COOPER ENERGY LIMITED

And its controlled entities

ABN 93 096 170 295

FINANCIAL REPORT

30 June 2013

Appendix 4E
Preliminary Final Report

Cooper Energy Limited		
ABN 93 096 170 295	Report ending Corresponding period	30 June 2013 30 June 2012

Results for announcement to the market

	Percentage Change %	Amount $'000
Revenue from ordinary activities	(10.4%)	53,397
Net Profit after tax from continuing operations	(93.5%)	1,715
Total profit for the period attributable to members	(84.3%)	1,318

	30 June 2013	30 June 2012
Net tangible assets per share (inclusive of exploration and development expenditure capitalised)	41.7 cents	38.1 cents

The Directors do not propose to pay a dividend.

The attached Financial Report has been audited.

Brief explanation of results

The net profit after tax attributable to members was $1,318,000 (2012: $8,381,000).

The net profit was significantly impacted by the accounting disclosure arising from the reversal of the Petroleum Resource Rent Tax, which decreased the net profit from continuing operations for the year by $11,019,000, (2012:($12,233,000)) and the impairment of exploration assets held for sale by $397,000 (2012: $17,880,000). The following table summarises.

	2013	2012
	$'000	$'000
Net profit/(loss) after taxation attributable to members	1,318	8,381
Adjusted for:		
Impairment of exploration assets held for sale	397	17,880
Petroleum Resource Rent Tax derecognised/(recognised)	11,019	(12,233)
Underlying net profit after income tax	12,734	14,028

In the twelve months to June 2013 the Company's share of oil from joint ventures in the Cooper Basin totalled 464k (2012: 501k) barrels of oil and from the Sukananti field in Indonesian 25k (2012:16k) barrels of oil.

In the twelve months to June 2013 the Company's revenue from sale of oil was $53,397,000 (2012: $59,606,000).

At 30 June 2013 the Proved and Probable reserves (2P) totalled 1,802k (2012: 1,791k) barrels of oil in the Cooper Basin (South Australia) and 354k (2012: 91k) barrels of oil at Sukananti (Indonesia).

The Company has also analysed and reviewed the possible reserves (3P) and Contingent resources which are summarised in the following table (million barrels).

Net Oil Reserves (millions of barrels)			Net Oil Resources (millions of barrels)
Proved (1P)	Proved & Probable (2P)	Proved, Probable & Possible (3P)	(2C)
1.02	2.16	3.53	5.74

During the year the Company participated in the drilling of eight exploration wells (2012: six wells) and five appraisal/development wells (2012: five wells) in the Cooper Basin, South Australia. Three of the exploration wells and four of the appraised development wells were successful.

Annual General Meeting

This has been set for the Thursday 7 November 2013 at 10.00 am in the Victoria Room, Hilton Adelaide, 233 Victoria Square, Adelaide, South Australia. The Annual Report will be mailed out to shareholders in October 2013.

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OPERATIONS

Cooper Energy is a petroleum exploration and production company which generates revenue from the discovery, development and sale of hydrocarbons. The Company generates positive financial returns from these activities by concentrating its resources and efforts on opportunities to supply the Australian energy market and oil and gas exploration production activities in the South Sumatra Basin, Indonesia.

Cooper Energy currently produces oil from the Cooper Basin, Australia and the South Sumatra Basin, Indonesia. The Cooper Basin accounted for 95% of the company's oil production in FY13 of 0.49 MMbbl. This was a 6% decrease on the previous year (FY12 0.52 MMbbls) which is attributable to oil transportation interruptions in the Cooper Basin that occurred principally in the first half of FY13.

Proved and probable reserves at 30 June 2013 are 2.16 MMbbls, 15% higher than the previous year-end figure of 1.88 MMbbl. The increase is attributable to new field discoveries and upwards revisions of ultimate recovery from existing fields. The proved and probable reserves are located in the Cooper Basin (83% of total) and Indonesia (17% of total).

Cooper Energy has interests in petroleum exploration tenements in the Cooper Basin and Otway Basin in Australia, the South Sumatra Basin in Indonesia and the Pelagian Basin offshore Tunisia. Cooper Energy also has a 19.9% interest in Bass Strait Oil Limited, which has exploration tenements in the Gippsland Basin and Otway Basin, Australia. During the year, the Company announced its intention to divest the Tunisian portfolio after the drilling of Hammamet West-3, an exploration well which spudded in April 2013 and is still in progress at the time of this report.

Cooper Energy participated in the drilling of 13 wells during the year: 8 exploration wells; 2 appraisal wells; and 3 development wells. In the Cooper Basin this program resulted in 2 new oil field discoveries (Windmill and Rincon North); 4 successful oil appraisal/development wells; and 1 well cased and suspended for further evaluation. Sawpit-2 was drilled in the Otway Basin to assess further the potential of unconventional plays in the Penola Trough and provided encouraging results.

FINANCIAL PERFORMANCE

Financial Performance		FY13	FY12	Change	%
Production volume	MMbbl	0.488	0.517	-0.029	-6%
Sales volume	MMbbl	0.475	0.517	-0.042	-8%
Average oil price	$/bbl	112.3	115.3	-2.9	-3%
Sales revenue	$MM	53.4	59.6	-6.2	-10%
Other revenue	$MM	2.3	4.7	-2.3	-50%
Net profit after income tax (NPAT)	$MM	1.3	8.4	-7.1	-84%
Underlying NPAT	$MM	12.7	14.0	-1.3	-9%
Underlying EBITDA*	$MM	22.7	27.0	-4.3	-16%
Underlying EBITDA Margin	%	42.6	45.4	-2.8	-6%
*** Earnings before interest, tax, depreciation and amortisation**					

Calculation of underlying NPAT by adjusting for items unrelated to the ongoing operating performance is considered to enable meaningful comparison of results between periods. Underlying NPAT and underlying EBITDA are not defined measures under International Financial Reporting Standards and are not audited.

Reconciliation to Underlying NPAT		FY13	FY12	Change	Change
Net profit after income tax (NPAT)	**$MM**	**1.3**	**8.4**	**-7.1**	**-84%**
Adjusted for:					
Impairment of exploration assets held for sale	$MM	0.4	17.9	-17.5	-98%
PRRT derecognised / (recognised)	$MM	11.0	-12.2	23.3	-190%
Underlying NPAT	**$MM**	**12.7**	**14.0**	**-1.3**	**-9%**

Reconciliation to Underlying EBITDA		FY13	FY12	Change	%
Underlying NPAT	**$MM**	**12.7**	**14.0**	**-1.3**	**-9%**
Add back:					
Interest revenue	$MM	-2.0	-3.7	1.7	-47%
Income tax expense	$MM	5.6	7.0	-1.4	-20%
Depreciation	$MM	0.3	0.2	0.1	44%
Amortisation	$MM	6.1	9.5	-3.4	-36%
Underlying EBITDA	**$MM**	**22.7**	**27.0**	**-4.3**	**-16%**

Reported NPAT for the period was $1.3 million, a $7.1 million decrease on the previous corresponding period (pcp) mainly due to PRRT accounting $(23.3) million partially offset by lower impairment of exploration assets held for sale of $17.5 million and lower underlying NPAT $(1.3) million.

In comparing underlying NPAT for the period to the pcp the key drivers of the 9% decrease were:

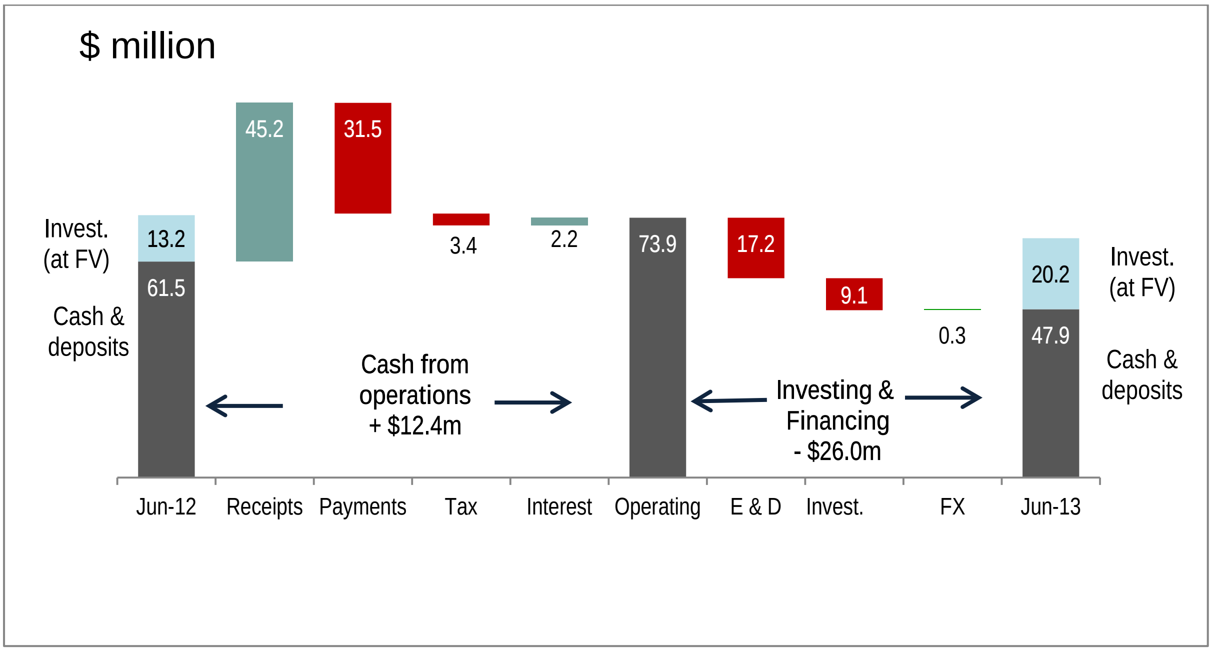
- lower sales revenue, $(6.2) million, due mainly to lower oil volumes and a lower average oil price;
- lower other revenue, $(2.3) million with lower interest revenue from lower cash balances and interest rates;
- lower production expenses, $0.8 million, and lower income tax expense $1.4 million associated with the lower profit before tax;
- lower amortisation, $3.4 million, due to lower production and changes in the application of accounting policies and estimates to align the Company with industry practice;
- lower administration and other costs, $1.6 million, mainly due to lower consulting expenditure primarily related to the Somerton Energy acquisition in FY12 and lower international business development and travel expenditure partially offset by additional premises costs and other expenditure following the acquisition of Somerton Energy and re location of the Head Office to Adelaide.

FINANCIAL POSITION

Financial Position		FY13	FY12	Change	Change
Total Assets	$MM	162.1	161.0	1.0	1%
Total Liabilities	$MM	24.8	24.1	0.8	3%
Total Equity	$MM	137.2	136.9	0.3	0%

Total Assets

Total assets increased by $1.1 million from $161.0 million to $162.1 million.
Cash, deposits and investments available for sale at fair value decreased by $6.6 million from $74.7 million to $68.1 million with cash flow from operations $12.4 million offset by cash flows from investing and financing activities $26.0 million.



Investments available for sale at fair value increased $7.0 million from $13.2 million to $20.2 million due to net purchases during the period partially offset by unrealised fair value adjustments of $2.4 million.
Exploration and evaluation (including held for sale) increased $12.1 million from $42.6 million to $54.7 million for the exploration and evaluation activities detailed in the Operations section of this report. In summary, the increase is accounted for on a regional basis by: Australia, $4.6 million; Indonesia, $3.8 million; Tunisia, $3.6 million; and Poland $0.1, million.
Trade and other receivables increased $7.5 million from $12.0 million to $19.5 million mainly due to the timing of sales revenue receipts being unfavourable in FY13 (below three year average) and favourable in FY12 (above three year average).
Deferred tax assets decreased $12.2 million from $12.2 million to $nil due to PRRT de-recognition following the Cooper Basin participants, including the Company, being granted a combination certificate for the PRRT (essentially deeming PEL 92 and PEL 93 to be a single project) and updated estimates using the look-back method to determine the starting base (previously the market value method was used).

Total Liabilities

Total liabilities increased by $0.8 million from $24.1 million to $24.8 million.

Trade and other payables decreased $0.5 million from $12.3 million to $11.8 million mainly due to timing of payments to suppliers.

Income tax payable decreased $3.7 million from $3.7 million to $nil with the FY12 final instalment paid and FY13 having an income tax loss mainly due to the upfront deductibility of exploration expenditure including deductions arising from the acquisition of Somerton Energy.

Deferred tax liabilities increased $4.9 million from $4.2 million to $9.1 million due to timing differences including the upfront deductibility of exploration expenditure partially offset by a deferred tax asset booked in respect of the FY13 income tax loss.

Total Equity

Total equity has increased by $0.3 million from $136.9 million to $137.2 million. In comparing equity for the year to the previous year, the key movements were:

- higher contributed equity, ($0.7 million) mainly due to finalisation of the Somerton acquisition and vesting of performance rights held by employees made redundant;
- lower reserves, ($1.8 million) mainly due to the unrealised fair value adjustment on investments available for sale partially offset by share based payments (performance rights); and
- higher retained profits, ($1.3 million) due to NPAT for the year.

BUSINESS STRATEGIES AND PROSPECTS

The Company focuses its resources and effort on opportunities to supply the Australian energy market and oil and gas exploration in its existing acreage in the South Sumatra Basin, Indonesia. Within the areas of interest, the Company will focus on those opportunities which satisfy fundamental commercial and technical merit criteria whilst taking due care for safety, the environment and community. Cooper Energy seeks to generate and add value through the application of its deep knowledge and expertise in Australian basins and gas commercialisation, and concentrating its efforts on the opportunities where its knowledge and expertise can be best applied.

The Company's oil production on the western flank of the Cooper Basin generates high margin cash flow which is being reinvested to replace and grow production and reserves. The re investment is in the Cooper Basin; the Otway Basin and the Gippsland Basin; and corporate opportunities. The Otway Basin and Gippsland Basin interests in particular are considered to be well located for available gas market opportunities should reserves of sufficient size be established.

In Indonesia, the focus is on adding further value to the existing South Sumatra acreage through exploration, development and production.

2014 outlook and prospects

Cooper Energy anticipates increasing oil production in FY14 and has guided to a total production for the FY14 year of 0.54 MMbbl to 0.58 MMbbl, which represents an increase of 10% - 18% on that recorded in FY13.

Exploration planned for the year provides opportunities for reserve and resource additions through drilling and identification of new prospects and leads for future drilling through acquisition and processing of two-dimensional and three-dimensional seismic data.

The FY14 exploration program includes opportunities which could add material value for the Company including: drilling at least one deep unconventional well in the Otway Basin; ongoing exploration in the Cooper Basin where success rates are high; and exploration drilling in South Sumatra, Indonesia. In addition Hammamet West-3 (Tunisia), which is still in progress, could add material value.

The divestment of the Tunisia portfolio is proposed to follow the drilling of Hammamet West-3. It is likely the divestment will not be concluded until early 2014 and the timing of the divestment will be dependent upon the results of Hammamet West-3 and the structure of the divestment.

Cooper Energy will continue to evaluate acquisition opportunities which fit with the Company's skill and knowledge base and are projected to add value for shareholders.

FUNDING AND CAPITAL MANAGEMENT

When managing funding and capital, the Company's objective is to ensure the entity continues as a going concern whilst maintaining an optimal return to shareholders. As at 30 June 2013 the Company had cash, deposits and investments available for sale of $68.1 million. The Company is in the process of finalising conditions precedent for $40 million in bank facilities and divesting the Tunisian exploration assets with a carrying value of $23.8 million. The Company has no current plans to issue equity except as performance rights held by employees meet vesting conditions.

RISK MANAGEMENT

The Company manages risks in accordance with its risk management policy with the objective to ensure all risks inherent in oil and gas exploration activities are identified, measured and then managed or kept as low as reasonably practicable. The management team perform risk assessments on a regular basis (including projects by internal auditors) and a summary is reported to the Audit Committee.

Key risks which may materially impact the execution and achievement of the business strategies and prospects for Cooper Energy in future financial years are risks inherent in the oil and gas industry including technical, economic, commercial, operational and political risks. These risks should not be taken to be a complete or exhaustive list of risks. Many of the risks are outside the control of the Company and its officers.

Appropriate policies and procedures are continually being developed and updated to help manage these risks.

Directors' Statutory Report

For the year ended 30 June 2013

The Directors present their report together with the consolidated financial report of the Group, being Cooper Energy Limited (the "parent entity" or "Cooper Energy" or "Company") and its controlled entities, for the financial year ended 30 June 2013, and the independent auditor's report thereon.

1. DIRECTORS

The Directors of the parent entity at any time during or since the end of the financial year are:

Mr John C.Conde AO
B.Sc. B.E(Hons), MBA
CHAIRMAN
INDEPENDENT NON-EXECUTIVE DIRECTOR
Appointed 25 February 2013

Experience and expertise
Mr Conde has extensive experience in business and commerce and in chairing high profile business, arts and sporting organisations. Previous positions include, a Director of BHP Billiton, Chairman of Pacific Power (the Electricity Commission of NSW), Chairman of Events NSW, President of the National Heart Foundation and Chairman of the Pymble Ladies' College Council.

