



Cooper Energy

COOPER ENERGY LIMITED

ABN 93 096 170 295

Notice of annual general meeting and explanatory memorandum

DATE OF MEETING
9 NOVEMBER 2012

TIME OF MEETING
10.00 A.M.

PLACE OF MEETING
**THE TRADERS LOUNGE, HYATT REGENCY PERTH
99 ADELAIDE TERRACE, PERTH WA 6000**

9.45 am	Registration desk opens
10.00 am	Welcome by Chairman and commencement of Annual General Meeting
10.05 am	Managing Director's Presentation
10.25 am	Questions
10.40 a.m.	Commencement of consideration of agenda items

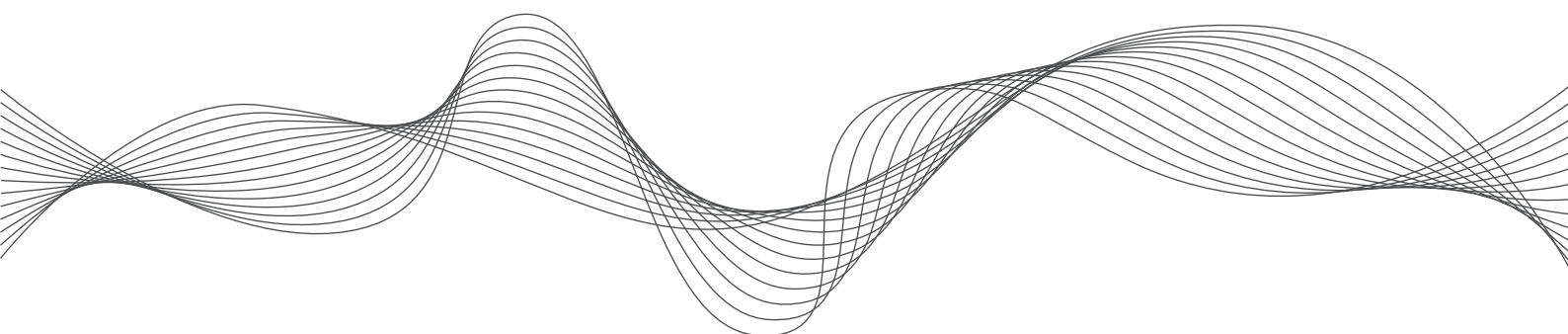
Note: the times above are indicative only.

This is an important document. Please read it carefully and in its entirety. If you do not understand it please consult with your professional advisers.

If you are unable to attend the AGM, please complete the Proxy Form enclosed and return it in accordance with the instructions set out in that form.

THE ANNUAL REPORT IS AVAILABLE ONLINE:

<http://www.cooperenergy.com.au>



BACKGROUND INFORMATION

To assist you in deciding how to vote on the Resolutions, further details as background information to the Resolutions are set out in the Explanatory Memorandum forming part of this notice of meeting.

GLOSSARY

In this document:

AGM means annual general meeting.

Annual Report means the Company's annual report for the year ended 30 June 2012 containing the Financial Report, the Directors' Report and the Audit Report.

Associate has the meaning given to it by Division 2 of Part 1.2 of the Corporations Act.

ASX means ASX Limited (ACN 000 943 377).

ASX Listing Rules or **Listing Rules** means the Listing Rules of the ASX.

Auditor's Report means the auditor's report on the Financial Report.

Board means the Company's board of Directors.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

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

Constitution means the Company's constitution, as amended from time to time.

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

Directors means the directors of the Company.

Directors' Report means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

Explanatory Memorandum means the explanatory memorandum which accompanies and forms part of the Notice of Meeting.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Notice or **Notice of Meeting** means this notice of Annual General Meeting.

Proxy Form means the proxy form attached to the Notice of Meeting.

Resolution means a resolution referred to in the Notice of Meeting.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Share Registrar means Computershare Investor Services Pty Ltd (ACN 000 937 879).

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

VWAP means volume weighted average price.

WST means Australian Western Standard Time.

Notice of Annual General Meeting

Cooper Energy Limited
ABN 93 096 170 295

The AGM of Cooper Energy Limited (**Company**) will be held in the Traders Lounge at the Hyatt Regency Perth, 99 Adelaide Terrace, Perth WA 6000, on Friday 9 November 2012 at 10.00 a.m. (WST).

Terms used in this Notice of Meeting and the Explanatory Memorandum are defined in the glossary.

The Explanatory Memorandum which accompanies and forms part of this Notice describes the matters to be considered at the AGM.

AGENDA

1. Financial reports

To receive and consider the Annual Financial Report, the Directors' Report and the Audit Report of Cooper Energy Limited for the financial year ended 30 June 2012.

2. Resolution 1 - Adoption of the Remuneration Report (non-binding resolution)

To consider and, if thought fit, to pass the following as an ordinary resolution:

'That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Annual Remuneration Report for Cooper Energy Limited (which is contained in the Directors' Report) for the financial year ended 30 June 2012 be adopted.'

Note – the vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement

The Company will disregard any votes cast on Resolution 1 by or on behalf of any member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or any Closely Related Party of such a member.

