commence from mid 2012;
- (b) Cooper's Hammamet West-3 appraisal well (fully carried up to US\$26.6 million) planned for drilling in the December 2012 quarter;
- (c) the drilling of one onshore well in the PEL-495 block in the Western Otway Basin;
- (d) the potential fraccing of the Wombat discovery in the PRL-2 block in the Gippsland Basin; and
- (e) drilling in Indonesia.

Strengthened Cooper Board

Upon Cooper being entitled to commence compulsory acquisition of Somerton shares, Cooper will appoint Mr Hector Gordon (currently Managing Director of Somerton), as an executive director on the Cooper Board. Mr Gordon will work closely with the Cooper Managing Director and, in particular, take a lead role in the exploration activities of the Merged Group.

2. Outlook for Cooper and Somerton

This Bidder's Statement does not include any financial forecasts or projections for revenue or profit in relation to Cooper or Somerton.

Cooper considers that the inclusion of financial forecasts in respect of Cooper and Somerton would be speculative and potentially misleading for Somerton Shareholders.

3. Post-acquisition capital structure

The consideration for the acquisition of the Somerton Shares under the Takeover Bid will be satisfied, in whole or in part, by the issue of Cooper Shares.

Assuming 100% acceptance of the All Shares Alternative, the capital structure of Cooper following successful conclusion of the Takeover Bid will be as follows:

100% All Shares Alternative	Cooper Shares
Existing Cooper Shares on issue	292,791,528
Number of new Cooper Shares to be issued pursuant to the Takeover Bid	51,602,372 ²²
Total Cooper Shares on issue	344,393,900

Assuming 100% acceptance of the Shares and Cash Alternative, the capital structure of Cooper following successful conclusion of the Takeover Bid will be as follows:

²² Assumes the 1,000,000 Somerton Incentive Rights on issue are exercised prior to the end of the Offer Period. Under the merger implementation agreement between Cooper and Somerton dated 18 April 2012, Somerton has agreed to give notice to Mr Gordon setting out that Mr Gordon may exercise his Somerton Incentive Rights within two Business Days of receiving notice from Cooper that Cooper, together with its Associates has acquired a Relevant Interest of at least 90% in Somerton or that the Offer has become unconditional. The merger implementation agreement provides that Mr Gordon has provided Somerton with an irrevocable enforceable undertaking to exercise the Incentive Rights within two Business Days of receiving the notice from Somerton.

100% Shares and Cash Alternative	Cooper Shares
Existing Cooper Shares on issue	292,791,528
Number of new Cooper Shares to be issued pursuant to the Takeover Bid	30,546,858 ²³
Total Cooper Shares on issue	323,338,386

4. Pro forma balance sheets

Set out below are the pro forma balance sheets of Cooper and Somerton which have been prepared on the assumptions specified and extracted from published financial information in Cooper's and Somerton's respective half-year financial reports for the six months ended 31 December 2011

The following pro forma balance sheets for the Merged Group present Cooper's financial position at 31 December 2011 as if Cooper had acquired 100% of Somerton at that date:

- (a) assuming 100% of the Somerton Shareholders elect to receive the All Shares Alternative; and
- (b) assuming 100% of Somerton Shareholders elect to receive the Shares and Cash Alternative.

Acquisition accounting entries have been based on the terms of the Offer and the assumptions set out at the end of each scenario, in order to arrive at an unaudited pro forma consolidated balance sheet of the Merged Group as at 31 December 2011.

The Cooper Board will undertake a comprehensive assessment of the fair value of the assets and liabilities acquired after the Offer has been completed.

The pro forma balance sheets are indicative only. The Cooper Board has drawn its conclusions based on the known facts and other information publicly available. If the facts, circumstances, assumptions or other information prove to be different to those described, the conclusions may change accordingly.

²³ Assumes the 1,000,000 Somerton Incentive Rights on issue are exercised prior to the end of the Offer Period. Under the merger implementation agreement between Cooper and Somerton dated 18 April 2012, Somerton has agreed to give notice to Mr Gordon setting out that Mr Gordon may exercise his Somerton Incentive Rights within two Business Days of receiving notice from Cooper that Cooper, together with its Associates has acquired a Relevant Interest of at least 90% in Somerton or that the Offer has become unconditional. The merger implementation agreement provides that Mr Gordon has provided Somerton with an irrevocable enforceable undertaking to exercise the Incentive Rights within two Business Days of receiving the notice from Somerton.

Assuming 100% All Shares Alternative: Summarised adjusted balance sheets as at 31 Dec 2011

	Cooper Energy Limited (\$'000)	Somerton Energy Limited (\$'000)	Merger Adjustments (\$'000)	Pro forma Merged Group (\$'000)
ASSETS				
Current Assets				
Cash and cash equivalents	64,287	7,866	(1,828)	70,326
Trade and other receivables	13,670	83		13,753
Inventories	348			348
Prepayments	37	26		63
Total Current Assets	78,342	7,975	(1,828)	84,490
Assets classified as held for sale	5,869			5,869
	84,211	7,975	(1,828)	90,359
Non-Current Assets				
Other receivables	630	39		669
Available for sale financial assets	1,049	325		1,374
Term Deposit	960			960
Oil properties	19,712	146		19,858
Exploration and evaluation	19,809	8,479	14,804	43,092
Goodwill			6,985	6,985
Total Non-Current Assets	42,160	8,989	21,789	72,938
TOTAL ASSETS	126,371	16,964	19,961	163,296
LIABILITIES				
Current Liabilities				
Trade and other payables	10,133	139		10,272
Income tax payable	245			245
Total Current Liabilities	10,378	139		10,517
Liabilities of assets classified as held for sale	638			638
	11,016	139		11,155
Non-Current Liabilities				
Deferred tax liabilities	4,385		6,985	11,370
Provisions	1,384	152		1,536
Total Non-Current Liabilities	5,769	152	6,985	12,906
TOTAL LIABILITIES	16,785	291	6,985	24,061
NET ASSETS				
	109,586	16,673	12,977	139,236
EQUITY				
Contributed equity	98,745	49,720	(18,243)	130,222
Reserves	866	(81)	81	866
Retained earnings	9,975	(32,965)	31,138	8,148
TOTAL EQUITY	109,586	16,673	12,977	139,236

The following adjustments have been made in preparation of the above pro forma unaudited Merged Group consolidated balance sheet:

- (a) all Somerton Shareholders elect to take up the All Shares Alternative resulting in the issue of 51,602,372 Cooper Shares at a nominal value of 61 cents each as consideration for the acquisition of Somerton giving Cooper a 100% interest;
- (b) an estimate of \$1,827,500 has been made for the immediate costs of the Offer directly attributable to the Offer;
- (c) the excess of approximately \$14,804,000 paid over the carrying value of Somerton's assets has been attributed in full to exploration and evaluation assets; and
- (d) a provision of \$6,985,000 for the deferred taxation attributable to the fair value of the exploration assets of \$23,283,000 has been provided for at an effective corporate taxation rate of 30 cents in the dollar.

Assuming 100% Shares and Cash Alternative: Summarised adjusted balance sheets as at 31 Dec 2011

	Cooper Energy Limited (\$'000)	Somerton Energy Limited (\$'000)	Merger Adjustments (\$'000)	Pro forma Merged Group (\$'000)
ASSETS				
Current Assets				
Cash and cash equivalents	64,287	7,866	(14,831)	57,322
Trade and other receivables	13,670	83		13,753
Inventories	348			348
Prepayments	37	26		63
Total Current Assets	78,342	7,975	(14,831)	71,486
Assets classified as held for sale	5,869			5,869
	84,211	7,975	(14,831)	77,355
Non-Current Assets				
Other receivables	630	39		669
Available for sale financial assets	1,049	325		1,374
Term Deposit	960			960
Oil properties	19,712	146		19,858
Exploration and evaluation	19,809	8,479	14,964	43,252
Goodwill			7,033	7,033
Total Non-Current Assets	42,160	8,989	21,997	73,146
TOTAL ASSETS	126,371	16,964	7,166	150,501
LIABILITIES				
Current Liabilities				
Trade and other payables	10,133	139		10,272
Income tax payable	245			245
Total Current Liabilities	10,378	139		10,517
Liabilities of assets classified as held for sale	638			638
	11,016	139		11,155
Non-Current Liabilities				
Deferred tax liabilities	4,385		7,033	11,418
Provisions	1,384	152		1,536
Total Non-Current Liabilities	5,769	152	7,033	12,954
TOTAL LIABILITIES	16,785	291	7,033	24,109
NET ASSETS	109,586	16,673	133	126,392
EQUITY				
Contributed equity	98,745	49,720	(31,086)	117,379
Reserves	866	(81)	81	866
Retained earnings	9,975	(32,965)	31,138	8,148
TOTAL EQUITY	109,586	16,673	133	126,392

The following adjustments have been made in preparation of the above pro forma unaudited Merged Group consolidated balance sheet:

- (a) all Somerton Shareholders elect to take up the Shares and Cash Alternative resulting in the issue of 30,456,858 Cooper Shares at a nominal value of 61 cents each and the payment of \$13,003,798 as consideration for the acquisition of Somerton giving Cooper a 100% interest;
- (b) an estimate of \$1,827,500 has been made for the immediate costs of the Offer directly attributable to the Offer;
- (c) the excess of approximately \$14,964,000 paid over the carrying value of Somerton's assets has been attributed in full to exploration and evaluation assets; and
- (d) a provision of \$7,033,000 for the deferred taxation attributable to the fair value of the exploration assets of \$23,443,000 has been provided for at an effective corporate taxation rate of 30 cents in the dollar.

Part 7 – Investment considerations

1. Risks

1.1 Introduction

The oil and gas industry is a complex business and as such has a large number of inherent subsurface, surface, upstream and downstream risks. Cooper's management and the Cooper Board work diligently to identify and manage those risks. Cooper has a comprehensive health, safety, environment, risk and administration policy and management system and exploration and production management guidelines and procedures in place to assist in managing the risks in its business.

Somerton Shareholders who accept the Offer will receive Cooper Shares in exchange for their Somerton Shares and as a result will become exposed to similar risks, benefits and other investment considerations as the existing Cooper Shareholders.

As Somerton is a publicly listed company investing in the oil and gas industry, Somerton Shareholders are already exposed to similar risks as existing Cooper Shareholders, albeit those risks are concentrated in Australia.

The price at which Cooper Shares trade on the ASX from time to time is influenced by a large number of controllable and uncontrollable factors and risks including, but not limited to, those that are set out below. Accordingly, the value of Cooper and the market price of Cooper Shares may rise or fall over any given period.

Somerton Shareholders should consider carefully the risks set out below and other information contained in this Bidder's Statement.

1.2 General risk factors

The operating and financial performance of Cooper is influenced by a variety of general economic and business conditions including the level of inflation, international share markets, interest rates and exchange rates, government fiscal, monetary and regulatory policies and factors peculiar to the oil and gas sector. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a material adverse impact on Cooper's business or financial situation.

1.3 Specific business risk factors

The business risks set out in this section may impact the value of Cooper and the market price of Cooper Shares. These risks are not, in Cooper's opinion, materially different in nature or extent to those to which Somerton Shareholders are already exposed to through their investment in Somerton.

(a) Exploration and development risks

Oil and gas exploration involves significant risk.

There is no assurance that any of the prospects in Cooper's Permits, or any other projects that may be acquired by Cooper in the future, will result in the discovery or development of an oil and gas deposit.

Furthermore, Cooper will only progress exploration or development projects when data and evaluations demonstrate that an oil and gas deposit could be economically viable.

(b) Drilling and operating risks

Oil and gas drilling activities are subject to numerous risks, many of which are beyond Cooper's control. Cooper's operations may be curtailed, delayed or cancelled as a result of such risks. Hazards incidental to the exploration and development of oil and gas properties such as unusual or unexpected formations, pressures, oceanographic conditions or other factors are inherent in drilling and operating wells and may be encountered by Cooper.

Industry operating risks include the risk of fire, explosions, blow-outs, pipe failure, abnormally pressured formations and environmental hazards, the occurrence of any of which could result in substantial losses to Cooper. Although Cooper believes that it or its operators carry adequate insurance with respect to its operations in accordance with industry practice, in certain circumstances Cooper's or the operator's insurance may not cover or be adequate to cover the consequences of such events. In addition, Cooper may be subject to liability for pollution, blow-outs or other hazards against which Cooper or the operator does not insure or against which it may elect not to insure because of high premium costs or other reasons.

(c) Ability to exploit successful discoveries

It may not always be possible for Cooper to participate in the exploitation of successful discoveries made in any areas in which Cooper has an interest. Such exploitation will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as Cooper. Such further work may require Cooper to meet or commit to financing obligations for which it may not have planned.

(d) Native Title

Native title legally recognises the unique title rights of indigenous Australians over areas where those rights have not been lawfully extinguished. The *Native Title Act 1993* (Commonwealth), ensuing state native title legislation, subsequent legislative amendments and aboriginal land right and heritage legislation may affect the granting of, and access to, Cooper's Permits over land in South Australia where a native title claim has been registered. Compensation may be required where the extinguishment or impairment of native title has occurred.

In relation to Permits in which Cooper may acquire an interest in the future, there may be areas over which legitimate native title rights of indigenous Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements, or to progress from the exploration phase to the development phase of operation may be adversely affected.

At this point in time it is not possible to quantify the financial or other impact (if any) of the native claims against the areas underlying Cooper's Permits.

(e) Tenure and Access

The Permits comprising Cooper's projects are located in South Australia, Indonesia, Tunisia and Poland, and as such, are subject to differing legislative requirements in relation to the processes for application, conversion, grant and renewal. A number of the Permits in which Cooper has a current or potential interest are currently not yet granted (i.e. under application).

There is no guarantee that the Permit applications or conversions in which Cooper has a

current or potential interest will be granted. Permit applications may require Cooper to commence negotiations with the relevant landholders and/or indigenous representative bodies to gain access to the underlying land. There is no guarantee that such negotiations will be successful.

The grant and renewal of tenements is subject to a number of state or country specific legislative conditions including payment of rent and minimum annual expenditure commitments. The renewal of the term of a tenement (including exemptions to conditions) is also subject to the discretion of the relevant Minister and may, in the case of Permits in South Australia, trigger native title negotiation rights. The inability to meet these conditions or the triggering of any negotiation procedures in respect of any of the Permits comprising Cooper's projects could prevent the renewal of a granted Permit, adversely affecting the financial position and performance of Cooper.

(f) Hydrocarbon reserve estimates

Hydrocarbon reserve estimates are expressions of judgement based on knowledge, experience and industry practice.

In addition, reserve estimates are necessarily imprecise and depend to some extent on interpretations, which may prove inaccurate. Should Cooper encounter oil and/or gas deposits or formations different from those predicted by past drilling, sampling and similar examinations, reserve estimates may have to be adjusted and production plans may have to be altered in a way which could adversely affect Cooper's operations.

(g) Future requirements for funding

Cooper's funding requirements depend on numerous factors including Cooper's ability to generate income from the Permits. It may require further financing.

Additional equity financing, if available, may be dilutive to shareholders and at lower prices than the current market price. Debt financing, if available, may involve restrictions on financing and operating activities. If Cooper is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

(h) Price of oil and gas

The demand for, and prices of, oil and natural gas are dependent on a variety of factors, including supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels and global economic political developments. Cooper does not have hedging or forward sale arrangements in place as at the date of this Bidder's Statement.

(i) Key employees

Cooper has a compact management structure and could therefore be subject to risks relating to the loss of key employees on either a temporary or permanent basis, and the subsequent disruption that loss might cause to the operations of Cooper.

(j) Production risk

A major facility incident, such as an explosion, fire, terrorist attack, significant weather incident or mechanical failure, at any of Cooper's oil and/or exploration fields could affect production and subsequently Cooper's performance.

(k) Environmental controls

Cooper's operations will be subject to environmental controls relating to hazardous operations and for those projects offshore, the discharge of waste into the sea. Cooper's policy is to ensure operations are carried out in accordance with all applicable environmental laws and regulations.

(l) Foreign exchange risk

The Foreign Permits and their operations are based in Indonesia, Tunisia and Poland. Cooper's revenues, cash flows, expenses, capital expenditure and commitments regarding the Foreign Permits will be primarily denominated in United States dollars.

To comply with Australian reporting requirements for Cooper, the income, expenditure and cash flows from Cooper's interest in the Foreign Permits will need to be accounted for in Australian dollars. This will result in the income, expenditure and cash flows of Cooper being exposed to the fluctuations and volatility of the United States, Euro and other currencies to Australian dollar exchange rates, as determined by domestic and international currency markets.

(m) Acts and omissions of joint venture partners

If any of Cooper's joint venture partners fail to agree on work programs and/or budgets for the development of projects or fail to meet their obligations under the joint venture agreements with Cooper, this will likely delay or otherwise impact on the progress of the relevant joint venture project which could subsequently have a material adverse effect on Cooper's business and its financial performance.

(n) Sovereign risk

The ability to develop and produce oil and gas reserves can be affected by changes in government policy regarding ownership, consents, taxation, foreign exchange dealings, repatriation of funds or other factors which are beyond the control of Cooper.

Some countries where projects of Cooper are located, such as Tunisia, may experience political instability which could result in some uncertainty in relation to those projects. The current political situation in Tunisia is relatively stable. Changing political realities could have an adverse effect on the outcome of those projects.

1.4 Specific transaction risks

The following risks relate specifically to the Offer.

(a) Issue of Cooper Shares as consideration

Under the Takeover Bid Cooper will issue Cooper Shares to Somerton Shareholders in exchange (in whole or in part) for their Somerton Shares. Upon completion of the Takeover Bid, some of the former Somerton Shareholders may seek to sell their Cooper Shares. There is a risk that if a significant number of Somerton Shareholders seek to do so, the market price of Cooper Shares may be adversely impacted.

(b) Partial acceptance of Offer

Cooper expects various benefits to accrue from a merger of Cooper and Somerton. These benefits are described in Part 6 of this Bidder's Statement. Cooper believes that value can be added for both Somerton and Cooper Shareholders by combining the companies in an effective and timely manner. However, if Cooper is unable to acquire 90% of the Somerton Shares and is therefore unable to acquire the remaining Somerton Shares compulsorily, Cooper may be unable to achieve the benefits and synergies expected from merging the two companies.

(c) Integration risks

Upon successful completion of the Takeover Bid Cooper will work closely with the existing employees of Somerton and Cooper to effect a speedy integration of the two companies' businesses and operations. If that integration takes longer than expected, potential benefits may be delayed or eroded.

2. Tax considerations

Annexure C contains a general description of the principal Australian tax consequences that will apply to Somerton Shareholders who accept the Offer and who hold their Somerton Shares **on capital account**. That description does not take into account or anticipate changes in the law (by legislation or judicial decision). In addition, the description is not exhaustive of all tax considerations which could apply to particular Somerton Shareholders, such as insurance companies, superannuation fund and, financial institutions. It also does not apply to those Somerton Shareholders who hold their Somerton Shares **on revenue account** (i.e. are engaged in a business of trading in shares), or who hold Somerton Shares as trading stock or acquired their Somerton Shares for the purpose of resale at a profit.

Somerton Shareholders who are not resident in Australia for tax purposes should take into account the tax consequences under the laws of their country of residence of accepting the Offer and of the acquisition, ownership and disposal of Cooper Shares.

Part 8 – Other material information

1. Funding of cash consideration

Under the Shares and Cash Alternative Cooper is offering one Cooper Share for every 4.73 of your Somerton Shares plus 9 cents for each one of your Somerton Shares. The maximum sum that would be required to fund the cash component of the Shares and Cash Alternative (assuming 100% acceptance of the Offers and all Somerton Shareholders elect to receive the Shares and Cash Alternative) is approximately \$15 million. This sum will be met out of Cooper's existing cash reserves, which are presently held on deposit with different banks including Commonwealth Bank of Australia, National Australia Bank Limited, Westpac Banking Corporation and other banks.

2. Financial position of Somerton

As far as Cooper is aware, there has been no material change in the financial position of Somerton since 31 December 2011.

3. Compulsory acquisition

3.1 Post-bid compulsory acquisition provisions

If Cooper becomes entitled to compulsorily acquire Somerton Shares under section 661A of the Corporations Act, Cooper will give notices to compulsorily acquire any outstanding Somerton Shares in accordance with section 661B of the Corporations Act. Cooper may compulsorily acquire all outstanding Somerton Shares at the price offered under the Takeover Bid under these provisions if, during or at the close of the Offer Period:

- (a) Cooper and its associates have relevant interests in at least 90% (by number) of Somerton Shares; and
- (b) Cooper and its associates have acquired at least 75% (by number) of the Somerton Shares that Cooper offered to acquire under the Takeover Bid.

3.2 General compulsory acquisition provisions

If Cooper becomes entitled to compulsorily acquire Somerton Shares under section 664A of the Corporations Act, Cooper will give notices to Somerton Shareholders (unless Cooper is entitled to proceed to compulsory acquisition of the Somerton Shares pursuant to section 661A of the Corporations Act described above) to compulsorily acquire any outstanding Somerton Shares in accordance with section 664C of the Corporations Act.

Cooper will be able to acquire all outstanding Somerton Shares compulsorily under Part 6A.2 of the Corporations Act if Cooper's voting power in Somerton is at least 90% and Cooper (either in its own right or through related bodies corporate) acquires full beneficial interests in at least 90% (by value) of the aggregate of all Somerton Shares and:

- (a) lodges a compulsory acquisition notice with ASIC in accordance with section 664C(2)(a) within six months of achieving that 90% holding (and despatches the notice to each Somerton Shareholder by the following business day); and
- (b) obtains the report of an expert stating whether, in the expert's opinion, the terms proposed in the notice give fair value for the securities covered.

3.3 Compulsory offer to buy out Somerton Shares

If Cooper is required to offer to buy out outstanding Somerton Shares under section 662A of the Corporations Act (and no relevant modification of that section applies), Cooper will give notices to the relevant Somerton Shareholders offering to buy out their Somerton Shares in accordance with section 662B and section 663B respectively of the Corporations Act.

Cooper must serve a notice offering to buy out all remaining holders of Somerton Shares if, at the close of the Offer Period, Cooper and its associates have relevant interests in at least 90% (by number) of Somerton Shares. Somerton Shareholders who hold Somerton Shares covered by the notice may, but need not, accept the offer in the notice. The notices must be lodged with ASIC within one month after the close of the Offer Period (and must be despatched to Somerton Shareholders on the same day or the next business day). Somerton Shareholders who wish to accept the offer must do so within one month after the notice is lodged with ASIC.

Cooper does not anticipate that it will need to make an offer to buy out outstanding Somerton Shares under section 662A of the Corporations Act as it will compulsorily acquire those shares under the post-bid compulsory acquisition procedure under section 661A of the Corporations Act in these circumstances.

4. Benefits given, offered or agreed

During the four months before the Offer Date neither Cooper nor an associate gave, offered to give or agreed to give a benefit to another person that was likely to induce the other person or an associate to:

- (a) accept an Offer under the Takeover Bid; or
- (b) dispose of Somerton Shares,

that is not being offered to all Somerton Shareholders under the Offer.

5. No escalation agreements

Neither Cooper nor any associate of Cooper has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

6. Consents

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or on the Company Announcement Platform of the ASX. Under the terms of ASIC Class Order 01/1543, the parties making those statements are not required to consent to, and have not consented to, the inclusion of those statements in this Bidder's Statement.

Pursuant to the Class Order, Cooper will make available, free of charge, to Somerton Shareholders who request them during the Offer Period copies of all ASX announcements made by Somerton since 12 August 2011 as set out in Annexure B.

To obtain a copy of these documents, Somerton Shareholders may contact the Offer Information Line on 1300 730 439 (if you are calling from Australia); or +61 8 6380 4530 (if you are calling from overseas).

In addition, as permitted by ASIC Class Order 03/635, this Bidder's Statement may include or be accompanied by certain statements:

- (a) fairly representing a statement by an official person; or
- (b) from a public official document or a published book, journal or comparable publication,

where the statement is not made or the document is not published in connection with the Takeover Bid or Cooper or Somerton or any business, property or person the subject of this Bidder's Statement.

In addition, as permitted by ASIC Class Order 07/429, this Bidder's Statement contains ASX share price trading information sourced from IRESS Market Technology Ltd without its consent.

The following persons have consented to being named in this Bidder's Statement in the form and context in which their names appear and have not withdrawn their consent prior to lodgement of this Bidder's Statement with ASIC:

- (a) Squire Sanders (AU) as legal adviser to the Offer;
- (b) Euroz as financial adviser to the Offer;
- (c) Computershare Investor Services Pty Limited as share registry to Cooper; and
- (d) Mr S Twartz consents to be named as a competent person and unless otherwise stated, he has agreed with any statements regarding reserves and contingent resource estimates in this Bidder's Statement in the form and context in which they appear.

Each person named above as having given its consent to being named in this Bidder's Statement:

- (a) does not make, or purport to make, any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement, other than a reference to their name.

7. Disclosure of interests of certain persons

Other than as set out below or elsewhere in this Bidder's Statement, no:

- (a) director or proposed director of Cooper;
- (b) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;
- (c) promoter of Cooper; or
- (d) broker or underwriter in relation to the issue of Cooper Shares pursuant to the Takeover Bid,

(together, the **Interested Persons**) holds at the date of this Bidder's Statement or held at any time during the last two years, any interest in:

- (a) the formation or promotion of Cooper;
- (b) property acquired or proposed to be acquired by Cooper in connection with its formation or promotion, or the offer of Cooper Shares under the Takeover Bid; or
- (c) the offer of Cooper Shares under the Takeover Bid.

8. Disclosure of fees and benefits received by certain persons

Other than as set out below, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (a) to a director or proposed director of Cooper, to induce them to become, or to qualify as, a director of Cooper; or

- (b) for services provided by any Interested Person in connection with the formation or promotion of Cooper or the offer of Cooper Shares under the Takeover Bid.

Squire Sanders (AU) has acted as legal adviser to Cooper in relation to the Takeover Bid. Squire Sanders (AU) has received or will receive legal fees of approximately \$115,000 (excluding disbursements) for these services up to the date of this Bidder's Statement. Further amounts may be paid to Squire Sanders (AU) in accordance with its time-based charges.

Euroz has acted as financial adviser to Cooper in relation to the Takeover Bid. Cooper has paid or agreed to pay Euroz a monthly retainer and additional fees if certain conditions are met, up to a combined maximum of \$750,000.

The amounts disclosed above are exclusive of any amount of GST that may be payable in respect of those amounts.

9. Interests of Cooper directors in Cooper and Somerton securities

The relevant interests of Cooper's directors in Cooper securities are set out in section 3.5 of Part 3. None of the Cooper directors has a relevant interest in any Somerton Shares.

10. Expiry date

No Cooper Shares will be issued on the basis of this Bidder's Statement after [] 2013.

11. Date for determining offerees

For the purposes of section 633(2) of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) of the Corporations Act for each Offer is the Record Date.

12. Ineligible Foreign Shareholders

Somerton Shareholders who are Ineligible Foreign Shareholders will not be entitled to receive Cooper Shares as part of the consideration for their Somerton Shares pursuant to the Offer, unless Cooper otherwise determines.

A Somerton Shareholder is an Ineligible Foreign Shareholder for the purposes of the Offer if his address as shown in the register of members of Somerton is in a jurisdiction other than Australia or its external territories or New Zealand. However, such a person will not be an Ineligible Foreign Shareholder if Cooper is satisfied that it is not unlawful, nor unduly onerous or impracticable to make the Offer to a Somerton Shareholder in the relevant jurisdiction and to issue Cooper Shares to such a Somerton Shareholder on acceptance of the Offer.

The Cooper Shares which would otherwise have been issued to Ineligible Foreign Shareholders will instead be issued to a nominee approved by ASIC, who will sell those Cooper Shares. The net proceeds of the sale of such shares will then be remitted to the relevant Ineligible Foreign Shareholders. See section 6.5 of the Offer Terms for further details.

13. Competent person's statement

Unless stated otherwise, any statements in this Bidder's Statement regarding reserves and contingent resource estimates have been agreed to by Mr Steve Twartz – Exploration Manager and a full time employee of Cooper, holding a Bachelor of Science, Master of Environmental Studies and qualified in accordance with Listing Rule 5.11. Mr Twartz has consented to the

inclusion in this Bidder's Statement of statements based on this information in the form and context in which they appear.

Mr Steve Twartz:

- (a) does not make, or purport to make, any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement, other than a reference to his name.

14. Value of Cooper Shares

Cooper does not currently own any Somerton Shares²⁴.

The VWAP of Cooper Shares traded on the ASX for two full trading days ending not later than five business days prior to the Offer Date (being [] and []) is [] cents.

For the purposes of the calculation referred to above, the VWAP is calculated by summing the market value of transactions (share price multiplied by volume of shares traded) over the two trading days and dividing that sum by the total number of shares traded over that same period.

15. No other material information

Except as set out elsewhere in this Bidder's Statement, there is no other information material to the making of a decision by a Somerton Shareholder whether or not to accept the Offer, being information that is known to Cooper and has not previously been disclosed to the holders of Somerton Shares.