Current and other directorships in the last 3 years
Mr Conde is currently Chairman of Bupa Australia (since 2008), the Sydney Symphony (since 2007) and Destination NSW (since 2011). He is President of the Commonwealth Remuneration Tribunal (since 2003) and a director of Dexus Property Group ASX: DXS (since 2009). He is Deputy Chairman of Whitehaven Coal Limited ASX: WHC (since 2007) and a Director of The McGrath Foundation (since 2012) and AFC Asian Cup (2015) (since 2012).
Mr Conde is a former Chairman of Ausgrid (formerly EnergyAustralia) (1988-2012)

Special Responsibilities
Mr Conde is a member of the Remuneration and Nomination Committee and the Audit Committee.

Mr David P. MAXWELL
M.Tech, FAICD
MANAGING DIRECTOR
Appointed 12 October 2011

Experience and expertise
Mr Maxwell is a leading oil and gas industry executive with more than 25 years in senior executive roles with companies such as BG Group, Woodside Petroleum Limited and Santos Limited. Mr Maxwell has very successfully led many large commercial, marketing and business development projects.

As Senior Vice President at QGC - a BG Group business – Mr Maxwell was responsible for all commercial, exploration, business development, strategy and marketing activities. He led BG Group's entry into Australia, its involvement in the alliance with Queensland Gas Company Limited and its subsequent takeover by BG Group.

Mr Maxwell has served on a number of industry association boards, government advisory groups and public company boards. He was a member of the Australia Federal Government Energy White Paper Reference Group in 2011.

Current and other directorships in the last 3 years
Mr Maxwell is a director of Somerton Energy Pty Ltd formerly Somerton Energy Ltd, a listed company until the takeover by Cooper Energy in 2012.

Special Responsibilities
Mr Maxwell is responsible for the day to day leadership of Cooper Energy. He is the leader of the management team and his particular responsibilities include strategy and business development.

Mr Laurence J. SHERVINGTON
LLB, SA FIN, MAICD
INDEPENDENT NON-EXECUTIVE DIRECTOR
Appointed 01October 2003
Former Chairman (November 2004 – February 2013)

Experience and expertise

Mr Shervington is a respected and experienced corporate lawyer with more than 40 years' involvement in business and legal landscapes. His corporate expertise includes capital raising, reconstruction, mergers and acquisitions, directors' duties, corporate governance, due diligence, risk management and ASIC licensing and investigations.

Current and other directorships in the last 3 years

Mr Shervington is the chair of the Broome Port Authority (March 2011) and a director of the College of Law Western Australia Pty Ltd (since January 2008). Mr Shervington is a director of Leedal Pty Ltd, an Aboriginal-directed company with extensive business interests in Fitzroy Crossing in the Kimberley region of Western Australia (since June 2008).

Special Responsibilities

Member of the Corporate Governance; Remuneration and Nomination and Audit Committees.

Mr Jeffrey W. SCHNEIDER
B.Com
INDEPENDENT NON-EXECUTIVE DIRECTOR
Appointed 12 October 2011.

Experience and expertise

Mr Schneider has over 30 years of experience in senior management roles in the oil and gas industry, including 24 years with Woodside Petroleum Limited. He has extensive corporate governance and board experience as both a non-executive director and chairman in resources companies.

Current and other directorships in the last 3 years

Mr Schneider is a non-executive director of Comet Ridge Limited ASX: COI (since 2003). Mr Schneider was formerly the Chairman of Strike Energy Limited ASX: STX (2004 – 2010) and a director of Green Rock Energy Limited ASX: GRK (2010 - 2013).

Special Responsibilities

Chairman of the Audit and the Remuneration and Nomination Committees and member of the Corporate Governance Committee.

Mr Hector M. GORDON
B.Sc. (Hons). FAICD
EXECUTIVE DIRECTOR
Appointed 26 June 2012

Experience and expertise

Mr Gordon is a very successful geologist with over 35 years' experience in the petroleum industry. Mr Gordon was previously Managing Director Somerton Energy until it was acquired by Cooper Energy in 2012. Previously he was an Executive Director with Beach Energy Limited where he was employed for more than 16 years. In this time Beach Energy experienced significant growth and Mr Gordon held a number of roles including Exploration Manager, Chief Operating Officer and, ultimately, Chief Executive Officer.

Mr Gordon's previous employers also include Santos Limited, AGL Petroleum, TMOC Resources, Esso Australia and Delhi Petroleum Pty Ltd.

Current and other directorships in the last 3 years

Mr Gordon is a director of Somerton Energy Pty Ltd formerly Somerton Energy Ltd, a listed company until the takeover by Cooper Energy in 2012. He is a former director of ERO Mining Limited (2011-2013).

Special Responsibilities

Mr Gordon is responsible for the day to day management of the Cooper Energy exploration and production activities. As a Qualified Petroleum Reserves and Resources Evaluator he also reviews and approves the reserves statements made by the Company.

Ms Alice J.M. WILLIAMS
B.Com, FAICD, FCPA, CFA
INDEPENDENT NON-EXECUTIVE DIRECTOR
Appointed 28 August 2013

Experience and expertise
Ms Williams has over 25 years of senior management and Board level experience in corporate, investment banking and Government sectors.

Ms Williams has been a consultant to major Australian and international corporations as a corporate advisor on strategic and financial assignments. Ms Williams has also been engaged by Federal and State based Government organisations to undertake reviews of competition policy and regulation. Prior appointments include Director of Airservices Australia, Telstra Sale Company, V/Line Passenger Corporation, State Trustees and Western Health.

Current and other directorships in the last 3 years
Ms Williams is a non-executive Director of Djerriwarrh Investments Ltd ASX: DJW (since 2010), Equity Trustees Ltd ASX: EQT (since 2007), Victorian Funds Management Corporation, Guild Group, Defence Health and Port of Melbourne Corporation. Ms Williams is also a Council member of the Cancer Council of Victoria.

2. COMPANY SECRETARY

Ms Alison Evans B.A., LLB was appointed to the position of Company Secretary and Legal Counsel on 25 February 2013. Ms Evans is an experienced company secretary and corporate legal counsel with extensive knowledge of corporate and commercial law in the resources and energy sectors. Ms Evans has held Company Secretary and Legal Counsel roles in a number of minerals and energy companies including Centrex Metals, GTL Energy and AGL. Ms Evans' public company experience is supported by her work at leading corporate law firms.

Mr Ian E. Gregory, B.Bus., FCIS, FFIN, MAICD, resigned as Company Secretary on 28 February 2013.

3. DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the parent entity during the financial year are:

Director	Board Meetings		Audit Committee Meetings		Remuneration and Nomination Committee Meetings	
	A	**B**	**A**	**B**	**A**	**B**
Mr J Conde[1]	2	2	-	-	-	-
Mr L.J. Shervington	7	7	3	4	1	1
Mr D.P. Maxwell	7	7	-	-	-	-
Mr J.W. Schneider	7	7	4	4	1	1
Mr H.M. Gordon	7	7	-	-	-	-

A = Number of meetings attended.

B = Number of meetings held during the time the Director held office, or was a member of the committee, during the year

[1]Appointed 25 February 2013

The Board has also established a Corporate Governance Committee. Given the size of the Board, for the major part of the reporting period, no Corporate Governance Committee meetings were held and matters that would ordinarily be dealt with by the Corporate Governance Committee were dealt with by the full Board in Board meetings.

4. CORPORATE GOVERNANCE STATEMENT

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Cooper Energy Limited support the principles of corporate governance. The Company's Statement on Corporate Governance is set out in full on page 26 of the Annual Report.

5. REMUNERATION REPORT (Audited)

5.1 Introduction

The Directors of the Company have prepared this remuneration report to outline the overall remuneration strategy, policies and practices, which were applied by the Company for the twelve months to 30 June 2013 and the application of the Company's Performance Rights plan that was last approved by the shareholders on 9 November 2012. The report has been prepared in accordance with Section 300A of the *Corporations Act 2001* (Cth) ("Corporations Act") and has been audited in accordance with section 308(3C) of the Corporations Act.

The Company received 98.43% of "yes" votes on its remuneration report for the 2012 financial year. The Company did not receive any specific feedback from shareholders at the 2012 Annual General Meeting on its remuneration practices.

5.2 Key Terms

Throughout this remuneration report, the following terms have the meaning indicated below:

Directors: the Managing Director, Executive Director and the Non-executive Directors.

Executives: the Managing Director, Executive Director Exploration and Production and senior managers who report to those roles, including KMP.

Executive Directors: any Directors who are also Executives. For this report, the Executive Directors are the Managing Director (Mr David Maxwell) and the Executive Director (Mr Hector Gordon).

Base Salary: fixed annual remuneration or base salary (including superannuation).

KPI: key performance indicators determined by the Board.

KMP: key management personnel those persons having authority and responsibility for planning, directing and controlling the major activities of the consolidated entity.

LTIP: long term incentive plan which aims to provide an incentive to deliver successful future Company shareholder value and performance.

STIP: short term incentive plan which aims to provide a reward for successful individual and Company performance in the past year.

5.3 Key Management Personnel

For the purposes of this report, Key Management Personnel (KMP) of the group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the parent entity and the group, directly or indirectly, including any Director (whether Executive or otherwise) of the parent entity.

The following were key management personnel of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period.

Non-Executive Directors	Executive Directors
Mr J. C.Conde AO (Chairman) [1]	Mr D.P. Maxwell (Managing Director)
Mr L.J. Shervington	Mr H.M. Gordon (Executive Director- Production and Exploration)
Mr J.W. Schneider	

[1] Appointed 25 February 2013

Executives	
Mr J. de Ross (Chief Financial Officer) [1]	Ms A.M. Evans (Company Secretary and Legal Counsel) [2]
Mr A. D. Thomas (Exploration Manager)	

[1] Appointed 27 September 2012

[2] Appointed 25 February 2013

Key Management Personnel who ceased employment during the year	
Mr S.K. Twartz (Exploration Manager) [3]	Mr S.F. Blenkinsop (Legal and Commercial Manager) [4]
Mr A. Warton (Development Manager) [5]	Mr J. Ballie (Chief Financial Officer) [5]

[3] Ceased 31 July 2012; [4] Ceased 5 July 2012; [5] Ceased 31 December 2012

Except as noted, the named persons held their current positions for the whole of the financial year and since the end of the financial year.

5.4 Remuneration Policy and Framework

The Company's remuneration policy is designed to ensure that the level and form of compensation achieves certain objectives, including:

(a) Attracting, motivating and retaining highly skilled Directors and employees to pursue and deliver the Company's strategy and goals;
(b) Delivery of value-adding outcomes for the Company;
(c) Fair and reasonable reward for past individual and Company performance; and
(d) Providing incentive to deliver future individual and Company performance.

Remuneration consists of base salary, superannuation, short term incentives and long term incentives.

Remuneration is determined by reference to market conditions and performance. In addition to the year-end annual review of remuneration, the Board obtained and used independent resource industry remuneration data to determine market remuneration rates in relation to the oil and gas industry in Australia.

5.5 Governance

The Remuneration and Nomination Committee

The Remuneration and Nomination Committee's role is to review and recommend remuneration for Non-executive Directors, the Executive Directors and Executives. The Remuneration and Nomination Committee is also responsible for the review of remuneration policies and practices.

The Remuneration and Nomination Committee assesses the appropriateness of the nature and amount of remuneration of Directors and Executives on at least an annual basis by reference to relevant employment market conditions and third party remuneration benchmark reports. The overall objective is to ensure shareholders benefit from the retention of a high quality Board and Executive team which is remunerated consistent with industry practises.

The ASX Listing Rules and the Constitution require that the maximum aggregate amount of remuneration to be allocated among the Non-executive Directors be approved by shareholders at the annual general meeting. The Remuneration and Nomination Committee takes account of the time demands made on Directors and such factors as fees paid to Non-executive Directors in comparable Australian companies in proposing the maximum amount of compensation for approval by the shareholders and also in determining the allocation of the compensation. The latest determination was at the parent entity's Annual General Meeting held on 9 November 2012, when shareholders approved an aggregate remuneration of up to $450,000 per year.

From 17 April 2013, the Remuneration and Nomination Committee has consisted of three Non-executive Directors after Mr Conde, Non-executive Chairman joined the Board in February 2013. For the balance of the year, the Remuneration and Nomination Committee was made up of two Non-executive Directors. The Committee meets formally at least once a year and may have informal meetings during the year. The Managing Director attends meetings by invitation.

Remuneration arrangements for Directors and Executives are reviewed by the Remuneration and Nomination Committee and recommended to the Board for approval. The Remuneration and Nomination Committee considers external information and may engage independent advisers to establish market benchmarks.

Remuneration arrangements are determined in conjunction with the annual review of the performance of Directors, Executives and employees of the Company. Performance of the Directors of the Company, including the Managing Director, are evaluated by the Board and may be assisted by the Remuneration and Nomination Committee. The Managing Director reviews the performance of Executives with the Remuneration and Nomination Committee. These evaluations take into account criteria such as the achievement toward the Company's performance benchmarks and the achievement of individual performance objectives.

External Advisors and Remuneration Advice

The Remuneration Committee engaged the services of Strategic Human Resources Pty Ltd ("SHR") to benchmark salaries for all staff. This involved the review and application of remuneration data sourced from National Rewards Group Inc. and Godfrey Remuneration Group Pty Limited.

The Remuneration Committee also engaged Godfrey Remuneration Group ("GRG") to benchmark the Company's Non-executive Director remuneration practices against market practice of a selected group of ASX listed Companies.

The Board is satisfied that all recommendations made by SHR and GRG were made free from undue influence by any KMP to whom the recommendations related.

Fees payable to SHR for services to 30 June 2013 totalled $6,253.50 and Godfrey Remuneration Group Pty Ltd $11,495. Annual membership fees payable to National Rewards Group were $5,500.

5.6 Remuneration Structure

The Executive remuneration structure in place for the financial year was applied to all employees of the Company, including Executives.

The Company's remuneration structure has three elements set out below:

a) Base Salary;
b) STIP (Short Term Incentive Plan); and
c) LTIP (Long Term Incentive Plan).

Base Salary

Employees are paid Base Salaries which are competitive in the markets in which the Company operates. Individual Base Salary is set each year based on job description, competitive salary information sourced by the Company and overall competence in fulfilling the requirements of the particular role.

Base Salary is paid in cash and is not at risk other than by termination.

Short Term Incentive Plan (STIP)

Each year the Company issues a scorecard establishing targets to measure the Company's short term performance over the financial year. The targets focus on the core elements needed to successfully deliver the Cooper Energy strategy and plan and shareholder returns for all staff. Company performance against the scorecard is reported monthly to all staff and the scorecard is used as a key input into the performance based remuneration.

The scorecard is based on those key business deliverables that will in combination drive the value of the enterprise. The Managing Director develops the draft scorecard for review by the Remuneration Committee and Board consideration and approval. The scorecard is approved by the Board no later than 30 September of each year.
For each item in the scorecard a base or threshold level is described as well as a target, stretch target and super stretch target.

- Base or threshold is not going backwards against performance in the previous year and is the minimum acceptable for that year.
- Target is solid steady growth or improvement.

- Stretch is doing better than target and consistent with leading peers.
- Super stretch is leading peers or best in class when compared to others.

Each item in the scorecard is assigned a weighting.

Average weighted performance of the total scorecard is the sum of the performance assessed for each item multiplied by the weighting for each item.

The maximum STIP payment at the various organisational levels is as follows:

- For the Managing Director the maximum STIP is 100% of Base Pay;
- For the Executive Director the maximum STIP is 75% of Base Pay;
- For Executives (e.g. direct reports to the Managing Director or the Executive Director maximum STIP is 50% of Base Pay;
- For all other staff the guideline maximum STIP is 25% of Base Pay.

The level of "at risk" remuneration is at the discretion of the Board and will be reviewed annually by the Board.

- For the Managing Director the portion of the maximum STIP to be paid is based entirely on company performance as assessed by the Board having close regard to the Company scorecard performance.
- For the other Executives (including the Executive Director) the portion of the maximum STIP to be paid is based largely on company performance however individual performance as assessed by the Board will also be taken into account.

Individual performance ratings are determined in staff performance reviews which are undertaken each year by 31 August.

In the event that corporate activity occurs such that the company is merged or taken over then the scorecard will be re-set at the discretion of the Board.

Employees must have been with the Company for 3 months to qualify for any STIP. If the staff member is with the Company for 3 months but less than the full year the STIP is pro-rated according to the period of time the employee has been with the Company.

If an employee leaves the Company during a year (other than for retirement or due to redundancy) no STIP is payable. If the staff member retires or is made redundant then the STIP is pro-rated in accordance with the portion of the year worked.

Notwithstanding these guidelines the final STIP to be paid to each staff member will be at the discretion of the Board.

In the financial year 2013 the scorecard KPIs and their relative weightings were as follows:-

STIP Key Performance Indicators	%
Quantitative and Financial	
Reserves & Exploration Portfolio	25
Production	25
Cost Management	15
Non-Financial Measures	
Safety and environmental performance	15
Strategy and plan implementation	10
Relationships with investors, partners and the Board	10

Irrespective of the scorecard outcome payment of any STIP is entirely at the discretion of the Board.

Long Term Incentive Plan (LTIP)

The Company believes that encouraging its employees to become shareholders is the best way of aligning their interests with those of its shareholders.

LTIP awards are made in the form of performance rights which will have a vesting timeframe of three years. The number of performance rights that vest will be based on the Company's performance over the same three years. For each performance right that vests, the employee will receive one share at no cost to the employee.

The number of performance rights to be granted annually to each employee is calculated by the following formula:

Organisational Level Benchmark × Individuals Base Salary ÷ Share Price

Five maximum LTIP organisational level benchmarks have been established as percentages on individual base salary. These three levels reflect the increased involvement of each level in pursuing and achieving the Company's goals. These benchmarks are set out in the following table.

