

# QUARTERLY REPORT

for the Quarter Ended 30 September 2012

## Highlights

- **Oil production of 104,056 barrels:** constrained by transport capacity and expected to increase to over 1,500 barrels/day (Cooper share) when the new Lycium to Moomba pipeline commences operation in December 2012 Quarter.
- **Production guidance of 550,000 barrels maintained:** and could be increased due to recent exploration success and earlier start up timing for the Lycium to Moomba oil pipeline.
- **Cooper Basin exploration success:** 1 new oil field discovery (Windmill-1) and 2 very successful development/appraisal wells (Butlers-5 and Butlers-6).

## Managing Director's Comments

"In the September Quarter the Company continued to make very good progress with the implementation of the plans announced in late 2011. This included:

- increased focus on seismic acquisition and processing, particularly in the Cooper Basin and Otway Basin, to prepare good opportunities for future drilling;
- increasing the shareholding in Bass Strait Oil consistent with the focus to build the Eastern Australia gas position; and
- reduced international exploration expenditure outside of the core assets with the withdrawal from 4 Poland licences.

Total oil production was constrained by Cooper Basin oil transport capacity. This will increase when the new Lycium to Moomba oil pipeline commences operations which is expected during the December 2012 Quarter. The increasing oil production in Indonesia is pleasing.

Plans for the Head Office move to Adelaide by December 2012 are progressing well.

The next 6 months will see a material increase in exploration activity with at least 8 wells planned to be drilled in the Cooper Basin, Otway Basin and Tunisia."

# Corporate

## Bass Strait Oil interest to 19.9%

On 13 August 2012 Cooper Energy Limited (“**Cooper**” or the “**Company**”) announced plans to increase its interest in Bass Strait Oil Company Limited (**ASX: BAS**, “**Bass**”) to 19.9% through a private placement and agreement to sub-underwrite a pro-rata rights issue by Bass. At the same time Cooper agreed in principle to enter into a Technical Services Agreement under which Cooper may supply technical and commercial support to Bass.

Another Bass shareholder (Oil Basins Limited, **ASX: OBL**) sought to have the shares issued to Somerton Energy Limited (a wholly owned subsidiary of Cooper) set aside. The Federal Court declined to make the orders sought by OBL.

The Bass portfolio of assets in the Gippsland Basin and Otway Basin complements Cooper’s interest in these areas and is consistent with Cooper’s strategic focus on Eastern Australia gas opportunities.

## Head Office relocation

On 20 August 2012 Cooper confirmed plans to relocate the Head Office from Perth to Adelaide in December 2012. The move has both strategic and cost benefits for the company.

Recruitment of staff for the Adelaide Head Office is now well underway.

## Annual General Meeting

The 2012 Annual General Meeting of Cooper Energy Limited will be held at 10a.m. on Friday 9 November, 2012 at

**The Traders Lounge,  
Hyatt Regency Hotel,  
99 Adelaide Terrace,  
Perth,  
Western Australia,  
Australia.**

# Financial

Revenue for the September 2012 Quarter was A\$11.7 million – compared with A\$14.2 million from the June 2012 Quarter. As at 30 September 2012 there was 97,600 barrels of produced oil but for which the sales revenue had not yet been received.

Cash and term deposits at 30 September 2012 were A\$50.2 million (including security deposits of A\$2.4 million). In addition, available for sale financial assets (before marking to market) totaled A\$19.3 million at 30 September 2012.