²⁴ However Cooper does have a Relevant Interest in 19% of Somerton's issued shares by entering into pre-bid acceptance agreements with a number of Somerton Shareholders. Refer to section 3 of Part 2.

Part 9 – Offer Terms

1. Offer

1.1 Full offer

Cooper offers to acquire all of your Somerton Shares, together with all Rights attaching to those shares, on the following terms and conditions.

Subject to section 9 of these Offer Terms, you may only accept this Offer for all (and not a portion only) of your Somerton Shares.

An Offer in this form and bearing the same date is being made to each person registered as the holder of Somerton Shares in Somerton's register of members as at 7.00pm (Sydney time) on the Record Date.

The Offer also extends to all Somerton Shares issued after the Record Date and before the expiry of the Offer Period pursuant to an exercise of Somerton Incentive Rights on issue at the Record Date.

1.2 Offer extends to others

This Offer extends to any person able to give good title to any of your Somerton Shares during the Offer Period.

1.3 Acceptance of the Offer

By accepting this Offer you undertake to transfer to Cooper not only the Somerton Shares to which the Offer relates but also all Rights attached to those shares.

1.4 Date of Offer

This Offer is dated [] 2012.

2. Consideration

If you accept this Offer, you may elect to receive either:

- (a) one Cooper Share for every 2.8 of your Somerton Shares (**All Shares Alternative**); or
- (b) one Cooper Share for every 4.73 of your Somerton Shares plus 9 cents for each one of your Somerton Shares (**Shares and Cash Alternative**).

This election can be made by ticking the appropriate box on the Acceptance Form or, for CHESS Holders, by giving an instruction to your Controlling Participant. If no election is made or your election is indistinct but your acceptance is otherwise valid, you will be deemed to have elected to receive the All Shares Alternative for each of your Somerton Shares.

If by accepting this Offer you become entitled to a fraction of a Cooper Share, the number of Cooper Shares you will receive in respect of that acceptance will be rounded up to the nearest whole number.

3. ASX quotation of Cooper Shares

The Cooper Shares offered as consideration under the Takeover Bid will be issued fully paid and will rank equally with existing Cooper Shares from their date of issue.

An application will be made to the ASX within seven days after the start of the Offer Period for admission to quotation of the Cooper Shares to be issued as consideration under this Offer.

4. Offer Period

The Offer will, unless withdrawn in accordance with the Corporations Act, remain open for acceptance during the period commencing on the date of this Offer and ending at 7.00pm (Sydney time) on the later of:

- (a) [] 2012; or
- (b) any date to which that period is extended in accordance with the Corporations Act.

5. How to accept this Offer

5.1 Acceptance procedure

The acceptance procedure will depend on whether your Somerton Shares are in an Issuer Sponsored Holding or a CHESS Holding. If they are in an Issuer Sponsored Holding, you will have a securityholder reference number (SRN) beginning with 'I'. If they are in a CHESS Holding, you will have a holder identification number (HIN) beginning with 'X'. Your Acceptance Form will also have these descriptions and specific details of your holding printed on it.

If you hold your Somerton Shares in an Issuer Sponsored Holding

If your Somerton Shares are held on Somerton's issuer sponsored subregister, then to accept this Offer in respect of those Somerton Shares, you must:

- (a) **complete and sign** the Acceptance Form which accompanies this Bidder's Statement in accordance with the terms of the Offer and the instructions on the Acceptance Form; and
- (b) **return** the Acceptance Form together with all other documents required by the terms of this Offer and the instructions on the Acceptance Form to the address specified on the Acceptance Form, so that they are received before the close of the Offer Period.

If you hold your Somerton Shares in a CHESS Holding

If your Somerton Shares are held in a CHESS Holding, then to accept this Offer in respect of those Somerton Shares:

- (a) you must comply with the ASX Settlement Operating Rules;
- (b) if you are the Controlling Participant, you must initiate acceptance of this Offer in accordance with rule 14.14 of the ASX Settlement Operating Rules before the close of the Offer Period; and
- (c) if you are not the Controlling Participant, you may either:
 - (i) instruct your Controlling Participant, in accordance with the sponsorship agreement between you and the Controlling Participant, to initiate acceptance of this Offer in accordance with rule 14.14 of the ASX Settlement Operating Rules, such initiation to occur before the close of the Offer Period. If you choose to accept the Offer in this way, your Controlling Participant will be obliged by rule 14.14.1 of the ASX Settlement Operating Rules to initiate acceptance within the following timeframes:
 - (A) if you specify a time when or by which this Offer must be accepted, in accordance with those instructions; or
 - (B) otherwise, by the End of Day (as defined in the ASX Settlement Operating Rules) on the day that you instruct the Controlling Participant to

accept this Offer or, if the Offer Period ends on the day you provide those instructions, before the close of the Offer Period; or

- (ii) complete, sign and return the Acceptance Form in accordance with the terms of the Offer and the instructions on the Acceptance Form, together with all other documents required by the terms of this Offer and the instructions on the Acceptance Form, to the address specified on the Acceptance Form, so that it is received in sufficient time to effect an acceptance before the close of the Offer Period.

5.2 Irrevocable authorisation

By completing, signing and returning the Acceptance Form in respect of Somerton Shares in a CHESS Holding you will be deemed to have irrevocably authorised Cooper (and any nominee or nominees of Cooper) to:

- (a) instruct your Controlling Participant to initiate acceptance of this Offer in respect of all such Somerton Shares in accordance with rule 14.14 of the ASX Settlement Operating Rules; and
- (b) give any other instructions concerning those Somerton Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and the Controlling Participant.

5.3 Foreign laws

It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept this Offer and/or to be issued Cooper Shares as a result of that acceptance.

5.4 Address

The mailing address for completed Acceptance Forms is:

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne VIC 3001
Australia

5.5 Somerton Shareholder's risk

The method chosen to deliver the Acceptance Form and other documents is at your risk.

5.6 Acceptance Form

The Acceptance Form which accompanies this Offer forms part of it. The requirements on the Acceptance Form must be observed in accepting this Offer in respect of your Somerton Shares.

5.7 Power of attorney, deceased estate

When accepting this Offer, you should also forward for inspection:

- (a) if the Acceptance Form is executed by an attorney, the power of attorney; and
- (b) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased Somerton Shareholder, the relevant grant of probate or letters of administration.

5.8 Signing under power of attorney

If the Acceptance Form is signed under power of attorney, the attorney will be taken to have declared that the attorney has no notice of revocation of the power and is empowered to delegate powers under the power of attorney as contemplated by section 8.1 of these Offer Terms.

5.9 When acceptance is complete

Acceptance of this Offer will not be complete until the completed Acceptance Form has been received at the address set out in section 5.4 above and the requirements of this section 5 have been met, provided that:

- (a) Cooper may in its sole discretion waive any or all of those requirements at any time; and
- (b) where such requirements have been complied with in respect of some but not all of your Somerton Shares, Cooper may, in its sole discretion, deem your acceptance of this Offer complete in respect of those Somerton Shares for which the requirements have been complied with but not in respect of the remainder.

6. Payment of consideration

6.1 When consideration is provided

Subject to section 6.2 of these Offer Terms and the Corporations Act, if the contract resulting from your acceptance of this Offer becomes unconditional, Cooper will provide the consideration to which you are entitled on acceptance of this Offer on or before the earlier of:

- (a) one month after the date this Offer is accepted or, if the Offer is subject to a Defeating Condition when accepted, within one month after this Offer or the contract resulting from your acceptance of this Offer becomes unconditional; or
- (b) 21 days after the close of the Offer Period.

Under no circumstances will interest be paid on the consideration to which you are entitled under this Offer, regardless of any delay in providing the consideration or any extension of the Offer.

6.2 Where additional documents are required

Where the Acceptance Form requires additional documents to be given with your acceptance (such as a power of attorney):

- (a) if the documents are given with your acceptance, Cooper will provide the consideration in accordance with section 6.1;
- (b) if Cooper is given the documents after acceptance and before the close of the Offer Period, Cooper will provide the consideration:
 - (i) if at the time that Cooper is given the documents the Offer is subject to a Defeating Condition, by the earlier of one month after this Offer or the contract resulting from your acceptance of the Offer becomes unconditional or 21 days after the close of the Offer Period; or
 - (ii) if the Offer is unconditional at the time that Cooper is given the documents, by the earlier of one month after Cooper is given the documents or 21 days after the close of the Offer Period; or
- (c) if the documents are given after acceptance and after the close of the Offer Period, Cooper will provide consideration:
 - (iii) if at the time that Cooper is given the documents, the contract resulting from your acceptance of the Offer is subject to a Defeating Condition that relates only to the happening of an event or circumstance referred to in sections 652C(1) or (2) of the Corporations Act, within 21 days after the contract becomes or is declared unconditional; or
 - (iv) if at the time that Cooper is given the documents the contract resulting from your acceptance of the Offer is unconditional within 21 days after Cooper is given the

documents.

If you do not provide Cooper with any required additional documents within one month after the close of the Offer Period, Cooper may, in its sole discretion, rescind the contract resulting from your acceptance of the Offer.

6.3 Where Cooper is entitled to any Rights

If any cash Rights are declared, paid, made, arise or accrue to you as the holder of your Somerton Shares, Cooper may reduce the consideration specified in section 2 by the amount of the Rights, unless the benefit of the Rights is passed to Cooper under section 8.1(h).

If any non-cash Rights are issued, made, arise or accrue to you as the holder of your Somerton Shares, Cooper may reduce the consideration specified in section 2 by the value (as reasonably determined by Cooper) of the non-cash Rights, unless the benefit of the Rights is passed to Cooper under section 8.1(h).

6.4 Provision of consideration

The obligation of Cooper to allot and issue any Cooper Shares to which you are entitled under this Offer will be satisfied:

- (a) by entering your name on the register of members of Cooper; and
- (b) if your name is entered onto the issuer sponsored subregister of Cooper, by Cooper despatching or procuring the despatch to you, by pre-paid post to your address as shown on the latest copy of the register of members of Somerton obtained by Cooper, and within five business days after your name is so entered, an issuer sponsored holding statement in accordance with Listing Rule 8.5.

Payment of any cash consideration to which you become entitled by accepting this Offer will be made by cheque in Australian currency and will be sent by pre-paid post to your address as shown on the latest copy of the register of members of Somerton obtained by Cooper.

6.5 Ineligible Foreign Shareholders

If you are an Ineligible Foreign Shareholder, you will not be entitled to receive Cooper Shares as part of the consideration for your Somerton Shares as a result of acceptance of this Offer, and Cooper will:

- (a) arrange for the issue to a nominee approved by ASIC (**Nominee**) of the number of Cooper Shares to which you and all other Ineligible Foreign Shareholders would have been entitled but for this section 6.5 and the equivalent provision in each other Offer;
- (b) cause the Cooper Shares so issued to be offered for sale by the Nominee as soon as practicable and otherwise in the manner, at the price and on such other terms and conditions as are determined by the Nominee; and
- (c) cause the amount ascertained in accordance with the formula below to be paid to you:

$$\frac{PxN}{T}$$

where:

- P is the amount (if any) remaining after deducting the expenses of sale from the proceeds of sale of the Cooper Shares issued to the Nominee under this section 6.5 and the equivalent provision in each offer under the Offer;
- N is the number of Cooper Shares which would, but for this section 6.5, otherwise have been issued to you under this Offer; and
- T is the total number of Cooper Shares issued to the Nominee under this section 6.5

and the equivalent provision in each other offer under the Offer.

Payment of the amount referred to in this section 6.5 will be made by cheque in Australian dollars or, if this is unlawful, the currency of the jurisdiction of your residence (as shown in the register of members of Somerton or on the Acceptance Form). Cheques will be sent (at your risk) to your address as shown on the latest copy of the register of members of Somerton obtained by Cooper by pre-paid airmail.

6.6 Clearances for offshore residents and others

If at the time you accept this Offer or at the time the consideration is provided under it:

- (a) any authority or clearance of the Reserve Bank of Australia or the Australian Tax Office is required for you to receive any consideration under this Offer; or
- (b) you are resident in or a resident of a place to which, or you are a person to whom any of the following applies:
 - (i) the *Banking (Foreign) Exchange Regulations 1959 (Cth)*;
 - (ii) the *Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth)*;
 - (iii) Part 9 of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)*; or
 - (iv) any other law of Australia or elsewhere that would make it unlawful for Cooper to provide consideration for your Somerton Shares,

then your acceptance of this Offer does not create or transfer to you any right (contractual, contingent or otherwise) to receive the consideration specified in this Offer unless and until you obtain all requisite authorities, approvals or clearances.

7. Conditions of the Offer

7.1 Conditions

This Offer, and any contract resulting from acceptance of this Offer, are subject to fulfilment of the following conditions:

(a) Minimum acceptance condition

Before the close of the Offer Period Cooper and its Associates have Relevant Interests in at least 90% (by number) of all issued Somerton Shares.

(b) Prescribed Occurrences

That during the period from the Announcement Date to the close of the Offer Period (each inclusive), none of the following events or circumstances, as referred to in sections 652C(1) and (2) of the Corporations Act, happen:

- (i) Somerton converts all or any of its shares into a larger or smaller number of shares;
- (ii) Somerton or a subsidiary of Somerton resolves to reduce its share capital in any way;
- (iii) Somerton or a subsidiary of Somerton enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under section 257C or 257D of the Corporations Act;
- (iv) Somerton or a subsidiary of Somerton issues shares, or grants an option over any

of its shares, or agrees to make such an issue other than the issue of shares in Somerton on the vesting of the Somerton Incentive Rights;

- (v) Somerton or a subsidiary of Somerton issues, or agrees to issue, convertible notes;
- (vi) Somerton or a subsidiary of Somerton disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Somerton or a subsidiary of Somerton charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Somerton or a subsidiary of Somerton resolves to be wound up;
- (ix) a liquidator or provisional liquidator of Somerton or a subsidiary of Somerton is appointed;
- (x) a Court makes an order for the winding up of Somerton or of a subsidiary of Somerton;
- (xi) an administrator of Somerton, or of a subsidiary of Somerton, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Somerton or a subsidiary of Somerton executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Somerton or of a subsidiary of Somerton.

Cooper confirms that, as far as it is aware, none of the above events or circumstances had occurred as at the Lodgement Date. If any such event had occurred prior to the Lodgement Date, Cooper waives the condition in respect of that event.

(c) Conduct of Somerton's business

None of the following events occurs during the Offer Period without the prior written consent of Cooper:

- (i) Somerton or a subsidiary of Somerton makes a change in its constitution or passes a special resolution;
- (ii) Somerton or a subsidiary of Somerton borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of its business);
- (iii) Somerton or a subsidiary of Somerton releases, discharges or modifies a substantial obligation to it of any person, firm or corporation, or agrees to do so;
- (iv) Somerton or a subsidiary of Somerton appoints any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (v) Somerton or a subsidiary of Somerton enters into or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 18 April 2012);
- (vi) Somerton or a subsidiary of Somerton conducts its business otherwise than in the ordinary course;
- (vii) Somerton or a subsidiary of Somerton creates or agrees to create, any mortgage, charge, lien or other encumbrances over the whole, or a substantial part, of

its business or property, other than for any hire purchase agreement or similar arrangement which is entered into after 18 April 2012 in connection with the purchase of any single item of plant and equipment for less than \$500,000;

- (viii) Somerton or a subsidiary of Somerton increases the total remuneration for its employees by greater than 5% or otherwise varies the employment arrangements with any of its employees;
- (ix) Somerton or a subsidiary of Somerton increases the remuneration of its non-executive directors or otherwise varies the employment arrangements with any of its non-executive directors;
- (x) Somerton or a subsidiary of Somerton accelerates the rights of any of its non-executive directors, senior executives or employees to compensation or benefits of any kind (including under any Somerton executive or employee share plans) other than pursuant to the vesting of the Somerton Incentive Rights;
- (xi) Somerton or a subsidiary of Somerton pays any of its non-executive directors, senior executives or employees a termination or retention payment (otherwise than in accordance with a contract in place at 18 April 2012);
- (xii) Somerton or a subsidiary of Somerton waives any material third party default; or
- (xiii) Somerton or a subsidiary of Somerton makes any changes to its accounting practices or policies, other than to comply with generally accepted Australian accounting standards and any domestically accepted international accounting standards or electing to form a consolidated group for the purposes of the *Income Tax Assessment Act 1997 (Cth)*.

(d) Material Acquisitions and Disposals

None of the following events occurs during the Offer Period without the prior written consent of Cooper:

- (i) Somerton or a subsidiary of Somerton acquires, offers to acquire or agrees to acquire an interest in one or more assets for an amount in aggregate greater than \$500,000;
- (ii) Somerton or a subsidiary of Somerton disposes, offers to dispose or agrees to dispose of one or more assets (or an interest in one or more assets) for an amount in aggregate greater than \$500,000;
- (iii) Somerton or a subsidiary of Somerton enters into or offers to enter into any joint venture or partnership involving a commitment of greater than \$500,000; or
- (iv) other than in the ordinary course of business, Somerton or a subsidiary of Somerton incurs, or commits to, or grants to another person, a right, the exercise of which would involve Somerton or a subsidiary of Somerton incurring or committing to any capital expenditure or liability for one or more related items of greater than \$500,000.

(e) Withdrawal of Somerton Support

During the Offer Period:

- (i) the Somerton Board does not make any public statement that it no longer supports the Bid; or
- (ii) a member of the Somerton Board does not withdraw his recommendation previously made or indicate that he or any associate of his does not intend to

accept the Offer.

(f) No action or investigation

During the Offer Period:

- (i) there is not in effect any preliminary or final decision, order or decree issued by a Governmental Agency;
- (ii) no action or investigation is instituted, or threatened with respect to Somerton or any subsidiary of Somerton; and
- (iii) no application is made to any Governmental Agency,

in consequence of, or in connection with the Bid which restrains, prohibits or impedes or threatens to restrain, prohibit or impede, or may otherwise materially adversely impact upon the making of the Bid or the completion of any transaction contemplated by the Bid or seeks to require the divestiture by Cooper of any Somerton Shares or the divestiture of any assets by Somerton or any subsidiary of Somerton or by Cooper or any subsidiary of Cooper.

(g) Equal access to information

Between the Announcement Date and the close of the Offer Period (each inclusive), Somerton promptly (and in any event within two Business Days) provides to Cooper a copy of all information that is not generally available (within the meaning of the Corporations Act) relating to Somerton or any related body corporate of Somerton or any of their respective officers, employees, advisers or agents that has been provided to any person (other than Cooper) for the purpose of soliciting, encouraging or facilitating a proposal or offer by that person, or any other person, in relation to a transaction under which:

- (i) any person (together with its associates) may acquire voting power of 10% or more in Somerton (whether by way of takeover bid, compromise or arrangement under Part 5.1 of the Corporations Act, or otherwise);
- (ii) any person may acquire, directly or indirectly (including by way of joint venture, dual listed company structure or otherwise), any interest in all or a substantial part of the business or assets of Somerton or of any related body corporate of Somerton; or
- (iii) that person may otherwise acquire control, of or merge or amalgamate with, Somerton.

(h) Other regulatory approvals

Before the close of the Offer Period, all regulatory approvals or consents that are required by law, regulation or regulatory policy as are necessary to permit:

- (i) the Offer to be lawfully made to and accepted by holders of Somerton Shares in all applicable jurisdictions;
- (ii) the acquisition of Somerton Shares by Cooper; or
- (iii) completion of the transactions contemplated by this Bidder's Statement, including the full, lawful and effectual implementation of the intentions set out in this Bidder's Statement,

are granted, given, made or obtained on an unconditional basis, remain in full force and effect, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew.

Cooper confirms that, as far as it is aware, no such approvals or consents are required, but in any event it undertakes to use its best endeavours to obtain any such approvals or consents as may be required.

(i) No Material Failing in Filings

During the Offer Period, Cooper does not become aware of any document filed by or on behalf of Somerton with ASX or ASIC containing a statement which is incorrect or misleading in any material particular or from which there is a material omission (in such circumstance, materiality being determined by reference to the business and assets of Somerton taken as a whole).

(j) Non Existence of Certain Rights

No person has any right (whether subject to conditions or not) as a result of the acquisition of all the Somerton Shares by Cooper pursuant to the Bid to:

- (i) acquire, or require Somerton or a subsidiary of Somerton to dispose of, or offer to dispose of, any material asset of Somerton or a subsidiary of Somerton;
- (ii) terminate or vary any material agreement with Somerton or a subsidiary of Somerton; or
- (iii) accelerate or adversely modify the performance of any obligations of Somerton or any of its subsidiaries in a material respect under any material agreements, contracts or other legal arrangements.

(k) Material adverse change

No 'specified event' occurs which has or could reasonably be expected to have, a materially adverse effect on the:

- (i) permits, assets, liabilities, financial position, performance, profitability or prospects of Somerton and/or its subsidiaries taken as a whole or any of them; or
- (ii) status or terms of (or rights attaching to) any material Approvals from any Governmental Agency applicable to Somerton, any of its subsidiaries or any of their permits,

including:

- (iii) any creditor demanding repayment of a debt of \$500,000 or more;
- (iv) any person accelerating or adversely modifying the performance of any obligation of Somerton or any of its subsidiaries under any material agreements, contracts or other legal arrangements; or
- (v) any permit not being renewed on normal commercial terms,

but does not include any change:

- (vi) fairly disclosed to Cooper on or before 18 April 2012 (including as a result of disclosures made to ASX);
- (vii) occurring as a result of any matter, event or circumstance required by the merger implementation agreement between Cooper and Somerton dated 18 April 2012, the Bid or the transactions contemplated by them; or
- (viii) approved in writing by Cooper.

For these purposes, a 'specified event' is:

- (i) an event or occurrence that occurs or is discovered during the Offer Period;
- (ii) an event or occurrence that occurs prior to the Offer Period but is only announced or publicly disclosed on or after the Announcement Date; or
- (iii) an event or occurrence that will or is likely to occur following the Offer Period and which has not been publicly announced prior to the Announcement Date.

(l) S&P/ASX 200 Index

During the Offer Period, the S&P/ASX 200 Index does not fall more than 20% below its level as at the Announcement Date.

(m) Termination of Strategic Alliance

Prior to the expiry of the Offer Period, Beach Energy Limited and Somerton enter into a deed of termination in relation to the strategic alliance between them dated 13 August 2010 which is conditional only upon the minimum acceptance condition being satisfied and all other Defeating Conditions being either satisfied or waived.

7.2 Nature of conditions

Each of the conditions set out in each paragraph and subparagraph of section 7.1 of these Offer Terms:

- (a) constitutes and will be construed as a separate, several and distinct condition and each of the conditions will not be taken to limit the meaning and effect of any other condition;
- (b) is a condition subsequent; and
- (c) until the expiration of the Offer Period (or in the case of a Defeating Condition that relates to a circumstance or event referred to in subsection 652C(1) or (2) of Corporations Act, until three business days after the close of the Offer Period) will be for the benefit of Cooper alone and may be relied upon only by Cooper.

7.3 Effect of breach or non-fulfilment

The breach or non-fulfilment of any of the Defeating Conditions does not, until the close of the Offer Period, prevent a contract arising to acquire your Somerton Shares resulting from your acceptance of this Offer, but if at the close of the Offer Period (or, in the case of a Defeating Condition that relates to a circumstance or event referred to in subsection 652C(1) or (2) of the Corporations Act, at the end of three business days after the close of the Offer Period), in respect of any Defeating Condition:

- (a) Cooper has not declared the Offers (and they have not become) free from that condition; or
- (b) that condition has not been fulfilled,

all contracts resulting from acceptance of this Offer and all acceptances that have not resulted in binding contracts are automatically void. In such a case, Cooper will return the Acceptance Form together with all documents to the address shown in the Acceptance Form and notify ASX Settlement of the lapse of the Offer in accordance with rule 14.19 of the ASX Settlement Operating Rules.

7.4 Cooper may decide Offer is free from all or any of the conditions

Cooper may at any time at its sole discretion, but in compliance with section 650F and section 630 of the Corporations Act, declare the Offers free from all or any of the Defeating Conditions which are capable of being waived by notice in writing to Somerton:

- (a) in the case of a Defeating Condition that relates to the happening of a circumstance or event referred to in subsection 652C(1) or (2) of the Corporations Act – not later than

- three business days after the close of the Offer Period; and
- (b) in any other case – not later than seven days before the close of the Offer Period.

7.5 Date for giving notice on status of conditions

The date for giving a notice on the status of the conditions as required by section 630(1) of the Corporations Act is [] 2012, subject to variation in accordance with section 630(2) of the Corporations Act where the Offer Period is extended.

7.6 Section 625(3) of the Corporations Act

This Offer and any contract that results from your acceptance of this Offer are also subject to the condition set out in section 625(3) of the Corporations Act. If that condition is not fulfilled, any contract that results from your acceptance of this Offer will be automatically void.

8. Effect of acceptance

8.1 Effect of acceptance

By accepting this Offer in accordance with section 5 of these Offer Terms (including where the Offer is caused to be accepted in accordance with the ASX Settlement Operating Rules), you will, or will be deemed to have:

- (a) irrevocably authorised Cooper to alter the Acceptance Form on your behalf by:
- (i) inserting correct details of your Somerton Shares;
 - (ii) filling in any blanks remaining on the Acceptance Form; and
 - (iii) rectifying any errors in, and omissions from, the Acceptance Form, as may be necessary to make the Acceptance Form an effectual acceptance of this Offer and to enable registration of the transfer of your Somerton Shares to Cooper;
- (b) accepted this Offer (and any variation of it) and agreed to its terms and conditions, in respect of all of your Somerton Shares (together with all Rights attaching to them) despite any difference between that number and the number of Somerton Shares shown in the Acceptance Form;
- (c) agreed to transfer all of your Somerton Shares to Cooper subject to the Offer being declared free from the Defeating Conditions (or those conditions being fulfilled);
- (d) represented and warranted to Cooper:
- (i) that you are not an Ineligible Foreign Shareholder, unless otherwise indicated on the Acceptance Form, and acknowledged and agreed that if you are an Ineligible Foreign Shareholder, or if Cooper believes that you are an Ineligible Foreign Shareholder, Cooper will arrange for any Cooper Shares otherwise issuable to you to be issued and sold, and for the net proceeds to be remitted to you, as described in section 6.5 of these Offer Terms; and
 - (ii) as a condition of the contract resulting from your acceptance of the Offer, that at the time of acceptance and at the time of transfer to Cooper:
 - (A) you have paid to Somerton all amounts which are due for payment in respect of your Somerton Shares;
 - (B) all of your Somerton Shares are fully paid and Cooper will acquire good title to them and full beneficial ownership of them free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise and restrictions on transfer of any kind; and

- (C) you have full power and capacity to accept this Offer and to sell and transfer the legal and beneficial ownership of your Somerton Shares (together with all Rights attaching to them) to Cooper;
- (e) with effect from the later of acceptance of this Offer and the date that any contract resulting from that acceptance becomes, or is declared, free from conditions, appointed Cooper and each of its directors, secretaries and other officers from time to time severally as your agent and true and lawful attorney, with power to do all things which you could lawfully do concerning your Somerton Shares or in exercise of any right or power derived from the holding of your Somerton Shares, including, without limitation, to:
 - (i) attend and vote in respect of your Somerton Shares at any general meeting of Somerton;
 - (ii) appoint a proxy or proxies to attend and vote on your behalf in respect of your Somerton Shares at any meeting of Somerton;
 - (iii) requisition or join with other holders of Somerton Shares in requisitioning or convening (or both) a meeting of Somerton;
 - (iv) demand a poll for any vote to be taken at any meeting of Somerton;
 - (v) propose or second any resolution to be considered at any meeting of Somerton;
 - (vi) receive from Somerton or any other party, and retain, any share certificates which were held by Somerton, or any other party;
 - (vii) sign all documents (including an instrument appointing one of Cooper's directors as a proxy in respect of any or all of your Somerton Shares and any application to Somerton for a replacement certificate in respect of any share certificate which has been lost or destroyed) and resolutions relating to your Somerton Shares, and generally to exercise all powers and rights which you may have as a Somerton Shareholder and perform such actions as may be appropriate in order to vest good title in your Somerton Shares (together with all Rights attaching to them) in Cooper; and
 - (viii) do all things incidental and ancillary to the foregoing,

and to have agreed that in exercising the powers conferred by that power of attorney, the attorney may act in the interests of Cooper as the intended registered holder and beneficial holder of your Somerton Shares. This appointment is irrevocable and terminates upon registration of a transfer to Cooper of your Somerton Shares. Cooper will indemnify you and keep you indemnified in respect of all costs, expenses and obligations which might be incurred or undertaken as a result of the exercise by an attorney of any powers under this subclause;
- (f) agreed to fully indemnify Cooper in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your holder identification number or security holder reference number or in consequence of the transfer of your Somerton Shares to Cooper being registered by Somerton without production of your holder identification number or security holder reference number;
- (g) irrevocably authorised Cooper (and any nominee or nominees of Cooper) to notify Somerton on your behalf that your place of address for the purpose of serving notices upon you in respect of your Somerton Shares is the address as specified in the notification, and that all such notices are to be marked care of Cooper and to have directed Somerton to serve all correspondence, payments or notifications in respect of any Rights and other communications and documents whatsoever in respect of those Somerton Shares to Cooper at that address;

- (h) irrevocably authorised and directed Somerton to pay Cooper, or to account to Cooper for, all Rights in respect of your Somerton Shares, subject, however, to any such Rights being received by Cooper being accounted for by Cooper to you if this Offer is withdrawn or any contract resulting from your acceptance of this Offer is rescinded or rendered void;
- (i) irrevocably authorised Cooper (and any nominees or nominees of Cooper) to cause a message to be transmitted in accordance with ASX Settlement Operating Rule 14.17.1 (and at a time permitted by ASX Settlement Operating Rule 14.17.1(b)) so as to transfer your Somerton Shares to Cooper's Takeover Transferee Holding, regardless of whether Cooper has at that time paid or provided the consideration due to you under this Offer;
- (j) authorised Cooper to issue to you and agreed to accept the Cooper Shares you have become entitled to receive under this Offer and to register your name in the Cooper register of members in respect of those Cooper Shares, and agreed that you will be bound by the constitution of Cooper; and
- (k) agreed, subject to the Defeating Conditions being satisfied or waived, to execute all documents, transfers and assurances as may be necessary or desirable to convey your Somerton Shares and Rights to Cooper.