Organisational Level	Organisational Level Benchmark
Managing Director	120%
Executive Director	95%
Executives	70%
Senior Technical	50%
Professional, Technical and Administration	30%

The share price calculation will use the 30 day volume-weighted average share price (VWAP) of the Company's shares immediately prior to the award date.

The Board has established a guideline that the total number of performance rights to be issued in each tranche is capped at 2% of the fully paid issued capital of the Company while the total number of performance rights on issue may not exceed 5% of the issued capital of the Company. In the event that the potential number of performance rights to be issued exceeds these caps then all potential awardees will receive a pro-rata reduced number of performance rights.

Each tranche of performance rights issued is divided into three portions and each portion is made up of two parcels for testing. Each portion is tested within 12, 24 and 36 months of the issue date of the performance rights.

Testing of each parcel is as follows:-

- 25% of the performance rights against the Company's absolute total shareholder return (ATSR) over the testing period.
- 75% of the performance rights against the Company's absolute total shareholder return (ATSR) compared to the relative total shareholder return (RTSR) over the testing period.

The ATSR is the absolute shareholder return calculated as the percentage difference between the relevant testing date VWAP and the award date.

The RTSR means the Company's ATSR measured against the peer group of 8 companies ATSR between the relevant testing date and the award date.

The ATSR and RTSR performance hurdles required to achieve vesting levels are as follows:-

Assess 25% of Rights measured against ATSR over the performance period	
ATSR	Number of Performance Rights to be exercised
Below 5%	No rights exercisable
Equal to 5%	25% of the rights
Equal to 15%	50% of the rights
Greater than 25%	100% of the rights

Assess 75% of Rights measured against relative percentile ranking of RTSR over the performance period	
RTSR	Number of Performance Rights to be exercised
Below 50%	No rights exercisable
Equal to 50%	50% of the rights
Greater than 75%	100% of the rights
Greater than 50% but below or equal to 75%	Pro rata 50% to 100%

ATSR and RTSR are used rather than earnings per share (EPS) because in the Board's view, the EPS would shift the key focus away from the Company's long-term business objectives which includes successful exploration.

Rights that do not qualify for vesting in any one year can be carried forward to the following year for testing of vesting eligibility.

Vesting characteristics of the performance rights are as follows:

(i) Performance measurement period is annually tested over a three year period, which is consistent with the typical time cycle for an exploration program and the Company's strategic emphasis on exploration and growing the reserves base;

(ii) Performance is based on differences in ATSR and RTSR as measured from the commencement date to the end of the assessment period. The ATSR and RTSR use 30-day VWAP of the Company's shares immediately prior to the relevant testing date;

(iii) RTSR will be assessed against a peer group of like companies determined by the Board before the start of each assessment period or as soon as practical thereafter.

(iv) The peer group for the performance rights issued in October 2012 and May 2013 comprises Beach Energy Limited; Senex Energy Limited; Drillsearch Energy Limited; Tap Oil Limited; Cue Energy Resources Limited; Central Petroleum Limited, AWE Limited and Icon Energy Limited.

Accounting for Performance Rights on shares granted to Executives and employees

The values of the performance rights are recognised as Share Based Payments in the statement of comprehensive income and amortised over the vesting period.

Performance Rights were issued in October 2012 and for those employees who were employed during the year and after the October issue date, May 2013. The Performance Rights were granted for no consideration and the employee received no cash benefit at the time of receiving the rights. The cash benefit will be received by the employee following the sale of the resultant shares, which can only be achieved after the rights have been vested and the shares are issued.

Performance rights were valued by an independent consultant who applied the Monte Carlo Simulation model to determine the probability of the absolute return performance hurdles and the relative return performance hurdles being achieved. Performance Rights are valued at the closing market price on the date they are granted and no adjustment is made for subsequent movements in share price during any vesting period.

5.7 Executive Directors' Remuneration

Mr David Maxwell – Managing Director

Mr Maxwell commenced as Managing Director on 12 October 2011 under contract of employment of that date. The term of the Managing Director's executive employment agreement expires 10 October 2014.

Pursuant to shareholder approval obtained at the 2012 Annual General Meeting, Mr Maxwell was eligible to receive a maximum of 1,317,992 Performance Rights that were subsequently granted on 5 December 2012.

The remuneration details for Mr Maxwell for the year to 30 June 2013 are set out in the table on page 20.

Mr Hector Gordon – Executive Director Exploration and Production

Mr Gordon commenced as Executive Director Exploration and Production on 26 June 2012 under contract of employment for a period of three years expiring on 24 June 2015.

Pursuant to shareholder approval obtained at the 2012 Annual General Meeting, Mr Gordon was eligible to receive a maximum of 728,731 Performance Rights that were subsequently granted on 5 December 2012.

The remuneration details for Mr Gordon for the year to 30 June 2013 are set out in the table on page 20.

Service agreements terms

The service agreements set out the Executive Directors' entitlement to Base Salary, STIP and LTIP. See Section 5.4 of this report for more detail concerning these elements of remuneration.

The base salary of the Executive Directors is reviewed annually at the Board's discretion. Either the Company or Executive Director may terminate this contract by providing six months written notice or payment in lieu of notice. The Company may also terminate the contracts immediately for cause.

The Company also entered into deeds of indemnity insurance and access with each of the Executive Directors under which the Company will maintain an appropriate level of Directors' and Officers' indemnity insurance and provide access to Company records.

5.8 Executive's Remuneration

The remuneration details for Executives who are KMP for the year to 30 June 2013 are set out in the tables on page 22.

The Company has entered into service agreements with the Executives. The term of the service agreements continue until termination. Either the Company or Executive may terminate the contract by providing between two and three months' notice or payment in lieu of notice. The Company may also terminate the contracts immediately for cause.

5.9 Non-Executive Directors' Remuneration

In line with Corporate Governance principles, Non-Executive Directors of the Company are remunerated solely by way of fees and statutory superannuation. The annual fee is set to reflect current market levels based on the time, responsibilities and commitments associated with the proper discharge of their duties as members of the Board.

The maximum total pool of available fees was set by shareholders in General Meeting held on 9 November 2012 when shareholders approved an aggregate remuneration of up to $450,000 per year (increased from $325,000 set in 2006).

Other than statutory superannuation, Non-executive Directors of the Company are not entitled to any retirement benefits upon retirement from office.

The Company has entered into arrangements with Non-executive Directors Mr Conde (Chairman), Mr Shervington, Mr Schneider and Ms Williams whereby those persons are appointed as Non-executive Directors of the Company. Mr Conde was appointed Non-executive Chairman on 25 February 2013, replacing Mr Shervington as Chairman. Mr Shervington has indicated that he will retire as a Director of the Company at the 2013 Annual General Meeting.

The term of the appointments is determined in accordance with the Company's Constitution and is subject to the provisions of the Constitution dealing with retirement, re-election and removal of Non-executive Directors of the Company. In this regard the Constitution provides that all Non-executive Directors of the Company are subject to re-election by shareholders by rotation every three years during the term of their employment.

The terms of engagement provide that the Company will maintain an appropriate level of Directors' and Officers' insurance and access to Company records in accordance with the terms of deeds of indemnity, insurance and access entered into between the Company and each of the Non-executive Directors.

The remuneration payable by the Company to Non-executive Directors is shown in the table on page 20.

5.10 Elements of Remuneration related to Performance

The Corporations Act requires disclosure of the Company's remuneration policy to contain a discussion of the Company's earnings and performance and the effect of the Company's performance on shareholder wealth in the reporting period and the four previous financial years. The table below provides a five year financial summary to 30 June 2013.

		30 June 2013	30 June 2012	30 June 2011	30 June 2010	30 June 2009	30 June 2008
Net Profit/(loss) after tax	$'000	1,318	8,381	(10,349)	1,247	(2,816)	6,406
EPS Basic	cents	0.4	2.8	(3.5)	0.4	(1.0)	3.0
EPS Diluted[1]	cents	0.4	2.8	(3.5)	0.4	(1.0)	2.9
Year-end share price	$	0.38	0.45	0.36	0.37	0.45	0.47
Shares on issue	'000,000	329.1	327.3	292.6	292.6	291.9	252.3
Market Capitalisation	$'000,000	125.1	147.3	105.3	111.2	131.4	118.6

[1]No dividends were paid during any of the financial years.

Short Term Incentive Plan's relation to performance

For the 12 months to 30 June 2013, the Company's performance was measured against Company KPIs which were set out in a scorecard. The KPIs were designed to reflect the Company's strategy, business plan and budget. The areas covered by the scorecard are set out in the table on page 14. For an oil and gas exploration and production company such as Cooper Energy oil and gas reserves and production are at the heart of the business and are therefore the key measures. Unless either production or reserves performance is above the threshold, no STIP payment will be made. Other key items included in the scorecard each year are safety and environmental performance, delivery of company strategy, cost management and business conduct and relationships.

The Board assigns an overall performance rating against target levels which determines the key management personnel and employee STIP award for the period ending the 30 June 2013.

Long Term Incentive Plan's relation to performance

The LTIP aligns the rewards received by the participants in the LTIP with the longer term performance of the Company relative to its peers. Participants also have the opportunity to grow the long-term value of their LTIP by delivering results for the Company that increase the share price.

Company's performance

For the period to 30 June 2013, the Company met or exceeded a number of its KPIs but did not meet others.

STIP Key Performance Indicators	Performance
Quantitative and Financial	
Reserves	Exceeded threshold
Exploration Portfolio	Exceeded super stretch
Production	Below threshold
Cost Management	Met target
Non-Financial Measures	
Safety and environmental performance	Met target
Strategy and plan implementation	Met target
Relationships with investors, partners and the Board	Met target

This performance will be assessed by the Board and the score, in conjunction with individual performance reviews will form the basis of STIP payable in October 2013.

5. REMUNERATION REPORT (Audited) (continued)

During the year the Performance Rights granted on each date were tested using the measures described in section 5.6 above. In summary 87.475% of tranche one portion one of the Performance Rights offered and accepted were achieved and will vest subject to vesting requirements.

5.11 Detailed Remuneration Information

The elements of remuneration shown in the Performance Rights column are directly related to the performance of the Company total shareholder return. The elements of remuneration shown in the remaining columns are not performance related. The performance conditions used in the determination of performance-based remuneration for Executive Directors and Executives of the Company are explained in detail in the discussion on remuneration policy in this remuneration report.
The value of performance rights shown in the tables below are the accounting costs accrued in the financial year for grants in the financial year. No KMP of the Company received a cash benefit from rights having been received. No cash benefit is received by KMP of the Company until the sale of the resultant shares, which cannot be done until the rights have vested and the shares issued. No cash bonus awards were forfeited because the person did not meet the relevant service or performance conditions.

Other Elements of Executive Director and Executive Remuneration

Remuneration packages contain the following key elements:
(a) Short term employee benefits – salary/fees, bonuses.
(b) Post-employment benefits – including superannuation and redundancy packages.

Value of options that expired during the year

No options were issued or forfeited during the year.

Analysis of Movement in Performance Rights Granted

	Number of Performance Rights granted during reporting period	Fair value of Performance Rights granted during reporting period	Number of Performance Rights vested during the reporting period	Number of Performance Rights vested to date	Percentage of Performance Rights vested to date
Director					
Mr D Maxwell	1,317,992	$294,261	-	-	0%
Mr H Gordon	728,731	$83,440	-	-	0%
KMP					
Mr A Thomas	698,412	$82,386	-	-	0%
Mr J de Ross	399,059*	$45,692	-	-	0%
Ms A Evans	153,782*	$1,064	-	-	0%

***Mr De Ross's employment commenced on 27 September 2012 and therefore the grant of Performance Rights was prorated for the period of the year for which he was employed by the Company. Ms Evans' employment commenced on 25 February 2013 and therefore the grant of Performance Rights was prorated for the period of the year for which she was employed by the Company.

Value of Performance Rights Granted – Basis of Calculation

The value of performance rights at the grant date is calculated as the fair value of the rights at grant date, using the Monte Carlo Simulation model, multiplied by the number of rights granted.

The fair value of performance rights is set out in note 23 of the financial statements.

5. REMUNERATION REPORT (Audited) (continued)

Table 1 2012 and 2013 Directors' remuneration

		Benefits				Share Based Payment [a]			
		Short-term		Long Term	Post Employment				
		Salary & Fees	STIP	Long Service Leave	Superannuation	LTIP Performance Rights	Termination Payments	Total	% Total in Performance Rights
Directors		$	$	$	$	$	$	$	$
Mr J.C. Conde AO	2013	48,929	-	-	4,403	-	-	53,332	-
	2012		-						-
Mr L.J. Shervington	2013	104,189	-	-	9,377	-	-	113,566	-
	2012	100,417	-	-	9,225	-	-	109,642	-
Mr J.W. Schneider	2013	89,514	-	-	8,056	-	-	97,570	-
	2012	53,833	-	-	5,319	-	-	59,152	-
Mr D.P. Maxwell	2013	613,529	187,348	-	16,470	294,261	-	1,111,608	26.5%
	2012	390,102	-	-	11,174	143,351	-	544,627	26.3%
Mr H.M. Gordon	2013	430,522	-	-	16,470	83,440	-	530,432	15.7%
	2012	-	-	-	-	-	-	-	-
Mr G.G. Hancock	2013	-	-	-	-	-	-	-	-
	2012	73,022		29,971	7,888	-	105,249	216,130	-
Mr C.R. Porter	2013	-	-	-	-	-	-	-	-
	2012	22,667		-	2,040	-	-	24,707	-
Mr S.H. Abbott	2013	-	-	-	-	-	-	-	-
	2012	22,667		-	2,040	-	-	24,707	-
Mr M.T. Scott	2013	-	-	-	-	-	-	-	-
	2012	12,370		56,457	4,167	-	297,701	370,695	-
Total	2013	1,286,683	187,348	-	54,776	377,701	-	1,906,508	-
	2012	675,078	-	86,428	41,853	143,351	402,950	1,349,660	-

a) The basis for computing the value of the performance rights is included in this report and also set out in Note 23 of the Annual Financial Statements.

b) Mr J.C. Conde was appointed as Chairman on 25 February 2013.

c) Mr J.W. Schneider was appointed as a Non-Executive Director on 12 October 2011.

d) Mr D.P. Maxwell was appointed as Managing Director on 12 October 2011.

e) Mr H.M. Gordon was appointed as an Executive Director on 26 June 2012.

f) Mr N. Fearis was appointed as Alternative Director on 4 November 2011 and resigned 19 March 2012. Mr Fearis did not receive any remuneration.

g) Mr G.G. Hancock resigned on 12 October 2011

h) Mr C.R. Porter resigned on 12 October 2011.

i) Mr S.H. Abbott resigned on 12 October 2011.

j) Mr M.T. Scott was Managing Director until 15 June 2011and was appointed the Chief Operations Officer effective from that date until his resignation on 31 August 2011.

5. REMUNERATION REPORT (Audited) (continued)

Table 2 2012 and 2013 Executive's remuneration

		Benefits				Share Based Payment [a]			
		Short-term		Long Term	Post Employment				
Executives		**Salary & Fees** $	**STIP** $	**Long Service Leave** $	**Superannuation** $	**Performance Rights** $	**Termination Payments** $	**Total** $	**% Total in Performance Rights** $
Mr A. Thomas	2013	341,030	-	-	16,470	82,386	-	439,886	18.7%
	2012	-	-	-	-	-	-	-	-
Mr J. de Ross	2013	232,897	22,750	-	12,352	45,692	-	313,691	14.6%
	2012	-	-	-	-	-	-	-	-
Ms A. Evans	2013	46,260	-	-	4,163	1,064	-	51,487	2.1%
	2012	-	-	-	-	-	-	-	-
Mr S.K. Twartz	2013	97,845	93,294	-	1,372	-	158,480	350,991	-
	2012	438,164	25,404	-	15,775	63,737	-	543,080	11.7%
Mr J.A. Baillie	2013	187,343	91,412	36,470	8,235	-	249,385	572,845	-
	2012	245,733	24,250	-	15,775	39,581	-	325,339	12.2%
Mr S.F. Blenkinsop	2013	79,364	-	-	2,745	-	-	82,109	-
	2012	314,941	19,500	-	15,775	46,092	-	396,308	11.7%
Mr A. Warton	2013	223,357	102,850	-	8,235	-	163,995	498,437	-
	2012	339,432	17,500	-	15,775	49,505	-	422,212	11.7%
Total	2013	1,208,096	310,306	36,470	53,572	129,142	571,860	2,309,446	-
	2012	1,338,270	86,654	-	63,100	198,915	-	1,686,939	-

a) The share based payment for Executives and KMPs represent the proportionate share of the value of performance rights that were awarded in October 2012, August 2012 and May 2013. The basis for computing the value of the performance rights is included in this report and also set out in Note 23 of the Annual Financial Statements.

b) Mr A. Thomas was appointed as Exploration Manager and commenced employment on 1 July 2012.

c) Mr J. de Ross was appointed as Chief Finance Officer and commenced employment on 27 September 2012.

d) Ms A.Evans was appointed as Company Secretary and Legal Counsel on a 0.6 full time equivalent and commenced employment on 21 February 2013.

e) Mr S.K. Twartz was made redundant on 31 July 2012.

f) Mr J.A. Baillie and Mr A. Warton were made redundant on 31 December 2012. Mr Blenkinsop resigned on 5 July 2012.

End of remuneration report.