3. Resolution 2 – Re-election Mr Laurie Shervington as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That Mr Laurie Shervington, a Director of the Company who retires by rotation in accordance with rule 5.1 of the Constitution and who offers himself for election, is re-elected as a Director of the Company.'

4. Resolution 3 - Election of Mr Hector Gordon as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That Mr Hector Gordon, a Director appointed since the previous annual general meeting and who ceases to hold office in accordance with rule 8.2 of the Constitution, is elected as a Director of the Company.'

5. Resolution 4 – Approval of Increase in the Aggregate Annual Non-Executive Directors' Remuneration

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That for the purpose of Rule 38 of the Company's Constitution, Listing Rule 10.17 and for all other purposes, the aggregate maximum fixed annual amount of remuneration available for directors be increased from \$325,000 per annum to \$450,000 per annum.'

Voting Exclusion

In accordance with Listing Rule 10.17.1, the Company will disregard any votes cast on Resolution 4 by any director or an Associate of any director.

However, the Company will not disregard a vote if:

- (i) it is cast by the person as a proxy for a person who is entitled to vote, in accordance with the directors on the Proxy Form; or
- (ii) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. Resolution 5 – Approval of Amended Performance Rights Plan

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That, for the purpose of Listing Rule 7.2 Exception 9(b) and for all other purposes, the amended Cooper Energy Limited Performance Rights Plan, tabled at the meeting (and signed by the Chairman of the meeting for the purpose of identification), is approved.'

Voting Exclusion

For the purpose of Listing Rule 7.2 Exception 9(b), and for all other purposes, the Company will disregard any votes cast on this Resolution 5 by any Director other than those who are ineligible to participate in the Performance Rights Plan (if any) and any of their associates.

However, the Company will not disregard a vote if:

- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

7. Resolution 6 – Issue of Performance Rights under the Performance Rights Plan to Mr David Maxwell, Managing Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That, subject to the passing of Resolution 5, for the purpose of Listing Rule 10.14 and Chapter 2E of the Corporations Act and for all other purposes, the Company approves and authorises the Directors to grant Performance Rights to Mr David Maxwell, under the Performance Rights Plan on the terms and conditions detailed in the explanatory memorandum accompanying the notice convening this meeting.'

Voting Exclusion

For the purpose of Listing Rule 10.15.5, and for all other purposes, the Company will disregard any votes cast on this Resolution 6 by any Director, other than those who are ineligible to participate in the Performance Rights Plan (if any), and any of their associates.

However, the Company will not disregard a vote if:

- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

8. Resolution 7 – Issue of Performance Rights under the Performance Rights Plan to Mr Hector Gordon, Executive Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That, subject to the passing of Resolution 5, for the purpose of Listing Rule 10.14 and Chapter 2E of the Corporations Act and for all other purposes, the Company approves and authorises the Directors to grant Performance Rights to Mr Hector Gordon, under the Performance Rights Plan on the terms and conditions detailed in the explanatory memorandum accompanying the notice convening this meeting.'

Voting Exclusion

For the purpose of Listing Rule 10.15.5, and for all other purposes, the Company will disregard any votes cast on this Resolution 7 by any Director, other than those who are ineligible to participate in the Performance Rights Plan (if any), and any of their associates.

However, the Company will not disregard a vote if:

- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

NOTES

These notes form part of the Notice of Meeting.

1. Background information

To assist you in deciding how to vote on the Resolutions, background information to the resolutions is set out in the Explanatory Memorandum forming part of this Notice of Meeting.

2. Recommendation

The Board believes that the above resolutions are in the best interests of the Shareholders and (save where otherwise indicated in the Explanatory Memorandum) unanimously recommends that Shareholders vote in favour of each of them.

3. Voting entitlements

The Directors have determined that, for the purpose of voting at the AGM, Shareholders eligible to vote at the AGM are those persons who are the registered holders of Shares at 5.00pm (WST) on 7 November 2012.

4. How to vote

You may vote by attending the AGM in person, by proxy, or by an authorised representative.

5. Voting in person

To vote in person, attend the AGM on the date and at the place set out above. Shareholders are asked to arrive at the venue by 9.45 a.m. so the Company may check their shareholding against the Company's share register and note attendances.

6. Voting by proxy

A Shareholder has the right to appoint a proxy (who need not be a Shareholder). A proxy can be an individual or a body corporate. A body corporate appointed as a Shareholder's proxy must appoint a representative to exercise any of the powers the body corporate can exercise as a proxy at the AGM. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

If a Shareholder is entitled to cast two or more votes he may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise.

To vote by proxy, the Proxy Form (together with the original of any power of attorney or other authority, if any, or certified copy of that power of attorney or other authority under which the Proxy Form is signed) must be received at the Share Registrar no later than 10.00 a.m. (WST) on 7 November 2012 (Proxy Forms received after that time will be invalid). Proxy Forms must be received before that time via any of the following methods:

By Post: Computershare Investor Services Pty Ltd
GPO Box 242
Melbourne Victoria 3001
Australia

By Facsimile (inside Australia): 1800 783 447

By Facsimile (outside Australia): +61 3 9473 2555

For Intermediary Online subscribers only (custodians) please visit <http://www.intermediaryonline.com> to submit your voting intentions. Any proxy form received after 10.00 a.m. (WST) will not be valid for the AGM.