Cooper may at any time deem the receipt of a signed Acceptance Form to be a valid acceptance of this Offer even though you omit to include your share certificate(s) (if any) or there is not compliance with any one or more of the other requirements for acceptance but, if Cooper does so, Cooper is not obliged to make the consideration available to you until all of the requirements for acceptance have been met.

8.2 Continuing representations and warranties

The representations, warranties, undertakings and authorities referred to in section 5.2 of these Offer Terms and this section 8 of these Offer Terms will (unless otherwise stated) remain in force after you receive the consideration for your Somerton Shares and after Cooper becomes registered as holder of them.

9. Acceptances by transferees and nominees

9.1 Who may accept the Offer

During the Offer Period:

- (a) any person who is able to give good title to a parcel of your Somerton Shares may accept (if they have not already accepted an offer in the form of this Offer for those Somerton Shares) as if an offer on terms identical with this Offer has been made to them; and
- (b) any person who holds one or more distinct parcels of Somerton Shares as trustee or nominee, or otherwise on account of another person, may accept as if a separate and distinct offer had been made in relation to:
 - (i) each of those parcels; and
 - (ii) any parcel they hold in their own right.

9.2 Holding Somerton Shares

A person is taken to hold Somerton Shares if they are registered as the holder of those Somerton Shares.

9.3 Holding Somerton Shares on trust or as a nominee

A person is taken to hold Somerton Shares on trust for, as nominee for, or on account of, another person if they:

- (a) are entitled to be registered as the holder of particular Somerton Shares; and
- (b) hold their interest in the Somerton Shares on trust for, as nominee for, or on account of, that other person.

9.4 Effective acceptance

An acceptance of an offer pursuant to section 9.1(b) of these Offer Terms is ineffective unless:

- (a) the person who holds on account of another person gives Cooper a notice stating that the Somerton Shares consist of a separate and distinct parcel; and
- (b) the acceptance specifies the number of Somerton Shares in the distinct parcel.

9.5 Notice of acceptance

A notice under section 9.4(a) of these Offer Terms must be made:

- (a) if it relates to Somerton Shares entered on a CHESS subregister - in an electronic form approved by the ASX Settlement Operating Rules; or
- (b) otherwise - in writing.

9.6 Person may accept for two or more parcels

A person may, at the one time, accept for two or more parcels under this section as if there had been a single offer for a separate parcel consisting of those parcels.

10. Other matters

10.1 Notices and other communications

Subject to the Corporations Act, a notice or other communication given by Cooper to you in connection with this Offer shall be deemed to be duly given if it is in writing and:

- (a) is delivered to your address as recorded on the register of members of Somerton or the address shown in the Acceptance Form; or
- (b) is sent by pre-paid ordinary mail, or in the case of an address outside Australia by pre-paid airmail, to you at either of those addresses.

10.2 Destruction of documents

If:

- (a) this Offer is withdrawn after your Acceptance Form has been sent to Cooper, but before it has been received; or
- (b) for any other reason Cooper does not acquire the Somerton Shares to which your Acceptance Form relates,

Cooper will destroy your Acceptance Form together with all other documents forwarded by you.

10.3 Costs and expenses

All costs and expenses of the preparation, despatch and circulation of the Offers and all stamp duty payable in respect of a transfer of Somerton Shares in respect of which Offers are accepted, will be paid by Cooper. If you hold your Somerton Shares through a bank, broker or nominee which charges transaction fees or service charges in connection with your acceptance of the Offer, Cooper will not pay those fees or charges.

10.4 Withdrawal

Cooper may withdraw unaccepted Offers at any time with the written consent of ASIC and subject to the conditions (if any) specified in that consent.

10.5 Variation

Cooper may vary this Offer in accordance with the Corporations Act.

10.6 Governing law

This Offer and any contract that results from your acceptance of this are governed by the laws in force in Western Australia.

Part 10 – Definitions and interpretation

1. Definitions

In this Bidder's Statement unless the context otherwise requires:

Acceptance Form means the form of acceptance and transfer enclosed with this Bidder's Statement and which forms part of the Offer.

All Shares Alternative means the consideration comprising one Cooper Share for every 2.8 Somerton Shares to be acquired under the Offer.

Announcement Date means 19 April 2012, being the date of the announcement of the Offer by Cooper.

ASIC means Australian Securities and Investments Commission.

Associate has the meaning given to that term by section 12 of the Corporations Act as if section 12(1) of the Corporations Act included an associate reference occurring in this Bidder's Statement.

ASX Settlement means ASX Settlement Pty Ltd.

ASX Settlement Operating Rules means the operating rules of ASX Settlement, being the holder of an Australian CS facility licence under the Corporations Act.

ASX means ASX Limited or the market it conducts (as the context requires).

Bidder's Statement means this document, being the statement of Cooper under Part 6.5 Division 2 of the Corporations Act relating to the Offer.

Business Day has the meaning given in the Listing Rules.

CHESS means the Clearing House Electronic Subregister System established and operated by ASX Settlement for the clearing, settlement, transfer and registration of approved securities.

CHESS Holding means a holding of Somerton Shares on the CHESS Subregister of Somerton (usually a CHESS holding will be through a Controlling Participant).

Cooper Board means the board of directors of Cooper.

Cooper or **Company** means Cooper Energy Limited (ACN 096 170 295).

Cooper Options means options to subscribe for Cooper Shares.

Cooper Performance Rights means performance rights issued pursuant to a resolution of Cooper Shareholders and convertible in certain circumstances into Cooper Shares.

Cooper Shareholder means a person who holds Cooper Shares.

Cooper Shares means fully paid ordinary shares in Cooper.

Controlling Participant means the person who is designated as the Controlling Participant for shares in a CHESS Holding in accordance with the ASX Settlement Operating Rules.

Corporations Act means *Corporations Act 2001* (Cth).

Defeating Condition means each condition set out in section 7.1 of the Offer Terms.

Euroz means Euroz Securities Limited.

Foreign Permits means the Permits located in Indonesia, Tunisia and Poland.

Governmental Agency means any government or any governmental, semi-governmental, administrative, statutory or judicial entity, authority or agency, whether in Australia or elsewhere, including the

Australian Competition and Consumer Commission (but excluding the Takeovers Panel, ASIC and any Court that hears or determines proceedings under 657G or proceedings commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Bid). It also includes any self-regulatory organization established under statute or any stock exchange;

GST has the meaning given to that term in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Ineligible Foreign Shareholder means a holder of Somerton Shares whose address as shown in Somerton's register of members is in a jurisdiction other than Australia or its external territories or New Zealand, unless Cooper otherwise determines after being satisfied that it is not unlawful, not unduly onerous and not unduly impracticable to make the Offer to a Somerton Shareholder in the relevant jurisdiction and to issue Cooper Shares to such a Somerton Shareholder on the acceptance of the Offer.

Issuer Sponsored Holding means a holding of Somerton Shares on Somerton's issuer sponsored subregister.

Listing Rules means the listing rules of the ASX.

Lodgement Date means the date of lodgement of the Original Bidder's Statement with ASIC (being 30 April 2012).

Merged Group means the corporate group that would be formed should Cooper be successful in acquiring 100% of the Somerton Shares.

Offer means the offer contained in section 1 of the Offer Terms.

Offer Date means the date referred to in section 1.4 of the Offer Terms.

Offer Information Line means 1300 730 439 (if you are calling from Australia); or +61 8 6380 4530 (if you are calling from overseas).

Offer Period means the period referred to in section 3 of the Offer Terms.

Offers means the offers referred to in section 1 of the Offer Terms.

Offer Terms means the detailed terms of the Offer set out in Part 9.

Permits means the permits and interests set out in the table under section 1 of Part 3.

Prescribed Occurrence means the events or circumstances listed in section 7.1(b) of the Offer Terms.

Record Date means 1 May 2012.

Related body corporate has the same meaning as in the Corporations Act.

Relevant Interest has the meaning given to that term by section 9 of the Corporations Act.

Rights means all accretions and rights which accrue to or arise from Somerton Shares after the Lodgement Date, including all rights to receive dividends, to receive or subscribe for shares, notes, options or other securities and all other distributions or entitlements declared, paid, made or issued by Somerton after that date.

Shares and Cash Alternative means the consideration comprising one Cooper Share for every 4.73 Somerton Shares plus 9 cents for each Somerton Share to be acquired under the Offer.

Somerton means Somerton Energy Limited (ACN 089 956 150).

Somerton Board means the board of directors of Somerton.

Somerton Incentive Rights means incentive rights issued pursuant to a resolution of Somerton Shareholders and convertible in certain circumstances into Somerton Shares.

Somerton Shareholder means a person who holds Somerton Shares.

Somerton Shares means fully paid ordinary shares in Somerton.

Takeover Bid means the off-market takeover bid constituted by the Offers.

Voting Directors of Somerton means the directors of Somerton other than Mr Robert Kennedy who has abstained from making a recommendation due to being the non-executive Chairman of both Somerton and its largest shareholder, Beach Energy Limited.

VWAP means, in relation to a period, the volume-weighted average sale price on the ASX over that period.

2. Interpretation

In this Bidder's Statement:


- (a) headings are for convenience only and do not affect the interpretation of this Bidder's Statement or the Offer;
- (b) the singular includes the plural and vice versa;
- (c) words importing a gender include all other genders;
- (d) another grammatical form of a defined word or expression has a corresponding meaning;
- (e) references to persons include corporations;
- (f) references in this Bidder's Statement to paragraphs and sections are to paragraphs and sections in this Bidder's Statement;
- (g) references in this Bidder's Statement to appendices are to appendices of this Bidder's Statement;
- (h) references to **dollars** or **\$** or **cents** are to Australian currency;
- (i) words or phrases to which a meaning is given by the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules have the same meaning when used in this Bidder's Statement, unless that meaning is inconsistent with the context in which the word or phrase is used; and
- (j) appendices to this Bidder's Statement form part of this Bidder's Statement.

Signing page

DATED 3 May 2012

This Bidder's Statement has been approved by a unanimous resolution of the directors of Cooper.

Signed for and on behalf of Cooper Energy Limited.

.....

David Maxwell
Managing Director

Annexure A

(section 1.1 of Part 3)

Cooper's announcements to ASX made
after 31 October 2011

Date	Announcement
30/04/2012	Bidder's Statement for Somerton Energy
27/04/2012	March Quarterly Report
20/04/2012	BPT: Proposed Cooper Energy merger with Somerton Energy
19/04/2012	Notice of Initial Substantial Shareholding for Somerton
19/04/2012	Cooper Energy and Somerton Energy Merger
19/04/2012	Somerton: Merger Announcement - Cooper Energy Ltd
19/04/2012	Trading Halt
03/04/2012	Hammamet West 3 Update
23/03/2012	Change in substantial holding
19/03/2012	Notification of Cessation of Appointment of Officeholders
07/03/2012	Investor Presentation
06/03/2012	Becoming a substantial holder
05/03/2012	Change in substantial holding from NAB
01/03/2012	Response to ASX Price Query
27/02/2012	Half Year Financial Report 31 December 2011
03/02/2012	Investor Presentation
30/01/2012	December 2011 Quarterly Report
25/01/2012	Appendix 3Y D Maxwell
24/01/2012	Appendix 3B Issue of Performance Rights
06/01/2012	Change to Capital Structure
16/12/2011	EGM Outcome
16/12/2011	Results of General Meeting
16/12/2011	Results of AGM
16/12/2011	Managing Director Presentation to AGM
16/12/2011	Chairman's Address to Shareholders
13/12/2011	Appointment of Joint Company Secretary
02/12/2011	General Meetings
22/11/2011	BPT: Tantanna Pipeline back online
22/11/2011	Tantanna Pipeline Reinstatement
21/11/2011	Jaffa-1 to Be Plugged and Abandoned
17/11/2011	Notice of General Meeting
17/11/2011	Notice of AGM
17/11/2011	3D Survey Completed

17/11/2011	Zeta and Gas Strategy
16/11/2011	Tunisia Nabeul 3D Seismic Acquisition Complete
14/11/2011	Jaffa-1 Spud
04/11/2011	Request to Convene General Meeting
04/11/2011	Cooper EGM Outcome Media Release
04/11/2011	Final Proxy Report Shares
04/11/2011	Appointment of Alternate Director and Appendix 3X
02/11/2011	BPT: Monthly Drilling Report - October 2011
31/10/2011	September Quarterly Report

Annexure B

(section 1 of Part 4)

Somerton's announcements to ASX
made after 12 August 2011

Date	Announcement
30/04/2012	COE: Bidder's Statement for Somerton Energy
26/04/2012	Quarterly Activities and Cashflow Reports
23/04/2012	Change of Director's Interest Notice - Appendix 3Y
23/04/2012	Appendix 3B
20/04/2012	BPT: Proposed Cooper Energy merger with Somerton Energy
19/04/2012	Notice of Initial Substantial Shareholding from COE
19/04/2012	COE: Cooper Energy and Somerton Energy Merger
19/04/2012	Merger Announcement - Cooper Energy Ltd
19/04/2012	Request for Trading Halt
19/04/2012	Trading Halt
02/04/2012	Change of principal administrative office
14/02/2012	Half Year Accounts
13/02/2012	Somerton secures Bonaparte Basin exploration rights
19/01/2012	Quarterly Activities and Cash Flow Reports
20/12/2011	LKO: PRL-2 Joint Venture Update
21/10/2011	Quarterly Activities and Cashflow Reports
13/10/2011	Amended Constitution
13/10/2011	Results of Meeting
13/10/2011	Managing Director's AGM Presentation
12/10/2011	Beach takes position in Bonaparte Basin
09/09/2011	Notice of Annual General Meeting/Proxy Form
07/09/2011	Good Oil Conference Presentation
15/08/2011	Beach Makes Strategic Investment In Adelaide Energy
15/08/2011	Merger Discussions with ADE
15/08/2011	ADE: Nappamerri Trough Alliance with Beach Energy

Annexure C

Tax considerations

1. Introduction

The information in this annexure is only a general summary of the Australian tax consequences for Somerton Shareholders who accept the Offer. This information is relevant only to those Somerton Shareholders who hold their Somerton Shares on capital account. This information relates only to Somerton Shares and not to other rights held over Somerton Shares.

Certain Somerton Shareholders (such as those engaged in a business of trading or investment, those who acquired their Somerton Shares for the purpose of resale at a profit or those that are banks, insurance companies, tax exempt organisations, superannuation funds, persons who are temporary residents for Australian tax purposes or persons who acquire their Somerton Shares in respect of their employment with Somerton) will or may be subject to different tax consequences specific to their circumstances.

The information in this annexure is based upon taxation law and practice in effect as at the date of this Bidder's Statement. It is not intended to be an authoritative or complete statement or analysis of the taxation laws applicable to the particular circumstances of every Somerton Shareholder. Somerton Shareholders should seek independent professional advice regarding the taxation consequences of accepting the Offer or otherwise disposing of their Somerton Shares.

2. Tax consequences of disposal of Somerton Shares by Australian residents

2.1 General capital gains tax considerations

Acceptance of the Offer by a Somerton Shareholder will result in the disposal of Somerton Shares by the shareholder. This disposal will constitute a capital gains tax (CGT) event. The time of the event will be when the Somerton Shareholder accepts the Offer. If at the close of the Offer Period a Defeating Condition is breached, or is not fulfilled and Cooper has not declared the Offer free from that condition, then no CGT event will occur.

The disposal of Somerton Shares may result in a capital gain or capital loss.

A capital gain will arise if the capital proceeds exceed the cost base of the Somerton Shares. A capital loss will arise if the capital proceeds are less than the reduced cost base of those shares.

The capital proceeds received by a Somerton Shareholder who accepts the Offer will be equal to:

- (a) if the Somerton Shareholder elects the All Shares Alternative: the market value of Cooper Shares on the day the Somerton Shareholder accepts the Offer; or
- (b) if the Somerton Shareholder elects the Shares and Cash Alternative: the market value of Cooper Shares on the day the Somerton Shareholder accepts the Offer plus the cash consideration received.

The cost base or reduced cost base of Somerton Shares should broadly equal the money that a Somerton Shareholder has paid or was required to pay to acquire its Somerton Shares, plus certain other amounts associated with the acquisition of the Somerton Shares and disposal to Cooper.

Net capital gain

Subject to the CGT reductions and exemptions discussed below, capital gains and capital losses of a taxpayer in a year of income are aggregated to determine whether the taxpayer has a net capital gain or loss for that period. Any net capital gain, after applying carried forward capital losses, is included in the taxpayer's assessable income and is subject to income tax.

Capital losses

Capital losses may only be offset against capital gains realised in the same income year. A net capital loss for an income year can be carried forward to be offset against capital gains in future income years.

2.2 Circumstances in which capital gains may be reduced or disregarded

A Somerton Shareholder who accepts the Offer may be able to reduce or disregard a capital gain in the circumstances set out below.

A Somerton Shareholder may be able to disregard a capital gain to the extent that it is attributable to the acquisition of Cooper Shares where they choose scrip for scrip rollover relief to apply. For further information, refer to section 2.3.

Pre-CGT shareholders

If a Somerton Shareholder is deemed to have acquired their Somerton Shares prior to 20 September 1985, the Somerton Shareholder is exempt from any CGT consequences from the disposal of those shares.

Indexation

If a Somerton Shareholder is deemed to have acquired their Somerton Shares at or before 11.45 am on 21 September 1999, the cost base of their Somerton Shares may be indexed for inflation, by reference to changes in the Consumer Price Index from the calendar quarter in which the Somerton Shares were deemed to be acquired until the calendar quarter ended 30 September 1999. Indexation adjustments are taken into account only for the purposes of calculating a capital gain, not a capital loss.

A Somerton Shareholder who is an individual, complying superannuation entity or a trust and has held their Somerton Shares for at least 12 months will have the option of applying either the indexation method or the CGT discount (refer below) to calculate the capital gain arising from the disposal of Somerton Shares, but cannot apply both.

Whether any Somerton Shareholder should use the indexation method or the CGT discount will depend upon their particular circumstances. Somerton Shareholders should consult their own tax advisors in relation to this matter.

CGT discount

A Somerton Shareholder who makes a capital gain as a result of accepting the Offer, where the capital gain is not disregarded in whole or in part under the scrip for scrip roll-over rules (refer to section 2.3), and does not choose or is unable to choose to apply the indexation method referred to above, may be eligible for the CGT discount.

Broadly, the CGT discount can reduce an eligible taxpayer's capital gain if the taxpayer has held the relevant asset (in this case, Somerton Shares) for at least 12 months prior to disposal. The CGT discount applies after an eligible taxpayer has applied capital losses against their capital gains for the income year.

The size and availability of the applicable CGT discount is determined by the legal status of the Somerton Shareholder:

- (i) individuals: subject to CGT on 50% of any capital gain;
- (ii) complying superannuation entities: subject to CGT on two-thirds of any capital gain;
- (iii) companies (other than in a capacity as trustee): are not entitled to the CGT discount; and
- (iv) trustees: where beneficiaries are presently entitled to the income of the trust, the net capital gain for the trust is determined with the benefit of the 50% CGT discount if the Somerton Shares have been held for at least 12 months (refer above). Upon distribution

by the trustee, the net capital gain would be grossed up to 100% in the hands of beneficiaries.

Beneficiaries that are individuals or complying superannuation funds should be entitled to the CGT discount (at 50% for individuals and 33 1/3% for superannuation funds) in respect of the disposal of the Somerton Shares by the trust after offsetting the net capital gain distributed to them by capital losses realised by the beneficiary in the same year, or net capital losses brought forward by the beneficiary from prior years. They will include the discounted net gain in their assessable income.

Beneficiaries that are companies are not entitled to the CGT discount. They will include the grossed up capital gain in their assessable income, which may be offset by any current year capital losses or carry forward net capital losses of the company.

Where no beneficiaries are presently entitled to the net income of a trust that is a Somerton Shareholder, the full amount of any net capital gain in respect of the disposal of Somerton Shares will be included in the assessable income of the trustee.

Somerton Shareholders that are trustees should obtain specific tax advice as to whether they are entitled to obtain the benefit of the CGT discount and in relation to the tax consequences of distributions attributable to discounted capital gains.

2.3 Scrip for scrip roll-over

Scrip for scrip roll-over relief may be available to a Somerton Shareholder who acquired their Somerton Shares on or after 20 September 1985 and derive a capital gain as a result of acceptance of the Offer.

Scrip for scrip roll-over relief does not apply where a Somerton Shareholder derives a capital loss as a result of acceptance of the Offer.

Scrip for scrip roll-over relief is available if certain conditions are satisfied. These conditions include a requirement that the Offer must result in Cooper becoming the owner of 80% or more of the voting shares in Somerton.

It is a condition of the Offer that Cooper and its Associates have Relevant Interests in at least 90% (by number) of all issued Somerton Shares before the close of the Offer Period although Cooper may declare the Offer free from this condition. If Cooper makes this declaration, and Cooper and its Associates have Relevant Interests in less than 80% of the voting shares in Somerton at that time, then a Somerton Shareholder who has accepted the Offer will not be entitled to scrip for scrip roll-over relief and may be subject to CGT.

The comments below are provided on the basis Cooper and its Associates will have Relevant Interests in 80% or more of the voting shares in Somerton at the end of the Offer Period.

Somerton Shareholder that elects the All Shares Alternative

A Somerton Shareholder that elects the All Shares Alternative can choose to disregard all of the capital gain arising on the acceptance of the Offer under the scrip for scrip roll-over rules.

In these circumstances the Somerton Shareholder will not be required to include any amount of capital gain in their assessable income on the disposal of Somerton Shares through acceptance of the Offer.

The cost base and reduced cost base of the Somerton Shareholder's Somerton Shares for which the scrip for scrip roll-over rules have been chosen must be allocated proportionately to the Cooper Shares they receive for those Somerton Shares.

Somerton Shareholder that elects the Shares and Cash Alternative

A Somerton Shareholder that elects the Shares and Cash Alternative can choose to disregard under the scrip for scrip rollover rules the part of the capital gain arising on the acceptance of the Offer that relates to the receipt of Cooper Shares.

In these circumstances the Somerton Shareholder will only be required to include in their assessable income the capital gain on the disposal of Somerton Shares through acceptance of the Offer that relates to the cash consideration received.

Accordingly the capital gain on the disposal of Somerton Shares through acceptance of the Offer must be split between that part that is reasonably attributable to cash, for which no roll-over relief is available, and to Cooper Shares, for which roll-over relief is available.

The cost base and reduced cost base of the Somerton Shareholder's Somerton Shares for which the scrip for scrip roll-over rules have been chosen must be allocated proportionately to the Cooper Shares they receive for those Somerton Shares.

All Somerton Shareholders should seek independent professional advice regarding whether scrip for scrip roll-over relief can be obtained.

3. Tax consequences of disposal of Somerton Shares by non residents of Australia

Somerton Shareholders who are not resident in Australia for tax purposes will generally be subject to CGT on the disposal of Somerton Shares through acceptance of the Offer if:

- (i) together with their associates, they directly or indirectly own at least 10% or more (by value) of the shares in Somerton:
 - (A) at the time of the sale; or
 - (B) throughout a 12 month period beginning no earlier than 24 months before the time of the sale and ending no later than the time of the sale; and
- (ii) if more than 50% of the value of Somerton's assets is attributable to Australian real property,

subject to the terms of any applicable double tax agreement.

It is imperative that non-residents independently confirm their Australian tax position.

4. GST

No GST will be payable by a Somerton Shareholder in respect of their acceptance of the Offer, regardless of whether the All Shares Alternative or Shares and Cash Alternative is elected.

A Somerton Shareholder may be charged GST on third party costs (such as advisor fees) they incur and which relate to their participation in the Offer. A Somerton Shareholder may be entitled to input tax credits for such costs, but should seek independent advice in relation to their specific circumstances.

BIDDER'S STATEMENT
an Offer by
COOPER ENERGY LIMITED
(ACN 096 170 295)
to acquire all of your fully paid ordinary shares in
SOMERTON ENERGY LIMITED
(ACN 089 956 150)

Cooper Energy Limited is offering:

- (1) one Cooper Share for every 2.8 of your Somerton Shares; or
- (2) one Cooper Share for every 4.73 of your Somerton Shares plus 9 cents for each one of your Somerton Shares.

The Offer is dated [] 2012 and will expire at 7.00pm (Sydney time) on [] 2012, unless extended.

The Voting Directors of Somerton unanimously recommend that you accept the Offer in the
absence of a superior proposal.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION
YOU SHOULD READ ALL OF THE CONTENTS OF THIS DOCUMENT

If you are in doubt as to how to deal with this document or the Offer contained in it, please consult your financial or other professional adviser.

Financial adviser:



Legal adviser:



Important information

This [is a replacement bidder's statement dated 3 May 2012 \(Bidder's Statement\) Bidder's Statement is dated 30 April 2012](#) and is issued by Cooper Energy Limited under Part 6.5 of the Corporations Act and in compliance with sections 636 and 637 of the Corporations Act. A copy of this Bidder's Statement was lodged with ASIC on [3 May 30 April 2012](#).

[This Bidder's Statement replaces a bidder's statement dated 30 April 2012 and lodged with ASIC on that date \(Original Bidder's Statement\). ASIC takes no responsibility for the contents of this Bidder's Statement.](#)

Defined terms

A number of defined terms are used in this Bidder's Statement. The definitions are set out in Part 10 of this Bidder's Statement.

Investment decisions

Somerton Shareholders should read all of this Bidder's Statement before deciding whether to accept the Offer.

This Bidder's Statement does not take into account the individual investment objectives, financial situation or particular needs of each Somerton Shareholder or any other person.

Somerton Shareholders may wish to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer.

Foreign or overseas shareholders

This Bidder's Statement does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of this Bidder's Statement may, in certain jurisdictions, be restricted by law. Persons who come into possession of this document should inform themselves of and observe any of these restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any of these jurisdictions. Cooper does not assume any responsibility for any violation by any person of any of these restrictions.

No action has been taken to register or qualify Cooper or to otherwise permit a public offering of Cooper Shares outside Australia or New Zealand. Cooper Shares have not been, and will not be, registered under the United States Securities Act of 1933 (**Securities Act**) or the securities laws of any United States state or other jurisdiction and therefore may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the Securities Act), except in a transaction exempt from the registration requirements of the Securities Act and applicable United States securities laws.

In making the Offer available to persons resident in New Zealand, Cooper is relying on an exemption contained in the *New Zealand Securities Act (Overseas Companies) Exemption Notice 2002* (as amended) in relation to prospectus and investment statement requirements in New Zealand.

Disclaimer as to forward-looking statements

Some of the statements appearing in this Bidder's Statement may be in the nature of forward-looking statements. You should be aware that such statements are only predictions and are based on assumptions and subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Cooper and Somerton operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in

the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement.

None of Cooper, the officers of Cooper, any persons named in this Bidder's Statement with their consent, or any person involved in the preparation of this Bidder's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfillment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

Disclaimer as to Somerton information

The information on Somerton and Somerton's securities contained in this Bidder's Statement has been prepared by Cooper using publicly available information.

The information in this Bidder's Statement concerning Somerton and the assets and liabilities, financial position and performance, profits and losses and prospects of Somerton, has not been independently verified by Cooper. Accordingly, subject to the Corporations Act, Cooper does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Further information relating to Somerton's business may be included in Somerton's target's statement which Somerton must provide to its shareholders in response to this Bidder's Statement.

Privacy

Cooper has collected your information from the Somerton register of shareholders for the purpose of making this Offer and, if accepted, administering acceptances over your holding of Somerton Shares. The Corporations Act requires the name and address of shareholders to be held in a public register. Your information may be disclosed on a confidential basis to Cooper's related bodies corporate and external service providers, and may be required to be disclosed to regulators such as ASIC. The registered office of Cooper Energy Limited is at 288-292 Churchill Avenue, Subiaco, WA 6008.