6. PRINCIPAL ACTIVITIES

The Group is an upstream oil and gas exploration and production Company whose primary purpose is to secure, find, develop, produce and sell hydrocarbons. These activities are undertaken either solely or via unincorporated joint ventures. There was no significant change in the nature of these activities during the year.

7. OPERATING AND FINANCIAL REVIEW

Information on the operations and financial position of Cooper Energy and its business strategies and prospects is set out in the Operating and Financial Review.

8. DIVIDENDS

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of dividends since the end of the previous financial year, or to the date of this report.

9. ENVIRONMENTAL REGULATION

The Group is a party of various exploration and development licences or permits. In most cases, the contracts specify the environmental regulations applicable to oil and gas operations in the respective jurisdiction. The Group aims to ensure that it complies with the identified regulatory requirements in each jurisdiction in which it operates. There have been no significant known breaches of the environmental obligations of the Group's licences.

10. LIKELY DEVELOPMENTS

Other than disclosed elsewhere in the Annual Report, further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would likely result in unreasonable prejudice to the consolidated entity.

11. DIRECTORS' INTERESTS

The relevant interest of each Director in ordinary shares and options over shares issued by the parent entity as notified by the Directors to the Australian Stock Exchange in accordance with S205G(1) of the *Corporations Act 2001*, at the date of this reports is as follows:

	Cooper Energy Limited	
	Ordinary Shares	**Performance Rights**
Mr D.P. Maxwell	1,013,190	2,965,704
Mr J Conde AO	-	-
Mr J.W. Schneider	300,000	-
Mr H.M. Gordon	176,608	728,731
Mr L.J. Shervington	405,933	-
Ms A. Williams	-	-

12. SHARE OPTIONS AND PERFORMANCE RIGHTS

At the date of this report, there are no unissued ordinary shares of the parent entity under option.

At the date of this report, there have been 8,561,370 performance rights granted to employees under the Employee Performance Rights Plan.

13. EVENTS AFTER FINANCIAL REPORTING DATE

Refer to Note 27 of the Notes to the Financial Statements.

14. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of the proceedings.

No proceedings have been brought or intervened in on behalf of Cooper Energy Limited with leave of the Court under section 237 of the Corporations Act.

15. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Indemnification

The parent entity has agreed to indemnify the current Directors and past Directors of the parent entity and of the subsidiaries, where applicable, against all liabilities (subject to certain limited exclusions) to persons (other than the Group or a related body corporate) which arise out of the performance of their normal duties as a Director or Executive Director unless the liability relates to conduct involving a lack of good faith. The parent entity has agreed to indemnify the Directors and Executive Directors against all costs and expenses incurred in defending an action that falls within the scope of the indemnity and any resulting payments.

Insurance premiums

During the financial year, the parent entity has paid insurance premiums in respect of Directors' and Officers' liability and legal insurance contracts for current and former Directors and Officers including senior employees of the Parent entity.

The insurance premium relates to costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome and other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The insurance policy outlined above does not contain details of premiums paid in respect of individual Directors, Officers and senior employees of the parent entity.

16. AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is set out on page 91 and forms part of the Directors' report for the financial year ended 30 June 2013.

17. NON-AUDIT SERVICES

The amounts paid to the auditor of the Group, Ernst & Young and its related practices for non-audit services provided during the year was $nil (2012: $20,000).

18. ROUNDING

The Group is of a kind referred to in ASIC Class Order 98/0100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of the Directors.

John Conde

David P. Maxwell

Mr John C Conde AO	Mr David P. Maxwell
Chairman	**Managing Director**

Dated at Adelaide 28 August 2013.

Corporate Governance Statement
For the year ended 30 June 2013

This statement reports on Cooper Energy's ("Company") key governance framework, principles and practices as at 28 August 2013. These principles and practices are reviewed regularly and revised as appropriate to reflect changes in law and best practice in corporate governance.

ASX corporate governance principles and recommendations

Cooper Energy, as a listed entity, must comply with the *Corporations Act 2001* (Cth) ("Corporations Act"), the ASX Limited ("ASX") Listing Rules ("ASX Listing Rules") and other Australian laws.

ASX Listing Rule 4.10.3 requires ASX listed companies to report on the extent to which they have followed the Corporate Governance Principles and Recommendations ("ASX Principles") released by the ASX Corporate Governance Council. The ASX Principles require the Board to consider carefully the development and adoption of appropriate corporate governance policies and practices founded on the ASX Principles.

Compliance with ASX corporate governance principles and recommendations

Details of the Company's compliance with the ASX Principles are set out in this report.

For further information on the Company's Corporate Governance Policies please refer to Cooper Energy's website www.cooperenergy.com.au under Corporate Governance.

ASX PRINCIPLES COMPLIANCE

1. Lay solid foundations for management and oversight

1.1	Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	COMPLY

Board role and responsibilities

The Board of Directors is accountable to shareholders for the performance of Cooper Energy and is responsible for the corporate governance practices of the Company. The Board's principal objective is to maintain and build the Company's capacity to generate value for shareholders taking into account the interests of its employees, customers, suppliers, lenders and the wider community while ensuring that the Company's overall activities are properly managed. Cooper Energy's corporate governance practices provide the structure which enables this objective to be pursued, whilst ensuring that the business and affairs of the Company are conducted ethically and in accordance with the Company's constitution and relevant law.

The roles and responsibilities of the Board are set out in the Board Charter. The Board Charter defines in detail the matters that are reserved for the Board and its committees, and those that the Board has delegated to management. The central role of the Board is to oversee and approve the Company's strategic direction, to select and appoint a Managing Director ("MD"), to oversee the Company's management and business activities and report to shareholders.

In addition to matters expressly required by law to be approved by the Board, the following powers are reserved to the Board for decision:

- strategy – providing strategic oversight and approving strategic plans and initiatives;
- Board performance and composition – evaluating the performance of non-executive directors, and determining the size and composition of the Board as well as recommending to shareholders the appointment and removal of directors;
- leadership selection – evaluating the performance of, and selection of, the MD;
- corporate responsibility – considering the social, safety, ethical and environmental impacts of the Company's activities, and setting policy and monitoring compliance with safety, corporate and social policies and practices;
- financial performance – approving the Company's annual operating plans and budget, monitoring management, financial and operational performance;
- financial reports to shareholders – approving annual and half-year reports and disclosures to the market that contain, or relate to, financial projections, statements as to future financial performance or changes to the policy or strategy of the Company; and
- establishing procedures – ensuring that the Board is in a position to exercise its power and to discharge its responsibilities as set out in the Board Charter.

The Board delegates responsibility for day-to-day management of Cooper Energy to the MD who is accountable to the Board.

When appropriate, the Board may use a committee of directors to support the Board in matters that require more intensive review. The full Board is responsible for compliance and risk management issues (with assistance from the Audit Committee) and the Company has a Risk Management Policy.

The Board Charter is available in the corporate governance section of Cooper Energy's website.

Board meetings

The Board schedule is to meet formally six times a year, and additionally, from time to time, to deal with specific matters that require attention between scheduled meetings. Meeting agendas are established by the Chairman in conjunction with the MD and Company Secretary to ensure adequate coverage of financial, strategic and major risk areas throughout the year. Typically, regular Board meetings include consideration of a broad range of matters, including financial performance reviews, risk assessment, capital management, prospective acquisitions and delegated authorities. Any director may request additional matters be added to the agenda.

Where required, members of senior management attend meetings of the Board by invitation, and sessions may be held for non-executive directors to meet without management present.

Copies of Board papers are circulated in advance of the meetings in either electronic or hard copy form. Directors are entitled to request additional information where they consider the information is necessary to support informed decision making.

Board committees and membership

The Board has currently three standing committees to assist in the discharge of its responsibilities. These are the:

- Audit Committee;
- Remuneration and Nomination Committee; and
- Corporate Governance Committee.

The charters of all Board committees detailing the roles and duties of each are available in the corporate governance section of Cooper Energy's website. All Board committee charters are reviewed at least annually.

Committee members are chosen for the skills, experience and other qualities they bring to the committees. The executive management attends, by invitation, Board committee meetings.

All papers considered by the standing committees are available on request to directors who are not on that committee.

Following each committee meeting, generally at the next Board meeting, the Board is given a verbal update by the Chair of each committee. In addition, minutes of all committee meetings are provided to all directors.

The Company Secretary provides secretariat services for each committee.

Professional advice, access to information and other resources

All directors have unrestricted access to Company records and information and receive detailed financial and operational reports from the Managing Director during the year that enables them to carry out their duties.

The directors collectively, and each director individually, have the right to seek independent professional advice at Cooper Energy's expense to assist them to carry out their responsibilities. While prior approval of the Chairman is required, it may not be unreasonably withheld and, in its absence, approval by the Board may be sought.

The constitution sets out rules dealing with the indemnification of and insurance cover for directors and former directors of Cooper Energy. Any such arrangements are undertaken in accordance with limitations imposed by law.

Conflicts of interest

Directors are required to disclose any actual or potential conflict or material personal interests on appointment as a director and are required to keep these disclosures up to date.

In the event that there is, or may be, a conflict between the personal or other interests of a director, then the director with an actual or potential conflict of interest in relation to a matter before the Board withdraws from the meeting for the period the matter is considered and takes no part in the discussion or decision making process. Board papers regarding the relevant matter may also be withheld from the conflicted Director.

Corporate responsibility and sustainability

Cooper Energy aims to produce positive outcomes for all stakeholders in managing its business and to maximise financial, social and environmental value from its activities.

In practise this means having a commitment to transparency, fair dealing, responsible treatment of employees and partners and positive links into the community.

Sustainable and responsible business practices within Cooper Energy are viewed as an important long term driver of performance and shareholder value. Through such practices the Company seeks to reduce operational and reputation risk and enhance operational efficiency while contributing to a more sustainable society.

The Company accepts that the responsibilities on the Board and management, which flow from this approach, go beyond strict legal and financial obligations.

In particular, the Cooper Energy Board seeks to take a practical and broad view of directors' fiduciary duties, in line with stakeholders' expectations.

1.2	Companies should disclose the process for evaluating the performance of senior executives.	COMPLY

The performance of the MD is reviewed annually by the Board and the Remuneration and Nomination Committee, which links the nature and amount of directors' and officers' emoluments to the consolidated entity's financial and operational performance. Remuneration of the MD is determined in accordance with Cooper Energy's executive compensation program, which is administered by the Remuneration and Nomination Committee.

Details of Cooper Energy's remuneration practice relating to key management personnel and senior employees are set out in full in the Directors' Statutory Report on pages 11 to 23.

1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1.	COMPLY

2. Structure the Board to add value

2.1	A majority of the Board should be independent directors.	COMPLY SINCE FEBRUARY 2013

Board composition and expertise

The Board has an expansive range of relevant industry experience, commercial, legal, technical and other skills and expertise to meet its objectives.

The current Board composition and details on each of the director's backgrounds including experience, knowledge and skills are set out on pages 8 to 10 of the Directors' Statutory Report.

The Board considers that the executive and non-executive directors collectively bring the range of skills, knowledge and experience necessary to direct the company.

In assessing the composition of the Board, the directors have regard to the following policies:

- the Chairman should be non-executive and independent;
- the role of the Chairman and MD should not be filled by the same person;
- the MD should be a full-time employee of the company;
- the majority of the Board should comprise directors who are both non-executive and independent; and
- the Board should represent a broad range of qualifications, experience and expertise considered of benefit to the company.

Director independence

The criteria for assessing the independence of each director is included in Cooper Energy's Board Charter. Broadly, directors of Cooper Energy are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to interfere with – the independent exercise of their judgement.

The Board has considered the associations of each of the non-executive directors in office at the date of the Directors' Statutory Report and considers that all non-executive directors are considered independent.

The following directors of Cooper Energy are considered to be independent:

Name	**Position**
Mr J.C. Conde AO	Non-Executive Chairman
Mr L.J. Shervington	Non-executive Director
Mr J.W. Schneider	Non-Executive Director
Ms A.J.M. Williams	Non-executive Director

Since Mr Conde's appointment on 25 February 2013, the Board has comprised of a majority of directors who meet the test of independence under Recommendation 2.

2.2	The chair should be an independent director.	COMPLY

The Board elects one of the independent non-executive directors to be Chairman. The Chairman is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function and for the promotion of relations between Board members and between Board and management that are open, cordial and conducive to productive co-operation.

2.3	The roles of chair and Managing Director should not exercised by the same individual.	COMPLY

As stated in 2.1 above the Company has a policy that the role of the Chairman and Managing Director should not be filled by the same person.

2.4	The Board should establish a nomination committee.	COMPLY

The Company has a Remuneration and Nomination Committee which makes recommendations for nominations for appointment to the Board. The Board selects the most suitable candidates taking into account the diversity of experience among the existing directors and a range of criteria such as the candidate's background, experience, professional skills, personal qualities and availability to commit themselves to Board activities. An important quality sought in candidates is demonstrated experience in corporate decision-making at senior executive level.

Directors are appointed by shareholders at the AGM. If candidates are appointed by the Board between AGMs or to fill a casual vacancy, they stand for election, in accordance with the constitution, at the next AGM of shareholders.

In addition, nominations may be proposed by shareholders under the constitution for vote at the AGM. These nominations must be received in time to be submitted with notice of the AGM and inclusion in the proxy forms for voting by shareholders not able to attend the AGM.

The present membership of the Committee is:

- Mr J.W. Schneider (Chairman)
- Mr L.J. Shervington
- Mr J.C. Conde

These directors are independent and non-executive members of the Board.

The Committee met once formally during the financial year. The directors and MD may attend Committee meetings by invitation. Given the size of the Board (4 Directors) until the appointment of Mr Conde to the Remuneration and Nomination Committee on 17 April 2013, the full Board considered matters of appointment of Directors at regular Board meetings.

Since 17 April 2013, the Company the Committee has had three members as recommended in the ASX Principles.

Terms of appointment, induction training and continuing education

All new directors will be provided with a formal letter of appointment setting out the key terms and conditions of the appointment, including duties, rights and responsibilities, the time commitment envisaged and the Board's expectations regarding their involvement with committee work.

An induction is provided to all new directors. It includes comprehensive meetings with the MD, key executives and management, and information on key corporate and Board policies.

All directors are expected to maintain the skills required to discharge their obligations to the Company. Directors are encouraged to undertake continuing professional education and where this involves industry seminars and approved education courses, this is paid for by the Company where appropriate.

Directors' retirement and re-election

Cooper Energy's constitution states that at each annual general meeting ("AGM") one third of its directors (excluding the Managing Director and any director appointed to fill a casual vacancy) and any director who has held office for three or more years since their last election must retire.

Any director appointed to fill a casual vacancy since the date of the previous AGM must submit themselves to shareholders for election at the next AGM. Directors who retire as required may offer themselves for re-election by shareholders at the next AGM. Re-appointment of directors retiring by rotation or filling a casual vacancy is not automatic.

Both Mr Conde's and Ms Williams appointment will be put the shareholders vote at the upcoming AGM.

Board succession planning

The Board in conjunction with the Remuneration and Nomination Committee reviews the size and composition of the Board and the mix of existing and desired competencies across members from time to time. Criteria considered by the directors when evaluating prospective candidates are contained in the Board's Charter. The Board may engage with external search providers where appropriate.

2.5	Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.	COMPLY

An annual Board self-assessment review is conducted which includes a review of the performance of the directors and Chairman.

The Chairman of the Board is responsible for determining the process for evaluating Board performance.

2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2.	COMPLY

3. Promote ethical and responsible decision-making

3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity; and • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	COMPLY

The Company has a Corporate Governance Committee which has the responsibility to assist the Board to meet its oversight responsibilities in relation to the Company's Corporate Governance practices and policies, including but not limited to:

- ensuring that directors and staff understand and have complied with the Company's Corporate Governance Policies, and
- ensuring that the Company's Corporate Governance Policies are current and reflect current best practice.

The directors and MD may attend Committee meetings by invitation.

The present membership of the Committee is:

- Mr L.J. Shervington (Chairman)
- Mr J.W. Schneider

These directors are independent and non-executive members of the Board.

Given the size of the Board during the year, the full Board considered matters of Corporate Governance in regular Board meetings.

Health and safety

The Board has approved a Health and Safety Policy consistent with the Company's commitment to ensuring the highest standards of occupational health and safety management. The health, safety and wellbeing of Cooper Energy's people, contractors, suppliers and visitors are key values for the Company.

Codes of conduct

Cooper Energy has established a Code of Conduct to guide executives, management and staff in carrying out their duties and responsibilities. The Code is subject to ongoing review to ensure that Cooper Energy's standards of behaviour and corporate culture reflect best practice in corporate governance. The Code is based on the following key principles:

- acting with honesty and integrity
- abiding by laws and regulations
- respecting confidentiality and handling information in a proper manner
- maintaining the highest standards of professional behaviour
- avoiding conflicts of interest
- striving to be a good corporate citizen and to achieve community respect

Cooper Energy also has a number of specific policies that underpin the Code of Conduct and elaborate on various legal and ethical issues. These policies are designed to foster and maintain ethical business conduct within Cooper Energy, and govern such things as workplace and human resources practices, handling of confidential information, insider trading, risk management and legal compliance.

In addition, the Board has guidelines dealing with disclosure of interests by directors in participating and voting at Board meetings where any such interests are discussed. In accordance with the Corporations Act, any director with a material personal interest in a matter being considered by the Board must not be present when the matter is being considered, and may not vote on the matter. In some circumstances Board papers regarding the matter are not provided to the conflicted director.