## Activities

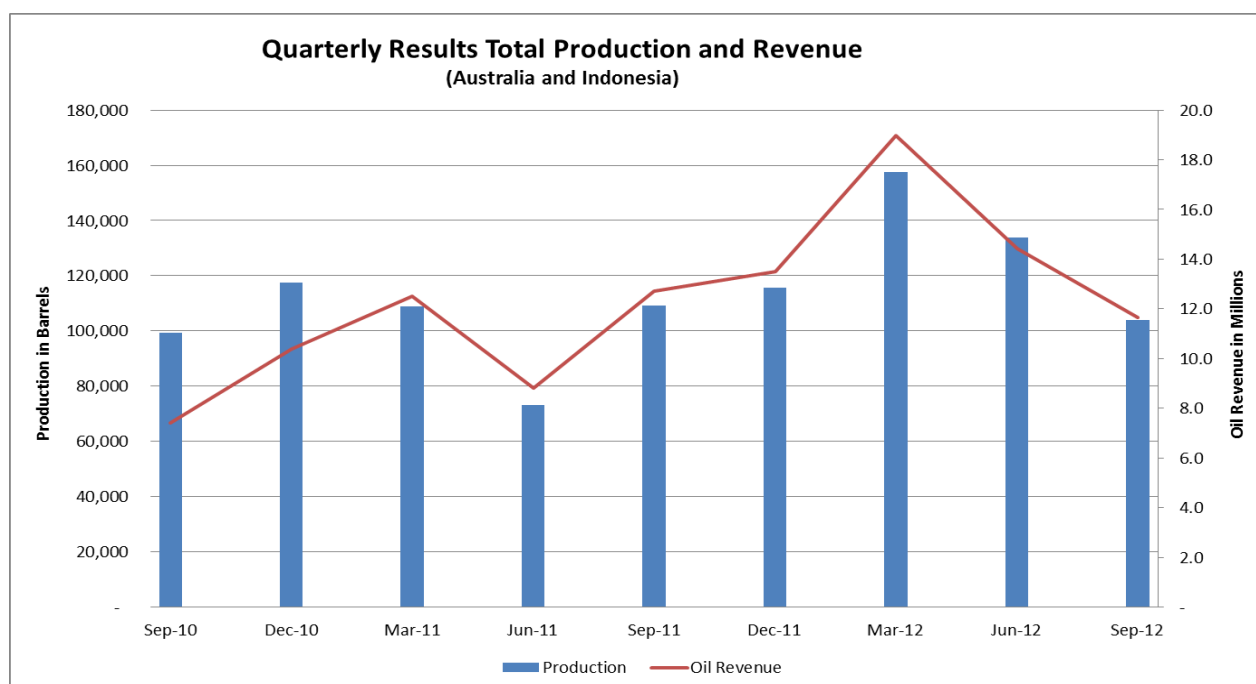
### Australia

#### Production – Cooper Basin

Oil production (Cooper share) for the September 2012 Quarter of 99,260 barrels (June Quarter 130,578 barrels) in the Cooper Basin was 24% lower than the previous quarter. The average price received for Cooper Basin crude oil sales was A\$112 per barrel.

Oil production from PEL 92 has been trucked to Moomba from Tantanna since the closure of the Tantanna to Gidgealpa pipeline on 1 June 2012. Trucking will continue until the existing pipeline infrastructure in PEL 92 is connected to the Lycium to Moomba oil pipeline, which is currently under construction. The new Lycium to Moomba pipeline is expected to be operating during the December Quarter 2012. Once connected, Cooper Basin production is expected to increase to greater than 1,500 bopd (Cooper share). This compares to 1,079 bopd average during the September 2012 Quarter.

Minor disruptions to production were experienced in PEL93 due to the Warrior-1 workover.



## Exploration and Development – Cooper Basin

The Christies oil field development activity continued with the completion of Christies-7. In September the company commenced a four well drilling campaign in PEL 92 (Cooper 25%). Drilling of two of the wells were completed during the September 2012 Quarter;