Imputed value

As the consideration being offered for your Somerton Shares includes Cooper Shares, the imputed value of the Offer to you may vary with the market price of Cooper Shares. In addition, all references to the imputed value of the Offer are subject to rounding.

Further information

For any queries in relation to the Offer, please contact the Offer Information Line on [+300 730 439 1300 730 439 \(if you are calling from Australia\); or +61 8 6380 4530 \(if you are calling from overseas\).](#)

[] 2012

Dear Somerton Shareholder,

Takeover Offer for Somerton Energy Limited

This Bidder's Statement sets out the terms of the Offer we are making to you as a Somerton Energy Limited (**Somerton**) shareholder. The Offer is supported and recommended by the board of Somerton in the absence of a superior proposal. This Bidder's Statement sets out the significant benefits of this Offer and merging with Cooper Energy Limited (**Cooper**) as well as how you can accept this Offer.

The boards of Cooper and Somerton believe the merger is highly attractive for Somerton Shareholders for a range of reasons, including:

- The Offer provides you with a choice of consideration, being the All Shares Alternative or Shares and Cash Alternative.
- The Offer represents a significant premium to Somerton's share price of 14 cents on 18 April 2012 (being the day prior to the Announcement Date).
- All of the directors of Somerton, along with several other shareholders, have entered into pre-bid acceptance agreements under which they agree to accept the Offer.
- The Merged Group will have exposure to a more diversified asset base, including existing production assets in the Cooper Basin, a very strong acreage position in the Otway Basin and attractive Tunisian exploration and appraisal opportunities.
- The Merged Group will have significant cash reserves of at least \$57 million¹ available to fund future exploration and development activities.
- The Merged Group will have an active exploration and appraisal drilling program over the next 12 months, both internationally and in Australia.

Somerton Shareholders are likely to enjoy the benefits of a larger combined entity including greater share trading liquidity and broker analyst coverage.

The board of Cooper encourages shareholders to read this Bidder's Statement and the enclosed Target's Statement in their entirety, and to consider the Offer having regard to their own personal risk profile, investment strategy and tax position.

The Offer is scheduled to close at 7.00pm (Sydney time) on [] (unless extended). To accept the Offer, simply follow the instructions set out in section 5 of the Offer Terms in the Bidder's Statement. If you have any further queries in relation to the Offer, please call ~~1300 730 439~~ 1300 730 439 (if you are calling from Australia); or +61 8 6380 4530 (if you are calling from overseas).

Yours sincerely



Laurie Shervington

Non-executive Chairman

Cooper Energy Limited

¹ Refer to pro forma balance sheets in section 4 of Part 6.

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Important dates

Announcement Date	19 April 2012
Original Bidder's Statement lodged with ASIC and ASX	30 April 2012
Record Date	1 May 2012
Bidder's Statement lodged with ASIC and ASX	3 May 2012
Date of Offer (Offer opens)	[] 2012
Offer closes (unless extended)	[] 2012

Corporate information

Directors

L J Shervington	Non-Executive Chairman
D P Maxwell	Managing Director
J W Schneider	Non-Executive Director

Company Secretary

Ian Gregory

Share registry

Computershare Investor Services Pty Limited
Reserve Bank Building
45 St Georges Terrace
Perth, WA 6000

Registered Office

288-292 Churchill Avenue
Subiaco, WA 6008

Financial Adviser

Euroz Securities Limited
Level 18, Alluvion
58 Mounts Bay Road
Perth, WA 6000

Legal Adviser

Squire Sanders (AU)
Level 49, Central Park
152 St Georges Terrace
Perth, WA 6000

Part 1 – Summary of the Offer, key questions, and how to accept

Summary of the Offer

Set out below is an overview of the Offer. This information is a summary only and should be read in conjunction with the detailed terms of the Offer set out in Part 9 and other information contained in this Bidder's Statement.

You should read the entire Bidder's Statement before deciding whether to accept the Offer.

The bidder

Cooper is making the Offer. Further details about Cooper are set out in Part 3.

The Offer

Cooper is offering to acquire all of your Somerton Shares on the terms set out in Part 9.

Offer price

Under the Offer you may choose to receive either:

- (a) one Cooper Share for every 2.8 of your Somerton Shares; or
- (b) one Cooper Share for every 4.73 of your Somerton Shares plus 9 cents for each one of your Somerton Shares.

Closing date

Unless extended or withdrawn in accordance with the Corporations Act, the Offer remains open for acceptance from the Offer Date until 7.00pm (Sydney time) on [] 2012.

Conditions

The Offer is subject to the conditions set out in section 7 of the Offer Terms. Cooper may waive any of those conditions in accordance with the Offer Terms.

Payment

If you accept the Offer then, subject to the satisfaction (or waiver) of the conditions of the Offer, Cooper will issue the Cooper Shares and pay the cash to which you are entitled on or before the earlier of:

- (a) one month after the Offer is validly accepted or the contract resulting from its acceptance becomes unconditional (whichever is the later); and
- (b) 21 days after the Offer closes.

Further information

For any queries in relation to the Offer, please contact the Offer Information Line on ~~1300 730 439~~ [1300 730 439](tel:1300730439) (if you are calling from Australia); or [+61 8 6380 4530](tel:+61863804530) (if you are calling from overseas). Enquiries in relation to the Offer will not be received on any other telephone number of Cooper or its advisers.

Key questions

This section answers some key questions that you may have about the Offer and should only be read in conjunction with the entire Bidder's Statement.

What is the Bidder's Statement?

The Bidder's Statement sets out the terms of the Offer and information relating to the Offer and the consideration you will receive if you accept the Offer (subject to satisfaction or waiver of the conditions of the Offer).

What is the Offer?

Cooper is offering to acquire all of your Somerton Shares by way of an off-market takeover offer. You may choose to receive either:

- (a) one Cooper Share for every 2.8 of your Somerton Shares; or
- (b) one Cooper Share for every 4.73 of your Somerton Shares plus 9 cents for each one of your Somerton Shares.

What is the value of the Offer?

The implied value of the Offer will vary, depending on the price of Cooper Shares.

Based on the closing price of Cooper Shares on 18 April 2012 (being the day prior to the Announcement Date), the implied value of the Offer is 21.8 cents per Somerton Share (if you choose the All Shares Alternative) or 21.9 cents per Somerton Share (if you choose the Shares and Cash Alternative).

What are the tax consequences if I accept the Offer?

You should consult your financial or other professional adviser on the tax implications of accepting the Offer.

See section 2 of Part 7 and Annexure C for further information on the availability of rollover relief and tax considerations generally.

How do I accept the Offer?

To accept the Offer you must follow the instructions set out in section 5 of the Offer Terms. Acceptances of the Offer must be received before the close of the Offer Period.

Can I accept the Offer for part of my holding?

No, generally speaking you can only accept the Offer for all of your holding. Special arrangements apply to trustee and nominee shareholdings, as to which see section 9 of the Offer Terms.

What happens if I do not accept the Offer?

If you do not accept the Offer, then subject to what is stated below, you will remain the holder of your Somerton Shares.

If you have not accepted the Offer and Cooper acquires at least 90% of the Somerton Shares on issue at any time during the Offer Period, and the other conditions of the Offer are either satisfied or waived, Cooper intends to proceed to acquire your Somerton Shares compulsorily (see section 3 of Part 5).

At the conclusion of the compulsory acquisition process, you will receive the All Shares Alternative.

If Cooper acquires less than 90% of the Somerton Shares, Cooper will not be able to acquire your Somerton Shares compulsorily. Cooper's intentions if it has an interest in less than 90% but more than 50% of the Somerton Shares are described in section 4 of Part 5.

Can I withdraw my acceptance?

No, unless a withdrawal right arises under the Corporations Act. Generally, this right would only arise if

Cooper extended the Offer Period for more than one month whilst the Offer remained conditional.

When does the Offer close?

Unless extended or withdrawn in accordance with the Corporations Act, the Offer remains open for acceptance from the Offer Date until 7.00pm (Sydney time) on [] 2012.

Can Cooper extend the Offer Period?

Yes, the Offer Period can be extended by Cooper in accordance with the Corporations Act. In certain circumstances, the Corporations Act imposes a mandatory extension of the Offer Period.

Can I sell the Cooper Shares I receive from accepting the Offer on the market?

Yes. You will be able to sell the Cooper Shares you receive on the ASX.

What if I am an Ineligible Foreign Shareholder?

Certain foreign holders of Somerton Shares will not be entitled to receive Cooper Shares on accepting the Offer. These holders will be paid the net proceeds from the sale of the Cooper Shares which they would otherwise have received (see section 6.5 of the Offer Terms).

If I accept the Offer, when will I receive the consideration for my Somerton Shares?

If you accept the Offer, and subject to satisfaction or waiver of the conditions of the Offer, Cooper will issue the Cooper Shares and pay any cash to which you are entitled on or before the earlier of:

- (a) one month after the Offer is validly accepted or the contract resulting from its acceptance becomes unconditional (whichever is the later); and
- (b) 21 days after the Offer closes.

For further information, see section 6 of the Offer Terms.

Will I need to pay stamp duty or brokerage if I accept the Offer?

You will not pay any stamp duty on accepting the Offer.

If your Somerton Shares are registered in an Issuer Sponsored Holding and you deliver them directly to Cooper, you will not incur any brokerage in accepting the Offer.

If your Somerton Shares are in a CHESS Holding or you hold your Somerton Shares through a bank, custodian or other nominee, you should ask your Controlling Participant (usually, your broker or the bank, custodian or other nominee) whether it will charge any transaction fees or service charges connected with you accepting the Offer.

If you are an Ineligible Foreign Shareholder, the proceeds of sale of the Cooper Shares which you would otherwise have received as a consequence of accepting the Offer will be net of sale costs, including brokerage (see section 6.5 of the Offer Terms).

What are the conditions to the Offer?

The Offer is subject to a number of conditions, which are set out in full in section 7 of the Offer Terms.

What happens if the conditions of the Offer are not satisfied or waived?

If the conditions of the Offer are not satisfied or waived before the Offer closes, the Offer will lapse. Cooper will make an announcement to the ASX if the conditions of the Offer are satisfied or waived during the Offer Period.

Are there any risks in accepting the Offer?

If you accept the Offer you will become a shareholder in Cooper. There are risks associated with holding Cooper Shares. These are summarised in Part 7. You are already exposed to several of these risks, to varying degrees, as a result of holding Somerton Shares.

How to Accept

What you should do next

Step 1: Carefully read the entire Bidder's Statement and consider the information provided on Cooper and Somerton, as well as all the risk factors described in Part 7.

Step 2: If you need advice, consult your financial or other professional adviser.

If you have any queries about this Bidder's Statement, the Offer or how to accept the Offer, please contact the Offer Information Line on ~~1300 730 439~~[1300 730 439 \(if you are calling from Australia\); or +61 8 6380 4530 \(if you are calling from overseas\)](tel:1300730439).

Step 3: If you wish to accept the Offer, follow the instructions below (and detailed further in the Offer Terms).

How to accept the Offer

You should read section 5 of the Offer Terms for full details on how to accept the Offer. Acceptances of the Offer must be received before the close of the Offer Period.

How you accept the Offer will depend on whether your Somerton Shares are in an Issuer Sponsored Holding or a CHESS Holding. If they are in an Issuer Sponsored Holding, you will have a securityholder reference number (SRN) beginning with 'I'. If they are in a CHESS Holding, you will have a holder identification number (HIN) beginning with 'X'. Your Acceptance Form will also have these descriptions and specific details of your holding printed on it.

For Issuer Sponsored Holdings of Somerton Shares

You must complete and sign the enclosed Acceptance Form in accordance with the instructions on that form and within this Bidder's Statement and return it to the address provided on the form so that it is received before the close of the Offer Period.

For CHESS Holdings of Somerton Shares

You must either:

- (a) instruct your broker or other CHESS Controlling Participant to initiate acceptance of the Offer on your behalf in sufficient time for the Offer to be accepted before the close of the Offer Period; or
- (b) complete, sign and return the Acceptance Form in accordance with the instructions on that form and within this Bidder's Statement and return it to the address provided on the form so that Cooper can relay your instruction on your behalf in sufficient time for the Offer to be accepted before the end of the Offer Period.

The mailing address for completed Acceptance Forms is:

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne VIC 3001
Australia

Further information

For any queries in relation to the Offer, please contact the Offer Information Line on ~~1300 730 439~~[1300 730 439 \(if you are calling from Australia\); or +61 8 6380 4530 \(if you are calling from overseas\)](tel:1300730439).

Enquiries in relation to the Offer will not be received on any other telephone number of Cooper or its advisers.

Part 2 - Reasons why you should accept the Offer to merge with Cooper

A choice of consideration

- You have the choice of receiving either:
 - (1) one Cooper share for every 2.8 of your Somerton shares (**All Shares Alternative**); or
 - (2) one Cooper share for every 4.73 of your Somerton shares plus 9 cents for each one of your Somerton shares (**Shares and Cash Alternative**).

A significant premium

- Whichever alternative you choose, you will receive a substantial premium of 56% to the Somerton share price of 14 cents on 18 April 2012 (being the day prior to the Announcement Date).

The Offer has been recommended by the Somerton Board

- The Voting Directors of Somerton recommend that you **ACCEPT** the Offer in the absence of a superior proposal.
- Some Somerton Shareholders, including all directors of Somerton, have unconditionally accepted the Offer through pre-bid acceptance agreements with Cooper, providing Cooper with a 19% relevant interest in Somerton.

You will benefit from Cooper's strong cash balance

- The pro forma cash balance of the Merged Group will be approximately \$57 million to \$70 million² which will facilitate exploration and appraisal of the Merged Group's onshore Australian conventional and unconventional oil and gas portfolio and its international assets.

You will benefit from greater exposure to Cooper's Otway and Cooper Basin permits

- Cooper has a 50% working interest³ in PEL-495 in the Otway Basin, the permit that Somerton is farming into for a 15% working interest.
- Cooper has proved and probable reserves and oil production associated with its Cooper Basin permits. Cooper's Cooper Basin production is currently more than 1,700 barrels of oil per day.⁴

You will benefit from exposure to Cooper's international portfolio

- Whilst onshore Australia will be the main focus of the Merged Group, you will obtain exposure to an attractive exploration and appraisal portfolio offshore Tunisia, as well as producing and exploration interests in Indonesia.

² Refer to pro forma balance sheets in section 4 of Part 6.

³ Post farm out to Somerton and Beach.

⁴ Production as at January 2012.

You will benefit from increased near term drilling activity

- Significant 2012 drilling programs onshore Cooper Basin, and internationally with the Hammamet West-3 fully carried well up to a maximum of US\$26.6 million, with the potential to significantly enhance reserves and resources.

You will benefit from an increased market capitalisation and liquidity

- The Merged Group will have a market capitalisation of approximately \$210 million based on the All Shares Alternative or \$197 million based on the Shares and Cash Alternative.⁵
- Increased liquidity in the trading of the Merged Group's shares given Cooper's trading volume has been significantly higher than Somerton's over the last 12 months.

You will benefit from analyst research coverage

- Immediate broker analyst coverage.

The above is a summary only of the reasons why you should accept the Offer. Each of the reasons is explained in detail below.

⁵ Based on a Cooper share price of 61 cents.

1. A choice of consideration

You have the choice of receiving either:

- (1) one Cooper share for every 2.8 of your Somerton shares (**All Shares Alternative**); or
- (2) one Cooper share for every 4.73 of your Somerton shares plus 9 cents for each one of your Somerton shares (**Shares and Cash Alternative**).

The relative values of each of the alternatives will fluctuate as the Cooper share price changes.

Based on the closing price of Cooper shares on the ASX on 18 April 2012 (being the day prior to the Announcement Date) of 61 cents, the implied value of the Offer per Somerton share is:

- (a) 21.8 cents for the All Shares Alternative; and
- (b) 21.9 cents for the Shares and Cash Alternative.

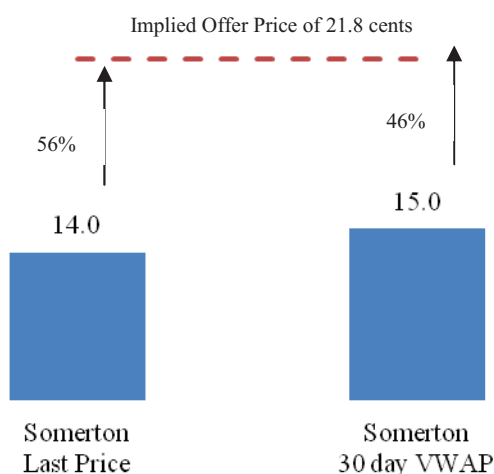
You are able to choose the alternative that best suits your particular circumstances. The All Shares Alternative provides you with maximum exposure to the benefits of the Merged Group. The Shares and Cash Alternative provides you with the ability to monetise a portion of your investment whilst maintaining exposure to the benefits of the Merged Group.

2. A significant premium

The implied Offer price of 21.8 cents for the All Shares Alternative⁶ represents:

- (a) a premium of 56% based on the last price of Somerton shares of 14 cents on 18 April 2012; and
- (b) a premium of 46% based on the 30 trading day VWAP of Somerton shares of 15.0 cents up to and including 18 April 2012.

Implied All Shares Alternative Offer Value



Source: IRESS Market Technology Ltd

⁶ Based on the closing price of Cooper shares on the ASX on 18 April 2012 (being the day prior to the Announcement Date) of 61 cents.

3. The Offer has been recommended by the Somerton Board

The Voting Directors of Somerton recommend that you **ACCEPT** the Offer in the absence of a superior proposal.

No superior proposal has been made, and under the merger implementation agreement between Cooper and Somerton dated 18 April 2012 the Somerton directors have agreed not to solicit higher offers under no shop and no talk arrangements

A number of Somerton Shareholders have entered into pre-bid acceptance agreements in respect of 19% of Somerton's issued shares. These shareholders include all of the directors of Somerton (one of whom is also the Chairman of Beach Energy Limited, Somerton's largest shareholder⁷) who have entered into pre-bid acceptance agreements for all of their shareholding, and interests associated with Somerton's second largest shareholder, Peter J Woodford.

4. Cooper's strong cash balance

You will benefit from Cooper's strong cash position, which was \$68.6 million (including security deposits) at 31 December 2011, and Cooper's cash flow from existing production of more than 1,700 bopd⁸.

Depending upon the level of take up between the All Shares Alternative and the Shares and Cash Alternative, the Merged Group's pro forma cash position will be between \$57 and \$70 million⁹.

The Merged Group will be well funded to execute the planned exploration and appraisal work programs over the next twelve months.

5. Greater exposure to Cooper's Otway and Cooper Basin permits

The Merged Group will have a strong onshore Australia position in the Cooper and Otway basins. This will provide Somerton Shareholders with exposure to a more balanced portfolio of conventional and unconventional oil and gas interests.

Cooper has an interest in twelve onshore oil fields in the South Australian Cooper Basin which are on production or expected to commence production in the near term. Cooper's Cooper Basin production was more than 1,700 barrels of oil per day in January 2012.

In the Otway Basin, Cooper has a 50% working interest¹⁰ in PEL-495, the permit that Somerton is farming into for a 15% working interest. The Otway Basin is a core focus for Cooper and combined with Somerton's Otway permits, will provide the Merged Group with a very strong acreage position in the Otway Basin.

6. Exposure to Cooper's international portfolio

Whilst onshore Australia will be the main focus of the Merged Group, you will obtain exposure to an attractive exploration and appraisal portfolio offshore Tunisia, as well as producing and exploration interests in Indonesia.

Cooper's offshore Tunisian interests represent a high-impact exploration and appraisal opportunity. The Bargou permit contains the discovered Hammamet West oil field, which will be further

⁷ Notwithstanding Mr Robert Kennedy's position as Chairman of Beach Energy Limited, Mr Kennedy does not have a Relevant Interest in the Somerton Shares held by Beach Energy Limited.

⁸ as at January 2012.

⁹ Refer to pro forma balance sheets in section 4 of Part 6.

¹⁰ Post farm out to Somerton and Beach.

appraised later this year by the drilling of the Hammamet West-3 well. Cooper is fully carried up to US\$26.6 million for this well. After the farm-out Cooper will have a 30% interest in the Hammamet West oil field ~~which has a contingent P50 recoverable resource of 33.3 million barrels of oil (Cooper share).~~

You will also gain exposure to Cooper's onshore oil production in Indonesia with gross oil production of 150 barrels of per day.

7. Increased near term drilling activity

The Merged Group will have an active exploration and appraisal drilling program over the next 12 months, both internationally and in Australia. By accepting the Offer, you will have the opportunity to benefit from:

- (a) Cooper's ongoing exploration and appraisal drilling program in the Cooper Basin where a multi well drilling program is planned to commence from mid 2012; and
- (b) Cooper's Hammamet West-3 appraisal well (fully carried up to US\$26.6 million) planned for drilling in the December 2012 quarter.

You will also retain exposure to the drilling of one onshore well in the PEL-495 block in the Western Otway Basin and the technical and economic evaluation of the Wombat discovery in the PRL-2 block in the Gippsland Basin.

8. Increased market capitalisation and liquidity

As at 18 April 2012 Cooper and Somerton had market capitalisations of approximately \$179¹¹ and \$20¹² million respectively. Based on the implied value of the All Shares Alternative at 18 April 2012¹³, the Merged Group is expected to have a market capitalisation of approximately \$210 million.

The increased market capitalisation should:

- (a) attract an increased number of institutional investors;
- (b) enhance the ability of the combined business to access capital markets to fund growth and acquisition opportunities; and
- (c) increase the likelihood of the Merged Group's inclusion in S&P ASX indices additional to Cooper's existing inclusion in the All Ordinaries Index.

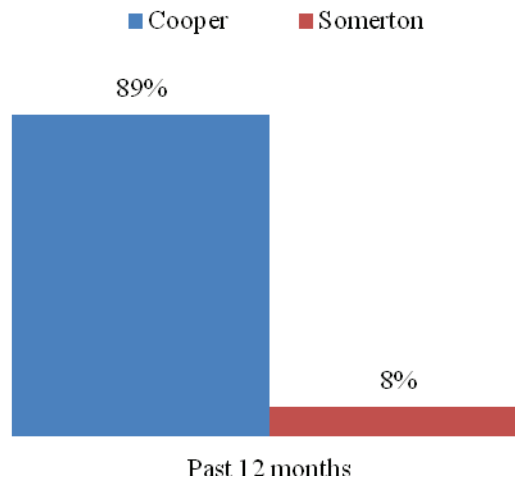
In addition, you are expected to benefit from increased liquidity in the trading of the Merged Group's shares. Over the past 12 months, Cooper's trading volume has been significantly higher than Somerton's. This has been partly due to Cooper's larger market capitalisation, greater proportion of institutional shareholders and analyst research coverage.

¹¹ Based on a Cooper share price of 61 cents.

¹² Based on a Somerton share price of 14 cents.

¹³ Based on a Cooper share price of 61 cents.

Comparison of Liquidity of Cooper and Somerton



Source: IRESS Market Technology Ltd¹⁴

9. You will benefit from analyst research coverage

Cooper is currently researched by a number of leading finance houses both in Australia and internationally. Somerton Shareholders will benefit from the broker analyst coverage, which generally enhances market awareness, institutional investor interest and fund raising capabilities.

¹⁴ To close of trade 18 April 2012, being the day prior to announcement of the Offer. Total share turnover as a percentage of weighted average total issued share capital outstanding.

Part 3 – Information on Cooper

1. Principal activities of Cooper

1.1 Overview of Cooper

Cooper is an ASX listed oil and gas exploration and production company with a market capitalisation of \$179 million as at 18 April 2012¹⁵. The company has its primary production assets in the Cooper Basin of Australia. There is also production in Indonesia as well as exploration assets located in Australia, Indonesia, Tunisia and Poland.

~~As at 30 June 2011, Cooper's Proved plus Probable oil reserves were 2.472 million barrels. Annual oil production sales were 406,710 barrels for the year ended 30 June 2011.~~

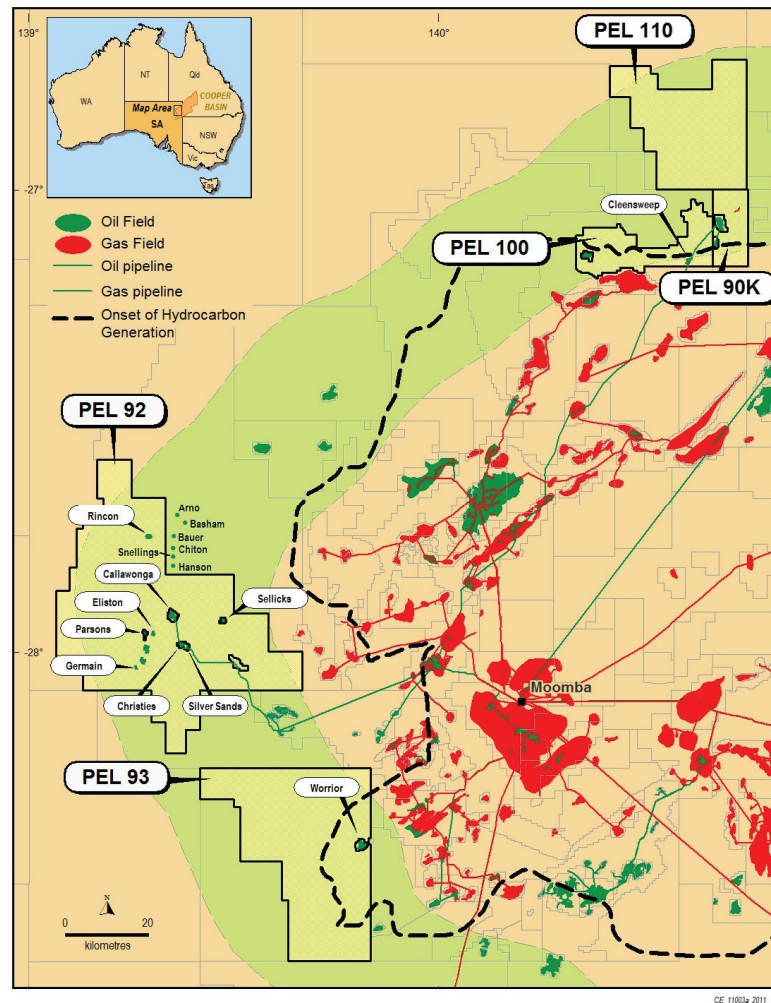
In Australia, the Cooper strategy is to focus on and grow in the Cooper Basin, Otway Basin and develop a long term upstream gas supply business for the Australian gas market. Internationally, Cooper is focussed on pursuing the opportunities in the Tunisian permits and maximising value for shareholders from the Indonesian and Polish assets. The Cooper strategy includes corporate activity as a key means to increase the return for shareholders and grow the company.

This Part 3 contains a short summary of Cooper's activities. Further information can be obtained from Cooper's website, www.cooperenergy.com.au.

1.2 Australian Interests

In Australia, Cooper's main activities are focused on the Cooper Basin of South Australia where it holds interests in numerous exploration and production licenses covering 4,338 km². As at January the net production was more than 1,700 barrels per day from conventional oil fields in PEL-92 and PEL-93.

¹⁵ Based on a Cooper share price of 61 cents.



Source: Cooper Energy Limited

PEL-92 (25% interest)

The PEL-92 permit (operated by Beach Energy Limited) is located on the western flank of the Cooper Basin and covers an area of 1,896 km². Oil was first discovered in PEL-92 in 2002 with the drilling of the Sellicks-1 well. The permit now hosts eleven oil fields with production averaging 6,177 barrels of oil per day (Cooper share 25%) in December 2011. Oil production from the permit is currently exported to Moomba via the Santos operated Tantanna to Gidgealpa and Gidgealpa to Moomba pipelines, as well as by trucking.

Since June 2011, the PEL-92 joint venture has made three new oil field discoveries with the drilling of the Germain, Elliston and Rincon wells. These discoveries are being tied in as production wells over the first half of 2012.

Exploration activity is ongoing in the permit. A 194 km² 3D seismic acquisition program has commenced over the Rincon discovery and the surrounding area and a 54 km 2D seismic program is planned to the south west of the Rincon 3D survey. A multi well exploration drilling program is expected to commence in mid 2012.

PEL-93 (30% interest)

The PEL-93 permit (operated by Senex Energy Limited) is located to the south east of PEL-92 and covers an area of 1,249 km². The permit contains the Worrior oil field, which was discovered in 2003 and currently produces through up to seven wells. Oil from the field is trucked to Moomba, located 100 kilometres to the north.

Other Cooper Basin Exploration: PEL-90K, PEL-100 and PEL-110

The PEL-90K, PEL-100 and PEL-110 permits are located in the north eastern part of the Cooper Basin and cover a combined area of 1,169 km².