Compliance with the Code of Conduct by directors and employees will also assist the Company in effectively managing its operating risks and meeting its legal and compliance obligations, as well as enhancing Cooper Energy's corporate reputation.

A copy of the Code of Conduct is available in the corporate governance section of the Company's website.

Whistleblower policy

The Board has approved a Whistleblower Policy which documents the Company's commitment to maintaining an open working environment in which employees are able to report instances of unsafe work practices, unethical, unlawful or undesirable conduct without fear of intimidation or reprisal.

A copy of the Whistleblower Policy is available in the corporate governance section of Cooper Energy's website.

3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	DEPARTS FROM RECOMMENDATIONS

The Company's policy regarding equal employment opportunity & diversity is set out on the Company's website. The Company's Equal Employment Opportunity & Diversity Policy does not include measureable objectives given the size and stage of development of the Company.

3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	DEPARTS FROM RECOMMENDATIONS

Given the size of the Company the Directors do not consider it appropriate to set measurable objectives in relation to diversity. Notwithstanding this the Company strives to provide the best possible opportunities for current and prospective employees of all backgrounds in such a manner that best adds to overall shareholder value and which reflects the values, principles and spirit of the Company's Equal Employment Opportunity & Diversity Policy.

3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	COMPLY

For the 2013 financial year, the Company had a total of 24 women employees out of a total of 58 employees 5 women employees out of a total of 14 employees and contractors in senior executive positions and no women on the Board. Since the end of the financial year, 1 woman has been appointed to the Board.

3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3.	COMPLY

4. Safeguard integrity in financial reporting

4.1	The Board should establish an audit committee.	COMPLY

The Company has an Audit Committee which has overseen throughout the year all matters concerning compliance, internal control, accounting policies and financial reporting including reviewing the half-year and annual financial statements. The Audit Committee assists the Board with regards to oversight of the Company's risk management by gaining assurance that all major identified risks are being adequately managed. The Audit Committee also monitors the relationship with the external auditor and makes recommendations to the Board on the appointment and removal of the external auditor, the terms of engagement, and the scope and quality of the audit. The Committee also reviews the adequacy and effectiveness of management's control of financial risk in relation to operational activities, financial reporting and legal and regulatory compliance.

The external auditors, directors, MD and Chief Financial Officer may attend Committee meetings by invitation.

The Committee met four times during the financial year.

The Audit Committee has a Charter which is available in the corporate governance section of Cooper Energy's website.

Approach to audit and governance

The Board is committed to the basic principles that:

- Cooper Energy's financial reports represent a true and fair view;
- Cooper Energy's accounting practices are comprehensive, relevant and comply with applicable accounting standards, policies and regulations; and
- the external auditor is independent and serves shareholders' interests.

External auditor relationship

The Company's independent external auditor is EY.

The Board monitors EY's rotation requirements of the audit partner, currently at least every five years, and the requirement which prohibits the reinvolvement of a previous audit partner in the audit service of Cooper Energy for two years following their rotation.

The Board also ensures receipt of the auditor's Declaration of Independence for the half year and annual financial statements.

Attendance of auditor at the AGM

Cooper Energy's external auditor attends the AGM and is available to answer questions from shareholders on:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by Cooper Energy in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

4.2	The audit committee should be structured so that it: • consists of only non-executive directors; • consists of a majority of independent directors; • is chaired by an independent chair, who is not chair of the Board; and • has at least three members.	COMPLY SINCE 17 APRIL 2013

The present membership of the Audit Committee is:

- Mr J.W. Schneider (Chairman).
- Mr L.J. Shervington
- Mr J.C. Conde

These directors are independent and non-executive members of the Board.

Since the appointment of Mr Conde to the Committee on 17 April 2013, the Company has had three members as recommended.

4.3	The audit committee should have a formal charter.	COMPLY

4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	COMPLY

5. Make timely and balanced disclosure

5.1	Companies should establish written policies designed to ensure compliance and ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	COMPLY

The Board replaced its previous Continuous Disclosure Policy by adoption of the current Continuous Disclosure and Market Communications Policy on 17 April 2013. The Continuous Disclosure and Market Communications Policy outlines the disclosure obligations of the Company as required by ASIC, ASX, the Corporations Act and the ASX Listing Rules. The Company is committed to:

- complying with the general and continuous disclosure principles contained in the ASX Listing Rules and the Act;
- preventing the selective or inadvertent disclosure of material price sensitive information;
- ensuring that shareholders and the market are provided with full and timely information about its activities; and
- ensuring that all market participants have equal opportunity to receive externally available information issued by the Company.

A copy of the Continuous Disclosure and Market Communications Policy Policy is available in the corporate governance section of the Company's website.

5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5.	COMPLY

6. Respect the rights of shareholders

6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	COMPLY

The Company has always regarded communication with shareholders as important and the Board has established and adopted a Shareholder Communication Policy to ensure that shareholders are provided with current, relevant information and are empowered through effective communication.

Cooper Energy is committed to giving all investors comprehensive, timely and equal access to information about its activities. Similarly, prospective new investors are entitled to be able to make informed investment decisions when considering the purchase of shares in Cooper Energy.

A wide range of communication approaches are employed by the Company and publication of all relevant information is posted on the ASX announcements platform and Cooper Energy's website.

Cooper Energy's Board encourages investors to access the ASX announcements platform, use Cooper Energy's website, contact the Board or MD via the website email portal or by telephone, attend the AGM and keep up to date with media articles on the Company.

A copy of the Shareholder Communication Policy is available in the corporate governance section of the Company's website.

6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.	COMPLY

7. Recognise and manage risk

7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	COMPLY

Cooper Energy's Board functions well and has undertaken its responsibilities with due care, focus and diligence and continues to apply high standards of corporate and financial governance to the Company. To ensure that directors are fully informed and have the opportunity to dissect, understand and challenge operational and administration activities, risk and financial management and corporate governance are items on every Board meeting agenda.

Working with the Managing Director and the Executive Director, the Board also ensures that the Company's planning and approval processes, the application of strategy and the management of the risks inherent to the oil and gas industry are addressed appropriately in the Company's day-to-day work activities.

The Board and senior executives are responsible for overseeing the implementation of the Company's Risk Management Policy.

7.2	The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	COMPLY

The Company's approach to risk management is based on the identification, assessment, monitoring and management of material risks that the Board and management believe that the Company may encounter. Once the risks have been identified, the risks are then quantified in terms of their severity, the probability of occurring and the potential impact or damage they may have if they do occur. The analysis is undertaken using a Frequency Probability Matrix, which is a well accepted oil industry risk management technique. Once the risks have been identified the Company can then decide on whether to avoid, manage, insure or transfer these risks.

The executive management team is responsible for implementation of the Board approved risk management strategy and developing and enhancing the Company's policies, processes and procedures.

In general there are a large number of risks inherent in the oil and gas industry and they can broadly be classed under the following categories:

- Technical
- Economic
- Commercial
- Operational
- Political

7.3	The Board should disclose whether it has received assurance from the Managing Director (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	COMPLY

The Board receives regular reports about the financial condition and operational results of Cooper Energy and its controlled entities.

The MD and Chief Financial Officer provide a formal statement to the Board confirming that the Company's annual financial reports present a true and fair view, in all material respects, and the group's financial condition and operational results have been prepared in accordance with the Corporations Act and relevant accounting standards.

The statement also confirms that the integrity of the Company's financial statements and notes to the financial statements, is founded on a sound system of risk management and internal compliance and control which implements the policies approved by the Board, and that the Company's risk management and internal compliance and control systems, to the extent they relate to financial reporting, are operating efficiently and effectively in all material respects.

7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	COMPLY

8. Remunerate fairly and responsibly

8.1	The Board should establish a remuneration committee.	COMPLY

The Remuneration and Nomination Committee reviews remuneration policies and practices, approves the reward levels for the executive management group, approves merit recognition arrangements, such as cash bonuses and the issue of staff options/performance rights, and makes recommendations to the Board on the remuneration of the directors, including the Managing Director. When appropriate, the Committee consults independent remuneration consultants to ensure that Cooper Energy's remuneration practices are consistent with market practice. The Committee also assists in the appointment of non-executive directors to the Board.

The directors and Managing Director and Executive Director may attend Committee meetings by invitation.

Refer to 2.4 above for further information on the Remuneration and Nomination Committee.

8.2	The remuneration committee should be structured so that it: • consists of a majority of independent directors; • is chaired by an independent chair; and • has at least three members.	COMPLY SINCE 17 APRIL 2013

The present membership of the Committee is:

- Mr J.W. Schneider (Chairman)
- Mr L.J. Shervington
- Mr J.C. Conde

These directors are independent and non-executive members of the Board.

The Committee met once during the financial year. The Managing Director and Executive Director may attend Committee meetings by invitation.

Since 17 April 2013, the Company has had three members as recommended.

Refer to 2.4 above for further information on the Remuneration and Nomination Committee.

8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	COMPLY

The total of directors' fees available to directors is fixed by the shareholders in General Meeting. Payments in the current year were within the limit of $450,000.

The Remuneration and Nomination Committee determines the scale of fees for individual directors, taking account of the responsibilities inherent in the stewardship of Cooper Energy and the demands made of directors in the discharge of their responsibilities. The Committee may take independent external advice to ensure remuneration accords with market practice via peer review.

The Remuneration and Nomination Committee links the nature and amount of directors' and officers' emoluments to the consolidated entity's financial and operational performance. Remuneration of the Managing Director and Executive Director is determined in accordance with Cooper Energy's executive compensation program, which is administered by the Remuneration and Nomination Committee.

There is no scheme for retirement benefits, other than statutory superannuation to directors.

Details of Cooper Energy's remuneration practice relating to directors' fees and other entitlements paid to non-executive directors, directors, key management personnel and senior employees are set out in full in the Directors' Statutory Report on pages 11 to 23.

8.4	Companies should provide the information indicated in the Guide to reporting on Principle 8.	COMPLY

Directors are prohibited from entering into transactions which limit the risk of participating in unvested entitlements under any equity based remuneration scheme.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2013

	Notes	Consolidated 2013 $'000	Consolidated 2012 $'000
Continuing Operations			
Revenue from oil sales	4	53,397	59,606
Cost of sales	4	(23,541)	(27,684)
Gross profit		29,856	31,922
Other revenue	4	2,343	4,667
Exploration and evaluation expenditure written off		(1,493)	(1,732)
Administration and other expenses	4	(12,403)	(13,851)
Profit/(Loss) before tax		18,303	21,006
Taxes			
Income tax expense	5	(5,569)	(6,978)
Petroleum Resource Rent Tax	5	(11,019)	12,233
Total tax (expense)/credit	5	(16,588)	5,255
Net profit after tax from continuing operations		1,715	26,261
Discontinued operations			
Impairment of exploration assets held for sale after income tax	11	(397)	(17,880)
Total profit for the period attributable to members		1,318	8,381
Other comprehensive income/(expenditure)			
Items that may be reclassified subsequently to profit or loss			
Fair value movements on available for sale investments		(2,377)	(1,995)
Income tax effect		-	-
Other comprehensive expenditure for the period net of tax		(2,377)	(1,995)
Total comprehensive (loss)/income for the period attributable to members		(1,059)	6,386
		cents	**cents**
Basic earnings/(loss) per share from continuing operations	6	0.5	8.9
Diluted earnings/(loss) per share from continuing operations	6	0.5	8.9
Basic earnings/(loss) per share		0.4	2.8
Diluted earnings/(loss) per share		0.4	2.8

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As at 30 June 2013

	Notes	Consolidated 2013 $'000	Consolidated 2012 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	7	43,154	59,010
Trade and other receivables	8	19,457	11,973
Materials	9	204	189
Prepayments	10	757	197
		63,572	71,369
Exploration assets classified as held for sale	11	23,809	33
Total Current Assets		87,381	71,402
Non-Current Assets			
Available for sale financial assets	12	20,182	13,203
Term deposits at banks	7	4,766	2,451
Oil properties	13	18,880	19,188
Exploration and evaluation	14	30,846	42,546
Deferred tax asset	5	-	12,233
Total Non-Current Assets		74,674	89,621
TOTAL ASSETS		162,055	161,023
LIABILITIES			
Current Liabilities			
Trade and other payables	15	11,845	12,332
Income tax payable		-	3,706
		11,845	16,038
Exploration liabilities classified as held for sale	11	573	-
Total Current Liabilities		12,418	16,038
Non-Current Liabilities			
Deferred tax liabilities	5	9,102	4,150
Provisions	16	3,325	3,890
Total Non-Current Liabilities		12,427	8,040
TOTAL LIABILITIES		24,845	24,078
NET ASSETS		137,210	136,945
EQUITY			
Contributed equity	18	114,570	113,877
Reserves	18	(1,138)	608
Retained profits	18	23,778	22,460
TOTAL EQUITY		137,210	136,945

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the Year ended 30 June 2013

	Issued Capital $'000	Reserves $'000	Retained Earnings $'000	Total Equity $'000
Balance at 1 July 2012	113,877	608	22,460	136,945
Profit for the period	-	-	1,318	1,318
Other comprehensive income/(expenditure)	-	(2,377)	-	(2,377)
Total comprehensive income for the period	-	(2,377)	1,318	(1,059)
Transactions with owners in their capacity as owners:				
Share based payments	-	737	-	737
Transferred to Issued Capital	106	(106)		-
Shares issued	587	-	-	587
Balance at 30 June 2013	114,570	(1,138)	23,778	137,210

	Issued Capital $'000	Reserves $'000	Retained Earnings $'000	Total Equity $'000
Balance at 1 July 2011	98,657	2,127	14,079	114,863
Profit for the period	-	-	8,381	8,381
Other comprehensive income/(expenditure)	-	(1,995)	-	(1,995)
Total comprehensive income for the period	-	(1,995)	8,381	6,386
Transactions with owners in their capacity as owners:				
Share based payments	-	476	-	476
Shares issued	15,220	-	-	15,220
Balance at 30 June 2012	113,877	608	22,460	136,945

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2013

	Notes	Consolidated	
		2013 $'000	**2012 $'000**
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		45,197	58,079
Payments to suppliers and employees		(31,491)	(19,625)
Income tax paid		(3,413)	(4,168)
Interest received – other entities		2,161	4,798
Net cash from operating activities	7	12,454	39,084
CASH FLOWS FROM INVESTING ACTIVITIES			
Transfers of/(Placements on) term deposits		(2,315)	15,552
Payment for available for sale financial assets	12	(10,172)	(15,198)
Receipts from sale of financial assets		1,161	-
Payments for exploration and evaluation		(10,978)	(18,489)
Investments in oil properties		(6,201)	(11,175)
Cash outflow associated with the acquisition of controlled entities	17	-	(2,531)
Net cash flows (used) in investing activities		(28,505)	(31,841)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment for shares		(85)	-
Net cash flow from financing activities		(85)	-
NET (DECREASE)/INCREASE IN CASH HELD		(16,136)	7,243
Net foreign exchange differences		280	(124)
CASH AND CASH EQUIVALENTS AT 1 JULY		59,010	51,891
CASH AND CASH EQUIVALENTS AT 30 JUNE	7	43,154	59,010

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 30 June 2013

1. CORPORATE INFORMATION

The consolidated financial report of Cooper Energy Limited (the parent entity) for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the Directors on 28 August 2013.

Cooper Energy Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in note 6 of the Directors Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has also been prepared on a historical cost basis, except for available for sale financial assets which have been measured at fair value. Cooper Energy Limited is a for profit company.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the Group under ASIC Class Order 98/0100. The Group is an entity to which the class order applies.

Significant event and transaction

In June 2013, Cooper Basin participants including the Company were granted a combination certificate for Petroleum Resource Rent Tax (PRRT). As it relates to the Company, this combination certificate permits the transfer of allowable expenditure between the Company's Cooper Basin projects essentially deeming PEL 92 and PEL 93 to be a single project for PPRT purposes. In addition the Company has adopted the look-back approach in determining the PRRT starting base for the combined Cooper Basin project. Consequently the Company has updated its modelling and accounting estimates relating to PRRT as summarised in note 2 ab) Changes in accounting estimates.

On 4 June 2013 Cooper Energy announced that it will commence a process for the divestment of its extensive Tunisian oil and gas acreage interests after the completion of the Hammamet West-3 well. The decision is consistent with the strategy adopted by Cooper Energy in late 2011 to concentrate progressively on Australia and assets consistent with the company's core strength. Consistent with the AASB standards the Tunisia assets are now classified as exploration assets classified as held for sale.

b) Statement of compliance

(i) Changes in accounting policy and disclosures.

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The Accounting policies adopted are consistent with those of the previous financial year except as follows:

The Group has adopted the following new and amended Australian Accounting Standard and AASB Interpretations as of 1 July 2012:

AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income*

Adoption of this standard interpretation is described below:

AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income*

This standard requires entities to group items presented in other comprehensive income on the basis of whether they might be reclassified subsequently to profit or loss and those that will not. The adoption of this standard has resulted in changes to the presentation of its financial statements and has no other impact.

(ii) Accounting standards and interpretations issued but not yet effective.

The accounting standards and interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group and for which the Group has elected not to early adopt for the annual reporting period ending 30 June 2013, are outlined below:
b) Statement of compliance (continued)

AASB 10	***Consolidated Financial Statement***
Summary	AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statement and UIG -112 *Consolidation – Special Purpose Entities*. The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. Consequential amendments were also made to this and other standards via AASB 2011-7, and AASB 2012-10.
Application Date of the Standard	1 January 2013
Application date for Group	1 July 2013
Impact on Group financial report	The Group's current recognition of control does not change with the adoption of this accounting standard. There will be no further requirement to recognise or de-recognise additional controlled entities.