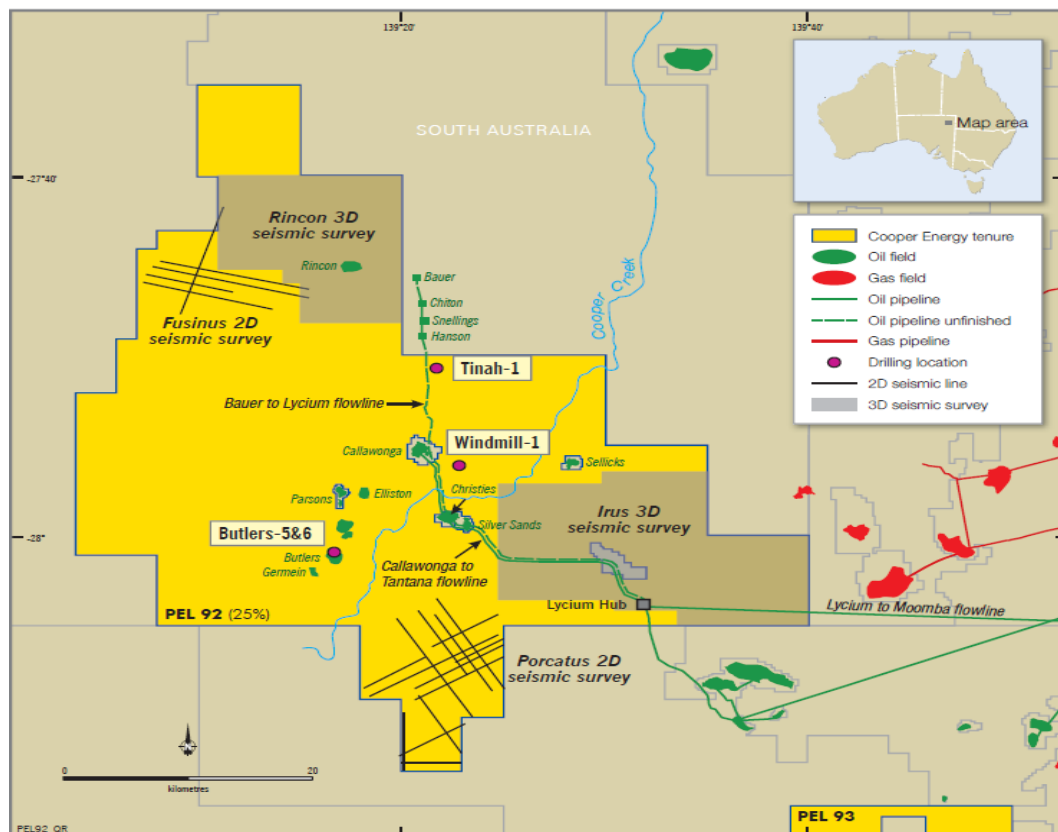
- Butlers-5, a development well spudded on 5 September, penetrated an 8 metre gross oil column in the Namur Sandstone and was cased and suspended for future completion as an oil producer.
- Butlers-6, a development well spudded on 13 September, penetrated a 6 metre gross oil column in the Namur Sandstone and was also cased and suspended for future completion as an oil producer.

Both wells intersected the Namur Formation high to prognosis and will likely result in an increase to the Butlers oil field reserves. It is expected that the wells will accelerate production from the Butlers field and be brought into production in the March 2013 Quarter.

Since 30 September 2012, the Windmill-1 exploration well discovered oil in the Namur Sandstone and within the Birkhead Formation and was cased and suspended. The Tinah-1 exploration well was plugged and abandoned.

During the Quarter, acquisition of the Porcatus 2D Survey (105 line km) in PEL 92 was completed. Acquisition of the Irus 3D Seismic Survey (588 km<sup>2</sup>) commenced and is expected to be completed in December 2012. Processing of the Rincon 3D Seismic Survey and the Fusinus 2D survey was ongoing and interpretation of this data is expected to commence in November 2012. 3D seismic acquisition in PEL 90 and PEL 110 is also planned during the Financial Year 2012/13. The new seismic data will be used to assist in the delineation of well locations for exploration and appraisal drilling of up to six wells in the later part of Financial Year 2012/13.