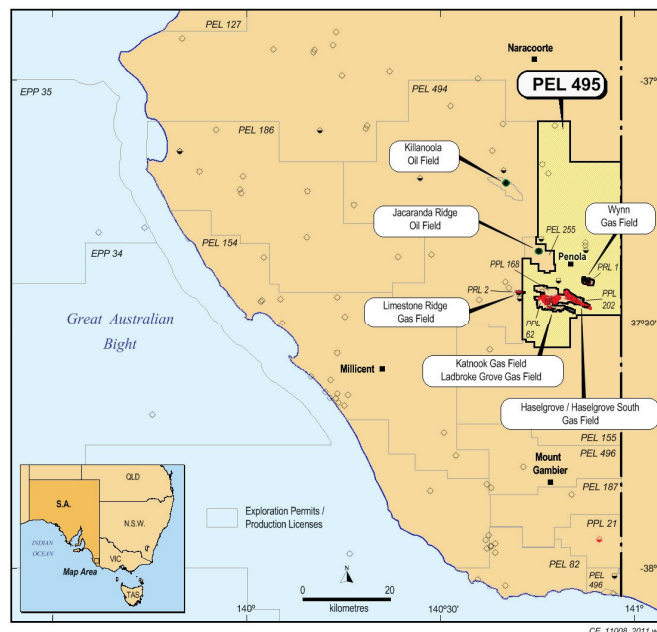
Exploration activity is ongoing across PEL-100 and PEL-110. In PEL-100 the joint venture is planning to acquire additional 3D seismic along the southern edge of the permit to high grade the exploration prospects in the area. In PEL-110, a 3D seismic program is planned for late 2012 to upgrade prospects for drilling.

Otway Basin: PEL-495

Cooper holds a 50% operated interest in PEL-495 located in the onshore Otway Basin of south eastern South Australia. The permit covers 793 km² and contains the prospective Casterton Shale gas and oil play as well as conventional oil and gas plays. The License surrounds the excised Katnook, Ladbroke Grove, Haselgrove and Wynn Gasfields and the Jacaranda Ridge and Kilanoola oil fields are adjacent to the permit.

~~In 2010, Cooper undertook the reprocessing and reinterpretation of existing seismic and well data. The geological and geophysical work mapped 12 prospects and leads containing 52 million barrels of gross P50 Prospective Resource across the permit.~~

Drilling of the Sawpit-2 well is anticipated for the second half of 2012 and will target both conventional and unconventional hydrocarbons and in particular the Casterton shale. Cooper is carried for 70% of the well cost through its farm-out agreement with Beach Energy Limited.

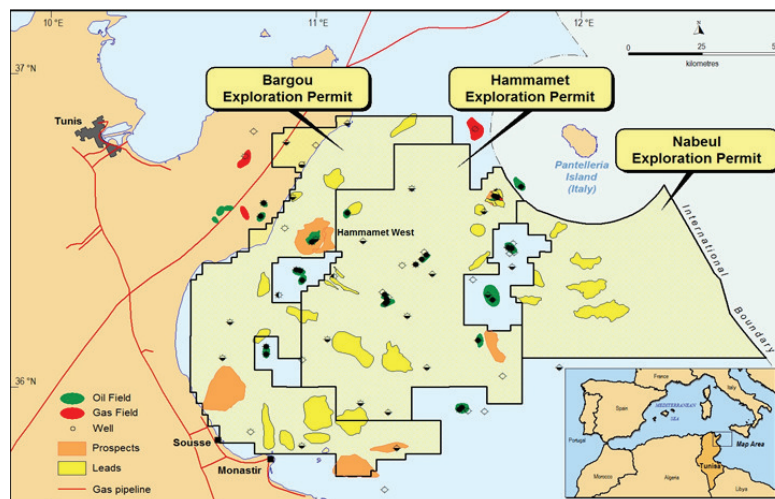


Source: Cooper Energy Annual Report 2011

1.3 Tunisia

Cooper's main international activities are focused in Tunisia where it holds an interest in three contiguous offshore exploration blocks. The blocks are located in the Gulf of Hammamet and cover a combined area of 12,644 km²:

- (a) Bargou (30% ~~and operated by~~ Cooper);
- (b) Hammamet (35% ~~and operated by CooperStorm Ventures~~); and
- (c) Nabeul (85% ~~and operated by~~ Cooper).



Source: Cooper Energy Annual Report 2011

The Gulf of Hammamet possesses a proven petroleum system with several discovered onshore and offshore fields. Across the three permits, Cooper has identified many prospects and leads and there are material producing oil fields nearby.

The Bargou exploration block contains the Hammamet West oil field, which was discovered in 1967 and appraised in 1990 when the Hammamet West-2 well intersected a 192 metre oil column and recovered oil from two drill stem tests.

The drilling of the Hammamet West-3 well is planned for the December 2012 quarter. ~~and will test the oil recoverability from the discovered oil resource, which has been estimated as 33.30 million barrels net to Cooper.~~ Cooper will be fully carried for the cost of the well up to US\$26.6 million through its farm-out agreements with Dragon Oil, funding 75% of the well cost, and Jacka Resources, funding 30% of the well cost. A successful Hammamet West-3 well has the potential to change the size and scope of the company.

In the Nabeul block, Cooper completed a 600km² 3D seismic survey in November 2011. The 3D seismic is now being processed and it is expected to be available for interpretation in the September 2012 quarter. The high resolution 3D seismic has been acquired to define prospects ahead of selecting and locating the best exploration well to be drilled some time from late 2012 onwards.

1.4 Other International Interests

Cooper also holds interests in onshore acreage in Indonesia and Poland.

Indonesia

Cooper's interests in Indonesia consist of a 55% interest in the Sukananti Production KSO and a 100% interest in the Sumbagsel Production Sharing Contract. Both permits are located onshore in South Sumatra and in total cover an area of 1,771 km².

Gross oil production from the Sukananti KSO commenced in March 2011 and is currently averaging 150 barrels of oil per day. Reserves for the field are currently under review following the acquisition of 24 km² of 3D seismic in November 2011.

Poland

Cooper holds a 40% interest in six contiguous exploration concessions in the Polish Carpathian fold belt covering an area of 3,211 km². The concessions are situated in an established and proven petroleum province that contains proven hydrocarbon play types with shallow oil fields in sandstone reservoirs of the Carpathian thrust-fold belt and additional large deep gas exploration leads in the underlying sub-thrust of the Carpathian Foredeep.

Cooper's Production Interests

Name	Permit	Geographic Location	Country	Interest	Status	Location
Sellicks	PPL204	South West Cooper Basin	Australia	25.00%	Non-operator	Onshore
Christies	PPL205	South West Cooper Basin	Australia	25.00%	Non-operator	Onshore
Warrior	PPL207	South West Cooper Basin	Australia	30.00%	Non-operator	Onshore
Silver Sands	PPL205	South West Cooper Basin	Australia	25.00%	Non-operator	Onshore
Callowonga	PPL220	South West Cooper Basin	Australia	25.00%	Non-operator	Onshore
Parsons	PPL224	South West Cooper Basin	Australia	25.00%	Non-operator	Onshore
Perlubie	EPT PEL-92	South West Cooper Basin	Australia	25.00%	Non-operator	Onshore
Perlubie South	EPT PEL-92	South West Cooper Basin	Australia	25.00%	Non-operator	Onshore
Butlers	EPT PEL-92	South West Cooper Basin	Australia	25.00%	Non-operator	Onshore
Sukananti, Tangai, Bunian	KSO	South Sumatra	Indonesia	55.00%	Operator	Onshore

Cooper's Exploration Interests

Permit	Geographic Location	Country	Interest	Status	Location
PEL-90 (Kiwī sub-block)	North East Cooper Basin	Australia	25.00%	Non-operator	Onshore
PEL-92	South West Cooper Basin	Australia	25.00%	Non-operator	Onshore
PEL-93	South West Cooper Basin	Australia	30.00%	Non-operator	Onshore
PEL-100	North East Cooper Basin	Australia	19.165 %	Non-operator	Onshore
PEL-110	North East Cooper Basin	Australia	20.00%	Operator	Onshore
PEL-495	Western Basin	Otway Australia	50.00%	Operator	Onshore
Sumbagsel PSC	South Sumatra	Indonesia	100.00 %	Operator	Onshore
Bargou Exploration Permit	Gulf of Hammamet	Tunisia	30.85 .00 %	Operator	Offshore
Hammamet Exploration Permit	Gulf of Hammamet	Tunisia	35.00%	Non-operator	Offshore

Nabeul Permit	Exploration	Gulf of Hammamet	Tunisia	85.00%	Operator	Offshore
MUA1 (434, 435,455)		Southern Carpathians	Poland	40.00%	Non-Operator	Onshore
MUA2 (414, 415)		Southern Carpathians	Poland	40.00%	Non-Operator	Onshore
MUA3 (433)		Southern Carpathians	Poland	40.00%	Non-Operator	Onshore

Cooper's Infrastructure Interests

Name	Permit	Geographic Location			Country	Interest	Status	Location
Tantanna Unloading Station	AFL 128	South Basin	West	Cooper	Australia	25.00%	Non-operator	Onshore
Parsons-Callowonga-Tantanna Flowline	AFL 98	South Basin	West	Cooper	Australia	25.00%	Non-operator	Onshore
Kudnarri Bridge	-	North Basin	East	Cooper	Australia	25.00%	Non-operator	Onshore

2. Publicly available information

As Cooper is offering Cooper Shares as consideration for the acquisition of Somerton Shares under the Takeover Bid, the Corporations Act requires that this Bidder's Statement must include all information that would be required for a prospectus for an offer of Cooper Shares under sections 710 to 713 of the Corporations Act.

By virtue of section 710, this Bidder's Statement is required to contain all the information investors and their professional advisers would reasonably require to make an informed assessment of:

- (a) the rights and liabilities attaching to the Cooper Shares to be issued pursuant to the Takeover Bid; and
- (b) the assets and liabilities, financial position and performance, profits and losses and prospects of Cooper.

A summary of the rights and liabilities attaching to Cooper Shares is set out in section 3.6 of this Part 3.

Cooper's annual report to shareholders for the year ended 30 June 2012 was lodged with ASIC on 31 October 2011 (**Annual Report**). The Annual Report includes the directors' report, remuneration report and auditor's independence declaration, statements of comprehensive income, financial position, changes in equity and cash flows, comprehensive notes to the financial statements, and an independent auditor's report.

Pursuant to section 712 of the Corporations Act, this Bidder's Statement incorporates by reference the Annual Report and all continuous disclosure notices given by Cooper since 31 October 2011. A list of those notices is set out in Annexure A.

To obtain a copy of the Annual Report or any of Cooper's continuous disclosure notices, Somerton Shareholders may call the Offer Information Line on ~~1300 730 439~~ [1300 730 439](tel:1300730439) (if you are calling from Australia); or [+61 8 6380 4530](tel:+61863804530) (if you are calling from overseas) or obtain a copy from the ASX website (at ASX code: COE) or ASIC.

There is no other information, other than that set out elsewhere in this Bidder's Statement, which investors or their professional advisers would reasonably require for the purpose of making an informed assessment of:

- (a) the assets and liabilities, financial position and performance, profits and losses and prospects of Cooper; or
- (b) the rights and liabilities attaching to the Cooper Shares to be issued pursuant to the Takeover Bid.

This Bidder's Statement contains details specific to the issue of those Cooper Shares. If Somerton Shareholders require further information in relation to Cooper, Cooper recommends that they take advantage of the ability to inspect or obtain copies of the documents referred to above.

3. Information about Cooper Shares

3.1 Capital structure

As at the date of this Bidder's Statement Cooper has 292,791,528 fully paid ordinary shares on issue. There are no other classes of shares on issue.

There are also currently outstanding 600,000 Cooper Options and 5,855,830 Cooper Performance Rights.

3.2 Ownership of Cooper

Cooper has a diverse shareholder base, with over 4,700 shareholders on its register. Based on Cooper's register of shareholders as at 24 April 2012, Cooper's top 20 shareholders accounted for approximately 56% of Cooper's issued share capital.

3.3 Dividends

Subject to the Corporations Act, Cooper's board of directors may pay any dividend it thinks appropriate out of the company's profits, and may fix the time of payment. Historically, Cooper has not paid dividends, preferring instead to re-invest profits in developing its assets.

3.4 Recent trading in Cooper Shares

The last recorded sale price of Cooper Shares on the ASX before the Announcement Date was 61 cents per share.

The last recorded sale price of Cooper Shares on the ASX before the Lodgement Date was 59 cents per share on 27 April 2012.

The highest and lowest recorded sale prices of Cooper Shares on the ASX in the four months prior to the Lodgement Date were 69 cents per share (on 13 April 2012) and 30.5 cents per share (on 19 December 2011) respectively.

3.5 Directors' interests in Cooper securities

As at the date of this Bidder's Statement, the Company's directors have relevant interests in the following Cooper securities:

Name	Cooper Shares	Cooper Options	Cooper Performance Rights
L J Shervington	405,933	-	-
D P Maxwell	715,527	-	1,647,713
J W Schneider	-	-	-

3.6 Summary of rights and liabilities attaching to Cooper Shares

All Cooper Shares to be issued pursuant to the Takeover Bid will rank equally with all other Cooper Shares then on issue.

Cooper Shares are quoted on the ASX. As stated in section 3 of the Offer Terms, Cooper will make an application to the ASX for quotation of the new Cooper Shares issued pursuant to the Takeover Bid, and the grant of that quotation is a condition of the Offer.

The rights attaching to Cooper Shares arise from a combination of Cooper's constitution, statute and general law. The primary rights attaching to Cooper Shares include the rights to receive notice of meetings, attend and vote at meetings, receive non-cumulative dividends which are declared and any surplus on winding up. A brief summary of some of the more significant rights attaching to the Cooper Shares is set out below. This summary does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of holders of Cooper Shares.

(a) Voting

At a general meeting, every member present in person or by proxy, body corporate representative or attorney has one vote on a show of hands in respect of their shareholding and has one vote on a poll for each fully paid Cooper Share held and a fraction of a vote for each partly paid Cooper share held (subject to any rights or restrictions attached to any class of shares). If two or more persons are jointly entitled to a share, and more than one joint holder is present at any meeting, either personally or by attorney or proxy, the vote of the person present whose name stands first in the register of members in respect of that share shall be accepted to the exclusion of the other joint holders.

(b) Meetings of members

A general meeting may be called by a director or, as permitted under the Corporations Act, at the request of Cooper members with at least 5% of the votes that may be cast at a general meeting. Each member of Cooper is entitled to notice of all general meetings.

(c) Dividends

The directors of Cooper may deduct from the dividends payable to any member all sums as may be presently payable by that member to Cooper for calls due and payable and apply the amount deducted in or towards satisfaction of the money owing.

(d) Issue of further Cooper Shares

The directors of Cooper may issue shares in Cooper and may also decide the terms on which shares in Cooper are issued and the rights and restrictions attached to those Cooper Shares. This power is subject to the requirements of the Corporations Act and the Listing Rules.

(e) Transfer of Cooper Shares

Holders of Cooper Shares may transfer those shares by a proper transfer effected in accordance with the ASX Settlement Operating Rules, the Corporations Act or by a written transfer in any usual or common form or in any other form approved by Cooper.

Cooper must not decline to register a transfer of a share except in certain circumstances.

(f) Dividend reinvestment

Cooper's constitution contains a provision whereby the directors of Cooper may implement a dividend reinvestment plan on the terms they think fit under which the whole or any part of a dividend due to members who participate in the plan on their shares or any class of shares may be applied in subscribing for securities of the Company or of a related body corporate.

Part 4 – Information about Somerton

1. Source of information

The information about Somerton included in this Bidder's Statement has been prepared by Cooper using publicly available information, including, but not limited to, Somerton annual reports, Somerton ASX announcements and Somerton's website. The information about Somerton in this Bidder's Statement should not be considered to be comprehensive and is based on public information regarding the business of Somerton which is known to Cooper at the Lodgement Date.

Whilst Cooper has completed a substantial review of the business operated by Somerton, information in this Bidder's Statement concerning Somerton's business has not been independently verified. Accordingly, Cooper does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information, other than as required by the Corporations Act.

For further information on Somerton, investors should read the ASX announcements made by Somerton and Somerton's 2011 Annual Report, which are available on the ASX website (Code: SNE). A list of the ASX announcements made by Somerton since 12 August 2011 is attached as Annexure B.

Additional information relating to Somerton and its assets may be included in the target's statement which Somerton must provide to its shareholders in response to this Bidder's Statement, and reference should also be made to that information.

2. Overview of Somerton

Somerton is an ASX listed oil and gas exploration company with a market capitalisation of approximately \$20 million as at 18 April 2012¹⁶. The company's strategic focus is on unconventional oil and gas plays and other high impact petroleum projects, primarily in the onshore Otway and Gippsland Basins of Victoria and South Australia, where it holds interests in seven petroleum tenements.

Somerton's Appraisal Interests

Permit	Geographic Location	Country	Interest	Status	Location
PRL-2	Gippsland Basin	Australia	Farm-in earning 5.000% - 16.667%	Non- Operator	Onshore

¹⁶ Based on a Somerton share price of 14 cents.

Somerton's Exploration Interests

Permit	Geographic Location		Country	Interest	Status	Location
PEL-186	Western Basin	Otway	Australia	33.33%	Operator	Onshore
PEL-495	Western Basin	Otway	Australia	15.000%	Non-Operator	Onshore
PEP-150	Western Basin	Otway	Australia	20.000% Subject to native title agreement	Non-Operator	Onshore
PEP-151	Western Basin	Otway	Australia	75.000%	Operator	Onshore
PEP-168	Eastern Basin	Otway	Australia	50.000%	Non-Operator	Onshore
PEP-171	Western Basin	Otway	Australia	25.000% Subject to native title agreement	Non-Operator	Onshore
EP-126 & EP(A)-138	Bonaparte Basin		Australia	Option to earn 18.000% ¹⁷	Non-Operator	Onshore
EP(A)-135 & NTC/P-10	Bonaparte Basin		Australia	Option to earn 10.000% ¹⁸	Non-Operator	Offshore

3. Information about Somerton securities

3.1 Capital structure

According to an Appendix 3B lodged by Somerton with the ASX on 23 April 2012, there are 143,486,642 Somerton Shares and 1,000,000 Somerton Incentive Rights on issue.

3.2 Cooper's interest in Somerton securities

As at the date of this Bidder's Statement:

- (a) Cooper has a relevant interest in 27,072,462 Somerton Shares and a voting power in Somerton of 19%; and
- (b) Cooper does not have a relevant interest in any Somerton Incentive Rights.

As at the Offer Date:

¹⁷ Beach Energy Limited has granted Somerton options to earn interests in acreage in the Bonaparte Basin including up to an 18% interest in EP 126 and EPA 138 and up to a 10% interest in EPA 135 and NTC/P10 under the same farm-in terms as Beach Energy Limited has agreed with Territory Oil and Gas Pty Limited. These options are subject to a change of control provision.

¹⁸ Refer to footnote 17.

- (a) Cooper's voting power in Somerton is [] %;
- (b) Cooper has a relevant interest in [] Somerton Shares; and
- (c) Cooper does not have a relevant interest in any Somerton Incentive Rights.

3.3 Dealings in Somerton Shares

During the period of four months prior to the Offer Date, neither Cooper nor any of its associates provided, or agreed to provide, consideration for Somerton Shares under any purchase or agreement, except that on 18 April 2012 Cooper entered into pre-bid acceptance agreements in respect of 19% of Somerton's issued shares with a number of Somerton Shareholders, including all of the directors of Somerton (one of whom is also the Chairman of Beach Energy Limited, Somerton's largest shareholder¹⁹) who have entered into pre-bid acceptance agreements for all of their shareholding, and interests associated with Somerton's second largest shareholder, Peter J Woodford (**Acceptors**).

Under these agreements, the Acceptors have agreed to accept the Offer within two business days after receiving the Offer.

¹⁹ Notwithstanding Mr Robert Kennedy's position as Chairman of Beach Energy Limited, Mr Kennedy does not have a Relevant Interest in the Somerton Shares held by Beach Energy Limited.

Part 5 – Cooper's intentions in relation to Somerton

1. Introduction

This Part 5 sets out Cooper's intentions in relation to the following:

- (a) the continuance of, and any major changes to be made to, the business of Somerton, including any redeployment of the fixed assets of Somerton (section 2.1 in this Part 5); and
- (b) the future employment of the present directors and employees of Somerton (section 2.2 in this Part 5).

Cooper considers that Somerton's business and assets are a good fit both financially and strategically and would seek, subject to the review referred to in section 2.2 below, to retain all employees.

These intentions are based on the public information regarding the business of Somerton, which is known to Cooper at the time of preparation of this Bidder's Statement. Cooper does not currently have access to all material information that is necessary to assess all the implications of its current intentions. A final decision on these matters has not been made and can only be concluded once all material facts and circumstances are known and an internal review of the assets and operations of Somerton has been completed. The statements set out in this Part 5 are statements of current intention only which may change as new information becomes available or circumstances change.

2. Operational intentions

2.1 The business of Somerton

If, at the close of the Offer Period, Cooper holds 90% or more of the Somerton Shares:

- (a) Cooper intends to continue the business of Somerton as an operating oil and gas exploration company;
- (b) Cooper will undertake a financial, strategic and technical review of the assets held by Somerton, including assessing the performance, profitability, commitments and prospects on an asset by asset basis. Following this review, assets will be ranked and expenditure and personnel allocated to the assets of the Merged Group on a best quality-most attention type process;
- (c) the key objective of the review will be to ascertain whether improvements can be made to Somerton's operations;
- (d) if Cooper receives an offer to purchase an asset upon terms and conditions that present a value higher than the value assessed by Cooper, then Cooper may consider a divestment of the asset. As at the Lodgement Date Cooper was not in discussions with any third party regarding the assets of Somerton; and
- (e) Cooper plans to have an office in Adelaide as well as an office in Perth. After the acquisition of Somerton it is likely that the Cooper head office will move to Adelaide and this decision will probably be made by the time of Cooper's 2012 annual general meeting. The actual relocation of the head office may not be until sometime in 2013.

Without having access to the confidential data that Somerton will hold on each of its assets and without having yet conducted the review, Cooper cannot formulate a specific and prescribed intention in relation to each of the permits and assets until a future review has been completed. The above intentions are based upon Cooper's current level of knowledge and understanding of the business of Somerton and may change as new information becomes available or circumstances change.

2.2 Directors and employees

If, at the close of the Offer Period, Cooper holds 90% or more of the Somerton Shares:

- (a) Cooper will appoint Mr Hector Gordon (currently Managing Director of Somerton) as an executive director on the Cooper Board; and
- (b) Cooper will undertake an operational review of Somerton's staff and premises and relocate all corporate head office functions (secretarial, treasury, financial and information technology) and overall direction and control to Cooper's head office.

Without having full access to Somerton's operational employee records and without yet completing the operational review, Cooper cannot formulate a specific and prescribed intention in relation to employees and office locations until a future review has been completed.

3. Intentions upon acquiring 90% or more of Somerton Shares

If Cooper becomes entitled to do so under Part 6A.1 of the Corporations Act, Cooper intends to despatch notices seeking compulsory acquisition of all outstanding Somerton Shares in accordance with the provisions of Part 6A.1.

If Cooper exercises its rights of compulsory acquisition under Part 6A.1 and/or Part 6A.2 of the Corporations Act, it intends to procure the removal of Somerton from the Official List of the ASX.

3.1 Dividends

Cooper is of the view that as a result of the historically high energy price environment and attractive growth projects in the Merged Group's portfolio, any surplus cash should be re-invested in the portfolio projects rather than paid out as dividends. However, this policy will be reviewed from time to time.

3.2 Oil price risk management

It is Cooper's intention that no oil price swap contracts or other oil price hedging instruments be taken out to reduce exposure to oil price movements.

4. Intentions upon gaining control of Somerton but less than 90% of Somerton Shares

Cooper has no present intention of waiving the 90% minimum acceptance condition to which the Offer is subject. Whether or not this condition would be waived would be determined on the facts and circumstances at the relevant time.

If following the close of the Offer Period, Somerton becomes a controlled entity but not a wholly-owned subsidiary of Cooper, Cooper would attempt to procure that the Somerton Board implements the objectives and goals outlined in section 2 to the extent possible and appropriate.

In addition, Cooper intends in these circumstances to:

- (a) maintain Somerton's listing on the ASX, subject to the Listing Rules; and

- (b) possibly replace some of the members of the Somerton Board with nominees of Cooper, subject to the Corporations Act and Somerton's constitution. In doing so, Cooper would retain an appropriate number of independent directors to represent the minority shareholders in Somerton. Cooper has not made any decision about which Somerton directors it may seek to replace or which Cooper individuals may be nominated for appointment to the Somerton Board in these circumstances.

The extent that Cooper's intentions described in this section 4 may be realised if Somerton is not wholly owned by Cooper will be subject to:

- (a) the law and the Listing Rules which may, in some circumstances require approval of the remaining Somerton Shareholders for arrangements between Cooper and Somerton;
- (b) the legal obligations of the then Somerton Board to act in good faith and in the best interests of Somerton and for proper purposes;
- (c) the exercise of the right of general compulsory acquisition under Part 6A.2 of the Corporations Act, for example as a result of acquisition of Somerton Shares in reliance on the '3% creep' exception in item 9 of section 611 of the Corporations Act; and
- (d) the outcome of the financial, strategic and technical review conducted by Cooper in relation to Somerton's assets and costs.

Any transactions between Cooper (on the one hand) and Somerton (on the other) required to effect those intentions (including the initiatives described in section 2) will be entered into on arm's length terms. In addition, if required by law or the Listing Rules, Cooper will seek any necessary approval of the remaining Somerton Shareholders to implement those steps.

5. Other intentions

Cooper has no current intentions with respect to Somerton or its business or assets other than those set out above.

Part 6 – Profile of Merged Group following successful completion of the Takeover Bid

1. Strategic benefits

The boards of both Cooper and Somerton believe there is a compelling strategic rationale for the merger. Combining the complementary assets and technical expertise of both companies will create a focused oil and gas production and exploration company.

The key strategic benefits of bringing Cooper and Somerton under common management are outlined in further detail below.

Greater Australian Focus

The Merged Group will have a strong onshore Australia position in the Cooper and Otway basins as well as a permit in the Gippsland basin.

Cooper has an interest in twelve onshore oil fields in the South Australian Cooper Basin which are on production or expected to commence production in the near term. Cooper's Cooper Basin production was more than 1,700 barrels of oil per day in January 2012. The Cooper Basin interests will provide a platform to develop the Merged Group's conventional and unconventional interests in the Otway and Gippsland basins.

In the Otway Basin, Cooper has a 50% working interest²⁰ in PEL-495, the permit that Somerton is farming into for a 15% working interest. The Otway Basin is a core focus for Cooper and combined with Somerton's Otway permits, will provide the Merged Group with a very strong acreage position in the Otway Basin covering a large portion of the Casterton Formation which hosts shales that are the source rocks for gas accumulations in the Penola Trough.

Developing and growing a position in the Australian gas business will be a core part of the Merged Group's strategy. Gas demand for Eastern Australia is forecast to grow from some 700PJ/year to 1,400PJ/Year in 2020, an annual demand growth of more than 8% per year. The Otway and Cooper basins are an important part of this growth industry for Australia.

Well Funded Portfolio

Combined with Cooper's strong cash balance, which was \$68.6 million (including security deposits) at 31 December 2011, and cash flow from existing production, the Merged Group will be well positioned to execute an active exploration and appraisal work program over the next twelve months.

Depending upon the level of take up between the All Shares Alternative and the Shares and Cash Alternative, the Merged Group's pro forma cash position will be between \$57 and \$70 million²¹.

High Impact International Interests

Whilst onshore Australia will be the main focus of the Merged Group, the offshore Tunisian interests provide complementary low cost, high impact exploration and appraisal opportunities. The Bargou permit contains the discovered Hammamet West oil field, ~~with an associated contingent P50 recoverable resource of 33.3 million barrels of oil (Cooper share)~~. The successful appraisal of this resource later this year would see an increase in the Merged Group's oil reserves.

²⁰ Post farm out to Somerton and Beach.

²¹ Refer to pro forma balance sheets in section 4 of Part 6.

Increased Near Term Activity

The Merged Group will have an active exploration and appraisal drilling program over the next 12 months, both internationally and in Australia including:

- (a) Cooper's ongoing exploration and appraisal drilling program in the Cooper Basin where a multi well drilling campaign is planned to commence from mid 2012;
- (b) Cooper's Hammamet West-3 appraisal well (fully carried up to US\$26.6 million) planned for drilling in the December 2012 quarter;
- (c) the drilling of one onshore well in the PEL-495 block in the Western Otway Basin;
- (d) the potential fraccing of the Wombat discovery in the PRL-2 block in the Gippsland Basin; and
- (e) drilling in Indonesia.

Strengthened Cooper Board

Upon Cooper being entitled to commence compulsory acquisition of Somerton shares, Cooper will appoint Mr Hector Gordon (currently Managing Director of Somerton), as an executive director on the Cooper Board. Mr Gordon will work closely with the Cooper Managing Director and, in particular, take a lead role in the exploration activities of the Merged Group.