AASB 11	***Joint Arrangements***
Summary	AASB 11 replaces AASB 131 *Interests in Joint Ventures* and UIG-113 *Jointly-controlled Entities – Non-monetary Contributions by Ventures*. AASB 11 uses the principle of control in AASB 10 to define joint control and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method. Consequential amendments were also made to this and other standards via AASB 2011-7, AASB 2010-10 and amendments to AASB 128.
Application Date of the Standard	1 January 2013
Application Date for Group	1 July 2013
Impact on Group Financial report	The Group has several joint arrangements currently in place. The joint arrangements are considered to be joint operations under the new standard. As such the group will recognise its' interest in the joint venture for assets, liabilities, revenues from sale of output and expenses incurred. There will be no impact from the application of this standard as the treatment is consistent with the Group's current practice.

b) Statement of compliance (continued)

AASB 12	***Disclosure of Interests in Other entities***
Summary	AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates, structured entities and subsidiaries with non-controlling interests.
Application Date of the Standard	1 January 2013
Application Date for Group	1 July 2013
Impact on Group Financial report	The Group will be required to provide more extensive and detailed disclosures in relation to its subsidiaries and joint arrangements. These disclosures will enable users of the Groups consolidated financial statements to further evaluate any restrictions on the ability of the group to use assets, the nature and change of any risks. These disclosures will not have a financial impact upon the financial statements.

AASB 13	***Fair Value Measurement***
Summary	AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. Consequential amendments were also made to other standards via AASB 2011-8.
Application Date of the Standard	1 January 2013
Application Date for Group	1 July 2013
Impact on Group Financial report	The Group currently utilised fair value measures which are dependent upon the relevant asset. The Group considers that there will be no change to the fair values however the Group will be required to increase its disclosure around the assumptions made and the qualitative information used in generation of the fair value.

AASB 119	***Employee Benefits***
Summary	The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. Consequential amendments were also made to other standards via AASB 2011-10.
Application Date of the Standard	1 January 2013
Application Date for Group	1 July 2013
Impact on Group Financial report	The current distinction in the Group financial statements would not have changed had this standard been adopted and it is unlikely that there will be any significant change in the 2014 financial year end accounts.

b) Statement of compliance (continued)

AASB 2012-5	**Amendments to Australian Accounting Standards arising from *Annual Improvements 2009-2011 Cycle***
Summary	AASB 2012-5 makes amendments resulting from the 2009-2011 Annual Improvements Cycle. The standard addresses a range of improvements, including the following: • Repeat application of AASB 1 is permitted (AASB 1) • Clarification of the comparative information requirements when an entity provides a third balance sheet (AASB 101 Presentation of Financial Statements).
Application Date of the Standard	1 January 2013
Application Date for Group	1 July 2013
Impact on Group Financial report	The impact of adoption in the financial report will be limited to disclosure and presentation.

AASB 2011-4	**Amendments to Australian Accounting Standards to *Remove Individual Key Management Personnel Disclosure Requirements (AASB 124)***
Summary	This amendment deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies. It also removes the individual KMP disclosure requirements for all disclosing entities in relation to equity holdings, loans and other related party transactions.
Application Date of the Standard	1 January 2013
Application Date for Group	1 July 2013
Impact on Group Financial report	The Group will no longer be required to disclose the equity holdings, loans and other related party transactions. As a company, the Group will still need to disclose the key management personnel.

b) Statement of compliance (continued)

AASB 1053	***Application of Tiers of Australian Accounting Standards***
Summary	This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements: (a) Tier 1: Australian Accounting Standards (b) Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements. The following entities apply Tier 1 requirements in preparing general purpose financial statements: (a) For-profit entities in the private sector that have public accountability (as defined in this standard) (b) The Australian Government and State, Territory and Local governments The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements: (a) For-profit private sector entities that do not have public accountability (b) All not-for-profit private sector entities (c) Public sector entities other than the Australian Government and State, Territory and Local governments. Consequential amendments to other standards to implement the regime wither introduced by AASB 2010-2, 2011-2, 2011-6, 2011-11, 2012-1, 2012-7 and 2012-11.
Application Date of the Standard	1 July 2013
Application Date for Group	1 July 2013
Impact on Group Financial report	The Group will be considered to be a Tier 1 company and will be required to apply the Tier 1 requirements in preparing the general purpose financial statements. This standard has no impact upon the current requirements of the Group.

b) Statement of compliance (continued)

AASB 9	***Financial Instruments***
Summary	AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below. (a) Financial Assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. (b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. (d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: ► The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ► The remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. Further amendments were made by AASB 2012-6 which amends the mandatory effective date to annual reporting periods beginning on or after 1 January 2015. AASB 2012-6 also modifies the relief from restating prior periods by amending AASB 7 to require additional disclosures on transition to AASB 9 in some circumstances. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.
Application Date of the Standard	1 January 2015
Application Date for Group	1 July 2015
Impact on Group Financial report	The Group does not consider there to be any impact of the adoption of this standard however this will be continued to be monitored in 2014 financial year.

c) Basis of consolidation

The consolidated financial statements are those of the consolidated entity, comprising Cooper Energy Limited ("the parent entity") and its subsidiaries ("the Group").

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. All inter-company balances and transactions, income and expenses and profit and losses arising from intra-group transactions, have been eliminated in full.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

d) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirers previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of AASB 139, it is measured in accordance with the appropriate AASB.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Where goodwill forms part of the cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

e) Jointly controlled assets

The Group has an interest in joint ventures that are jointly controlled assets. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled asset involves use of assets and other resources of the venturers rather than establishment of a separate entity.

The Group's interest in joint ventures which are unincorporated joint venture assets are accounted for by recognising its proportionate share in assets that it controls and liabilities that it incurs from joint ventures.

In addition, expenses incurred by the Group and sale of the Group's entitlement to production are recognised in the Group's financial statements on a pro rata basis to the Group's interest.

f) Foreign currency

The functional and presentation currency of the Company is Australian Dollars.

Translation of foreign currency transactions
Transactions in foreign currencies are initially recorded in the functional currency of the transacting entity at the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the rates of exchange ruling at that date. Exchange differences in the consolidated financial statements are taken to the income statement.

Translation of the financial result of foreign operations
There is one entity within the Group that has a Euros functional currency. The assets and liabilities of this entity are translated into the presentation currency of the Group at the rate of exchange ruling at the respective reporting date. The income statements are translated at the average exchange rates for the reporting period, or at the exchange rates ruling at the date of transactions. Exchange differences arising on translation are taken to the foreign currency translation reserve in equity.

g) Investments

Investments are classified as available-for-sale and are initially recognised at fair value plus any directly attributable transaction costs. The classification depends on the purpose for which the investments were acquired. Designation will be re-evaluated at each financial year-end.

After initial recognition, investments are remeasured to fair value. Changes in the fair value of available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative change in fair value previously reported in equity is included in earnings.

For investments that are actively traded in organised financial markets, fair value is determined by reference to stock exchange quoted market bid prices at the close of business on the Consolidated Statement of Financial Position date. Where investments are not actively traded, fair value is established by using other market accepted valuation techniques.

h) Revenue and cost recognition

Revenue is recognised and measured at fair value of consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Revenues and costs from production sharing contracts
Revenue earned and production costs incurred from a production sharing contract are recognised when title to the product passes to the customer and is based upon the Group's share of sales and costs relating to oil production that are allocated to the Group under the contract.

Interest revenue
Interest revenue is recognised as interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

i) Depreciation and amortisation

Oil properties and other plant and equipment, other than freehold land, are depreciated to their residual values at rates based on the expected useful lives of the assets concerned.

Oil properties are amortised on the Units of Production basis using the best estimate of proved and probable (2P) reserves. No amortisation is charged on areas under development where production has not commenced.

Depreciation on property plant and equipment is calculated at between 7.5% and 37.5% per annum using the diminishing value method over their estimated useful lives.

j) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the end of the reporting period. These benefits included wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave. Liabilities are to be settled within twelve months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amount expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

The general provisions for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms of maturity and currencies that match, as closely as possible, the estimated future cash outflows. Employees' accumulated long services leave is ascribed to individual employees at the rates payable as and when they become entitled to long service leave.

A provision for bonus is recognised and measured based upon the current wage and salary level and forms part of the employee short term incentive plan. The basis for the bonus is set out in note 5 of the directors' report.

k) Share based payments

The Group provides benefits to employees and Directors of the Group in the form of share-based payment transactions, whereby employees render services in exchange for rights over shares ("equity-settled transactions"). There are currently two plans in operation to provide these benefits.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and are recorded as an expense, with a corresponding increase in reserves, on a straight-line basis over the vesting period of the related instrument.

The fair value is determined using a binomial model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

1. the extent to which the vesting period has expired; and
2. the Group's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The Consolidated Statement of Comprehensive Income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

k) Share based payments (continued)

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employees as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

l) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangements conveys a right to use the asset.

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised lease assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term.

m) Management fees

Revenue is recognised when the Group's right to receive payment is established or services are rendered.

n) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the Consolidated Statement of Financial Position date.

Deferred income tax is provided on all temporary differences at the Consolidated Statement of Financial Position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss: or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

n) Income tax (continued)

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss: or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interest in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be accessible against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each Consolidated Statement of Financial Position date and reduced to the extent that it's no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are assessed at each Consolidated Statement of Financial Position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that were expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the Consolidated Statement of Financial Position date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exits to offset current tax assets against current tax liabilities and the deferred tax asset and liabilities relate to the same taxable entity and the same taxation authority.

o) Other taxes

Goods and Services Taxes ("GST")
Revenues, expenses and assets are recognised net of the amount of Goods and Services Taxes ("GST") except:-

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are included in the Cash Flow Statement on a net basis and the net GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Petroleum Resource Rent Tax (PRRT)
For PRRT purposes, the impact of future augmentation on expenditure is included in the determination of future taxable profits when assessing the extent to which a deferred tax asset can be recognised in the statement of financial position. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

p) Exploration and evaluation expenditure

Exploration and evaluation expenditure is accounted for in accordance with the area of interest method and is capitalised to the extent that:

i. the rights to tenure of the areas of interest are current and the Group controls the area of interest in which the expenditure has been incurred; and
ii. such costs are expected to be recouped through successful development and exploration of the area of interest, or alternatively by its sale; or
iii. exploration and evaluation activities in the area of interest have not at the reporting date:
    a. reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves; and
    b. active and significant operations in, or in relation to, the area of interest are continuing.

An area of interest refers to an individual geological area where the potential presence of an oil or a natural gas field is considered favourable or has been proven to exist, and in most cases will comprise an individual prospective oil or gas field.

Exploration and evaluation expenditure which does not satisfy these criteria is written off. Specifically, costs carried forward in respect of an area of interest that is abandoned or costs relating directly to the drilling of a dry well that is plugged and abandoned are written off in the year in which the decision to abandon is made. If exploratory wells encounter shows of oil and gas, the well costs remain capitalised on the Consolidated Statement of Financial Position as long as sufficient progress in assessing the reserves and the economic and operating viability of the project is being made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Where a discovered oil or gas field enters the development phase the accumulated exploration and evaluation expenditure is transferred to oil properties.

q) Oil properties

Oil properties are carried at cost including construction, installation of infrastructure such as roads and the cost of development of wells.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Consolidated Statement of Comprehensive Income during the financial period in which they are incurred.

r) Provision for restoration

The Group records the present value of its share of the estimated cost to restore operating locations. The nature of restoration activities includes the obligations relating to the reclamation, waste site closure, plant closure, production facility removal and other costs associated with the restoration of the site.

A restoration provision is recognised after the construction of the facility and then reviewed on an annual basis. When the liability is recorded the carrying amount of the production assets is increased by the asset retirement costs and depreciated over the producing life of the asset. Over time, the liability is increased for the change in the present value based on a risk adjusted pre-tax discount rate appropriate to the risks inherent in the liability. The unwinding of the discount is recorded as an accretion charge within finance costs.

Any changes in the estimate of the provision for restoration arising from the annual renewal is recorded by adjusting the carrying amount of the production asset and then depreciated over the producing life of the asset. The liability is correspondingly adjusted for the change in the present value on the risk adjusted pre-tax discount rate with the unwinding of the adjusted discount recorded as an accretion change within finance costs.

These estimated costs, whilst based on anticipated technological and legal requirements, assume no significant changes will occur in relevant State and Federal legislation.

s) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Consolidated Statement of Comprehensive Income during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Consolidated Statement of Financial Position date. The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of property, plant and equipment is the higher of fair value less cost to sell and value in use. For an asset that does not generate largely independent cash flows, recoverable amount is determined for the cash generating unit to which the asset belongs, unless the asset’s value in use can be estimated to be close to its fair value.

An asset's or cash generating unit’s carrying amount is written down immediately to its recoverable amount if the asset's or cash generating unit’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of comprehensive income.

An item of property, plant and equipment is de-recognised upon disposal or when no further future economic benefits are expected from its use. Any gains or losses arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is included in the statement of comprehensive income in the period the asset is de-recognised.

t) Impairment of non-current assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset.

u) Cash and cash equivalents

Cash and short term deposits in the Consolidated Statement of Financial Position comprise cash at bank and short term deposits with an original maturity of three months or less. For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 90 days from date of investment, net of outstanding bank overdrafts.

v) Trade and other receivables

Trade receivables, which generally have 30 to 90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Financial difficulties of the debtor, default payments or debts more than 90 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount, compared to the present value of estimated future cash flows, discounted at the original effective interest rate. Bad debts are written off when identified.

w) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

x) Provisions

General
Provisions are recognised when the Group has a legal or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Restructuring Provisions
Restructuring provisions are recognised only when general recognition criteria for provisions are fulfilled. Additionally, the Group follows a detailed formal plan about the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs and appropriate timeline. The employees affected have a valid expectation that the restructuring is being carried out or the implementation has been initiated already.

y) Contributed equity

Issued and paid up capital is recognised as the fair value of the consideration received by the Group.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

z) Earnings per share

Basic earnings per share are calculated as net profit attributable to members divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit attributable to members adjusted for the after tax effect of dilutive potential ordinary shares that have been recognised as expenses during the period divided by the weighted average number of ordinary shares and dilutive potential ordinary shares.

aa) Judgements in applying accounting policies and key sources of estimation uncertainty

(i) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Determination of recoverable hydrocarbons

Estimates of recoverable hydrocarbons impact the asset impairment assessment, depreciation and amortisation rates and decommissioning and restoration provisions.

Estimates of recoverable hydrocarbons are evaluated and reported by Competent Persons in accordance with the Company's Hydrocarbon Guidelines (www.cooperenergy.com.au/policies). A technical understanding of the geological and engineering processes enables the recoverable hydrocarbon estimates to be determined by using forecasts of production, commodity prices, production costs, exchange rates, tax rates and discount rates.

Recoverable hydrocarbon estimates may change from time to time if any of the forecast assumptions are revised.

aa) Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Taxation

The Group's accounting policy for taxation requires management's judgment in relation to the types of arrangements considered to be a tax on income in contrast to an operating cost.

Judgement is also made in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the Consolidated Statement of Financial Position.

Deferred tax assets, including those arising from un-recouped tax losses, capital losses, and temporary differences arising from the Petroleum Resource Rent Tax (Imposition – General) Act 2011, are recognised only where it is considered more likely than not they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Judgements are also required about the application of income tax legislation. These judgments and assumptions are subject to risk and uncertainty, hence there is a possibility changes in circumstances will alter expectation, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the Consolidated Statement of Financial Position and the amount of other tax losses and temporary differences not yet recognised.

In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the Consolidated Statement of Comprehensive Income.

Operating lease commitments
The Group has entered into a commercial property lease. The Group has determined that is does not retain any of the significant risks and rewards of ownership of this property and has thus classified the lease as an operating lease.

(ii) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Recoverability of trade and other receivables
The future recoverability of part of trade receivables from the sale of hydrocarbons is dependent on the average spot price for oil and the currency exchange rate for the Australian dollar to the United States Dollar at the date of export from Australia.

Factors that could impact on the future recoverability of the trade receivables are the movement in the daily spot Australian dollar to the United States Dollar and the spot price for crude oil which are both publically quoted prices.

Impairment of capitalised exploration and evaluation expenditure
The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of oil reserves, future technological changes which could impact the cost of extraction, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

aa) Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable oil reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

Impairment of oil properties

The future recoverability of capitalised oil property expenditure is dependent on a number of factors, including the level of oil reserves and future technological changes which could impact the cost of extraction, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised oil property expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

Provisions for decommissioning and restoration costs

Decommissioning and restoration costs are a normal consequence of oil extraction and the majority of this expenditure is incurred at the end of a well's life. In determining an appropriate level of provision consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the well), and the estimated future level of inflation.

The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other wells. The expected timing of expenditure can also change, for example in response to changes in oil reserves or to production rates.

Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

Share-based payments transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a binominal model and applying the calculation criteria detailed in note 2 (k).

ab) Changes in accounting estimates

Change in denominator for amortisation of oil properties

The accounting estimate for amortisation of oil properties has been changed from 1 July 2012 to use proven and probable (2P) reserves as the denominator for amortisation purposes under the Units of Production Methodology. The Group has used the estimate of proved developed producing (PDP) reserves in prior years. During the year the Board and management of Cooper decided to change the reserves base for amortising oil properties from proved developed reserves to proved and probable (2P) reserves to reflect management's expected pattern of consumption of future economic benefits embodied in the asset and also to better align Cooper's accounting policy to that adopted by its peers. The impact of the change for the year ended 30 June 2013 is to reduce the amortisation charge and increase the profit after tax by $10.0m and $7.0m respectively. In addition, the carrying value of oil properties at 30 June 2013 is $10.0m higher than it would have been had the change not been made.