September Quarter 2012 Drilling and Recent Seismic Surveys in PEL 92

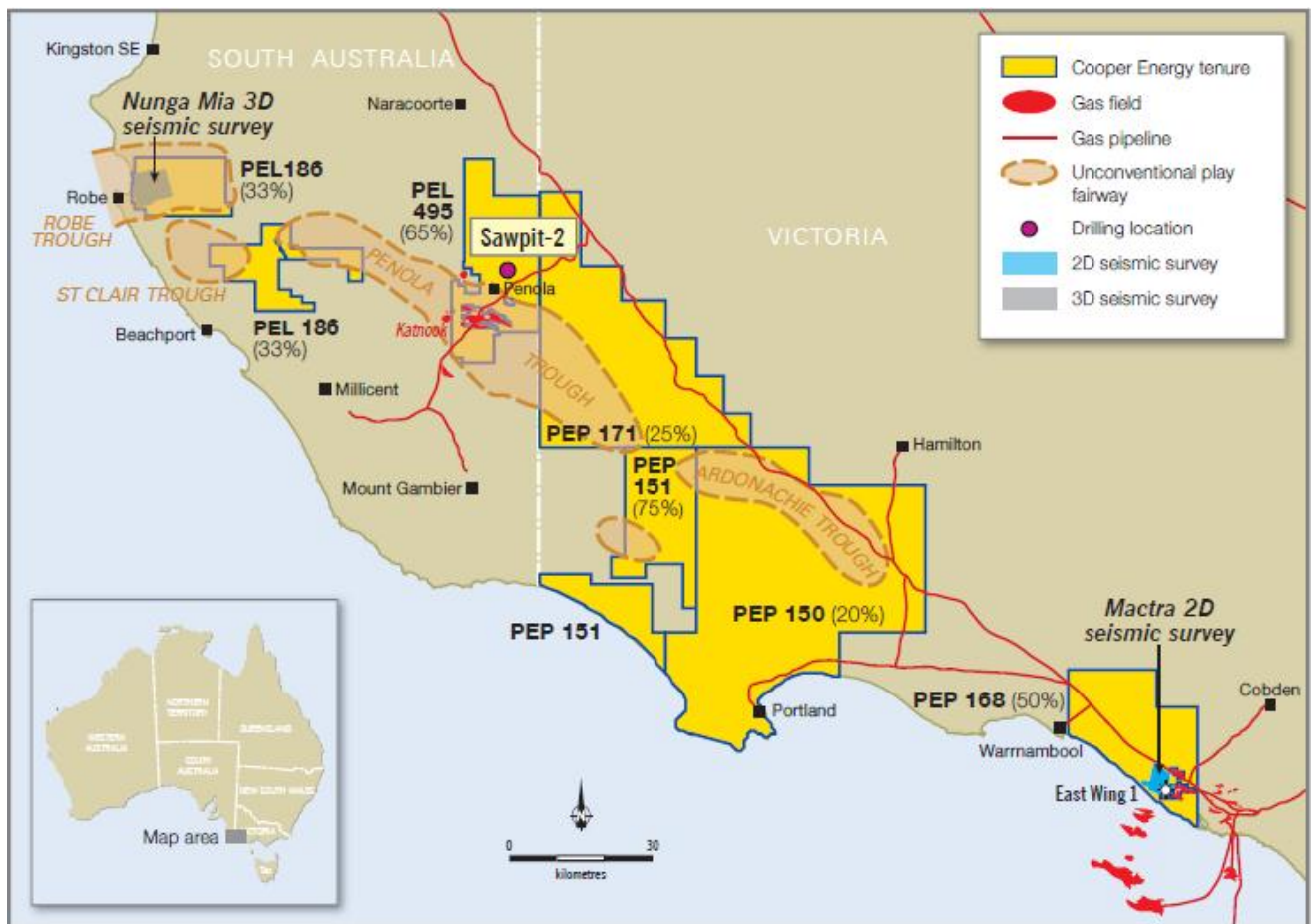


## Exploration – Otway Basin

During the September 2012 Quarter processing of the Mactra 2D Seismic Survey (102km) in PEL 168 (Cooper 50%) and the Nunga Mia 3D Seismic Survey (70km<sup>2</sup>) in PEL 186 (Cooper 33.33%) was ongoing. This data is expected to be ready for interpretation in October 2012. The results of these surveys will be used to delineate locations for drilling later in Financial Year 2012/13.

The Sawpit-2 exploration well in PEL 495 (Cooper 65%) is now expected to commence drilling in the March Quarter 2013 and the drilling will be operated by Beach Energy. The well timing has been moved to maximize the opportunity to share mobilization costs with other Operators planning to drill in the region. Sawpit-2 will test a conventional oil target and evaluate the Casterton Formation unconventional play.

### Otway Basin Permits and Sawpit-2 Location



## Exploration – Gippsland Basin

On 24 August 2012, the Victoria Government announced a moratorium on fracture stimulation. It is anticipated that the moratorium will be lifted once a national framework for fracture stimulation is announced by the Federal and State Governments. The fracture stimulation and testing of Wombat-4 and Boundary Creek-2 (Cooper earning up to 16.7%) will not proceed until the moratorium is lifted.