2. Outlook for Cooper and Somerton

This Bidder's Statement does not include any financial forecasts or projections for revenue or profit in relation to Cooper or Somerton.

Cooper considers that the inclusion of financial forecasts in respect of Cooper and Somerton would be speculative and potentially misleading for Somerton Shareholders.

3. Post-acquisition capital structure

The consideration for the acquisition of the Somerton Shares under the Takeover Bid will be satisfied, in whole or in part, by the issue of Cooper Shares.

Assuming 100% acceptance of the All Shares Alternative, the capital structure of Cooper following successful conclusion of the Takeover Bid will be as follows:

100% All Shares Alternative	Cooper Shares
Existing Cooper Shares on issue	292,791,528
Number of new Cooper Shares to be issued pursuant to the Takeover Bid	51,602,372 ²²
Total Cooper Shares on issue	344,393,900

Assuming 100% acceptance of the Shares and Cash Alternative, the capital structure of Cooper following successful conclusion of the Takeover Bid will be as follows:

²² Assumes the 1,000,000 Somerton Incentive Rights on issue are exercised prior to the end of the Offer Period. Under the merger implementation agreement between Cooper and Somerton dated 18 April 2012, Somerton has agreed to give notice to Mr Gordon setting out that Mr Gordon may exercise his Somerton Incentive Rights within two Business Days of receiving notice from Cooper that Cooper, together with its Associates has acquired a Relevant Interest of at least 90% in Somerton or that the Offer has become unconditional. The merger implementation agreement provides that Mr Gordon has provided Somerton with an irrevocable enforceable undertaking to exercise the Incentive Rights within two Business Days of receiving the notice from Somerton.

100% Shares and Cash Alternative	Cooper Shares
Existing Cooper Shares on issue	292,791,528
Number of new Cooper Shares to be issued pursuant to the Takeover Bid	30,546,858 ²³
Total Cooper Shares on issue	323,338,386

4. Pro forma balance sheets

Set out below are the pro forma balance sheets of Cooper and Somerton which have been prepared on the assumptions specified and extracted from published financial information in Cooper's and Somerton's respective half-year financial reports for the six months ended 31 December 2011

The following pro forma balance sheets for the Merged Group present Cooper's financial position at 31 December 2011 as if Cooper had acquired 100% of Somerton at that date:

- (a) assuming 100% of the Somerton Shareholders elect to receive the All Shares Alternative; and
- (b) assuming 100% of Somerton Shareholders elect to receive the Shares and Cash Alternative.

Acquisition accounting entries have been based on the terms of the Offer and the assumptions set out at the end of each scenario, in order to arrive at an unaudited pro forma consolidated balance sheet of the Merged Group as at 31 December 2011.

The Cooper Board will undertake a comprehensive assessment of the fair value of the assets and liabilities acquired after the Offer has been completed.

The pro forma balance sheets are indicative only. The Cooper Board has drawn its conclusions based on the known facts and other information publicly available. If the facts, circumstances, assumptions or other information prove to be different to those described, the conclusions may change accordingly.

²³ Assumes the 1,000,000 Somerton Incentive Rights on issue are exercised prior to the end of the Offer Period. Under the merger implementation agreement between Cooper and Somerton dated 18 April 2012, Somerton has agreed to give notice to Mr Gordon setting out that Mr Gordon may exercise his Somerton Incentive Rights within two Business Days of receiving notice from Cooper that Cooper, together with its Associates has acquired a Relevant Interest of at least 90% in Somerton or that the Offer has become unconditional. The merger implementation agreement provides that Mr Gordon has provided Somerton with an irrevocable enforceable undertaking to exercise the Incentive Rights within two Business Days of receiving the notice from Somerton.

Assuming 100% All Shares Alternative: Summarised adjusted balance sheets as at 31 Dec 2011

	Cooper Energy Limited (\$'000)	Somerton Energy Limited (\$'000)	Merger Adjustments (\$'000)	Pro forma Merged Group (\$'000)
ASSETS				
Current Assets				
Cash and cash equivalents	64,287	7,866	(1,828)	70,326
Trade and other receivables	13,670	83		13,753
Inventories	348			348
Prepayments	37	26		63
Total Current Assets	78,342	7,975	(1,828)	84,490
Assets classified as held for sale	5,869			5,869
	84,211	7,975	(1,828)	90,359
Non-Current Assets				
Other receivables	630	39		669
Available for sale financial assets	1,049	325		1,374
Term Deposit	960			960
Oil properties	19,712	146		19,858
Exploration and evaluation	19,809	8,479	14,804	43,092
Goodwill			6,985	6,985
Total Non-Current Assets	42,160	8,989	21,789	72,938
TOTAL ASSETS	126,371	16,964	19,961	163,296
LIABILITIES				
Current Liabilities				
Trade and other payables	10,133	139		10,272
Income tax payable	245			245
Total Current Liabilities	10,378	139		10,517
Liabilities of assets classified as held for sale	638			638
	11,016	139		11,155
Non-Current Liabilities				
Deferred tax liabilities	4,385		6,985	11,370
Provisions	1,384	152		1,536
Total Non-Current Liabilities	5,769	152	6,985	12,906
TOTAL LIABILITIES	16,785	291	6,985	24,061
NET ASSETS				
	109,586	16,673	12,977	139,236
EQUITY				
Contributed equity	98,745	49,720	(18,243)	130,222
Reserves	866	(81)	81	866
Retained earnings	9,975	(32,965)	31,138	8,148
TOTAL EQUITY	109,586	16,673	12,977	139,236

The following adjustments have been made in preparation of the above pro forma unaudited Merged Group consolidated balance sheet:

- (a) all Somerton Shareholders elect to take up the All Shares Alternative resulting in the issue of 51,602,372 Cooper Shares at a nominal value of 61 cents each as consideration for the acquisition of Somerton giving Cooper a 100% interest;
- (b) an estimate of \$1,827,500 has been made for the immediate costs of the Offer directly attributable to the Offer;
- (c) the excess of approximately \$14,804,000 paid over the carrying value of Somerton's assets has been attributed in full to exploration and evaluation assets; and
- (d) a provision of \$6,985,000 for the deferred taxation attributable to the fair value of the exploration assets of \$23,283,000 has been provided for at an effective corporate taxation rate of 30 cents in the dollar.

Assuming 100% Shares and Cash Alternative: Summarised adjusted balance sheets as at 31 Dec 2011

	Cooper Energy Limited (\$'000)	Somerton Energy Limited (\$'000)	Merger Adjustments (\$'000)	Pro forma Merged Group (\$'000)
ASSETS				
Current Assets				
Cash and cash equivalents	64,287	7,866	(14,831)	57,322
Trade and other receivables	13,670	83		13,753
Inventories	348			348
Prepayments	37	26		63
Total Current Assets	78,342	7,975	(14,831)	71,486
Assets classified as held for sale	5,869			5,869
	84,211	7,975	(14,831)	77,355
Non-Current Assets				
Other receivables	630	39		669
Available for sale financial assets	1,049	325		1,374
Term Deposit	960			960
Oil properties	19,712	146		19,858
Exploration and evaluation	19,809	8,479	14,964	43,252
Goodwill			7,033	7,033
Total Non-Current Assets	42,160	8,989	21,997	73,146
TOTAL ASSETS	126,371	16,964	7,166	150,501
LIABILITIES				
Current Liabilities				
Trade and other payables	10,133	139		10,272
Income tax payable	245			245
Total Current Liabilities	10,378	139		10,517
Liabilities of assets classified as held for sale	638			638
	11,016	139		11,155
Non-Current Liabilities				
Deferred tax liabilities	4,385		7,033	11,418
Provisions	1,384	152		1,536
Total Non-Current Liabilities	5,769	152	7,033	12,954
TOTAL LIABILITIES	16,785	291	7,033	24,109
NET ASSETS	109,586	16,673	133	126,392
EQUITY				
Contributed equity	98,745	49,720	(31,086)	117,379
Reserves	866	(81)	81	866
Retained earnings	9,975	(32,965)	31,138	8,148
TOTAL EQUITY	109,586	16,673	133	126,392

The following adjustments have been made in preparation of the above pro forma unaudited Merged Group consolidated balance sheet:

- (a) all Somerton Shareholders elect to take up the Shares and Cash Alternative resulting in the issue of 30,456,858 Cooper Shares at a nominal value of 61 cents each and the payment of \$13,003,798 as consideration for the acquisition of Somerton giving Cooper a 100% interest;
- (b) an estimate of \$1,827,500 has been made for the immediate costs of the Offer directly attributable to the Offer;
- (c) the excess of approximately \$14,964,000 paid over the carrying value of Somerton's assets has been attributed in full to exploration and evaluation assets; and
- (d) a provision of \$7,033,000 for the deferred taxation attributable to the fair value of the exploration assets of \$23,443,000 has been provided for at an effective corporate taxation rate of 30 cents in the dollar.

Part 7 – Investment considerations

1. Risks

1.1 Introduction

The oil and gas industry is a complex business and as such has a large number of inherent subsurface, surface, upstream and downstream risks. Cooper's management and the Cooper Board work diligently to identify and manage those risks. Cooper has a comprehensive health, safety, environment, risk and administration policy and management system and exploration and production management guidelines and procedures in place to assist in managing the risks in its business.

Somerton Shareholders who accept the Offer will receive Cooper Shares in exchange for their Somerton Shares and as a result will become exposed to similar risks, benefits and other investment considerations as the existing Cooper Shareholders.

As Somerton is a publicly listed company investing in the oil and gas industry, Somerton Shareholders are already exposed to similar risks as existing Cooper Shareholders, albeit those risks are concentrated in Australia.

The price at which Cooper Shares trade on the ASX from time to time is influenced by a large number of controllable and uncontrollable factors and risks including, but not limited to, those that are set out below. Accordingly, the value of Cooper and the market price of Cooper Shares may rise or fall over any given period.

Somerton Shareholders should consider carefully the risks set out below and other information contained in this Bidder's Statement.

1.2 General risk factors

The operating and financial performance of Cooper is influenced by a variety of general economic and business conditions including the level of inflation, international share markets, interest rates and exchange rates, government fiscal, monetary and regulatory policies and factors peculiar to the oil and gas sector. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a material adverse impact on Cooper's business or financial situation.

1.3 Specific business risk factors

The business risks set out in this section may impact the value of Cooper and the market price of Cooper Shares. These risks are not, in Cooper's opinion, materially different in nature or extent to those to which Somerton Shareholders are already exposed to through their investment in Somerton.

(a) Exploration and development risks

Oil and gas exploration involves significant risk.

There is no assurance that any of the prospects in Cooper's Permits, or any other projects that may be acquired by Cooper in the future, will result in the discovery or development of an oil and gas deposit.

Furthermore, Cooper will only progress exploration or development projects when data and evaluations demonstrate that an oil and gas deposit could be economically viable.

(b) Drilling and operating risks

Oil and gas drilling activities are subject to numerous risks, many of which are beyond Cooper's control. Cooper's operations may be curtailed, delayed or cancelled as a result of such risks. Hazards incidental to the exploration and development of oil and gas properties such as unusual or unexpected formations, pressures, oceanographic conditions or other factors are inherent in drilling and operating wells and may be encountered by Cooper.

Industry operating risks include the risk of fire, explosions, blow-outs, pipe failure, abnormally pressured formations and environmental hazards, the occurrence of any of which could result in substantial losses to Cooper. Although Cooper believes that it or its operators carry adequate insurance with respect to its operations in accordance with industry practice, in certain circumstances Cooper's or the operator's insurance may not cover or be adequate to cover the consequences of such events. In addition, Cooper may be subject to liability for pollution, blow-outs or other hazards against which Cooper or the operator does not insure or against which it may elect not to insure because of high premium costs or other reasons.

(c) Ability to exploit successful discoveries

It may not always be possible for Cooper to participate in the exploitation of successful discoveries made in any areas in which Cooper has an interest. Such exploitation will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as Cooper. Such further work may require Cooper to meet or commit to financing obligations for which it may not have planned.

(d) Native Title

Native title legally recognises the unique title rights of indigenous Australians over areas where those rights have not been lawfully extinguished. The *Native Title Act 1993* (Commonwealth), ensuing state native title legislation, subsequent legislative amendments and aboriginal land right and heritage legislation may affect the granting of, and access to, Cooper's Permits over land in South Australia where a native title claim has been registered. Compensation may be required where the extinguishment or impairment of native title has occurred.

In relation to Permits in which Cooper may acquire an interest in the future, there may be areas over which legitimate native title rights of indigenous Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements, or to progress from the exploration phase to the development phase of operation may be adversely affected.

At this point in time it is not possible to quantify the financial or other impact (if any) of the native claims against the areas underlying Cooper's Permits.

(e) Tenure and Access

The Permits comprising Cooper's projects are located in South Australia, Indonesia, Tunisia and Poland, and as such, are subject to differing legislative requirements in relation to the processes for application, conversion, grant and renewal. A number of the Permits in which Cooper has a current or potential interest are currently not yet granted (i.e. under application).

There is no guarantee that the Permit applications or conversions in which Cooper has a

current or potential interest will be granted. Permit applications may require Cooper to commence negotiations with the relevant landholders and/or indigenous representative bodies to gain access to the underlying land. There is no guarantee that such negotiations will be successful.

The grant and renewal of tenements is subject to a number of state or country specific legislative conditions including payment of rent and minimum annual expenditure commitments. The renewal of the term of a tenement (including exemptions to conditions) is also subject to the discretion of the relevant Minister and may, in the case of Permits in South Australia, trigger native title negotiation rights. The inability to meet these conditions or the triggering of any negotiation procedures in respect of any of the Permits comprising Cooper's projects could prevent the renewal of a granted Permit, adversely affecting the financial position and performance of Cooper.

(f) Hydrocarbon reserve estimates

Hydrocarbon reserve estimates are expressions of judgement based on knowledge, experience and industry practice.

In addition, reserve estimates are necessarily imprecise and depend to some extent on interpretations, which may prove inaccurate. Should Cooper encounter oil and/or gas deposits or formations different from those predicted by past drilling, sampling and similar examinations, reserve estimates may have to be adjusted and production plans may have to be altered in a way which could adversely affect Cooper's operations.

(g) Future requirements for funding

Cooper's funding requirements depend on numerous factors including Cooper's ability to generate income from the Permits. It may require further financing.

Additional equity financing, if available, may be dilutive to shareholders and at lower prices than the current market price. Debt financing, if available, may involve restrictions on financing and operating activities. If Cooper is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

(h) Price of oil and gas

The demand for, and prices of, oil and natural gas are dependent on a variety of factors, including supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels and global economic political developments. Cooper does not have hedging or forward sale arrangements in place as at the date of this Bidder's Statement.

(i) Key employees

Cooper has a compact management structure and ~~could is~~ therefore be subject to risks relating to the loss of key employees on either a temporary or permanent basis, and the subsequent disruption that loss might cause to the operations of Cooper.

(j) Production risk

A major facility incident, such as an explosion, fire, terrorist attack, significant weather incident or mechanical failure, at any of Cooper's oil and/or exploration fields could affect production and subsequently Cooper's performance.

(k) Environmental controls

Cooper's operations will be subject to environmental controls relating to hazardous operations and for those projects offshore, the discharge of waste into the sea. Cooper's policy is to ensure operations are carried out in accordance with all applicable environmental laws and regulations.

(l) Foreign exchange risk

The Foreign Permits and their operations are based in Indonesia, Tunisia and Poland. Cooper's revenues, cash flows, expenses, capital expenditure and commitments regarding the Foreign Permits will be primarily denominated in United States dollars.

To comply with Australian reporting requirements for Cooper, the income, expenditure and cash flows from Cooper's interest in the Foreign Permits will need to be accounted for in Australian dollars. This will result in the income, expenditure and cash flows of Cooper being exposed to the fluctuations and volatility of the United States, Euro and other currencies to Australian dollar exchange rates, as determined by domestic and international currency markets.

(m) Acts and omissions of joint venture partners

If any of Cooper's joint venture partners fail to agree on work programs and/or budgets for the development of projects or fail to meet their obligations under the joint venture agreements with Cooper, this will likely delay or otherwise impact on the progress of the relevant joint venture project which could subsequently have a material adverse effect on Cooper's business and its financial performance.

(n) Sovereign risk

The ability to develop and produce oil and gas reserves can be affected by changes in government policy regarding ownership, consents, taxation, foreign exchange dealings, repatriation of funds or other factors which are beyond the control of Cooper.

Some countries where projects of Cooper are located, such as Tunisia, may experience political instability which could result in some uncertainty in relation to those projects. The current political situation in Tunisia is relatively stable. Changing political realities could have an adverse effect on the outcome of those projects.

1.4 Specific transaction risks

The following risks relate specifically to the Offer.

(a) Issue of Cooper Shares as consideration

Under the Takeover Bid Cooper will issue Cooper Shares to Somerton Shareholders in exchange (in whole or in part) for their Somerton Shares. Upon completion of the Takeover Bid, some of the former Somerton Shareholders may seek to sell their Cooper Shares. There is a risk that if a significant number of Somerton Shareholders seek to do so, the market price of Cooper Shares may be adversely impacted.

(b) Partial acceptance of Offer

Cooper expects various benefits to accrue from a merger of Cooper and Somerton. These benefits are described in Part 6 of this Bidder's Statement. Cooper believes that value can be added for both Somerton and Cooper Shareholders by combining the companies in an effective and timely manner. However, if Cooper is unable to acquire 90% of the Somerton Shares and is therefore unable to acquire the remaining Somerton Shares compulsorily, Cooper may be unable to achieve the benefits and synergies expected from merging the two companies.

(c) Integration risks

Upon successful completion of the Takeover Bid Cooper will work closely with the existing employees of Somerton and Cooper to effect a speedy integration of the two companies' businesses and operations. If that integration takes longer than expected, potential benefits may be delayed or eroded.

2. Tax considerations

Annexure C contains a general description of the principal Australian tax consequences that will apply to Somerton Shareholders who accept the Offer and who hold their Somerton Shares **on capital account**. That description does not take into account or anticipate changes in the law (by legislation or judicial decision). In addition, the description is not exhaustive of all tax considerations which could apply to particular Somerton Shareholders, such as insurance companies, superannuation fund and, financial institutions. It also does not apply to those Somerton Shareholders who hold their Somerton Shares **on revenue account** (i.e. are engaged in a business of trading in shares), or who hold Somerton Shares as trading stock or acquired their Somerton Shares for the purpose of resale at a profit.

Somerton Shareholders who are not resident in Australia for tax purposes should take into account the tax consequences under the laws of their country of residence of accepting the Offer and of the acquisition, ownership and disposal of Cooper Shares.

Part 8 – Other material information

1. Funding of cash consideration

Under the Shares and Cash Alternative Cooper is offering one Cooper Share for every 4.73 of your Somerton Shares plus 9 cents for each one of your Somerton Shares. The maximum sum that would be required to fund the cash component of the Shares and Cash Alternative (assuming 100% acceptance of the Offers and all Somerton Shareholders elect to receive the Shares and Cash Alternative) is approximately \$15 million. This sum will be met out of Cooper's existing cash reserves, which are presently held on deposit with different banks including Commonwealth Bank of Australia, National Australia Bank Limited, ~~and~~ Westpac Banking Corporation and other banks.

2. Financial position of Somerton

As far as Cooper is aware, there has been no material change in the financial position of Somerton since 31 December 2011.

3. Compulsory acquisition

3.1 Post-bid compulsory acquisition provisions

If Cooper becomes entitled to compulsorily acquire Somerton Shares under section 661A of the Corporations Act, Cooper will give notices to compulsorily acquire any outstanding Somerton Shares in accordance with section 661B of the Corporations Act. Cooper may compulsorily acquire all outstanding Somerton Shares at the price offered under the Takeover Bid under these provisions if, during or at the close of the Offer Period:

- (a) Cooper and its associates have relevant interests in at least 90% (by number) of Somerton Shares; and
- (b) Cooper and its associates have acquired at least 75% (by number) of the Somerton Shares that Cooper offered to acquire under the Takeover Bid.

3.2 General compulsory acquisition provisions

If Cooper becomes entitled to compulsorily acquire Somerton Shares under section 664A of the Corporations Act, Cooper will give notices to Somerton Shareholders (unless Cooper is entitled to proceed to compulsory acquisition of the Somerton Shares pursuant to section 661A of the Corporations Act described above) to compulsorily acquire any outstanding Somerton Shares in accordance with section 664C of the Corporations Act.

Cooper will be able to acquire all outstanding Somerton Shares compulsorily under Part 6A.2 of the Corporations Act if Cooper's voting power in Somerton is at least 90% and Cooper (either in its own right or through related bodies corporate) acquires full beneficial interests in at least 90% (by value) of the aggregate of all Somerton Shares and:

- (a) lodges a compulsory acquisition notice with ASIC in accordance with section 664C(2)(a) within six months of achieving that 90% holding (and despatches the notice to each Somerton Shareholder ~~and~~ by the following business day); and
- (b) obtains the report of an expert stating whether, in the expert's opinion, the terms proposed in the notice give fair value for the securities covered.

3.3 Compulsory offer to buy out Somerton Shares

If Cooper is required to offer to buy out outstanding Somerton Shares under section 662A of the Corporations Act (and no relevant modification of that section applies), Cooper will give notices to the relevant Somerton Shareholders offering to buy out their Somerton Shares in accordance with section 662B and section 663B respectively of the Corporations Act.

Cooper must serve a notice offering to buy out all remaining holders of Somerton Shares if, at the close of the Offer Period, Cooper and its associates have relevant interests in at least 90% (by number) of Somerton Shares. Somerton Shareholders who hold Somerton Shares covered by the notice may, but need not, accept the offer in the notice. The notices must be lodged with ASIC within one month after the close of the Offer Period (and must be despatched to Somerton Shareholders on the same day or the next business day). Somerton Shareholders who wish to accept the offer must do so within one month after the notice is lodged with ASIC.

Cooper does not anticipate that it will need to make an offer to buy out outstanding Somerton Shares under section 662A of the Corporations Act as it will compulsorily acquire those shares under the post-bid compulsory acquisition procedure under section 661A of the Corporations Act in these circumstances.

4. Benefits given, offered or agreed

During the four months before the Offer Date neither Cooper nor an associate gave, offered to give or agreed to give a benefit to another person that was likely to induce the other person or an associate to:

- (a) accept an Offer under the Takeover Bid; or
- (b) dispose of Somerton Shares,

that is not being offered to all Somerton Shareholders under the Offer.

5. No escalation agreements

Neither Cooper nor any associate of Cooper has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

6. Consents

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or on the Company Announcement Platform of the ASX. Under the terms of ASIC Class Order 01/1543, the parties making those statements are not required to consent to, and have not consented to, the inclusion of those statements in this Bidder's Statement.

Pursuant to the Class Order, Cooper will make available, free of charge, to Somerton Shareholders who request them during the Offer Period copies of all ASX announcements made by Somerton since 12 August 2011 as set out in Annexure B.

To obtain a copy of these documents, Somerton Shareholders may contact the Offer Information Line on ~~1300 730 439~~1300 730 439 (if you are calling from Australia); or +61 8 6380 4530 (if you are calling from overseas).

In addition, as permitted by ASIC Class Order 03/635, this Bidder's Statement may include or be accompanied by certain statements:

- (a) fairly representing a statement by an official person; or
- (b) from a public official document or a published book, journal or comparable publication,

where the statement is not made or the document is not published in connection with the Takeover Bid or Cooper or Somerton or any business, property or person the subject of this Bidder's Statement.

In addition, as permitted by ASIC Class Order 07/429, this Bidder's Statement contains ASX share price trading information sourced from IRESS Market Technology Ltd without its consent.

The following persons have consented to being named in this Bidder's Statement in the form and context in which their names appear and have not withdrawn their consent prior to lodgement of this Bidder's Statement with ASIC:

- (a) Squire Sanders (AU) as legal adviser to the Offer;
- (b) Euroz as financial adviser to the Offer;
- (c) Computershare Investor Services Pty Limited as share registry to Cooper; and
- (d) Mr S Twartz consents to be named as a competent person and unless otherwise stated, he has agreed with any statements regarding reserves and contingent resource estimates in this Bidder's Statement in the form and context in which they appear.

Each person named above as having given its consent to being named in this Bidder's Statement:

- (a) does not make, or purport to make, any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement, other than a reference to their name.

7. Disclosure of interests of certain persons

Other than as set out below or elsewhere in this Bidder's Statement, no:

- (a) director or proposed director of Cooper;
- (b) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;
- (c) promoter of Cooper; or
- (d) broker or underwriter in relation to the issue of Cooper Shares pursuant to the Takeover Bid,

(together, the **Interested Persons**) holds at the date of this Bidder's Statement or held at any time during the last two years, any interest in:

- (a) the formation or promotion of Cooper;
- (b) property acquired or proposed to be acquired by Cooper in connection with its formation or promotion, or the offer of Cooper Shares under the Takeover Bid; or
- (c) the offer of Cooper Shares under the Takeover Bid.

8. Disclosure of fees and benefits received by certain persons

Other than as set out below, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (a) to a director or proposed director of Cooper, to induce them to become, or to qualify as, a director of Cooper; or

- (b) for services provided by any Interested Person in connection with the formation or promotion of Cooper or the offer of Cooper Shares under the Takeover Bid.

Squire Sanders (AU) has acted as legal adviser to Cooper in relation to the Takeover Bid. Squire Sanders (AU) has received or will receive legal fees of approximately \$115,000 (excluding disbursements) for these services up to the date of this Bidder's Statement. Further amounts may be paid to Squire Sanders (AU) in accordance with its time-based charges.

Euroz has acted as financial adviser to Cooper in relation to the Takeover Bid. Cooper has paid or agreed to pay Euroz a monthly retainer and additional fees if certain conditions are met, up to a combined maximum of \$750,000.

The amounts disclosed above are exclusive of any amount of GST that may be payable in respect of those amounts.

9. Interests of Cooper directors in Cooper and Somerton securities

The relevant interests of Cooper's directors in Cooper securities are set out in section 3.5 of Part 3. None of the Cooper directors has a relevant interest in any Somerton Shares.

10. Expiry date

No Cooper Shares will be issued on the basis of this Bidder's Statement after [] 2013.

11. Date for determining offerees

For the purposes of section 633(2) of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) of the Corporations Act for each Offer is the Record Date.

12. Ineligible Foreign Shareholders

Somerton Shareholders who are Ineligible Foreign Shareholders will not be entitled to receive Cooper Shares as part of the consideration for their Somerton Shares pursuant to the Offer, unless Cooper otherwise determines.

A Somerton Shareholder is an Ineligible Foreign Shareholder for the purposes of the Offer if his address as shown in the register of members of Somerton is in a jurisdiction other than Australia or its external territories or New Zealand. However, such a person will not be an Ineligible Foreign Shareholder if Cooper is satisfied that it is not unlawful, nor unduly onerous or impracticable to make the Offer to a Somerton Shareholder in the relevant jurisdiction and to issue Cooper Shares to such a Somerton Shareholder on acceptance of the Offer.

The Cooper Shares which would otherwise have been issued to Ineligible Foreign Shareholders will instead be issued to a nominee approved by ASIC, who will sell those Cooper Shares. The net proceeds of the sale of such shares will then be remitted to the relevant Ineligible Foreign Shareholders. See section 6.5 of the Offer Terms for further details.

13. Competent person's statement

Unless stated otherwise, any statements in this Bidder's Statement regarding reserves and contingent resource estimates have been agreed to by Mr Steve Twartz – Exploration Manager and a full time employee of Cooper, holding a Bachelor of Science, Master of Environmental Studies and qualified in accordance with Listing Rule 5.11. Mr Twartz has consented to the

inclusion in this Bidder's Statement of statements based on this information in the form and context in which they appear.

Mr Steve Twartz:

- (a) does not make, or purport to make, any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement, other than a reference to his name.

14. Value of Cooper Shares

Cooper does not currently own any Somerton Shares²⁴.

The VWAP of Cooper Shares traded on the ASX for two full trading days ending not later than five business days prior to the Offer Date (being [] and []) is [] cents.

For the purposes of the calculation referred to above, the VWAP is calculated by summing the market value of transactions (share price multiplied by volume of shares traded) over the two trading days and dividing that sum by the total number of shares traded over that same period.

15. No other material information

Except as set out elsewhere in this Bidder's Statement, there is no other information material to the making of a decision by a Somerton Shareholder whether or not to accept the Offer, being information that is known to Cooper and has not previously been disclosed to the holders of Somerton Shares.

²⁴ However Cooper does have a Relevant Interest in 19% of Somerton's issued shares by entering into pre-bid acceptance agreements with a number of Somerton Shareholders. Refer to section 3 of Part 2.

Part 9 – Offer Terms

1. Offer

1.1 Full offer

Cooper offers to acquire all of your Somerton Shares, together with all Rights attaching to those shares, on the following terms and conditions.

Subject to section 9 of these Offer Terms, you may only accept this Offer for all (and not a portion only) of your Somerton Shares.

An Offer in this form and bearing the same date is being made to each person registered as the holder of Somerton Shares in Somerton's register of members as at 7.00pm (Sydney time) on the Record Date.