Change in oil delivered but not invoiced

The Company's estimate for oil delivered but not invoiced was updated to reflect additional information received during the year including shrinkage and on-site use during the year of 19,874bbls resulting in a decrease in receivables and accrued sales revenue of $2.1m (net of transport costs).

Change in application of exploration and development expenditure policies

Previously, management determined PEL 92 to be one Area of Interest ("AOI") for the purposes of categorising expenditure as either exploration and evaluation or development. As PEL 92 is a producing licence, all costs associated with this licence were treated as development costs associated with oil assets. This meant they were subject to amortisation under AASB 116 and impairment testing under AASB 136.

ab) Changes in accounting estimates (continued)

In the current year, management has refined its view of the applicable AOI's for PEL 92, and in doing so have separated costs associated with the producing parts of the licence, from those where the activities are of on exploration and evaluation nature. This has resulted in approximately $3.3m of costs in the current year being capitalised as exploration and evaluation that would have otherwise been capitalised as development expenditure assets and also an associated reduction in amortisation for the current year of $0.6m.

Change in PRRT estimates

In June 2013, the Cooper Basin participants including the Company were granted a combination certificate for Petroleum Resource Rent Tax (PRRT). This combination certificate permits the transfer of allowable expenditure between the Company's Cooper Basin projects essentially deeming PEL 92 and PEL 93 to be a single project for PPRT purposes. In addition, the Company has adopted the look-back method to determine the combined Cooper Basin starting base (previously the market value method was used). As a result the Company has reversed the deferred tax asset $12.2m previously recognised on PEL 92. This is due to the fact that the future expenditure and augmentation on the combined Cooper Basin is sufficient to cover forecast PRRT payable under the PRRT regime without requiring the use of the starting base as a deduction. The deferred tax asset would not have been reversed had the change in estimate not been made. This has resulted in an increase to income tax expense and a decrease to profit after tax of $12.2m for the year.

3. SEGMENT REPORTING

Identification of reportable segments and types of activities

The Group operates throughout the world and prepares reports internally and externally by continental geographical segments. Within each segment, the costs of operations and income are prepared firstly by legal entity and then by joint venture. Revenue and outgoings are allocated by way of their natural expense and income category. These reports are drawn up on a quarterly basis. Resources are allocated between each segment on an as needs basis. Selective reporting is provided to the Board quarterly while the annual and bi – annual results are reported to the Board. The Managing Director is the chief operating decision maker.

The following are the current geographical segments:

Australian Business Unit

Exploration and evaluation for oil and gas, development, production and sale of crude oil in a number of areas in the Cooper Basin located in South Australia. Revenue is all derived from the sale of crude oil to a consortium of buyers made up of Santos Limited and its subsidiaries; Delhi Petroleum Pty Ltd and Origin Energy Resources Limited. Interest income is earned from the placement of funds with various Australian Banks for periods of up to six months.

African Business Unit

Exploration and evaluation for oil and gas in the Bargou, Nabeul and Hammamet permit area off the coast of Tunisia. No income is derived from these units. The Company has announced its intention to dispose of the equity interests in the Tunisian assets.

Asian Business Unit

The Asian business unit involved the production and sale of crude oil from the Tangai-Sukananti KSP. It is located on the island of Sumatra Indonesia. Revenue is derived from the sale of crude oil to PT Pertamina EP.

European Business Unit

The Company has announced its intention to dispose of the equity interest in the MUA 1 and 2 in Poland.

Other prospective opportunities outside of these geographical segments are also considered from time to time and, if they are secured, will then be attributed to the continental geographical segment where they are located.

The current external customers by geographical location of production are the Australian Business Unit with two customers and the Indonesian Business Unit.

Accounting Policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally is the same as those contained in note 2 to the accounts and in the prior period.

The following table presents revenue and segment results for reportable segments for the years ended 30 June 2013 and 2012.

3. SEGMENT REPORTING (continued)

Geographical Segments	Australian Business Unit $'000	African Business Unit (disc. operation) $'000	Asian Business Unit $'000	European Business Unit (disc. operation) $'000	Consolidated $'000
Year ended 30 June 2013					
Revenue	50,977	-	2,420	-	53,397
Other revenue	2,343	-	-	-	2,343
Total consolidated revenue	53,320	-	2,420	-	55,740
Depreciation of property	(232)	-	(60)	-	(292)
Amortisation of:					
- Development costs	(4,425)	-	(150)	-	(4,575)
- Exploration costs	(1,513)	-	-	-	(1,513)
Share based payments	(737)	-	-	-	(7379)
Exploration costs written off	(1,493)	-	-	-	(1,493)
Segment result	18,861	-	(161)	(397)	18,303
Income tax					(16,588)
Net Profit					1,715
Segment liabilities	23,630	574	641	-	24,845
Segment assets	130,638	23,613	7,608	196	162,055
Non-Current Assets	68,538	-	6,136	-	74,674
Cash flow from:					
- Operating activities	16,336	(2,053)	(1,632)	(197)	12,454
- Investing activities	(23,552)	(832)	(3,724)	(397)	(28,505)
- Financing	(85)	-	-	-	(85)
Capital Expenditure	(12,255)	(832)	(3,724)	(397)	(17,208)
Year ended 30 June 2012					
Revenue	58,234	-	1,372	-	59,606
Other revenue	4,667	-	-	-	4,667
Total consolidated revenue	62,901	-	1,372	-	64,273
Depreciation of property	(143)	-	(60)	-	(203)
Amortisation of:					
- Development costs	(6,414)	-	(504)	-	(6,918)
- Exploration costs	(2,604)	-	-	-	(2,604)
Share based payments	(476)	-	-	-	(476)
Exploration costs written off	(1,648)	(84)	-	-	(1,732)
Segment result	21,684	(84)	(966)	204	21,006
Income tax					5,255
Net Profit					26,261
Segment liabilities	23,516	196	298	68	24,078
Segment assets	136,728	20,625	3,262	408	161,023
Non-Current Assets	66,878	20,154	2,589	-	89,621
Cash flow from:					
- Operating activities	41,018	(275)	(1,319)	(340)	39,084
- Investing activities	(18,067)	(5,562)	(3,833)	(4,379)	(31,841)
- Financing	-	-	-	-	-
Capital Expenditure	(18,418)	(5,562)	(3,833)	(4,379)	(32,192)

3. SEGMENT REPORTING (continued)

Revenue from external customers by geographical location of production

	2013 $'000	2012 $'000
Australia – two separate customers	50,977	58,234
Indonesia	2,420	1,372
Total revenue	53,397	59,606

Revenue from one customer amounted to $50,903,000 (2012:$58,234,000) arising from oil sales.

4. REVENUES AND EXPENSES

Profit before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the entity:

	Consolidated	
	2013 $'000	2012 $'000
Revenues from oil operations		
Oil sales	53,397	59,606
Total revenue from oil sales	53,397	59,606
Other revenue		
Interest revenue	1,960	3,687
Other income	346	778
Joint venture fees	37	202
Total other revenue	2,343	4,667
Cost of sales		
Production expenses	(12,357)	(13,109)
Royalties	(5,096)	(5,053)
Amortisation of exploration costs in areas under production	(1,513)	(2,604)
Amortisation of development costs in areas of production	(4,575)	(6,918)
Total cost of sales	(23,541)	(27,684)
Administration and other expenses		
Depreciation of property, plant and equipment	(292)	(203)
General administration (includes employee benefits and lease payments)	(11,961)	(13,524)
Realised and unrealised foreign currency translation (loss)/gain	(111)	(17)
Finance cost – accretion of rehabilitation cost	(39)	(107)
Total other expenses	(12,403)	(13,851)
Employee benefits expense		
Director and employee benefits	(6,420)	(6,550)
Share based payments	(737)	(476)
	(7,157)	(7,026)
Lease payments		
Minimum lease payment – operating lease	(828)	(344)

5. INCOME TAX

The major components of income tax expense are:

	Consolidated	
	2013 $'000	2012 $'000
Consolidated Statement of Comprehensive Income		
Current income tax		
Current income tax charge	-	(8,001)
Adjustments in respect of prior year income tax	297	173
	297	(7,828)
Deferred income tax		
Origination and reversal of temporary differences	(5,866)	850
	(5,866)	850
Income tax expense	(5,569)	(6,978)
Petroleum Resource Rent Tax - deferred tax	(11,019)	12,233
Total tax credit/(expenses)	(16,588)	5,255
Numerical reconciliation between tax expense and pre-tax net profit		
Accounting profit/(loss) before tax from continuing operations	18,303	21,006
Income tax using the domestic corporation tax rate of 30% (2012: 30%)	(5,491)	(6,301)
Increase/(decrease) in income tax expense due to:		
Non-deductible expenditure	(556)	(560)
Utilisation of capital losses	104	-
Adjustments in respect to current income tax of previous years	297	173
Non Australian taxation jurisdictional subsidiaries	77	(290)
	(78)	(677)
Income tax expense	(5,569)	(6,978)

Tax Consolidation

The parent entity and its 100% owned Australian resident subsidiaries at the year-end formed a tax consolidated group effective from 1 April 2007. Cooper Energy Limited is the head entity of the tax consolidated group that provides for the allocation of income tax liabilities between each other should the head entity default on its tax payment obligations. No amounts have been recognized in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

Subsequent to 30 June 2013 the Tax Consolidated Group entered into a Tax Sharing Agreement and Tax Funding Agreement. Refer to Note 27 Events after the Reporting Period for further information.

Unrecognised temporary differences

At 30 June 2013, there are no unrecognised temporary differences associated with the Group's investments in subsidiaries or joint ventures, as the Group has no liability for additional taxation should unremitted earnings be remitted (2012 $ nil).

Franking Tax Credits

At 30 June 2013 the parent entity had franking tax credits of $38,963,577 (2012: $36,970,914). The fully franked dividend equivalent is $90,915,013 (2012 $82,954,620).

5. INCOME TAX (continued)

Income Tax Losses

(a) Revenue Losses

Cooper Energy Limited has recognized a Deferred Tax Asset of $3,530,550 (2012: $nil) for Australian income tax revenue losses of $11,768,501 on the basis that it is probable that the carried forward revenue loss will be utilized against future assessable taxable profits.

(b) Capital Losses

Cooper Energy Limited has not recognized a Deferred Tax Asset for Australian income tax capital losses of $20,464,313 (2012: $20,810,695) on the basis that it is not probable that the carried forward capital losses be utilized against future assessable capital profits.

	Consolidated Statement of Financial Position		Consolidated Statement of Comprehensive Income	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Deferred income tax from corporate tax				
Deferred income tax at the 30 June relates to the following:				
Deferred tax liabilities				
Trade and other receivables	3,616	2,090	(1,526)	(113)
Oil property	2,264	2,363	(166)	335
Exploration and evaluation	7,886	195	(7,452)	80
Unrealised currency translation gain	197	-	(205)	-
	13,963	4,648		
Deferred tax assets				
Oil properties	-	-	-	(28)
Equity raising costs	19	-	(4)	(200)
Trade and other payables	-	467	(357)	438
Provision for employee entitlements	315	134	5	(169)
Provisions	996	1,102	8	716
Unrealised currency translation loss	-	10	-	(209)
Tax losses	3,831	-	3,831	
	5,161	1,713		
Carry back losses – adjustment to deferred tax assets recognised	(300)	-	-	-
Deferred tax income (expense)			(5,866)	850
Deferred tax liability from corporate tax	9,102	2,935		
Deferred income tax from petroleum resource rent tax				
Deferred income tax 30 June relates to the following:				
Deferred tax liabilities				
Exploration and evaluation	-	1,214	1,214	-
	-	1,214		
Deferred tax assets				
Oil properties	-	12,233	(12,233)	12,233
	-	12,233		
			(11,019)	12,233
As represented on the Consolidated Statement of Financial Position, deferred tax asset	-	12,233		
As represented on the Consolidated Statement of Financial Position, net deferred tax liability	9,102	4,150		

6. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit/ (loss) for the year attributable to ordinary equity holders of the parent by the weighted average of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential options into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Consolidated	
	2013 $'000	**2012 $'000**
Net profit attributable to ordinary equity holders of the parent from continuing operations	1,715	26,261
	2013 Thousands	**2012 Thousands**
Weighted average number of ordinary shares for basic earnings per share	338,056	294,972
Effect of dilution:		
Weighted average number of ordinary shares adjusted for the effect of dilution	338,056	294,972
Basic earnings/(loss) per share for the period (cents per share)	0.5	8.9
Diluted earnings/(loss) per share for the period (cents per share)	0.5	8.9

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

If the performance rights are vested in full, then 8,561,370 shares would be issued over the next three years.

7. CASH AND CASH EQUIVALENTS AND TERM DEPOSITS

	Consolidated	
Current Assets	**2013 $'000**	**2012 $'000**
Cash at bank and in hand	6,154	12,010
Short term deposits at banks (i)	37,000	47,000
	43,154	59,010
Non-Current Assets		
Term deposits at bank (ii)	4,766	2,451

(i) Short term deposits at the banks are in Australian Dollars and are for periods of up to 90 days and earn interest at money market interest rates.

(ii) The non-current term deposits at bank are in United States Dollars and mature on: 15 May 2014 at a fixed interest rate of 1%; 18 August 2013 at a fixed rate of 0.33%; and 4 November 2013 at a fixed rate of 0.19%. The term deposits have been pledged to the bank to underwrite performance bonds issued by a wholly owned subsidiary. The carrying value of the term deposit approximates its fair value.

On 28 June 2013 the Company executed a bilateral facility agreement for bank facilities totalling $40 million with Westpac Banking Corporation. Availability of the facilities is subject to satisfaction of certain conditions precedent. Refer to Note 27 Events after the Reporting Period for further information.

Reconciliation of net profit after tax to net cash flows from operating activities

	2013 $'000	2012 $'000
NET PROFIT FOR THE YEAR	1,318	8,381
Adjustments for:		
Amortisation of development costs in areas of production	4,575	6,918
Amortisation of exploration costs in areas under production	1,513	2,604
Depreciation of property, plant and equipment	292	203
Exploration and evaluation written off	1,493	19,612
Profit on sale of investments	(346)	-
Share based payments	631	88
Finance cost – accretion of rehabilitation cost	39	107
Unrealised foreign currency translation loss	111	(50)
(Increase)/decrease in trade and other receivables	(7,484)	485
(Increase)/decrease in inventories	(15)	84
(Increase)/decrease in prepayments	(560)	(125)
(Increase)/decrease in deferred tax assets	12,233	(12,233)
(Decrease)/increase in deferred tax liabilities	4,952	364
(Decrease)/increase in trade and other payables	(487)	4,515
(Decrease)/increase in current tax liability	(3,706)	3,660
(Decrease)/increase in provisions	(565)	2,476
(Decrease)/Increase in held for sale assets	(1,540)	1,995
Net cash from operating activities	12,454	39,084

8. TRADE AND OTHER RECEIVABLES (current)

	Consolidated 2013 $'000	2012 $'000
Trade receivables (i)	17,623	9,278
Related party receivables (ii)	614	629
Related party receivables – Joint Ventures (iii)	1,050	1,696
Interest receivable	170	370
	19,457	11,973

(i) Trade receivables are non-interest bearing and are generally on 30-90 days terms. There are no past due or impaired receivables and none that have a history of past default.
(ii) All related party receivables are current within agreed terms of trade and do not exceed 180 days.
(iii) Related party receivables for joint ventures are for work to be undertaken in the near term and are within contractual arrangements.
(iv) Due to the short-term nature of the trade and other receivables, the carrying value approximates fair value.

9. MATERIALS (current)

	2013	2012
Stores and materials	204	189

10. PREPAYMENTS (current)

	2013	2012
Bank facility fee	500	-
Insurance	257	197
	757	197

11. EXPLORATION ASSETS HELD FOR SALE and DISCONTINUED OPERATIONS

During the year the Board resolved to dispose of its exploration assets in Tunisia and in the prior year resolved to dispose of its exploration assets in Poland. Management is in the process of obtaining expressions of interest from third parties for the Company's equity holding in each of these exploration activities.

The losses from the exploration assets classified as held for sale are presented on a separate line in the Consolidated Statement of Comprehensive Income.