7. Voting by corporate representatives

A body corporate may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act. A certificate of appointment of the corporate representative will be sufficient for these purposes and must be lodged with the Company and/or the Share Registrar before the AGM or at the registration desk on the day of the AGM. Certificates of appointment of corporate representatives are available on request by contacting the Share Registrar on 1300 655 248 (within Australia) or +61 3 9415 4887 (outside Australia).

8. Questions from Shareholders

The chairman of the meeting will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management and performance of the Company.

Mr Gavin Buckingham of Ernst and Young, as the auditor responsible for preparing the Auditor's Report for the year ended 30 June 2012 (or his representative), will attend the AGM. The chairman of the meeting will allow a reasonable opportunity for the Shareholders as a whole to ask the auditor questions at the meeting about:

- (a) the conduct of the audit;
- (b) the preparation and content of the Auditor's Report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

To assist the Board and the auditor of the Company in responding to any questions you may have, please submit any questions you may have by fax or to the address below by no later than 5.00p.m. (WST) on 2 November 2012.

By Post: PO Box 1281
Subiaco Western Australia 6904

By Facsimile: (08) 9489 3799 (within Australia)

By Facsimile: +61 8 9489 3799

In person: 288-292 Churchill Avenue,
Subiaco, Western Australia 6008

As required under section 250PA of the Corporations Act, at the meeting, the Company will make available those questions directed to the auditor received in writing at least five business days prior to the AGM, being questions which the auditor considers relevant to the content of the Auditor's Report or the conduct of the audit of the annual financial report for the year ended 30 June 2012. The chairman of the meeting will allow a reasonable opportunity for the auditor to respond to the questions set out on this list.

9. Annual Report

The Company advises that a copy of its Annual Report for the year ended 30 June 2012 is available to download at the website address, <http://www.cooperenergy.com.au>.

When you access the Company's Annual Report online, you can view it and print a copy.

Please note that if you have elected to continue to receive a hard copy of the Company's annual reports, the Annual Report will accompany this Notice of Meeting or alternatively it will be mailed to you no later than 21 days before the AGM.

However, if you did not elect to continue to receive a hard copy of the Company's annual reports and now (or some time in the future) wish to receive a hard copy of the Company's annual reports, please contact the Share Registrar on 1300 655 248 (within Australia) or +61 3 9415 4887 (outside Australia).

10. Enquiries

Shareholders are invited to contact the Company Secretary, Mr Ian Gregory on +61 8 9489 3777 if they have any queries in respect of the matters set out in these documents.

By order of the board

Date 25 September 2012

Signed



Name

Ian Gregory
Company Secretary

The Notice of Meeting, Explanatory Memorandum and Proxy Form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum and all attachments are important documents and should be read carefully. If you have any questions regarding the matters set out in this Explanatory Memorandum or the preceding Notice of Meeting please contact the Company, your stockbroker or other professional adviser.

This Explanatory Memorandum has been prepared for Shareholders in connection with the AGM of the Company to be held on Friday 9 November 2012.

The purpose of this Explanatory Memorandum is to provide Shareholders with information the Board believes to be material to Shareholders in deciding whether or not to approve the resolutions detailed in the Notice of Meeting.

1. Financial reports

The Corporations Act requires the Annual Financial Report, Directors' Report, and the Auditor's Report to be received and considered at the AGM. Refer to section 9 of the Notes of the Notice of Meeting as to how to obtain a copy of the Annual Report.

The Corporations Act does not require Shareholders to vote on the Annual Report. However, Shareholders attending the AGM will be given a reasonable opportunity to ask questions about, or make comments on, the financial statements and reports contained within the Annual Report.

The Company's auditor, Ernst and Young, will be present at the AGM and Shareholders will have the opportunity to ask the auditor questions in relation to the conduct of the audit, the preparation and content of the Auditor's Report, the Company's accounting policies and the independence of the auditor in relation to the conduct of the audit.

2. Resolution 1 - Adoption of the Remuneration Report

The Annual Report for the year ended 30 June 2012 contains the Remuneration Report which:

- (a) sets out the remuneration policy for the Company;
- (b) discusses the relationship between the remuneration policy and the Company's performance; and
- (c) details the remuneration arrangements for the Chief Executive Officer, senior executives and non-executive Directors.

The Remuneration Report is contained within the Directors' Report in the Company's Annual Report and in the annual report section of the website at <http://www.cooperenergy.com.au>.

Voting on the adoption of the Remuneration Report is for advisory purposes only and will not bind the Directors or the Company. The chairman of the AGM will allow reasonable opportunity for Shareholders to ask questions about, or comment on, the Remuneration Report at the meeting.

Although voting on the adoption of the Remuneration Report is for advisory purposes only, if there are two consecutive votes at AGMs against the Remuneration Report of 25% or more (each year's votes being considered a **Strike**), at the second consecutive AGM at which a Strike occurs (**Second Strike**), a resolution must be put to Shareholders where each Director is nominated for re-election (**Spill Resolution**). If the Spill Resolution is passed, then the Company is required to hold an additional general meeting (**Further Meeting**) within 90 days of the Spill Resolution. At the Further Meeting all Directors (excluding the Managing Director) must be nominated for re-election.