## Tunisia

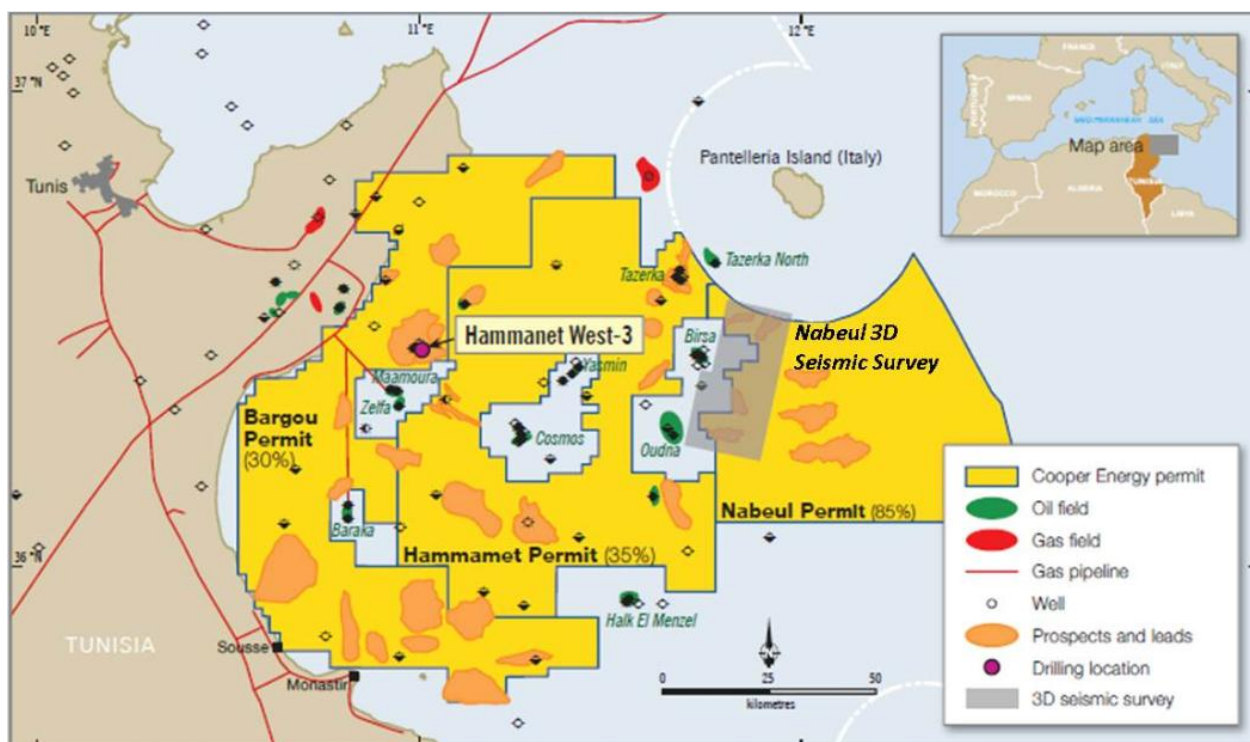
### Exploration

Planning for the drilling of the Hammamet West-3 well in the Bargou Exploration Permit (Cooper 30%) has progressed well. The well is located offshore in water depths of approximately 50 metres. Two vertical wells previously drilled have proven the presence of a potentially large oil column in the target Abiod Formation. The objective at Hammamet West-3 is to drill a highly deviated wellbore through the Abiod formation and then test to confirm oil productivity.

The jack-up drilling rig “GPS Jupiter” has been secured from Grup Servicii Petroliere SA (GSP). The rig is currently under contract to Sterling Resources in Romania. The timing of the spud of the Hammamet West-3 well is dependent on when the rig is released and the current expectation is to spud mid-March 2013 Quarter. Cooper’s contribution to the well will be fully funded up to a gross amount of US\$26.6 million by Dragon Oil (55%) and Jacka Resources (15%).

Processing of the 3D seismic survey in the Nabeul Permit (Cooper 85%) was completed and interpretation has commenced. The results of the seismic interpretation will be an important input for the farm-out discussions being planned for 2013 ahead of selecting and drilling the best exploration prospect within the Nabeul Permit.