The Offer also extends to all Somerton Shares issued after the Record Date and before the expiry of the Offer Period pursuant to an exercise of Somerton Incentive Rights on issue at the Record Date.

1.2 Offer extends to others

This Offer extends to any person able to give good title to any of your Somerton Shares during the Offer Period.

1.3 Acceptance of the Offer

By accepting this Offer you undertake to transfer to Cooper not only the Somerton Shares to which the Offer relates but also all Rights attached to those shares.

1.4 Date of Offer

This Offer is dated [] 2012.

2. Consideration

If you accept this Offer, you may elect to receive either:

- (a) one Cooper Share for every 2.8 of your Somerton Shares (**All Shares Alternative**); or
- (b) one Cooper Share for every 4.73 of your Somerton Shares plus 9 cents for each one of your Somerton Shares (**Shares and Cash Alternative**).

This election can be made by ticking the appropriate box on the Acceptance Form or, for CHESS Holders, by giving an instruction to your Controlling Participant. If no election is made or your election is indistinct but your acceptance is otherwise valid, you will be deemed to have elected to receive the All Shares Alternative for each of your Somerton Shares.

If by accepting this Offer you become entitled to a fraction of a Cooper Share, the number of Cooper Shares you will receive in respect of that acceptance will be rounded up to the nearest whole number.

3. ASX quotation of Cooper Shares

The Cooper Shares offered as consideration under the Takeover Bid will be issued fully paid and will rank equally with existing Cooper Shares from their date of issue.

An application will be made to the ASX within seven days after the start of the Offer Period for admission to quotation of the Cooper Shares to be issued as consideration under this Offer.

4. Offer Period

The Offer will, unless withdrawn in accordance with the Corporations Act, remain open for acceptance during the period commencing on the date of this Offer and ending at 7.00pm (Sydney time) on the later of:

- (a) [] 2012; or
- (b) any date to which that period is extended in accordance with the Corporations Act.

5. How to accept this Offer

5.1 Acceptance procedure

The acceptance procedure will depend on whether your Somerton Shares are in an Issuer Sponsored Holding or a CHESS Holding. If they are in an Issuer Sponsored Holding, you will have a securityholder reference number (SRN) beginning with 'I'. If they are in a CHESS Holding, you will have a holder identification number (HIN) beginning with 'X'. Your Acceptance Form will also have these descriptions and specific details of your holding printed on it.

If you hold your Somerton Shares in an Issuer Sponsored Holding

If your Somerton Shares are held on Somerton's issuer sponsored subregister, then to accept this Offer in respect of those Somerton Shares, you must:

- (a) **complete and sign** the Acceptance Form which accompanies this Bidder's Statement in accordance with the terms of the Offer and the instructions on the Acceptance Form; and
- (b) **return** the Acceptance Form together with all other documents required by the terms of this Offer and the instructions on the Acceptance Form to the address specified on the Acceptance Form, so that they are received before the close of the Offer Period.

If you hold your Somerton Shares in a CHESS Holding

If your Somerton Shares are held in a CHESS Holding, then to accept this Offer in respect of those Somerton Shares:

- (a) you must comply with the ASX Settlement Operating Rules;
- (b) if you are the Controlling Participant, you must initiate acceptance of this Offer in accordance with rule 14.14 of the ASX Settlement Operating Rules before the close of the Offer Period; and
- (c) if you are not the Controlling Participant, you may either:
 - (i) instruct your Controlling Participant, in accordance with the sponsorship agreement between you and the Controlling Participant, to initiate acceptance of this Offer in accordance with rule 14.14 of the ASX Settlement Operating Rules, such initiation to occur before the close of the Offer Period. If you choose to accept the Offer in this way, your Controlling Participant will be obliged by rule 14.14.1 of the ASX Settlement Operating Rules to initiate acceptance within the following timeframes:
 - (A) if you specify a time when or by which this Offer must be accepted, in accordance with those instructions; or
 - (B) otherwise, by the End of Day (as defined in the ASX Settlement Operating Rules) on the day that you instruct the Controlling Participant to

accept this Offer or, if the Offer Period ends on the day you provide those instructions, before the close of the Offer Period; or

- (ii) complete, sign and return the Acceptance Form in accordance with the terms of the Offer and the instructions on the Acceptance Form, together with all other documents required by the terms of this Offer and the instructions on the Acceptance Form, to the address specified on the Acceptance Form, so that it is received in sufficient time to effect an acceptance before the close of the Offer Period.

5.2 Irrevocable authorisation

By completing, signing and returning the Acceptance Form in respect of Somerton Shares in a CHESS Holding you will be deemed to have irrevocably authorised Cooper (and any nominee or nominees of Cooper) to:

- (a) instruct your Controlling Participant to initiate acceptance of this Offer in respect of all such Somerton Shares in accordance with rule 14.14 of the ASX Settlement Operating Rules; and
- (b) give any other instructions concerning those Somerton Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and the Controlling Participant.

5.3 Foreign laws

It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept this Offer and/or to be issued Cooper Shares as a result of that acceptance.

5.4 Address

The mailing address for completed Acceptance Forms is:

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne VIC 3001
Australia

5.5 Somerton Shareholder's risk

The method chosen to deliver the Acceptance Form and other documents is at your risk.

5.6 Acceptance Form

The Acceptance Form which accompanies this Offer forms part of it. The requirements on the Acceptance Form must be observed in accepting this Offer in respect of your Somerton Shares.

5.7 Power of attorney, deceased estate

When accepting this Offer, you should also forward for inspection:

- (a) if the Acceptance Form is executed by an attorney, the power of attorney; and
- (b) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased Somerton Shareholder, the relevant grant of probate or letters of administration.

5.8 Signing under power of attorney

If the Acceptance Form is signed under power of attorney, the attorney will be taken to have declared that the attorney has no notice of revocation of the power and is empowered to delegate powers under the power of attorney as contemplated by section 8.1 of these Offer Terms.

5.9 When acceptance is complete

Acceptance of this Offer will not be complete until the completed Acceptance Form has been received at ~~one of~~ the addresses set out in section 5.4 above and the requirements of this section 5 have been met, provided that:

- (a) Cooper may in its sole discretion waive any or all of those requirements at any time; and
- (b) where such requirements have been complied with in respect of some but not all of your Somerton Shares, Cooper may, in its sole discretion, deem your acceptance of this Offer complete in respect of those Somerton Shares for which the requirements have been complied with but not in respect of the remainder.

6. Payment of consideration

6.1 When consideration is provided

Subject to section 6.2 of these Offer Terms and the Corporations Act, if the contract resulting from your acceptance of this Offer becomes unconditional, Cooper will provide the consideration to which you are entitled on acceptance of this Offer on or before the earlier of:

- (a) one month after the date this Offer is accepted or, if the Offer is subject to a Defeating Condition when accepted, within one month after this Offer or the contract resulting from your acceptance of this Offer becomes unconditional; or
- (b) 21 days after the close of the Offer Period.

Under no circumstances will interest be paid on the consideration to which you are entitled under this Offer, regardless of any delay in providing the consideration or any extension of the Offer.

6.2 Where additional documents are required

Where the Acceptance Form requires additional documents to be given with your acceptance (such as a power of attorney):

- (a) if the documents are given with your acceptance, Cooper will provide the consideration in accordance with section 6.1;
- (b) if Cooper is given the documents after acceptance and before the close of the Offer Period, Cooper will provide the consideration:
 - (i) if at the time that Cooper is given the documents the Offer is subject to a Defeating Condition, by the earlier of one month after this Offer or the contract resulting from your acceptance of the Offer becomes unconditional or 21 days after the close of the Offer Period; or
 - (ii) if the Offer is unconditional at the time that Cooper is given the documents, by the earlier of one month after Cooper is given the documents or 21 days after the close of the Offer Period; or
- (c) if the documents are given after acceptance and after the close of the Offer Period, Cooper will provide consideration:
 - (iii) if at the time that Cooper is given the documents, the contract resulting from your acceptance of the Offer is subject to a Defeating Condition that relates only to the happening of an event or circumstance referred to in sections 652C(1) or (2) of the Corporations Act, within 21 days after the contract becomes or is declared unconditional; or
 - (iv) if at the time that Cooper is given the documents the contract resulting from your acceptance of the Offer is unconditional within 21 days after Cooper is given the

documents.

If you do not provide Cooper with any required additional documents within one month after the close of the Offer Period, Cooper may, in its sole discretion, rescind the contract resulting from your acceptance of the Offer.

6.3 Where Cooper is entitled to any Rights

If any cash Rights are declared, paid, made, arise or accrue to you as the holder of your Somerton Shares, Cooper may reduce the consideration specified in section 2 by the amount of the Rights, unless the benefit of the Rights is passed to Cooper under section 8.1(h).

If any non-cash Rights are issued, made, arise or accrue to you as the holder of your Somerton Shares, Cooper may reduce the consideration specified in section 2 by the value (as reasonably determined by Cooper) of the non-cash Rights, unless the benefit of the Rights is passed to Cooper under section 8.1(h).

6.4 Provision of consideration

The obligation of Cooper to allot and issue any Cooper Shares to which you are entitled under this Offer will be satisfied:

- (a) by entering your name on the register of members of Cooper; and
- (b) if your name is entered onto the issuer sponsored subregister of Cooper, by Cooper despatching or procuring the despatch to you, by pre-paid post to your address as shown on the latest copy of the register of members of Somerton obtained by Cooper, and within five business days after your name is so entered, an issuer sponsored holding statement in accordance with Listing Rule 8.5.

Payment of any cash consideration to which you become entitled by accepting this Offer will be made by cheque in Australian currency and will be sent by pre-paid post to your address as shown on the latest copy of the register of members of Somerton obtained by Cooper.

6.5 Ineligible Foreign Shareholders

If you are an Ineligible Foreign Shareholder, you will not be entitled to receive Cooper Shares as part of the consideration for your Somerton Shares as a result of acceptance of this Offer, and Cooper will:

- (a) arrange for the issue to a nominee approved by ASIC (**Nominee**) of the number of Cooper Shares to which you and all other Ineligible Foreign Shareholders would have been entitled but for this section 6.5 and the equivalent provision in each other Offer;
- (b) cause the Cooper Shares so issued to be offered for sale by the Nominee as soon as practicable and otherwise in the manner, at the price and on such other terms and conditions as are determined by the Nominee; and
- (c) cause the amount ascertained in accordance with the formula below to be paid to you:

$$\frac{PxN}{T}$$

where:

- P is the amount (if any) remaining after deducting the expenses of sale from the proceeds of sale of the Cooper Shares issued to the Nominee under this section 6.5 and the equivalent provision in each offer under the Offer;
- N is the number of Cooper Shares which would, but for this section 6.5, otherwise have been issued to you under this Offer; and
- T is the total number of Cooper Shares issued to the Nominee under this section 6.5

and the equivalent provision in each other offer under the Offer.

Payment of the amount referred to in this section 6.5 will be made by cheque in Australian dollars or, if this is unlawful, the currency of the jurisdiction of your residence (as shown in the register of members of Somerton or on the Acceptance Form). Cheques will be sent (at your risk) to your address as shown on the latest copy of the register of members of Somerton obtained by Cooper by pre-paid airmail.

6.6 Clearances for offshore residents and others

If at the time you accept this Offer or at the time the consideration is provided under it:

- (a) any authority or clearance of the Reserve Bank of Australia or the Australian Tax Office is required for you to receive any consideration under this Offer; or
- (b) you are resident in or a resident of a place to which, or you are a person to whom any of the following applies:
 - (i) the *Banking (Foreign) Exchange Regulations 1959 (Cth)*;
 - (ii) the *Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth)*;
 - (iii) Part 9 of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)*; or
 - (iv) any other law of Australia or elsewhere that would make it unlawful for Cooper to provide consideration for your Somerton Shares,

then your acceptance of this Offer does not create or transfer to you any right (contractual, contingent or otherwise) to receive the consideration specified in this Offer unless and until you obtain all requisite authorities, approvals or clearances.

7. Conditions of the Offer

7.1 Conditions

This Offer, and any contract resulting from acceptance of this Offer, are subject to fulfilment of the following conditions:

(a) Minimum acceptance condition

Before the close of the Offer Period Cooper and its Associates have Relevant Interests in at least 90% (by number) of all issued Somerton Shares.

(b) Prescribed Occurrences

That during the period from the Announcement Date to the close of the Offer Period (each inclusive), none of the following events or circumstances, as referred to in sections 652C(1) and (2) of the Corporations Act, happen:

- (i) Somerton converts all or any of its shares into a larger or smaller number of shares;
- (ii) Somerton or a subsidiary of Somerton resolves to reduce its share capital in any way;
- (iii) Somerton or a subsidiary of Somerton enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under section 257C or 257D of the Corporations Act;
- (iv) Somerton or a subsidiary of Somerton issues shares, or grants an option over any

of its shares, or agrees to make such an issue other than the issue of shares in Somerton on the vesting of the Somerton Incentive Rights;

- (v) Somerton or a subsidiary of Somerton issues, or agrees to issue, convertible notes;
- (vi) Somerton or a subsidiary of Somerton disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Somerton or a subsidiary of Somerton charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Somerton or a subsidiary of Somerton resolves to be wound up;
- (ix) a liquidator or provisional liquidator of Somerton or a subsidiary of Somerton is appointed;
- (x) a Court makes an order for the winding up of Somerton or of a subsidiary of Somerton;
- (xi) an administrator of Somerton, or of a subsidiary of Somerton, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Somerton or a subsidiary of Somerton executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Somerton or of a subsidiary of Somerton.

Cooper confirms that, as far as it is aware, none of the above events or circumstances had occurred as at the Lodgement Date. If any such event had occurred prior to the Lodgement Date, Cooper waives the condition in respect of that event.

(c) Conduct of Somerton's business

None of the following events occurs during the Offer Period without the prior written consent of Cooper:

- (i) Somerton or a subsidiary of Somerton makes a change in its constitution or passes a special resolution;
- (ii) Somerton or a subsidiary of Somerton borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of its business);
- (iii) Somerton or a subsidiary of Somerton releases, discharges or modifies a substantial obligation to it of any person, firm or corporation, or agrees to do so;
- (iv) Somerton or a subsidiary of Somerton appoints any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (v) Somerton or a subsidiary of Somerton enters into or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 18 April 2012);
- (vi) Somerton or a subsidiary of Somerton conducts its business otherwise than in the ordinary course;
- (vii) Somerton or a subsidiary of Somerton creates or agrees to create, any mortgage, charge, lien or other encumbrances over the whole, or a substantial part, of

its business or property, other than for any hire purchase agreement or similar arrangement which is entered into after 18 April 2012 in connection with the purchase of any single item of plant and equipment for less than \$500,000;

- (viii) Somerton or a subsidiary of Somerton increases the total remuneration for its employees by greater than 5% or otherwise varies the employment arrangements with any of its employees;
- (ix) Somerton or a subsidiary of Somerton increases the remuneration of its non-executive directors or otherwise varies the employment arrangements with any of its non-executive directors;
- (x) Somerton or a subsidiary of Somerton accelerates the rights of any of its non-executive directors, senior executives or employees to compensation or benefits of any kind (including under any Somerton executive or employee share plans) other than pursuant to the vesting of the Somerton Incentive Rights;
- (xi) Somerton or a subsidiary of Somerton pays any of its non-executive directors, senior executives or employees a termination or retention payment (otherwise than in accordance with a contract in place at 18 April 2012);
- (xii) Somerton or a subsidiary of Somerton waives any material third party default; or
- (xiii) Somerton or a subsidiary of Somerton makes any changes to its accounting practices or policies, other than to comply with generally accepted Australian accounting standards and any domestically accepted international accounting standards or electing to form a consolidated group for the purposes of the *Income Tax Assessment Act 1997 (Cth)*.

(d) Material Acquisitions and Disposals

None of the following events occurs during the Offer Period without the prior written consent of Cooper:

- (i) Somerton or a subsidiary of Somerton acquires, offers to acquire or agrees to acquire an interest in one or more assets for an amount in aggregate greater than \$500,000;
- (ii) Somerton or a subsidiary of Somerton disposes, offers to dispose or agrees to dispose of one or more assets (or an interest in one or more assets) for an amount in aggregate greater than \$500,000;
- (iii) Somerton or a subsidiary of Somerton enters into or offers to enter into any joint venture or partnership involving a commitment of greater than \$500,000; or
- (iv) other than in the ordinary course of business, Somerton or a subsidiary of Somerton incurs, or commits to, or grants to another person, a right, the exercise of which would involve Somerton or a subsidiary of Somerton incurring or committing to any capital expenditure or liability for one or more related items of greater than \$500,000.

(e) Withdrawal of Somerton Support

During the Offer Period:

- (i) the Somerton Board does not make any public statement that it no longer supports the Bid; or
- (ii) a member of the Somerton Board does not withdraw his recommendation previously made or indicate that he or any associate of his does not intend to

accept the Offer.

(f) No action or investigation

During the Offer Period:

- (i) there is not in effect any preliminary or final decision, order or decree issued by a Governmental Agency;
- (ii) no action or investigation is instituted, or threatened with respect to Somerton or any subsidiary of Somerton; and
- (iii) no application is made to any Governmental Agency,

in consequence of, or in connection with the Bid which restrains, prohibits or impedes or threatens to restrain, prohibit or impede, or may otherwise materially adversely impact upon the making of the Bid or the completion of any transaction contemplated by the Bid or seeks to require the divestiture by Cooper of any Somerton Shares or the divestiture of any assets by Somerton or any subsidiary of Somerton or by Cooper or any subsidiary of Cooper.

(g) Equal access to information

Between the Announcement Date and the close of the Offer Period (each inclusive), Somerton promptly (and in any event within two Business Days) provides to Cooper a copy of all information that is not generally available (within the meaning of the Corporations Act) relating to Somerton or any related body corporate of Somerton or any of their respective officers, employees, advisers or agents that has been provided to any person (other than Cooper) for the purpose of soliciting, encouraging or facilitating a proposal or offer by that person, or any other person, in relation to a transaction under which:

- (i) any person (together with its associates) may acquire voting power of 10% or more in Somerton (whether by way of takeover bid, compromise or arrangement under Part 5.1 of the Corporations Act, or otherwise);
- (ii) any person may acquire, directly or indirectly (including by way of joint venture, dual listed company structure or otherwise), any interest in all or a substantial part of the business or assets of Somerton or of any related body corporate of Somerton; or
- (iii) that person may otherwise acquire control, of or merge or amalgamate with, Somerton.

(h) Other regulatory approvals

Before the close of the Offer Period, all regulatory approvals or consents that are required by law, regulation or regulatory policy as are necessary to permit:

- (i) the Offer to be lawfully made to and accepted by holders of Somerton Shares in all applicable jurisdictions;
- (ii) the acquisition of Somerton Shares by Cooper; or
- (iii) completion of the transactions contemplated by this Bidder's Statement, including the full, lawful and effectual implementation of the intentions set out in this Bidder's Statement,

are granted, given, made or obtained on an unconditional basis, remain in full force and effect, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew.

Cooper confirms that, as far as it is aware, no such approvals or consents are required, but in any event it undertakes to use its best endeavours to obtain any such approvals or consents as may be required.

(i) No Material Failing in Filings

During the Offer Period, Cooper does not become aware of any document filed by or on behalf of Somerton with ASX or ASIC containing a statement which is incorrect or misleading in any material particular or from which there is a material omission (in such circumstance, materiality being determined by reference to the business and assets of Somerton taken as a whole).

(j) Non Existence of Certain Rights

No person has any right (whether subject to conditions or not) as a result of the acquisition of all the Somerton Shares by Cooper pursuant to the Bid to:

- (i) acquire, or require Somerton or a subsidiary of Somerton to dispose of, or offer to dispose of, any material asset of Somerton or a subsidiary of Somerton;
- (ii) terminate or vary any material agreement with Somerton or a subsidiary of Somerton; or
- (iii) accelerate or adversely modify the performance of any obligations of Somerton or any of its subsidiaries in a material respect under any material agreements, contracts or other legal arrangements.

(k) Material adverse change

No 'specified event' occurs which has or could reasonably be expected to have, a materially adverse effect on the:

- (i) permits, assets, liabilities, financial position, performance, profitability or prospects of Somerton and/or its subsidiaries taken as a whole or any of them; or
- (ii) status or terms of (or rights attaching to) any material Approvals from any Governmental Agency applicable to Somerton, any of its subsidiaries or any of their permits,

including:

- (iii) any creditor demanding repayment of a debt of \$500,000 or more;
- (iv) any person accelerating or adversely modifying the performance of any obligation of Somerton or any of its subsidiaries under any material agreements, contracts or other legal arrangements; or
- (v) any permit not being renewed on normal commercial terms,

but does not include any change:

- (vi) fairly disclosed to Cooper on or before 18 April 2012 (including as a result of disclosures made to ASX);
- (vii) occurring as a result of any matter, event or circumstance required by the merger implementation agreement between Cooper and Somerton dated 18 April 2012, the Bid or the transactions contemplated by them; or
- (viii) approved in writing by Cooper.

For these purposes, a 'specified event' is:

- (i) an event or occurrence that occurs or is discovered during the Offer Period;
- (ii) an event or occurrence that occurs prior to the Offer Period but is only announced or publicly disclosed on or after the Announcement Date; or
- (iii) an event or occurrence that will or is likely to occur following the Offer Period and which has not been publicly announced prior to the Announcement Date.

(l) S&P/ASX 200 Index

During the Offer Period, the S&P/ASX 200 Index does not fall more than 20% below its level as at the Announcement Date.

(m) Termination of Strategic Alliance

Prior to the expiry of the Offer Period, Beach Energy Limited and Somerton enter into a deed of termination in relation to the strategic alliance between them dated 13 August 2010 which is conditional only upon the minimum acceptance condition being satisfied and all other Defeating Conditions being either satisfied or waived.

7.2 Nature of conditions

Each of the conditions set out in each paragraph and subparagraph of section 7.1 of these Offer Terms:

- (a) constitutes and will be construed as a separate, several and distinct condition and each of the conditions will not be taken to limit the meaning and effect of any other condition;
- (b) is a condition subsequent; and
- (c) until the expiration of the Offer Period (or in the case of a Defeating Condition that relates to a circumstance or event referred to in subsection 652C(1) or (2) of Corporations Act, until three business days after the close of the Offer Period) will be for the benefit of Cooper alone and may be relied upon only by Cooper.

7.3 Effect of breach or non-fulfilment

The breach or non-fulfilment of any of the Defeating Conditions does not, until the close of the Offer Period, prevent a contract arising to acquire your Somerton Shares resulting from your acceptance of this Offer, but if at the close of the Offer Period (or, in the case of a Defeating Condition that relates to a circumstance or event referred to in subsection 652C(1) or (2) of the Corporations Act, at the end of three business days after the close of the Offer Period), in respect of any Defeating Condition:

- (a) Cooper has not declared the Offers (and they have not become) free from that condition; or
- (b) that condition has not been fulfilled,

all contracts resulting from acceptance of this Offer and all acceptances that have not resulted in binding contracts are automatically void. In such a case, Cooper will return the Acceptance Form together with all documents to the address shown in the Acceptance Form and notify ASX Settlement of the lapse of the Offer in accordance with rule 14.19 of the ASX Settlement Operating Rules.

7.4 Cooper may decide Offer is free from all or any of the conditions

Cooper may at any time at its sole discretion, but in compliance with section 650F and section 630 of the Corporations Act, declare the Offers free from all or any of the Defeating Conditions which are capable of being waived by notice in writing to Somerton:

- (a) in the case of a Defeating Condition that relates to the happening of a circumstance or event referred to in subsection 652C(1) or (2) of the Corporations Act – not later than

- three business days after the close of the Offer Period; and
- (b) in any other case – not later than seven days before the close of the Offer Period.

7.5 Date for giving notice on status of conditions

The date for giving a notice on the status of the conditions as required by section 630(1) of the Corporations Act is [] 2012, subject to variation in accordance with section 630(2) of the Corporations Act where the Offer Period is extended.

7.6 Section 625(3) of the Corporations Act

This Offer and any contract that results from your acceptance of this Offer are also subject to the condition set out in section 625(3) of the Corporations Act. If that condition is not fulfilled, any contract that results from your acceptance of this Offer will be automatically void.

8. Effect of acceptance

8.1 Effect of acceptance

By accepting this Offer in accordance with section 5 of these Offer Terms (including where the Offer is caused to be accepted in accordance with the ASX Settlement Operating Rules), you will, or will be deemed to have:

- (a) irrevocably authorised Cooper to alter the Acceptance Form on your behalf by:
- (i) inserting correct details of your Somerton Shares;
 - (ii) filling in any blanks remaining on the Acceptance Form; and
 - (iii) rectifying any errors in, and omissions from, the Acceptance Form, as may be necessary to make the Acceptance Form an effectual acceptance of this Offer and to enable registration of the transfer of your Somerton Shares to Cooper;
- (b) accepted this Offer (and any variation of it) and agreed to its terms and conditions, in respect of all of your Somerton Shares (together with all Rights attaching to them) despite any difference between that number and the number of Somerton Shares shown in the Acceptance Form;
- (c) agreed to transfer all of your Somerton Shares to Cooper subject to the Offer being declared free from the Defeating Conditions (or those conditions being fulfilled);
- (d) represented and warranted to Cooper:
- (i) that you are not an Ineligible Foreign Shareholder, unless otherwise indicated on the Acceptance Form, and acknowledged and agreed that if you are an Ineligible Foreign Shareholder, or if Cooper believes that you are an Ineligible Foreign Shareholder, Cooper will arrange for any Cooper Shares otherwise issuable to you to be issued and sold, and for the net proceeds to be remitted to you, as described in section 6.5 of these Offer Terms; and
 - (ii) as a condition of the contract resulting from your acceptance of the Offer, that at the time of acceptance and at the time of transfer to Cooper:
 - (A) you have paid to Somerton all amounts which are due for payment in respect of your Somerton Shares;
 - (B) all of your Somerton Shares are fully paid and Cooper will acquire good title to them and full beneficial ownership of them free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise and restrictions on transfer of any kind; and

- (C) you have full power and capacity to accept this Offer and to sell and transfer the legal and beneficial ownership of your Somerton Shares (together with all Rights attaching to them) to Cooper;
- (e) with effect from the later of acceptance of this Offer and the date that any contract resulting from that acceptance becomes, or is declared, free from conditions, appointed Cooper and each of its directors, secretaries and other officers from time to time severally as your agent and true and lawful attorney, with power to do all things which you could lawfully do concerning your Somerton Shares or in exercise of any right or power derived from the holding of your Somerton Shares, including, without limitation, to:
- (i) attend and vote in respect of your Somerton Shares at any general meeting of Somerton;
 - (ii) appoint a proxy or proxies to attend and vote on your behalf in respect of your Somerton Shares at any meeting of Somerton;
 - (iii) requisition or join with other holders of Somerton Shares in requisitioning or convening (or both) a meeting of Somerton;
 - (iv) demand a poll for any vote to be taken at any meeting of Somerton;
 - (v) propose or second any resolution to be considered at any meeting of Somerton;
 - (vi) receive from Somerton or any other party, and retain, any share certificates which were held by Somerton, or any other party;
 - (vii) sign all documents (including an instrument appointing one of Cooper's directors as a proxy in respect of any or all of your Somerton Shares and any application to Somerton for a replacement certificate in respect of any share certificate which has been lost or destroyed) and resolutions relating to your Somerton Shares, and generally to exercise all powers and rights which you may have as a Somerton Shareholder and perform such actions as may be appropriate in order to vest good title in your Somerton Shares (together with all Rights attaching to them) in Cooper; and
 - (viii) do all things incidental and ancillary to the foregoing,
- and to have agreed that in exercising the powers conferred by that power of attorney, the attorney may act in the interests of Cooper as the intended registered holder and beneficial holder of your Somerton Shares. This appointment is irrevocable and terminates upon registration of a transfer to Cooper of your Somerton Shares. Cooper will indemnify you and keep you indemnified in respect of all costs, expenses and obligations which might be incurred or undertaken as a result of the exercise by an attorney of any powers under this subclause;
- (f) agreed to fully indemnify Cooper in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your holder identification number or security holder reference number or in consequence of the transfer of your Somerton Shares to Cooper being registered by Somerton without production of your holder identification number or security holder reference number;
- (g) irrevocably authorised Cooper (and any nominee or nominees of Cooper) to notify Somerton on your behalf that your place of address for the purpose of serving notices upon you in respect of your Somerton Shares is the address as specified in the notification, and that all such notices are to be marked care of Cooper and to have directed Somerton to serve all correspondence, payments or notifications in respect of any Rights and other communications and documents whatsoever in respect of those Somerton Shares to Cooper at that address;

- (h) irrevocably authorised and directed Somerton to pay Cooper, or to account to Cooper for, all Rights in respect of your Somerton Shares, subject, however, to any such Rights being received by Cooper being accounted for by Cooper to you if this Offer is withdrawn or any contract resulting from your acceptance of this Offer is rescinded or rendered void;
- (i) irrevocably authorised Cooper (and any nominees or nominees of Cooper) to cause a message to be transmitted in accordance with ASX Settlement Operating Rule 14.17.1 (and at a time permitted by ASX Settlement Operating Rule 14.17.1(b)) so as to transfer your Somerton Shares to Cooper's Takeover Transferee Holding, regardless of whether Cooper has at that time paid or provided the consideration due to you under this Offer;
- (j) authorised Cooper to issue to you and agreed to accept the Cooper Shares you have become entitled to receive under this Offer and to register your name in the Cooper register of members in respect of those Cooper Shares, and agreed that you will be bound by the constitution of Cooper; and
- (k) agreed, subject to the Defeating Conditions being satisfied or waived, to execute all documents, transfers and assurances as may be necessary or desirable to convey your Somerton Shares and Rights to Cooper.

