

CHAIRMAN'S ADDRESS

Annual General Meeting of Shareholders of Cooper Energy Limited at The Traders Lounge, Hyatt Regency Hotel on Friday 9 November 2012

A warm welcome to our Cooper Energy shareholders and all others who support the company and are interested in the Company's activities and progress.

Today I will briefly address some of the key developments within Cooper Energy in the past 12 months and I will also discuss some important emerging and future issues.

Following my address I will invite our Managing Director, David Maxwell, to present to you. David will discuss in more detail the company strategy, our operations and the performance of the Company in the last 12 months. David will also share with you the future plans.

Personally I would like to thank David Maxwell and Jeff Schneider for taking on the directorship in October last year and for their contribution to the company's growth over the past year and their commitment to the future strategy.

Firstly I want to go back 11 months and share with you three sentences from my Annual General Meeting address last year on 16 December when I said:

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

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

I made these statements at our Annual General Meeting on 16 December 2011. That Annual General Meeting was wedged in between two Extraordinary General Meetings at which a group of shareholders sought a change of the Directors.

It is not appropriate or important to revisit the events of 2011 in detail. However, it is appropriate and important to note that your Board has diligently and, without wavering, stuck with implementing the changes and plans – and this has been pursued with one simple objective – which is to safely deliver long term sustained shareholder returns.

With the support of shareholders at last year's Annual General Meeting we introduced a Staff Performance Rights Plan. The objective of this plan has been to align the interests of shareholders (through total shareholder return) with staff remuneration and ensure that the shareholder return is measured and tested against that of our peers in the oil and gas industry. It is therefore pleasing to be able to report that when compared with our eight peer oil and gas companies ¹ in the past year Cooper Energy ranks third. We were pipped out of second place at year end by Acer Energy who have been the subject of a takeover.

The Board of Directors will review the Performance Rights Plan each year and in particular the Peer Group of Companies against which we will measure our performance.

I can report that at a meeting of the Directors yesterday it was agreed to make changes to the Peer Group for the 2012/13 Financial Year as a result of changes in size and activity of Cooper Energy and changes in size in the Peer Group. Central Petroleum and AWE will be added to the peer group replacing Carnarvon Petroleum and Acer Energy -following the change of control.

Last year I advised my plan to step aside as Chairman during this year. The Board engaged the assistance of an independent search company to work with the Board to recruit a new independent Non-Executive Chairman who will be ideally suited to lead the Board through the next important growth phase. This succession planning has progressed very well and the Board has been very pleased with the quality of the people who have been interested. Your Board expects to make an announcement on the new Chairman within the next few months.

Consistent with an undertaking announced at last year's Annual General Meeting the Board has appointed one new Director with strong technical oil and gas experience.

The Board was very pleased that in June, following the acquisition of Somerton Energy, Hector Gordon agreed to be appointed as a Director of Cooper Energy. Hector is a geologist with 35 years' experience in the oil and gas industry. Most of his experience and career has been working, and very successfully leading teams, in basins and regions that are now the focus of Cooper Energy. Hector was the Managing Director of Somerton Energy and before that an Executive Director with Beach Energy. Beach Energy enjoyed significant growth in the period Hector had senior management roles in the Company.

(1)Acer Energy; Beach Energy; Carnarvon Petroleum; Cue Energy; Drillsearch Energy; Icon Energy; Senex Energy; and Tap Oil.

Your Board is very mindful of the importance of having and maintaining a majority of independent non-executive directors.

Unfortunately recruiting the best people is not easy when there is the uncertainty associated with the so called “two strikes policy” regarding remuneration. Getting the balance right between good governance and ensuring the best people are attracted to Boards when they are needed is something I believe our legislators and shareholder advisors need to very closely look at.

Today the meeting will be asked to approve an increase in the aggregate annual non-executive Directors remuneration. This resolution is designed to give the Board the flexibility to recruit and add new non-executive directors that will add further expertise and value in the Boardroom.

For strategic and cost reasons the Board decided in August that it is appropriate to re-locate the Head Office of Cooper Energy to Adelaide. This move will occur at the end of December. This move will locate the Head Office much closer to the key partners, assets and governments for Cooper Energy.

Regrettably changes such as this also impact staff and therefore a number of Perth based staff will be leaving the Company in December. On behalf of the Board and shareholders I thank all of the Perth employees for their contributions. In particular I wish to acknowledge John Baillie (Chief Financial Officer) and Ian Gregory (Company Secretary). John and Ian have been with Cooper Energy for 7 years and have been key in the development of the Company to date.

I also welcome the new staff that have joined us in Adelaide in the last six months. All have joined Cooper Energy knowing that our purpose is to continue to grow the value of the company with a clear focus on safely delivering acceptable shareholder returns.

Now I would like to make comment on a national resources industry issue- the Mineral Resources Rent Tax – or as it is known in our case the Petroleum Resources Rent Tax (PRRT).

In the past year we have seen the introduction of the Petroleum Resources Rent Tax. This is another impost on our business and has not been off-set by a reduction in any other impost. In some respects the essence of the PRRT is to penalise the petroleum companies (and their shareholders) that have made good and profitable investment decisions.

For Cooper Energy this meant the Board had to recognise the deferred tax asset attributable to the very valuable Petroleum Exploration License 92 in the Cooper Basin. This effectively meant a revaluation of our asset base by an additional \$12.2

million. It also means we will need to review the value of the production asset base each year having regard to costs and prices at the time.

For Cooper Energy to deliver sustainable annual growth in oil and gas reserves and production is going to require both exploration success and mergers and acquisitions. It will also require an increased emphasis on gas. This is perhaps best illustrated by two transactions this year. In April Cooper Energy announced a proposed merger with Somerton Energy by way of a recommended off-market takeover. This transaction was successfully completed three months later in July.

The acquisition of Somerton Energy has delivered a material increase in the Company's Otway Basin position and significantly increased the oil and gas exploration opportunities available to the Company. Importantly in the context of gas the Otway Basin licenses are very well located with regard to possible gas markets and existing gas pipelines.

In August Cooper Energy announced arrangements which increased the Company's interests in Bass Strait Oil Limited to 19.9% and plans to provide Bass Strait Oil with technical and commercial services. Bass has a portfolio of assets in the Otway and Gippsland Basins which are complementary to Cooper's interests in that area. This acquisition of a significant shareholding in Bass was consistent with Cooper's strategic focus on eastern Australian gas opportunities.

The closing remarks in my address this year are very similar to those last year.

Our strategy is clear.

We have the right management and a Board which is working hard with management to deliver for our shareholders.

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

I thank all shareholders for their support for the eight years I have been involved as a Non-Executive Director and Chairman of Cooper Energy. It is a role which has had its good times and some challenges. Importantly – the Company is very well placed to continue the very good progress and growth that we have experienced in the past year.

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

Thank you