#### Offshore Tunisia Block's and Hammamet West-3 Well Location





## Indonesia

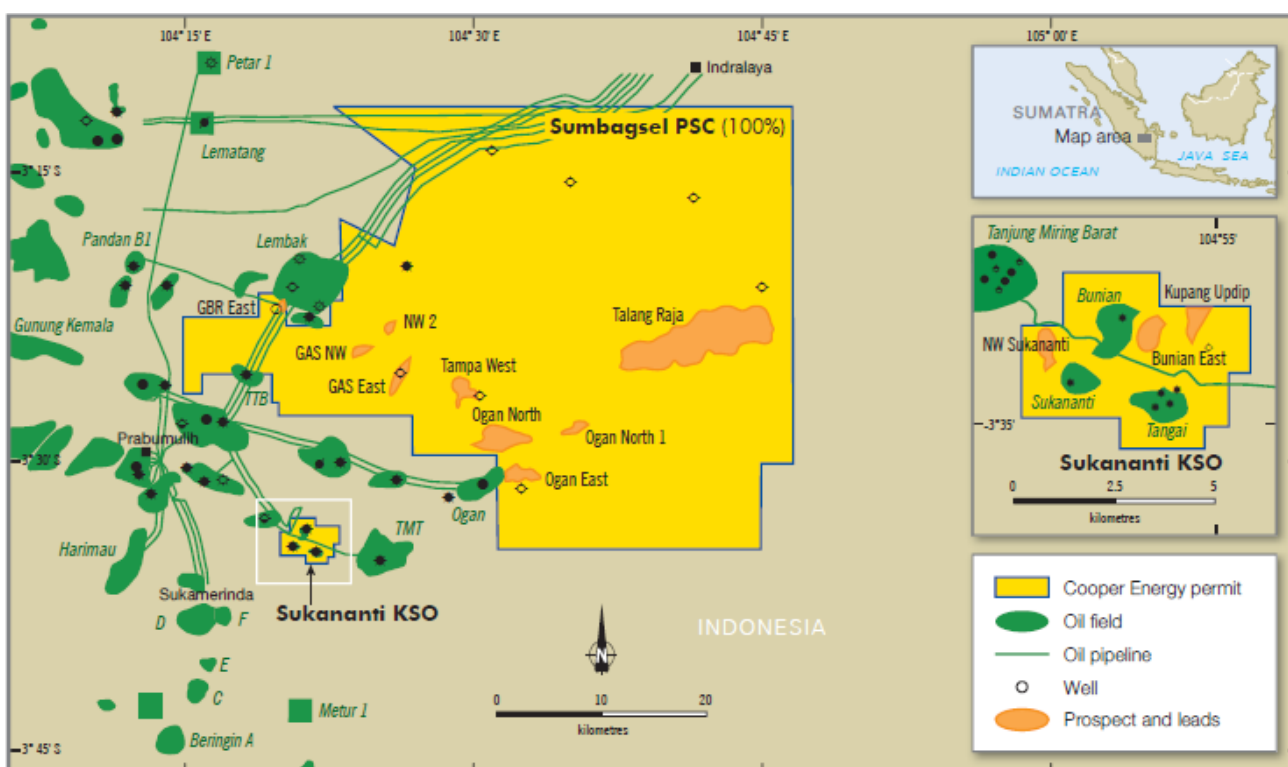
### Production

The Cooper Energy oil entitlement from the Sukananti KSO for the September 2012 Quarter was 4,796 barrels. This was a 45% increase from the June 2012 Quarter. Minor disruptions to production were experienced due to equipment failure which has now been rectified. Further increased oil production from the Company's Indonesian assets is being pursued and the reactivation and work over of the Tangai-1 well planned for the December Quarter 2012 is the next step in this plan.

### Exploration

Interpretation of recent 3D seismic in the Sukananti KSO has been completed and the results are being evaluated. This work is expected to lead to the drilling of one well during 2013. Preparations for the acquisition of 600 km of 2D seismic in the Sumbagsel PSC are ongoing. Discussions are also underway with parties interested to farm-in to Sumbagsel which is 100% held by Cooper.

#### South Sumatra Blocks and Tangai-1 Well Location



## Poland

### Exploration

COE (40%) has withdrawn Licenses 433, 434, 435 and 455. The process to divest Licenses 414 and 415 is ongoing.