Cooper may at any time deem the receipt of a signed Acceptance Form to be a valid acceptance of this Offer even though you omit to include your share certificate(s) (if any) or there is not compliance with any one or more of the other requirements for acceptance but, if Cooper does so, Cooper is not obliged to make the consideration available to you until all of the requirements for acceptance have been met.

8.2 Continuing representations and warranties

The representations, warranties, undertakings and authorities referred to in section 5.2 of these Offer Terms and this section 8 of these Offer Terms will (unless otherwise stated) remain in force after you receive the consideration for your Somerton Shares and after Cooper becomes registered as holder of them.

9. Acceptances by transferees and nominees

9.1 Who may accept the Offer

During the Offer Period:

- (a) any person who is able to give good title to a parcel of your Somerton Shares may accept (if they have not already accepted an offer in the form of this Offer for those Somerton Shares) as if an offer on terms identical with this Offer has been made to them; and
- (b) any person who holds one or more distinct parcels of Somerton Shares as trustee or nominee, or otherwise on account of another person, may accept as if a separate and distinct offer had been made in relation to:
 - (i) each of those parcels; and
 - (ii) any parcel they hold in their own right.

9.2 Holding Somerton Shares

A person is taken to hold Somerton Shares if they are registered as the holder of those Somerton Shares.

9.3 Holding Somerton Shares on trust or as a nominee

A person is taken to hold Somerton Shares on trust for, as nominee for, or on account of, another person if they:

- (a) are entitled to be registered as the holder of particular Somerton Shares; and
- (b) hold their interest in the Somerton Shares on trust for, as nominee for, or on account of, that other person.

9.4 Effective acceptance

An acceptance of an offer pursuant to section 9.1(b) of these Offer Terms is ineffective unless:

- (a) the person who holds on account of another person gives Cooper a notice stating that the Somerton Shares consist of a separate and distinct parcel; and
- (b) the acceptance specifies the number of Somerton Shares in the distinct parcel.

9.5 Notice of acceptance

A notice under section 9.4(a) of these Offer Terms must be made:

- (a) if it relates to Somerton Shares entered on a CHESS subregister - in an electronic form approved by the ASX Settlement Operating Rules; or
- (b) otherwise - in writing.

9.6 Person may accept for two or more parcels

A person may, at the one time, accept for two or more parcels under this section as if there had been a single offer for a separate parcel consisting of those parcels.

10. Other matters

10.1 Notices and other communications

Subject to the Corporations Act, a notice or other communication given by Cooper to you in connection with this Offer shall be deemed to be duly given if it is in writing and:

- (a) is delivered to your address as recorded on the register of members of Somerton or the address shown in the Acceptance Form; or
- (b) is sent by pre-paid ordinary mail, or in the case of an address outside Australia by pre-paid airmail, to you at either of those addresses.

10.2 Destruction of documents

If:

- (a) this Offer is withdrawn after your Acceptance Form has been sent to Cooper, but before it has been received; or
- (b) for any other reason Cooper does not acquire the Somerton Shares to which your Acceptance Form relates,

Cooper will destroy your Acceptance Form together with all other documents forwarded by you.

10.3 Costs and expenses

All costs and expenses of the preparation, despatch and circulation of the Offers and all stamp duty payable in respect of a transfer of Somerton Shares in respect of which Offers are accepted, will be paid by Cooper. If you hold your Somerton Shares through a bank, broker or nominee which charges transaction fees or service charges in connection with your acceptance of the Offer, Cooper will not pay those fees or charges.

10.4 Withdrawal

Cooper may withdraw unaccepted Offers at any time with the written consent of ASIC and subject to the conditions (if any) specified in that consent.

10.5 Variation

Cooper may vary this Offer in accordance with the Corporations Act.

10.6 Governing law

This Offer and any contract that results from your acceptance of this are governed by the laws in force in Western Australia.

Part 10 – Definitions and interpretation

1. Definitions

In this Bidder's Statement unless the context otherwise requires:

Acceptance Form means the form of acceptance and transfer enclosed with this Bidder's Statement and which forms part of the Offer.

All Shares Alternative means the consideration comprising one Cooper Share for every 2.8 Somerton Shares to be acquired under the Offer.

Announcement Date means 19 April 2012, being the date of the announcement of the Offer by Cooper.

ASIC means Australian Securities and Investments Commission.

Associate has the meaning given to that term by section 12 of the Corporations Act as if section 12(1) of the Corporations Act included an associate reference occurring in this Bidder's Statement.

ASX Settlement means ASX Settlement Pty Ltd.

ASX Settlement Operating Rules means the operating rules of ASX Settlement, being the holder of an Australian CS facility licence under the Corporations Act.

ASX means ASX Limited or the market it conducts (as the context requires).

Bidder's Statement means this document, being the statement of Cooper under Part 6.5 Division 2 of the Corporations Act relating to the Offer.

Business Day has the meaning given in the Listing Rules.

CHESS means the Clearing House Electronic Subregister System established and operated by ASX Settlement for the clearing, settlement, transfer and registration of approved securities.

CHESS Holding means a holding of Somerton Shares on the CHESS Subregister of Somerton (usually a CHESS holding will be through a Controlling Participant).

Cooper Board means the board of directors of Cooper.

Cooper or **Company** means Cooper Energy Limited (ACN 096 170 295).

Cooper Options means options to subscribe for Cooper Shares.

Cooper Performance Rights means performance rights issued pursuant to a resolution of Cooper Shareholders and convertible in certain circumstances into Cooper Shares.

Cooper Shareholder means a person who holds Cooper Shares.

Cooper Shares means fully paid ordinary shares in Cooper.

Controlling Participant means the person who is designated as the Controlling Participant for shares in a CHESS Holding in accordance with the ASX Settlement Operating Rules.

Corporations Act means *Corporations Act 2001* (Cth).

Defeating Condition means each condition set out in section 7.1 of the Offer Terms.

Euroz means Euroz Securities Limited.

Foreign Permits means the Permits located in Indonesia, Tunisia and Poland.

Governmental Agency means any government or any governmental, semi-governmental, administrative, statutory or judicial entity, authority or agency, whether in Australia or elsewhere, including the

Australian Competition and Consumer Commission (but excluding the Takeovers Panel, ASIC and any Court that hears or determines proceedings under 657G or proceedings commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Bid). It also includes any self-regulatory organization established under statute or any stock exchange;

GST has the meaning given to that term in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Ineligible Foreign Shareholder means a holder of Somerton Shares whose address as shown in Somerton's register of members is in a jurisdiction other than Australia or its external territories or New Zealand, unless Cooper otherwise determines after being satisfied that it is not unlawful, not unduly onerous and not unduly impracticable to make the Offer to a Somerton Shareholder in the relevant jurisdiction and to issue Cooper Shares to such a Somerton Shareholder on the acceptance of the Offer.

Issuer Sponsored Holding means a holding of Somerton Shares on Somerton's issuer sponsored subregister.

Listing Rules means the listing rules of the ASX.

Lodgement Date means the date of lodgement of the ~~the Original is~~ Bidder's Statement with ASIC (being 30 April 2012).

Merged Group means the corporate group that would be formed should Cooper be successful in acquiring 100% of the Somerton Shares.

Offer means the offer contained in section 1 of the Offer Terms.

Offer Date means the date referred to in section 1.4 of the Offer Terms.

Offer Information Line means ~~1300 730 439~~ 1300 730 439 (if you are calling from Australia); or +61 8 6380 4530 (if you are calling from overseas).

Offer Period means the period referred to in section 3 of the Offer Terms.

Offers means the offers referred to in section 1 of the Offer Terms.

Offer Terms means the detailed terms of the Offer set out in Part 9.

Permits means the permits and interests set out in the table under section 1 of Part 3.

Prescribed Occurrence means the events or circumstances listed in section 7.1(b) of the Offer Terms.

Record Date means 1 May 2012.

Related body corporate has the same meaning as in the Corporations Act.

Relevant Interest has the meaning given to that term by section 9 of the Corporations Act.

Rights means all accretions and rights which accrue to or arise from Somerton Shares after the Lodgement Date, including all rights to receive dividends, to receive or subscribe for shares, notes, options or other securities and all other distributions or entitlements declared, paid, made or issued by Somerton after that date.

Shares and Cash Alternative means the consideration comprising one Cooper Share for every 4.73 Somerton Shares plus 9 cents for each Somerton Share to be acquired under the Offer.

Somerton means Somerton Energy Limited (ACN 089 956 150).

Somerton Board means the board of directors of Somerton.

Somerton Incentive Rights means incentive rights issued pursuant to a resolution of Somerton Shareholders and convertible in certain circumstances into Somerton Shares.

Somerton Shareholder means a person who holds Somerton Shares.

Somerton Shares means fully paid ordinary shares in Somerton.

Takeover Bid means the off-market takeover bid constituted by the Offers.

Voting Directors of Somerton means the directors of Somerton other than Mr Robert Kennedy who has abstained from making a recommendation due to being the non-executive Chairman of both Somerton and its largest shareholder, Beach Energy Limited.

VWAP means, in relation to a period, the volume-weighted average sale price on the ASX over that period.

2. Interpretation

In this Bidder's Statement:

- (a) headings are for convenience only and do not affect the interpretation of this Bidder's Statement or the Offer;
- (b) the singular includes the plural and vice versa;
- (c) words importing a gender include all other genders;
- (d) another grammatical form of a defined word or expression has a corresponding meaning;
- (e) references to persons include corporations;
- (f) references in this Bidder's Statement to paragraphs and sections are to paragraphs and sections in this Bidder's Statement;
- (g) references in this Bidder's Statement to appendices are to appendices of this Bidder's Statement;
- (h) references to **dollars** or **\$** or **cents** are to Australian currency;
- (i) words or phrases to which a meaning is given by the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules have the same meaning when used in this Bidder's Statement, unless that meaning is inconsistent with the context in which the word or phrase is used; and
- (j) appendices to this Bidder's Statement form part of this Bidder's Statement.

Signing page

DATED 3 May ~~30 April~~ 2012

This Bidder's Statement has been approved by a unanimous resolution of the directors of Cooper.

Signed for and on behalf of Cooper Energy Limited.

.....

David Maxwell
Managing Director

Annexure A

(section 1.1 of Part 3)

Cooper's announcements to ASX made
after 31 October 2011

Date	Announcement
30/04/2012	Bidder's Statement for Somerton Energy
27/04/2012	March Quarterly Report
20/04/2012	BPT: Proposed Cooper Energy merger with Somerton Energy
19/04/2012	Notice of Initial Substantial Shareholding for Somerton
19/04/2012	Cooper Energy and Somerton Energy Merger
19/04/2012	Somerton: Merger Announcement - Cooper Energy Ltd
19/04/2012	Trading Halt
03/04/2012	Hammamet West 3 Update
23/03/2012	Change in substantial holding
19/03/2012	Notification of Cessation of Appointment of Officeholders
07/03/2012	Investor Presentation
06/03/2012	Becoming a substantial holder
05/03/2012	Change in substantial holding from NAB
01/03/2012	Response to ASX Price Query
27/02/2012	Half Year Financial Report 31 December 2011
03/02/2012	Investor Presentation
30/01/2012	December 2011 Quarterly Report
25/01/2012	Appendix 3Y D Maxwell
24/01/2012	Appendix 3B Issue of Performance Rights
06/01/2012	Change to Capital Structure
16/12/2011	EGM Outcome
16/12/2011	Results of General Meeting
16/12/2011	Results of AGM
16/12/2011	Managing Director Presentation to AGM
16/12/2011	Chairman's Address to Shareholders
13/12/2011	Appointment of Joint Company Secretary
02/12/2011	General Meetings
22/11/2011	BPT: Tantanna Pipeline back online
22/11/2011	Tantanna Pipeline Reinstatement
21/11/2011	Jaffa-1 to Be Plugged and Abandoned
17/11/2011	Notice of General Meeting
17/11/2011	Notice of AGM
17/11/2011	3D Survey Completed

17/11/2011	Zeta and Gas Strategy
16/11/2011	Tunisia Nabeul 3D Seismic Acquisition Complete
14/11/2011	Jaffa-1 Spud
04/11/2011	Request to Convene General Meeting
04/11/2011	Cooper EGM Outcome Media Release
04/11/2011	Final Proxy Report Shares
04/11/2011	Appointment of Alternate Director and Appendix 3X
02/11/2011	BPT: Monthly Drilling Report - October 2011
31/10/2011	September Quarterly Report

Annexure B

(section 1 of Part 4)

Somerton's announcements to ASX
made after 12 August 2011

Date	Announcement
30/04/2012	COE: Bidder's Statement for Somerton Energy
26/04/2012	Quarterly Activities and Cashflow Reports
23/04/2012	Change of Director's Interest Notice - Appendix 3Y
23/04/2012	Appendix 3B
20/04/2012	BPT: Proposed Cooper Energy merger with Somerton Energy
19/04/2012	Notice of Initial Substantial Shareholding from COE
19/04/2012	COE: Cooper Energy and Somerton Energy Merger
19/04/2012	Merger Announcement - Cooper Energy Ltd
19/04/2012	Request for Trading Halt
19/04/2012	Trading Halt
02/04/2012	Change of principal administrative office
14/02/2012	Half Year Accounts
13/02/2012	Somerton secures Bonaparte Basin exploration rights
19/01/2012	Quarterly Activities and Cash Flow Reports
20/12/2011	LKO: PRL-2 Joint Venture Update
21/10/2011	Quarterly Activities and Cashflow Reports
13/10/2011	Amended Constitution
13/10/2011	Results of Meeting
13/10/2011	Managing Director's AGM Presentation
12/10/2011	Beach takes position in Bonaparte Basin
09/09/2011	Notice of Annual General Meeting/Proxy Form
07/09/2011	Good Oil Conference Presentation
15/08/2011	Beach Makes Strategic Investment In Adelaide Energy
15/08/2011	Merger Discussions with ADE
15/08/2011	ADE: Nappamerri Trough Alliance with Beach Energy

Annexure C

Tax considerations

1. Introduction

The information in this annexure is only a general summary of the Australian tax consequences for Somerton Shareholders who accept the Offer. This information is relevant only to those Somerton Shareholders who hold their Somerton Shares on capital account. This information relates only to Somerton Shares and not to other rights held over Somerton Shares.

Certain Somerton Shareholders (such as those engaged in a business of trading or investment, those who acquired their Somerton Shares for the purpose of resale at a profit or those that are banks, insurance companies, tax exempt organisations, superannuation funds, persons who are temporary residents for Australian tax purposes or persons who acquire their Somerton Shares in respect of their employment with Somerton) will or may be subject to different tax consequences specific to their circumstances.

The information in this annexure is based upon taxation law and practice in effect as at the date of this Bidder's Statement. It is not intended to be an authoritative or complete statement or analysis of the taxation laws applicable to the particular circumstances of every Somerton Shareholder. Somerton Shareholders should seek independent professional advice regarding the taxation consequences of accepting the Offer or otherwise disposing of their Somerton Shares.

2. Tax consequences of disposal of Somerton Shares by Australian residents

2.1 General capital gains tax considerations

Acceptance of the Offer by a Somerton Shareholder will result in the disposal of Somerton Shares by the shareholder. This disposal will constitute a capital gains tax (CGT) event. The time of the event will be when the Somerton Shareholder accepts the Offer. If at the close of the Offer Period a Defeating Condition is breached, or is not fulfilled and Cooper has not declared the Offer free from that condition, then no CGT event will occur.

The disposal of Somerton Shares may result in a capital gain or capital loss.

A capital gain will arise if the capital proceeds exceed the cost base of the Somerton Shares. A capital loss will arise if the capital proceeds are less than the reduced cost base of those shares.

The capital proceeds received by a Somerton Shareholder who accepts the Offer will be equal to:

- (a) if the Somerton Shareholder elects the All Shares Alternative: the market value of Cooper Shares on the day the Somerton Shareholder accepts the Offer; or
- (b) if the Somerton Shareholder elects the Shares and Cash Alternative: the market value of Cooper Shares on the day the Somerton Shareholder accepts the Offer plus the cash consideration received.

The cost base or reduced cost base of Somerton Shares should broadly equal the money that a Somerton Shareholder has paid or was required to pay to acquire its Somerton Shares, plus certain other amounts associated with the acquisition of the Somerton Shares and disposal to Cooper.

Net capital gain

Subject to the CGT reductions and exemptions discussed below, capital gains and capital losses of a taxpayer in a year of income are aggregated to determine whether the taxpayer has a net capital gain or loss for that period. Any net capital gain, after applying carried forward capital losses, is included in the taxpayer's assessable income and is subject to income tax.

Capital losses

Capital losses may only be offset against capital gains realised in the same income year. A net capital loss for an income year can be carried forward to be offset against capital gains in future income years.

2.2 Circumstances in which capital gains may be reduced or disregarded

A Somerton Shareholder who accepts the Offer may be able to reduce or disregard a capital gain in the circumstances set out below.

A Somerton Shareholder may be able to disregard a capital gain to the extent that it is attributable to the acquisition of Cooper Shares where they choose scrip for scrip rollover relief to apply. For further information, refer to section 2.3.

Pre-CGT shareholders

If a Somerton Shareholder is deemed to have acquired their Somerton Shares prior to 20 September 1985, the Somerton Shareholder is exempt from any CGT consequences from the disposal of those shares.

Indexation

If a Somerton Shareholder is deemed to have acquired their Somerton Shares at or before 11.45 am on 21 September 1999, the cost base of their Somerton Shares may be indexed for inflation, by reference to changes in the Consumer Price Index from the calendar quarter in which the Somerton Shares were deemed to be acquired until the calendar quarter ended 30 September 1999. Indexation adjustments are taken into account only for the purposes of calculating a capital gain, not a capital loss.

A Somerton Shareholder who is an individual, complying superannuation entity or a trust and has held their Somerton Shares for at least 12 months will have the option of applying either the indexation method or the CGT discount (refer below) to calculate the capital gain arising from the disposal of Somerton Shares, but cannot apply both.

Whether any Somerton Shareholder should use the indexation method or the CGT discount will depend upon their particular circumstances. Somerton Shareholders should consult their own tax advisors in relation to this matter.

CGT discount

A Somerton Shareholder who makes a capital gain as a result of accepting the Offer, where the capital gain is not disregarded in whole or in part under the scrip for scrip roll-over rules (refer to section 2.3), and does not choose or is unable to choose to apply the indexation method referred to above, may be eligible for the CGT discount.

Broadly, the CGT discount can reduce an eligible taxpayer's capital gain if the taxpayer has held the relevant asset (in this case, Somerton Shares) for at least 12 months prior to disposal. The CGT discount applies after an eligible taxpayer has applied capital losses against their capital gains for the income year.

The size and availability of the applicable CGT discount is determined by the legal status of the Somerton Shareholder:

- (i) individuals: subject to CGT on 50% of any capital gain;
- (ii) complying superannuation entities: subject to CGT on two-thirds of any capital gain;
- (iii) companies (other than in a capacity as trustee): are not entitled to the CGT discount; and
- (iv) trustees: where beneficiaries are presently entitled to the income of the trust, the net capital gain for the trust is determined with the benefit of the 50% CGT discount if the Somerton Shares have been held for at least 12 months (refer above). Upon distribution

by the trustee, the net capital gain would be grossed up to 100% in the hands of beneficiaries.

Beneficiaries that are individuals or complying superannuation funds should be entitled to the CGT discount (at 50% for individuals and 33 1/3% for superannuation funds) in respect of the disposal of the Somerton Shares by the trust after offsetting the net capital gain distributed to them by capital losses realised by the beneficiary in the same year, or net capital losses brought forward by the beneficiary from prior years. They will include the discounted net gain in their assessable income.

Beneficiaries that are companies are not entitled to the CGT discount. They will include the grossed up capital gain in their assessable income, which may be offset by any current year capital losses or carry forward net capital losses of the company.

Where no beneficiaries are presently entitled to the net income of a trust that is a Somerton Shareholder, the full amount of any net capital gain in respect of the disposal of Somerton Shares will be included in the assessable income of the trustee.

Somerton Shareholders that are trustees should obtain specific tax advice as to whether they are entitled to obtain the benefit of the CGT discount and in relation to the tax consequences of distributions attributable to discounted capital gains.

2.3 Scrip for scrip roll-over

Scrip for scrip roll-over relief may be available to a Somerton Shareholder who acquired their Somerton Shares on or after 20 September 1985 and derive a capital gain as a result of acceptance of the Offer.

Scrip for scrip roll-over relief does not apply where a Somerton Shareholder derives a capital loss as a result of acceptance of the Offer.

Scrip for scrip roll-over relief is available if certain conditions are satisfied. These conditions include a requirement that the Offer must result in Cooper becoming the owner of 80% or more of the voting shares in Somerton.

It is a condition of the Offer that Cooper and its Associates have Relevant Interests in at least 90% (by number) of all issued Somerton Shares before the close of the Offer Period although Cooper may declare the Offer free from this condition. If Cooper makes this declaration, and Cooper and its Associates have Relevant Interests in less than 80% of the voting shares in Somerton at that time, then a Somerton Shareholder who has accepted the Offer will not be entitled to scrip for scrip roll-over relief and may be subject to CGT.

The comments below are provided on the basis Cooper and its Associates will have Relevant Interests in 80% or more of the voting shares in Somerton at the end of the Offer Period.

Somerton Shareholder that elects the All Shares Alternative

A Somerton Shareholder that elects the All Shares Alternative can choose to disregard all of the capital gain arising on the acceptance of the Offer under the scrip for scrip roll-over rules.

In these circumstances the Somerton Shareholder will not be required to include any amount of capital gain in their assessable income on the disposal of Somerton Shares through acceptance of the Offer.

The cost base and reduced cost base of the Somerton Shareholder's Somerton Shares for which the scrip for scrip roll-over rules have been chosen must be allocated proportionately to the Cooper Shares they receive for those Somerton Shares.

Somerton Shareholder that elects the Shares and Cash Alternative

A Somerton Shareholder that elects the Shares and Cash Alternative can choose to disregard under the scrip for scrip rollover rules the part of the capital gain arising on the acceptance of the Offer that relates to the receipt of Cooper Shares.

In these circumstances the Somerton Shareholder will only be required to include in their assessable income the capital gain on the disposal of Somerton Shares through acceptance of the Offer that relates to the cash consideration received.

Accordingly the capital gain on the disposal of Somerton Shares through acceptance of the Offer must be split between that part that is reasonably attributable to cash, for which no roll-over relief is available, and to Cooper Shares, for which roll-over relief is available.

The cost base and reduced cost base of the Somerton Shareholder's Somerton Shares for which the scrip for scrip roll-over rules have been chosen must be allocated proportionately to the Cooper Shares they receive for those Somerton Shares.

All Somerton Shareholders should seek independent professional advice regarding whether scrip for scrip roll-over relief can be obtained.

3. Tax consequences of disposal of Somerton Shares by non residents of Australia

Somerton Shareholders who are not resident in Australia for tax purposes will generally be subject to CGT on the disposal of Somerton Shares through acceptance of the Offer if:

- (i) together with their associates, they directly or indirectly own at least 10% or more (by value) of the shares in Somerton:
 - (A) at the time of the sale; or
 - (B) throughout a 12 month period beginning no earlier than 24 months before the time of the sale and ending no later than the time of the sale; and
- (ii) if more than 50% of the value of Somerton's assets is attributable to Australian real property,

subject to the terms of any applicable double tax agreement.

It is imperative that non-residents independently confirm their Australian tax position.

4. GST

No GST will be payable by a Somerton Shareholder in respect of their acceptance of the Offer, regardless of whether the All Shares Alternative or Shares and Cash Alternative is elected.

A Somerton Shareholder may be charged GST on third party costs (such as advisor fees) they incur and which relate to their participation in the Offer. A Somerton Shareholder may be entitled to input tax credits for such costs, but should seek independent advice in relation to their specific circumstances.

A copy of this Statement was lodged with the Australian Securities and Investments Commission on 3 May 2012. Neither ASIC nor any of its officers takes any responsibility for the content of this Statement.

SUPPLEMENTARY BIDDER'S STATEMENT BY

Cooper Energy Limited
(ACN 096 170 295)

**PURSUANT TO AND IN ACCORDANCE WITH PART 6.5 OF THE
CORPORATIONS ACT 2001 IN RELATION TO AN OFFER TO PURCHASE ALL OF
YOUR SHARES IN
Somerton Energy Limited
(ACN 089 956 150)**

1. Introduction

This Statement is supplementary to the bidder's statement given by Cooper to Somerton on 30 April 2012 (the **Bidder's Statement**) and is to be read together with the Bidder's Statement. No previous supplementary bidder's statement in relation to the Takeover Bid has been lodged with ASIC.

In this Statement, unless the context otherwise requires, words and phrases defined in the Bidder's Statement have the same meanings where used in this Statement. Section 2 of Part 10 of the Bidder's Statement applies to this Statement as if set out in full in this Statement. This Statement will prevail over the Bidder's Statement to the extent of any inconsistency.

2. Amendments to Bidder's Statement

- (a) In Part 2, under the heading '6. Exposure to Cooper's international portfolio' the words 'which has a contingent P50 recoverable resource of 33.3 million barrels of oil (Cooper share)' are deleted.
- (b) The second paragraph of section 1.1 of Part 3 is deleted.
- (c) In section 1.2 of Part 3, the words 'and oil' are added after the words 'prospective Casteron Shale gas' in the first paragraph under the heading 'Otway Basin: PEL-495'.
- (d) In section 1.2 of Part 3, the second paragraph under the heading 'Otway Basin: PEL-495' is deleted.
- (e) In section 1.3 of Part 3, paragraphs (a), (b) and (c) are deleted and replaced with the following:
 - '(a) Bargou (30% Cooper);
 - (b) Hammamet (35% Cooper); and
 - (c) Nabeul (85% Cooper).'
- (f) In section 1.3 of Part 3, the penultimate paragraph is deleted and replaced with the following:

'The drilling of the Hammamet West-3 well is planned for the December 2012 quarter. Cooper will be fully carried for the cost of the well up to US\$26.6 million through its farm-out agreements with Dragon Oil, funding 75% of the well cost, and Jacka Resources, funding 30% of the well cost. A successful Hammamet West-3 well has the potential to change the size and scope of the company.'

- (g) In section 1.4 of Part 3, the eighth line (relating to the Bargou Exploration Permit) of the table headed 'Cooper's Exploration Interests' is deleted and replaced with the following:

Bargou Exploration Permit	Gulf of Hammamet	Tunisia	30.00%	Operator	Offshore
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- (h) In section 1 of Part 6, under the heading 'High Impact International Interests' the words 'with an associated contingent P50 recoverable resource of 33.3 million barrels of oil (Cooper share)' are deleted.

- (i) In section 1.3 of Part 7, the paragraph under the heading '(i) Key employees' is deleted and replaced with the following:

'Cooper has a compact management structure and could therefore be subject to risks relating to the loss of key employees on either a temporary or permanent basis, and the subsequent disruption that loss might cause to the operations of Cooper.'

- (j) In section 1 of Part 8, delete the words 'and Westpac Banking Corporation' and replace with ', Westpac Banking Corporation and other banks'.

- (k) In paragraph (a) of section 3.2 of Part 8, the word 'and' is deleted where it appears second.

- (l) An additional paragraph is added at the end of section 13 of Part 8 as follows:

'Mr Steve Twartz:

- (a) does not make, or purport to make, any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement, other than a reference to his name.'
- (m) In section 5.9 of Part 9, the words 'one of the addresses' are deleted and replaced with the words 'the address'.
- (n) In section 1 of Part 10, the definition of 'Lodgement Date' is deleted and replaced with the following:

'Lodgement Date means the date of lodgement of the Original Bidder's Statement with ASIC (being 30 April 2012).'

- (o) In Annexure A, add the following as the first line of the table:

30/04/2012	Bidder's Statement for Somerton Energy
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- (p) In Annexure B, add the following as the first line of the table:

30/04/2012	COE: Bidder's Statement for Somerton Energy
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- (q) Wherever it appears throughout the Bidder's Statement, deleting '1300 730 439' and replacing it with the following:

'1300 730 439 (if you are calling from Australia); or +61 8 6380 4530 (if you are calling from overseas)'.

DATED: 3 May 2012

SIGNED on behalf of Cooper Energy Limited by David Maxwell, being a Director who is authorised to sign by a resolution passed unanimously at a meeting of the Directors of Cooper Energy Limited.



Director