More than 25% of the votes cast at the Company's AGM last year were against the resolution to adopt the Remuneration Report (**First Strike**). Accordingly, following the Company's First Strike,

if 25% or more of the votes cast at this year's AGM are against Resolution 1, the Company will receive its Second Strike and must put a Spill Resolution as an ordinary resolution to Shareholders.

Should the Spill Resolution be required, it shall be worded substantially as follows:

*'That, in accordance section 250V of the Corporations Act and for all other purposes, a general meeting be held within 90 days (**Spill Meeting**) and all of the directors of Cooper Energy Limited, except for the managing director, cease to hold office immediately before the end of the Spill Meeting, and resolutions to appoint persons to those offices be put at the Spill Meeting.'*

Section 250R(4) of the Corporations Act prohibits any votes on this Resolution being cast by senior executives (or their associates) whose remuneration details are disclosed in the Remuneration Report. However, an exception to this prohibition exists to enable the Chairman to vote shareholders' undirected proxy votes. In this regard, you should specifically note that if you appoint the Chairman as your proxy and you indicate on the Proxy Form that you do not wish to specify how the Chairman should vote on Resolution 1, the Chairman will cast your votes in favour of Resolution 1. **If you wish to appoint the Chairman as your proxy but do NOT want your votes to be cast in favour of Resolution 1, you must indicate your voting intention by marking either 'against' or 'abstain' against Resolution 1 in the Proxy Form.**

3. Resolutions 2 and 3 – Election of Directors

Rule 5.1 of the Constitution requires that at each annual general meeting of the Company, one third of the Directors (to the nearest whole number), must retire from office. A retiring Director is eligible for re-election. Mr Laurie Shervington retires in accordance with rule 5.1 of the Constitution and, being eligible, has offered himself for re-election.

Mr Hector Gordon was appointed as a Director by the Board on 26 June 2012. In accordance with rule 8.2 of the Constitution, a Director appointed by the Board holds office until the next annual general meeting and is then eligible for election. Mr Gordon seeks election as a Director of the Company.

Subject to Resolutions 2 and 3 being passed, after the AGM the Board will comprise Mr Laurie Shervington, Mr Jeffrey Schneider, Mr David Maxwell and Mr Hector Gordon.

Details on each Director's respective background including experience, knowledge and skills and their status as an independent or non-independent Director, are set out in the Annual Report.

The Board considers that the mix of executive and non-executive Directors collectively brings the range of skills, knowledge and experience necessary to direct the Company.

3.1 Election of Mr Laurie Shervington

Mr Shervington was appointed as Director of the Company on 1 October 2003, a position he continues to hold. With effect from the conclusion of this AGM, and subject to Resolution 2 being passed, Mr Shervington will remain a Director.

Mr Shervington retires in accordance with rule 5.1 of the Constitution and offers himself for re-election as a Director of the Company.

The Board (with the exception of Mr Shervington) recommends that Shareholders vote in favour of Resolution 2.

3.2 Election of Mr Hector Gordon

Mr Gordon was appointed as a Director by the Board on 26 June 2012 in accordance with rule 8.1 of the Constitution.

Mr Gordon retires in accordance with rule 8.2 of the Constitution and offers himself for election as a Director of the Company.

The Board (with the exception of Mr Gordon) recommends that Shareholders vote in favour of Resolution 3.

4. Resolution 4 – Approval of Increase in the Aggregate Annual Non-Executive Directors’ Remuneration

Rule 38 of the Company’s Constitution specifies that the aggregate remuneration of non-executive directors may be fixed or may be a share of a fixed sum, with individual apportionments of this sum remaining within the discretion of the Board.

Under Listing Rule 10.17, a company must not increase the total amount of directors’ remuneration payable by it without shareholder approval. This rule does not apply to executive directors.

At present the aggregate maximum fixed annual amount of remuneration available for non-executive directors of the Company is \$325,000 per annum. The Board is of the view that this amount will be insufficient to allow for the adequate remuneration of additional appointees to the Board, given the scope of the directors’ duties and responsibilities.

The directors propose to increase the aggregate sum by \$125,000, from \$325,000 to \$450,000 per annum. Accordingly, the maximum amount of remuneration that will be payable to non-executive directors in aggregate is \$450,000 per annum. **The Board does not intend to fully utilise this increased amount in the immediate short-term.**

The Company has been successful in creating a respected management and technical team which has contributed to the Company’s exploration and development successes to date. The Board believes it needs to be able to attract and retain equally well-credentialed directors to build upon this success for the benefit of shareholders. The Board believes the proposed increase in the aggregate annual remuneration is commensurate with the market for similar companies to the Company.

5. Resolution 5 – Approval of Amended Performance Rights Plan

Resolution 5 seeks the approval of the amended Performance Rights Plan.

The Performance Rights Plan was approved by Shareholders at the Company’s 2011 Annual General Meeting. Following a subsequent review of the Plan, the Board determined that certain amendments were necessary to clarify the operation of the Plan to ensure that it is workable and effective. The Board does not consider that the proposed changes materially alter the nature of the benefits employees will receive under the Plan.

Copies of the Performance Rights Plan with the amendments made since approval of the Plan at the 2011 Annual General Meeting shown as tracked changes will be available at this year’s Annual General Meeting.