# Production Summary and Financial Highlights

Description	Units	Half Year 31 December 2011	Full Year 30 June 2012 <sup>(5)</sup>	Quarter 30 June 2012 <sup>(5)</sup>	Quarter 30 September 2012
		Audited	Audited	Unaudited	Unaudited
<b>PRODUCTION</b>					
Group oil produced and sold	Barrels	225,291	517,186	133,873	104,056
Group sales revenue	A\$000	25,803	59,606	14,421	11,654
<b>LIQUID ASSETS</b>					
Cash and term deposits	A\$000	64,287	61,461	61,461	50,175
<b>GROUP EXPENDITURE</b>					
Exploration <sup>(1)</sup>	A\$000	12,698	18,489	4,872	440
Development	A\$000	4,885	11,175	4,321	3,760
Production expenses	A\$000	5,365	13,109	3,716	3,119
Royalties	A\$000	2,127	5,053	1,201	1,147
Corporate taxation	A\$000	3,488	(5,255)	(10,749)	1,846
<b>GROUP RESULTS</b>					
Working capital <sup>(2)</sup>	A\$000	67,964	55,331	55,331	52,205
Available for sale financial assets <sup>(3)</sup>	A\$000	1,049	15,198	15,198	19,265
EBITRDAX <sup>(4)</sup>	A\$000	15,188	33,449		
Profit/(Loss) before tax	A\$000	11,817	21,006		
(Loss)/Profit from discontinued operations	A\$000	(12,432)	(17,880)		
Profit/(loss) after tax and discontinued operations	A\$000	(4,103)	8,381		
<b>CAPITAL</b>					
Issued shares	millions	292.576	327.329	327.329	328.694
Unlisted Options	millions	11.620	0.600	0.100	0.100
Performance Rights	millions	-	5.856	5.856	4.089

## Notes:

1. Exploration expenditure includes exploration expenditure for continuing operations.
2. Working Capital is Current Assets less Current Liabilities excluding exploration assets classified as held for sale..
3. Available for sale financial assets at cost
4. EBITRDAX = Earnings before interest earned, taxation, royalties, depreciation, amortisation and exploration and other write off's.
5. The June 2012 quarter numbers have been updated post the June 2012 annual audit.



# Cooper Energy Licences

Australia	License	COE Equity	Operator	Notes
Cooper Basin	PEL 90 (Kiwi)	25%	Senex	
	PEL 92 <sup>(1)</sup>	25%	Beach	Oil production
	PEL 93 <sup>(1)</sup>	30%	Senex	Oil production
	PEL 100	19.16%	Senex	
	PEL 110	20%	Senex	
Otway Basin	PEL 186	33.33%	Cooper	
	PEL 495	65% <sup>(2)</sup>	Cooper <sup>(3)</sup>	
	PEP 150	20% <sup>(4)</sup>	Beach	
	PEP 151	75%	Cooper	
	PEP 168	50%	Beach	
	PEP 171	25% <sup>(4)</sup>	Beach	
Gippsland Basin	PRL 2	Earning up to 16.7%	Beach	
Tunisia	Bargou	30% <sup>(5)</sup>	Cooper	
	Hammamet	35%	Storm Ventures	
	Nabeul	85% <sup>(6)</sup>	Cooper	
Poland	MUA 2	40%	RWE	
Indonesia	Sukananti KSO	55%	Cooper	Oil production
	Sumbagsel PSC	100%	Cooper	

1. Oil fields are separate licenses delineated from within these original exploration licenses.
2. After farm-in by Beach Energy, which is partially funding Sawpit-2 to earn 35%.
3. Beach will operate the drilling of Sawpit-2.
4. Subject to Native Title Agreement.
5. Subject to farm-in by Dragon Oil and Jacka Resources.
6. Enterprise Tunisienne d'Activités Pétrolières (ETAP) can back in up to 55% in the event of a commercial hydrocarbon development.

## **Disclaimer**

### **The information in this report**

- Is not an offer or recommendation to purchase or subscribe for shares in Cooper Energy Limited or to retain or sell any shares that are currently held.
- Does not take into account the individual investment objectives or the financial situation of investors.
- Was prepared with due care and attention and is current at the date of the report.
- Actual results may materially vary from any forecasts (where applicable) in this presentation.
- Before making or varying any investment in shares of Cooper Energy Limited, all investors should consider the appropriateness of that investment in light of their individual investment objectives and financial situation and should seek their own independent professional advice.

### **Hydrocarbon Reporting Standard**

- Cooper Energy reports hydrocarbons in accordance with the SPE Petroleum Resources Management System 2007 (SPE-PRMS).