Amendments to the Performance Rights Plan were approved by the Board on 20 January 2012 and 25 September 2012. To ensure that the Company continues to have the benefit of exception 9(b) of Listing Rule 7.2 (which is explained in detail below), Resolution 5 seeks the approval of the amended Plan by Shareholders.

The objective of the Performance Rights Plan is to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of employees in achieving specified performance milestones within a specified performance period. The Board will ensure that the performance milestones attached to the

Performance Rights issued pursuant to the Plan are aligned with the successful growth of the Company's business activities.

5.1 Listing Rule Requirements

Subject to the exceptions in Listing Rule 7.2, Listing Rule 7.1 prohibits a listed company from issuing or agreeing to issue securities equal to an amount of more than 15% of a company's ordinary capital in any 12 month period without shareholder approval (**15% Limit**).

Exception 9(b) of Listing Rule 7.2 permits securities issued under an employee incentive scheme to be excluded from the 15% Limit where shareholders have approved the issue of securities under the scheme within three years before the date they are issued.

Resolution 5, if passed, will allow Performance Rights to be granted under the Plan during the three years after the date of this AGM without Shareholder approval under Listing Rule 7.1

It should be noted however that the terms of the Plan limit the maximum number of Performance Rights to be issued in any one tranche to no more than 2% of the Company's issued capital at the time of issue. Where the total number of Performance Shares to be issued in any one tranche would exceed 2%, each employee's allocation will be reduced by an equal proportion such that the total number is reduced to 2%.

A summary of the terms of the Plan is attached as Annexure A to this Explanatory Memorandum.

5.2 Directors' Recommendation

The Board recommends that Shareholders vote in favour of Resolution 5.

6. **Resolution 6 – Issue of Performance Rights under the Performance Rights Plan to Mr David Maxwell, Managing Director**

Under the Plan, the Board has discretion to grant Performance Rights to any person it declares eligible upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines.

On 24 January 2012 Mr David Maxwell was granted 1,647,713 Performance Rights under the Plan pursuant to Shareholder approval given at the 2011 Annual General Meeting.

Subject to Shareholder approval being obtained, the Board has decided to invite Mr David Maxwell to apply for additional Performance Rights. The number of Performance Rights Mr Maxwell will be entitled to apply for will be determined by applying the formula set out in Annexure A of this Explanatory Memorandum to Mr Maxwell's fixed annual remuneration of \$630,000 per annum and any pro-rata amount thereof.

The Performance Rights will be issued for no consideration and each Performance Right will entitle the holder to one Share.

6.1 Listing Rule requirements

Listing Rule 10.14 provides that a company must not permit a director to acquire securities under an employee incentive scheme without the prior approval of holders of ordinary securities. Accordingly, under Resolution 6, approval is sought for the issue of Performance Rights to Mr Maxwell.

Listing Rule 10.15 requires the following information to be included in this Notice of Meeting:

- (a) Mr Maxwell holds the position of Managing Director;
- (b) subject to Shareholder approval being obtained, the number of Performance Rights that the Company may issue to Mr Maxwell, for the purposes of the approval sought, will be

calculated in accordance with the formula set out in Annexure A of this Explanatory Memorandum and as outlined above;

- (c) no cash consideration is payable by Mr Maxwell at the time of grant of the Performance Rights;
- (d) no cash consideration is payable upon the allocation of Shares to which Mr Maxwell may become entitled on the vesting dates under the Plan;
- (e) 1,647,713 Performance Rights have already been granted to Mr Maxwell under the Plan following Shareholder approval at the Company's 2011 AGM. No consideration was payable upon issue of the Performance Rights;
- (f) persons entitled to participate in the Plan for the purposes of Listing Rule 10.14 are Mr David Maxwell and Mr Hector Gordon;
- (g) no loans will be made by the Company in connection with the acquisition of Performance Rights by Mr Maxwell; and
- (h) the Performance Rights to be issued to Mr Maxwell will be issued not later than 12 months after the date of the AGM.

6.2 Chapter 2E approval

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit (which includes the issuing of a Share) to a related party of the Company (which includes a Director), unless either:

- (a) the giving of the financial benefit falls within one of the specified exceptions in Chapter 2E; or
- (b) prior Shareholder approval is obtained for the giving of the financial benefit.

In accordance with the requirements of Chapter 2E, the following information is provided to Shareholders to allow them to assess the proposed issue of Performance Rights to Mr Maxwell:

- (c) Mr Maxwell is the related party of the Company (due to his position as Managing Director) to whom the financial benefit would be given;
- (d) the nature of the financial benefit to be given to Mr Maxwell is the issue of the Performance Rights referred to above, the number of which will be calculated in accordance with the formula set out in Annexure A and which will vest in accordance with the conditions set out in Annexure A and which (upon vesting) will entitle Mr Maxwell to one Share for each vested Performance Right;
- (e) the Board is of the view that the issue of Performance Rights is an appropriate incentive to Mr Maxwell given the scale and nature of the Company;
- (f) Mr Maxwell does not wish to make a recommendation to Shareholders about Resolution 6 in view of his personal interest in the outcome of that resolution. However, each other Director recommends that Shareholders vote in favour of Resolution 6;
- (g) Mr Maxwell has received the remuneration detailed in the Remuneration Report during the year ended 30 June 2012;
- (h) 1,647,713 Performance Rights have already been granted to Mr Maxwell under the Plan approved by Shareholders at the Company's 2011 AGM. No consideration was payable upon issue of the Performance Rights;
- (i) Mr Maxwell received fees of \$47,419.35 (excluding GST) in cash and 215,527 Shares, the issue of which was approved by Shareholders at last year's AGM, pursuant to his

consultancy agreement dated 29 August 2011 in consideration for his engagement as a consultant to the Company during the period 1 September 2011 and 12 October 2011 (which was prior to him commencing as Managing Director);

- (j) the pro-rata amount of the fixed annual remuneration package for Mr Maxwell for the period 12 October 2011 to 31 December 2013, as at the date of this Explanatory Memorandum, is detailed in the following table:

	Short-term Benefits		Post-employment Benefits	Equity-settled Share-based Payments	
Period	Cash Salary, Fees & Commissions	Non-Cash Benefits	Superannuation	Non-Cash Options Value	Fixed Remuneration
12/10/2011 to 31/12/2011	\$116,891	Nil	\$15,161	Nil	\$132,052
01/01/2012 to 31/12/2012	\$565,000	Nil	\$50,000	Nil	\$615,000
01/01/2013 to 31/12/2013	\$580,000	Nil	\$50,000	Nil	\$630,000

- (k) existing Performance Rights, any Performance Rights issued in accordance with Resolution 6 and future Performance Rights Mr Maxwell may receive will be in addition to the above remuneration package;
- (l) as at the date of this Explanatory Memorandum, Mr Maxwell holds the following relevant interests in the securities of the Company;

Shares held as at the date of this Explanatory Memorandum	Options held as at the date of this Explanatory Memorandum	Performance Rights held as at the date of this Explanatory Memorandum
1,013,190	Nil	1,647,713

- (m) if all of the Performance Rights the subject of Resolution 6 vest, the Company's share capital would be diluted by approximately 0.438% (based on the number of Shares on issue at the date of this Explanatory Memorandum and the 30 day weighted average price as of 20 September 2012);
- (n) over the last 12 months prior to the date of this Explanatory Memorandum, the Company's shares have traded as follows on the ASX:

	\$	Date
High	0.69	13/04/2012
Low	0.305	19/12/2011
Last	0.55	20/09/2012

- (o) neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision whether it is in the best interests of the Company to pass Resolution 6.

6.3 Directors' recommendation

The Board (with the exception of Mr Maxwell who has a personal interest in the outcome of Resolution 6) recommends that Shareholders vote in favour of Resolution 6.

7. Resolution 7 – Issue of Performance Rights under the Performance Rights Plan to Mr Hector Gordon, Executive Director

Under the Plan, the Board has discretion to grant Performance Rights to any person it declares eligible upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines.

Subject to Shareholder approval being obtained, the Board has decided to invite Mr Hector Gordon to apply for Performance Rights. The number of Performance Rights Mr Gordon will be entitled to apply for will be determined by applying the formula set out in Annexure A of this Explanatory Memorandum to Mr Gordon's fixed annual remuneration of \$440,000 per annum and any pro-rata amount thereof.

The Performance Rights will be issued for no consideration and each Performance Right will entitle the holder to one Share.

7.1 Listing Rule requirements

Listing Rule 10.14 provides that a company must not permit a director to acquire securities under an employee incentive scheme without the prior approval of holders of ordinary securities. Accordingly, under Resolution 7, approval is sought for the issue of Performance Rights to Mr Gordon.

Listing Rule 10.15 requires the following information to be included in this Notice of Meeting:

- (a) Mr Gordon holds the position of Executive Director, Exploration & Production;
- (b) subject to Shareholder approval being obtained, the number of Performance Rights that the Company may issue to Mr Gordon, for the purposes of the approval sought, will be calculated in accordance with the formula set out in Annexure A of this Explanatory Memorandum and as outlined above;
- (c) no cash consideration is payable by Mr Gordon at the time of grant of the Performance Rights;
- (d) no cash consideration is payable upon the allocation of Shares to which he may become entitled on the vesting dates under the Plan;
- (e) no Performance Rights have been granted under the Plan to Mr Gordon as yet;
- (f) persons entitled to participate in the Plan for the purposes of Listing Rule 10.14 are Mr David Maxwell and Mr Hector Gordon

- (g) no loans will be made by the Company in connection with the acquisition of Performance Rights by Mr Gordon; and
- (h) the Performance Rights to be issued to Mr Gordon will be issued not later than 12 months after the date of the AGM.

7.2 Chapter 2E approval

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit (which includes the issuing of a Share) to a related party of the Company (which includes a Director), unless either:

- (a) the giving of the financial benefit falls within one of the specified exceptions in Chapter 2E; or
- (b) prior Shareholder approval is obtained for the giving of the financial benefit.

In accordance with the requirements of Chapter 2E, the following information is provided to Shareholders to allow them to assess the proposed issue of Performance Rights to Mr Gordon:

- (c) Mr Gordon is the related party of the Company (due to his position as Executive Director, Exploration & Production) to whom the financial benefit would be given;
- (d) the nature of the financial benefit to be given to Mr Gordon is the issue of the Performance Rights referred to above, the number of which will be calculated in accordance with the formula set out in Annexure A and which will vest in accordance with the conditions set out in Annexure A and which (upon vesting) will entitle Mr Gordon to one Share for each vested Performance Right;
- (e) the Board is of the view that the issue of Performance Rights is an appropriate incentive to Mr Gordon given the scale and nature of the Company;
- (f) Mr Gordon does not wish to make a recommendation to Shareholders about Resolution 7 in view of his personal interest in the outcome of that resolution. However, each other Director recommends that Shareholders vote in favour of Resolution 7;
- (g) Mr Gordon has not received any remuneration during the year ended 30 June 2012;
- (h) the pro-rata amount of the fixed annual remuneration package for Mr Gordon for the period 1 July 2012 to 31 December 2013, as at the date of this Explanatory Memorandum, is detailed in the following table:

	Short-term Benefits		Post-employment Benefits	Equity-settled Share-based Payments	
Period	Cash Salary, Fees & Commissions	Non-Cash Benefits	Superannuation	Non-Cash Options Value	Fixed Remuneration
1/07/2012 to 31/12/2012	\$207,500	Nil	\$12,500	Nil	\$220,000
01/01/2013 to 31/12/2013	\$415,000	Nil	\$25,000	Nil	\$440,000

- (i) any Performance Rights issued in accordance with Resolution 7 and any future Performance Rights Mr Gordon may receive will be in addition to the above remuneration package;
- (j) as at the date of this Explanatory Memorandum, Mr Gordon holds the following relevant interests in the securities of the Company;

Shares held as at the date of this Explanatory Memorandum	Options held as at the date of this Explanatory Memorandum
176,608	Nil

- (k) if all of the Performance Rights the subject of Resolution 7 vest, the Company's share capital would be diluted by approximately 0.242% (based on the number of Shares on issue at the date of this Explanatory Memorandum and the 30 day weighted average price as of 20 September 2012);
- (l) over the last 12 months prior to the date of this Explanatory Memorandum, the Company's shares have traded as follows on the ASX:

	\$	Date
High	0.69	13/04/2012
Low	0.305	19/12/2011
Last	0.55	20/09/2012

- (m) neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision whether it is in the best interests of the Company to pass Resolution 7.

7.3 Directors' recommendation

The Board (with the exception of Mr Gordon who has a personal interest in the outcome of Resolution 7) recommends that Shareholders vote in favour of Resolution 7.

Annexure A – Summary of amended Performance Rights Plan

1.1 Overview of the Performance Rights Plan

The employees of the Company have been, and will continue to be, instrumental in the growth of the Company. The Performance Rights Plan is designed to ensure that the level of compensation achieves certain objectives, including:

- (a) retention of staff and management to pursue the Company's strategy and goals;
- (b) delivery of value-adding outcomes to the Company; and
- (c) fair and reasonable reward for individual and Company performance.

The Plan will be open to all employees of the Company who are determined by the Board to be eligible to participate in the Plan. Non-executive directors will not be eligible to participate in the Plan.

Performance Rights issued under the Plan will entitle the participant to one Share upon vesting of that Performance Right. A Performance Right granted under the Plan will vest when the vesting conditions imposed by the Board are met (or waived by the Board in accordance with the terms of the Plan). If the vesting conditions are not met, the Performance Rights will lapse and the holder will have no entitlement to any Shares.

1.2 Performance Rights

The number of Performance Rights to be issued in each year will relate to the employees fixed annual remuneration, that is, the Managing Director will be entitled to Performance Rights equivalent to 120% of his fixed annual remuneration, Executive Directors will be entitled to Performance Rights equivalent 95% of their fixed annual remuneration, Employees at management level will be entitled to Performance Rights equivalent to 70% of their fixed annual remuneration and remaining employees will be entitled to Performance Rights equivalent to 30% of their fixed annual remuneration. This is referred to as the Organisational Level Benchmark (**OLB**). The number of Performance Rights to be issued is calculated based on the formula –

the OLB divided by the Commencement Date VWAP

The number of Performance Rights arrived at under the above formula will be divided into two sub-tranches for each employee. 25% of the Tranche (**ATSR Rights**) is to be measured against the Company's Absolute Total Shareholder Return (**ATSR**) and 75% of the Tranche is to be measured against the Company's Relative Total Shareholder Return (**RTSR**), both over three years.

Parcel One

Assess 25% of the Tranche against average annual ATSR over three years from date of issue

Below 5%, no ATSR Rights will vest

Equal to 5%, 25% of the ATSR Rights will vest

Equal to 15%, 50% of the ATSR Rights will vest

Greater than 25%, 100% of the ATSR Rights will vest

Parcel Two

Assess 75% of Rights (**RTSR Rights**) against Relative Percentile ranking of RTSR over three years from the date of issue

Below P50%, no RTSR Rights will vest

Equal to P50%, 50% of the RTSR Rights will vest

Greater than P75%, 100% of the RTSR Rights will vest

Where a result falls between the above benchmarks, the vesting will be on a pro-rata basis. Any fractional entitlements to Performance Rights upon vesting will be rounded down to the nearest whole number.

For the purpose of the RTSR, a comparison will be made against eight peer group companies selected by the Board. The eight peer group companies and the Company will be given a ranking from one to nine (with the company with the highest ATSR being ranked one).

The maximum number of Performance Rights to be issued in any tranche can be no more than 2% of the issued capital of the Company at the time of issue and where the total number for all employees arrived at using the OLB formula is greater than 2%, each employee's allocation will be reduced pro-rata such that the total number is reduced to 2%.

Further, no Performance Rights will be issued if the aggregate of the number of Performance Rights and the number of other securities issued under any other employee incentive scheme of the Company in the past five years would exceed 5% of the total issued share capital of the Company.

The number of all ATSR and RTSR Tranches to be allocated in each year will be divided by three and each third will be assessed against an annual hurdle as outlined above. The number of Performance Rights in each tranche that is achieved on an annual basis will then vest at the end of the three year period providing the employee remains with the Company.

Performance Rights not achieved in year one can be re-tested in year two. Those not achieved in year two can be re-tested in year three. Performance Rights not achieved at the end of year three will lapse.

Performance Rights will vest three years after the date of issue subject to the performance conditions set out above being met and are exercised automatically upon vesting.

Performance Rights may be issued under the Plan.

A Performance Right granted under the Plan will vest when the vesting conditions imposed by the Board are met (or waived by the Board in accordance with the terms of the Plan).

An Eligible Participant will receive their Shares on the exercise of their Performance Rights.

Eligible Participants will not be liable to make payment for Performance Rights granted to them.

For the full quantity of Performance Rights issued in a particular year to vest at the end of the three year period the Total Shareholder Return will need to be equal to or greater than 95% and be equal to or greater than the cumulative results of the top quartile (top 25%) of the peer group for the three year period.

The Board may, at its absolute discretion and only where an eligible participant continues to satisfy any relevant conditions imposed by the Board, grant Performance Rights to Eligible Participants with effect from the date determined by the Board, upon the terms set out in either the Plan and upon such additional terms and vesting conditions as the Board determines.

Performance Rights are transferable only with consent of the Board or by operation of law upon the death or bankruptcy of the Eligible Participant.

The exercise of any vested Performance Right will be effected in the form and manner determined by the Board.

All Shares allocated on the exercise of Performance Rights allotted under the Plan rank equally with other Shares on issue and carry the same rights and entitlements as those conferred by other Shares.

The Board may, in its absolute discretion, determine that part or all of an Eligible Participant's unvested Performance Rights vest where:

- (a) the Eligible Participant dies;
- (b) a takeover bid is made for the Company resulting in a change of control;
- (c) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- (d) the Company passes a resolution for voluntary winding up;
- (e) an order is made for the compulsory winding up of the Company;
- (f) the Eligible Participant ceases to be employed by a Group Company by reason of retirement, redundancy, or total and permanent disability; or
- (g) if the Eligible Participant is a Director - the Eligible Participant resigns or is removed for reasons other than performance or misconduct.

If no determination is made, or if the Board determines that some or all of an Eligible Participant's Performance Rights do not vest, those Performance Rights will automatically lapse.

The Board may at any time by resolution amend all or any of the provisions of the Plan, or the terms or conditions of any Performance Right granted under the Plan.



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Lodge your vote:



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Alternatively you can fax your form to
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For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 655 248
(outside Australia) +61 39 415 4887

Proxy Form

For your vote to be effective it must be received by 10:00am (WST) Wednesday, 7 November 2012

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View the annual report, 24 hours a day, 7 days a week:

www.cooperenergy.com.au

To review and update your securityholding:

www.investorcentre.com

Your secure access information is:

SRN/HIN: I999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Cooper Energy Limited hereby appoint

☐

the Chairman
of the Meeting OR



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Cooper Energy Limited to be held at The Traders Lounge, Hyatt Regency Perth, 99 Adelaide Terrace, Perth WA on Friday, 9 November 2012 at 10:00am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1, 4 and 8 (except where I/we have indicated a different voting intention below) even though Items 1, 4 and 8 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: For Item 4, this express authority is also subject to you marking the box in the section below.

The Chairman of the Meeting intends to vote undirected proxies in favour of each Item of business with the exception of Item 8 where the Chairman of the Meeting will be voting against.

If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 1, 4 and 8 by marking the appropriate box in step 2 below.

Important for Item 4: If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on Item 4 below, please mark the box in this section. If you do not mark this box and you have not otherwise directed your proxy how to vote on Item 4, the Chairman of the Meeting will not cast your votes on Item 4 and your votes will not be counted in computing the required majority if a poll is called on this item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 4 of business.

☐

I/We acknowledge that the Chairman of the Meeting may exercise my/our proxy even if the Chairman has an interest in the outcome of Item 4 and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

STEP 2

Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Adoption of the Remuneration Report (non-binding resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election Mr Laurie Shervington as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Mr Hector Gordon as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Increase Aggregate Annual Non-Exec. Directors Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of Amended Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Issue Performance Rights to Mr David Maxwell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	For	Against	Abstain
7 Issue Performance Rights to Mr Hector Gordon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Spill Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

_____ / _____ / _____

Date

COE

999999A

Computershare +