	2013 $'000	2012 $'000
Exploration and evaluation	23,809	17,913
Impairment loss recognised on the re-measurement to fair value	-	(17,880)
Liabilities associated with assets held for sale	(573)	-
Net assets directly associated with disposal group	23,236	33
(Loss)/Profit for the year from discontinued operations	(397)	-
Impairment loss recognised on the re-measurement to fair value	-	(17,880)
(Loss)/Profit for the year from discontinued operations	(397)	(17,880)
Basis (loss)/earnings per share from discontinued operations (cents per share)	(0.12)	(6.1)
Diluted (loss)/earnings per share from discontinued operations (cents per share)	(0.12)	(6.1)

12. AVAILABLE FOR SALE INVESTMENTS (non-current)

	2013 $'000	2012 $'000
Shares at fair value	20,182	13,203
A reconciliation of the movement during the year is as follows:-		
Opening balance	13,203	-
Purchases	10,172	15,198
Sale of investment	(816)	-
Impairment	-	-
Movement in available for sale investment reserve	(2,377)	(1,995)
Closing balance	20,182	13,203

13. OIL PROPERTIES (non-current)

	Plant and Equipment $'000	Transferred Exploration and Evaluation $'000	Development $'000	Total $'000
Consolidated				
Year end 30 June 2013				
Carrying amount at 1 July 2012	137	4,053	14,998	19,188
Additions	1,619	749	3,704	6,072
Depreciation	(292)	(1,513)	(4,575)	(6,380)
Carrying amount at 30 June 2013	1,464	3,289	14,127	18,880
As at 30 June 2013				
Cost	1,756	4,802	18,702	25,260
Accumulated depreciation	(292)	(1,513)	(4,575)	(6,380)
	1,464	3,289	14,127	18,880
Year end 30 June 2012				
Carrying amount at 1 July 2011	235	3,569	14,042	17,846
Additions	22	3,088	7,874	10,984
Acquisition of Subsidiary	83	-	-	83
Depreciation	(203)	(2,604)	(6,918)	(9,725)
Carrying amount at 30 June 2012	137	4,053	14,998	19,188
As at 30 June 2012				
Cost	323	12,415	41,046	53,784
Accumulated depreciation	(186)	(8,362)	(26,048)	(34,596)
	137	4,053	14,998	19,188

14. EXPLORATION AND EVALUATION (non-current)

	Consolidated 2013 $'000	Consolidated 2012 $'000
Regions of focus		
Africa	-	20,154
Asia	4,559	859
Australia	26,287	21,533
European	-	-
Total exploration and evaluation	30,846	42,546
Reconciliations of the carrying amounts of capitalised exploration at the beginning and end of the financial year are set out below:-		
Carrying amount at 1 July	42,546	21,300
Expenditure	14,259	22,983
Fair value of exploration acquired on the acquisition of Somerton Energy Limited	92	20,963
Transferred to oil properties	(749)	(3,088)
Unsuccessful exploration wells written off (i)	(1,493)	(1,732)
Exploration expenditure classified as held for sale	(23,809)	(17,880)
Carrying amount at 30 June	30,846	42,546

(i) Exploration write offs relate to exploration wells that were plugged and abandoned as dry holes, during the year.
(ii) Recoverability is dependent on the successful development and commercial exploration or sale of the respective areas of interest.

15. TRADE AND OTHER PAYABLES (current)

	2013 $'000	2012 $'000
Trade payables (i)	4,785	1,132
Other payables (i)	358	2,349
Accruals	2,143	2,852
	7,286	6,333
Related party payables – Joint Ventures (ii)	4,559	5,999
	11,845	12,332

(i) Trade and other payables are non-interest bearing and are normally settled on 30-90 day terms
(ii) Related party payables are accrued expenditure incurred on joint ventures.

16. PROVISIONS (non-current)

	2013 $'000	2012 $'000
Long service leave provision	4	64
Redundancy provision	-	586
Restoration provision	3,321	3,240
	3,325	3,890
Movement in carrying amount of the restoration provision:		
Carrying amount at 1 July	3,240	1,281
Additional provision	42	1,852
Increase through accretion	39	107
Carrying amount at 30 June	3,321	3,240

The Restoration Provision is the present value of the Group's share of the estimated cost to restore operating locations. The nature of restoration activities includes the obligations relating to the reclamation, waste site closure, plant closure, production facility removal and other costs associated with the restoration of the site.

17. BUSINESS COMBINATIONS

On 6 June 2012 Cooper Energy Limited (the Company) pursuant to an off market takeover offer dated 7 May 2012 acquired 92.74% of the shares in Somerton Energy Limited (Somerton) and then invoked the Compulsory Acquisition provisions of the *Corporations Act 2001* (Cth) to acquire 100% of the share capital in Somerton in July 2012.

From the date of acquisition, Somerton contributed $20,093 of revenue and $320,242 of loss before tax to the Group. If the combination had taken place on 1July 2011, the Group's revenue would have been increased by $491,826 and the net profit before tax from continuing operations would have decreased by $1,998,411.

The purpose of the acquisition was to increase the Company's Australian exploration interests including exploration tenements in the Otway Basin in South Australia and Gippsland Basin in Victoria.

The consideration for the acquisition of Somerton comprised the following;

1) One Cooper Share for every 2.8 Somerton Shares (all shares alternative); or
2) One Cooper Share for every 4.73 Somerton Shares plus 9 cents for each Somerton share (shares and cash alternative).

Somerton shareholders who did not elect their preferred option received the all shares alternative as consideration.

The Company has finalised and recognised the fair values and identifiable assets and liabilities of Somerton Energy Limited as follows;

	Fair value at acquisition date $'000's	Carrying value $'000's
Current assets		
Cash and cash equivalents	7,081	7,081
Trade and other receivables	116	116
Prepayments	200	200
Total current assets	7,397	7,397
Non-current assets		
Available for sale financial assets	325	325
Term deposits at bank	15	15
Property, plant and equipment	20	20
Exploration and evaluation expenditure	21,055	9,885
Total non-current assets	21,415	10,245
Total Assets	28,812	17,642
Current liabilities		
Trade and other payables	2,008	2,008
Provisions	18	18
Total current liabilities	2,026	2,026
Non-current liabilities		
Deferred tax liability	1,215	1,215
Provisions	156	156
Total non-current liabilities	1,371	1,371
Total Liabilities	3,397	3,397
Total identifiable net assets at fair value	25,415	
Acquisition-date fair-value of consideration transferred:		
Shares issued at fair value	15,719	
Cash Consideration	9,696	
	25,415	
The cash outflow on acquisition is as follows:		
Net Cash acquired with the subsidiary	7,081	
Cash Paid	(9,696)	
	(2,615)	
Transaction costs incurred in 2012 financial year attributable to acquisition of Somerton	1,005	

18. CONTRIBUTED EQUITY AND RESERVES

	Consolidated	
	2013 $'000	**2012 $'000**
Share capital		
Ordinary shares		
Issued and fully paid	114,570	113,877

Effective 1 July 1998, the Corporations legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the Parent does not have authorised capital nor par value in respect of its issued shares

Fully paid ordinary shares carry one vote per share and carry the right to dividends

	Thousands	**$'000**
Movement in ordinary shares on issue		
At 1 July 2012	327,329	113,877
Issuance of shares for Performance Rights	406	106
Issue of shares for the acquisition of Somerton Energy Ltd	1,365	587
At 30 June 2013	329,100	114,570

Share options
The Group has a share based payment option scheme under which options to subscribe for the parent entity's shares have been granted to key management personnel and senior employees (refer note 23).

18. CONTRIBUTED EQUITY AND RESERVES (continued)

Reserves

	Consolidation reserve $'000	Share based payment reserve $'000	Option premium reserve $'000	Available for sale investment reserve $'000	Total $'000
Consolidated					
At 30 June 2011	(541)	2,643	25	-	2,127
Other comprehensive income	-	-	-	(1,995)	(1,995)
Share-based payments	-	476	-	-	476
At 30 June 2012	(541)	3,119	25	(1,995)	608
Other comprehensive income	-	-	-	(2,377)	(2,377)
Transferred to issued capital	-	(106)	-	-	(106)
Share-based payments	-	737	-	-	737
At 30 June 2013	(541)	3,750	25	(4,372)	(1,138)

Nature and purpose of reserves

Consolidation reserve
The reserve comprises the premium paid on acquisition of minority shareholdings in a controlled entity.

Share based payment reserve
This reserve is used to record the value of equity benefits provided to employees and Directors as part of their remuneration.

Option premium reserve
This reserve is used to accumulate amounts received from the issue of options. The reserve can be used to pay dividends or issue bonus shares.

Available for sale investment reserve
This reserve is used to capture the mark to market movement in the value of shares held in companies listed on a public exchange.

Retained earnings

	Consolidated 2013 $'000	Consolidated 2012 $'000
Movement in retained earnings were as follows:		
Balance1July	22,460	14,079
Net profit for the year	1,318	8,381
Balance at 30 June	23,778	22,460

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and short term deposits, receivables, available for sale investments and payables.

The Group manages its exposure to key financial risks in accordance with its risk management policy with the objective to ensure that the financial risks inherent in oil and gas exploration activities are identified and then managed or kept as low as reasonably practicable.

The main financial risks that arise in the normal course of business for the Group's financial instruments are foreign currency risk, commodity price risk, share price risk, credit risk, liquidity risk and interest rate risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring exposure to foreign exchange risk and assessments of market forecast for interest rates, foreign exchange and commodity prices. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

It is, and has been, throughout the period under review, the Board's policy that no speculative trading in financial instruments be undertaken.

The primary responsibility for the identification and control of financial risks rests with the Managing Director and the Chief Financial Officer, under the authority of the Board. The Board is apprised of these and other risks at Board meetings and agrees any policies that may be taken to manage any of the risks identified below.

Details of the significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised , in respect of each financial instrument are disclosed in Note 2 to the financial statements.

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments recognised in the financial statements.

	Carrying amount		Fair value	
	2013 $'000	**2012 $'000**	**2013 $'000**	**2012 $'000**
Consolidated				
Financial assets				
Cash and cash equivalents	43,154	59,010	43,154	59,010
Term deposits	4,766	2,451	4,766	2,451
Available for sale investments	20,182	13,203	20,182	13,203
Trade and other receivables	19,457	11,973	19,457	11,973
Financial liabilities				
Trade and other payables	11,845	12,332	11,845	12,332

The financial assets and liabilities of the Group are recognised in the consolidated statement of financial position in accordance with the accounting policies set out in note 2.

The valuation technique for determining and disclosing the fair value of the available for sale investments is the quoted prices on a prescribed equity stock exchange and hence is a level 1 fair value hierarchy.

The following summarises the significant methods and assumptions used in estimating the value of financial instruments:

Trade and other receivables
The carrying value is a reasonable approximation of their values due to the short-term nature of trade receivables.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Risk Exposure and Response.

Foreign currency risk
The Group has transactional currency exposure arising from all its sales which are denominated in United States dollars, whilst almost all its costs are denominated in the Group's functional currency of Australian dollars.

In addition the Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, to the United States Dollars, Euro's and Polish Zloty's. Transaction exposures, where possible, are netted off across the Group to reduce volatility and provide a natural hedge.

The Group may from time to time have cash denominated in United States Dollars, Euro's and Polish Zloty's.

Currently the Group has no foreign exchange hedge programmes in place. The Chief Financial Officer manages the purchase of foreign currency to meet expenditure requirements, which cannot be netted off against US Dollar receivables.

The financial instruments which are denominated in US Dollars are as follows:-

	Consolidated	
	2013 $'000	**2012 $'000**
Financial assets		
Cash	3,637	317
Term deposits at bank	4,286	2,429
Trade and other receivables (current and non-current)	18,076	10,812
Financial liabilities		
Trade and other payables	641	561

The following table summarises the sensitivity of financial instruments held at the year end, to movements in the exchange rates for the Australian dollar to the foreign currency, with all other variables held constant.

	Impact on after tax profit	
	2013 $'000	**2012 $'000**
If the Australian dollar were higher at the balance date by 10% (2012: 13%)	(2,351)	(1,505)
If the Australian dollar were lower at the balance date by 10% (2012: 13%)	2,818	1,955

	Impact on other comprehensive income	
	2013 $'000	**2012 $'000**
If the Australian dollar were higher at the balance date by 10%	-	-
If the Australian dollar were lower at the balance date by 10%	-	-

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Commodity Price risk

Commodity price risk arises from the sale of oil denominated in US dollars. The Group does not sell forward any of its oil and has no financial instruments at report date that relates to commodity prices. The Group has provisional sales at 30 June 2013 of $12,034,000 (2012: $6,597,000).

	Impact on after tax profit	
	2013 $'000	**2012 $'000**
If the Brent Average price per bbl were higher at the balance date by 10%	1,203	**659**
If the Brent Average price per bbl were lower at the balance date by 10%	(1,203)	**(659)**

Credit risk

Credit risk arises from the financial assets of the Group which comprise cash and cash equivalents and trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

The Group trades only with recognised creditworthy third parties. The Group has had no exposure to bad debts.

The Group has a concentration of credit risk with trade receivables due from three entities which have traded with the Group since 2003.

Cash and cash equivalents and term deposits are held at three financial institutions that have a Standard & Poors AA credit rating. Trade receivables are settled on 30 to 90 day terms.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The liquidity position of the Group is managed to ensure sufficient liquid funds are available to meet all financial commitments in a timely and cost-effective manner. The Managing Director and Chief Financial Officer review the liquidity position on a weekly basis including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels.

Trade and other payables amounting to $11,845,000 (2012: $12,332,000) are payable within normal terms of 30 to 90 days.

Interest rate risk

The Group has no borrowings at 30 June 2013 (2012: $ nil) nor has the Group drawn and repaid any loans from a financial institution during the reporting period.

The Group has interest bearing deposits of $41,766,000 (2012: $49,451,000).

The group has $40 million (2012: $nil) in undrawn credit facilities with a financial institution, subject to the conditions outlined in Note 27.

	Impact on after tax profit	
	2013 $'000	**2012 $'000**
If the interest rate were 1% rate higher at the balance date	80	550
If the interest rate were 1% rate lower at the balance date	(80)	(550)

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Any fluctuation of the interest rate either up or down will have no impact on the principal amount of the cash on term deposit at the banks. The Group does not invest in financial instruments that are traded on any secondary market.

Share price risk

Share price risk arises from the movement of share prices on a prescribed stock exchange. The Group has available for sale investments the fair value of which fluctuates as a result of movement in the share price.

	Impact on available for sale investment reserve		Impact on profit before tax	
	2013 $'000	**2012 $'000**	**2013 $'000**	**2012 $'000**
If the share price were 10% higher at the balance date	1,958	1,285	-	-
If the share price were 10% lower at the balance date		-	(1,958)	(1,285)

Capital Management risk

When managing capital, Management's objective is to ensure the entity continues as a going concern as well as maintain optimal return to shareholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity commensurate with the business risk. Capital includes equity attributable to the equity holders of the parent.

As the equity market is constantly changing, management may issue new shares to provide for future exploration or development activities. Management has no current plans to issue further shares.

20. COMMITMENTS AND CONTINGENCIES

	Consolidated 2013 $'000	Consolidated 2012 $'000
Operating lease commitments under non-cancellable office lease not provided for in the financial statements and payable:		
Within one year	312	358
After one year but not more than five years	2,058	1,580
After more than five years	-	-
Total minimum lease payments	2,370	1,938

The Parent entity leases a suite of offices in Adelaide from which it conducts its operations. The lease is for five years with an option to renew after that date. The Parent entity leases a suite of offices in Perth which will be cancelled after October 2013. The lease commitment on the Perth offices is until July 2017, accordingly, a payable has been recognised for the early release on this lease commitment.

	2013 $'000	2012 $'000
Exploration capital commitments not provided in the financial statements and payable:		
Within one year	32,057	46,429
After one year but not more than five years	39,161	53,011
After more than five years	-	-
Total minimum lease payments	71,218	99,440

As at 30 June 2013 the Parent entity has cash backed bank guarantees for $4,454,000 (2012 $1,309,000). These guarantees are in relation to performance bonds on exploration permits, security on the Company's MasterCard facilities and guarantees on office leases.

21. INTEREST IN JOINT VENTURE ASSETS

The group has interests in a number of joint ventures which are involved in the exploration and/or production of oil in Australia, Tunisia, Indonesia and Poland. The Group has the following interests in joint ventures in the following major areas:

		Ownership Interest 2013	Ownership Interest 2012
a) Joint Ventures in which Cooper Energy Limited is the operator/manager			
Australia			
PEL 186	Oil and gas exploration	33.33%	33.33%
PEP151	Oil and gas exploration	75%	75%
Indonesia			
Sukananti KSO	Oil and gas exploration and production	55%	55%
Sumbagsel PSC	Oil and gas exploration	100%	100%
Merangin III PSC	Oil and gas exploration	100%	-
Tunisia			
Bargou Exploration Permit	Oil and gas exploration	30%	30%
Nabeul Exploration Permit	Oil and gas exploration	85%	85%

21. INTEREST IN JOINT VENTURE ASSETS (continued)

b) Joint Ventures in which Cooper Energy Limited is not the operator/manager

Australia			
PEL 90	Oil and gas exploration	25%	25%
PEL 92	Oil and gas exploration and production	25%	25%
PEL 93	Oil and gas exploration and production	30%	30%
PEL 100	Oil and gas exploration	19.167%	19.167%
PEL 110	Oil and gas exploration	20%	20%
PEL 150	Oil and gas exploration	20%	20%
PEL 168	Oil and gas exploration	50%	50%
PEL 171	Oil and gas exploration	25%	25%
PEL 495	Oil and gas exploration	65%	65%
Tunisia			
Hammamet Exploration Permit	Oil and gas exploration	35%	35%
Poland			
MUA 1& 2	Oil and gas exploration	40%	40%

The Groups' ongoing funding obligation to each Joint Venture is no greater than the ownership interest in that joint venture. The share of assets, liabilities and expenses of the joint venture which are included in the financial statements, are as follows:-

	Consolidated	
	2013 $'000	**2012 $'000**
ASSETS		
Current Assets		
Cash at bank	1,295	149
Trade and other receivables	1,811	1,580
Materials	204	189
Prepayments	54	98
Total Current Assets	3,364	2,016
Non-Current Assets		
Oil properties	18,880	19,188
Exploration and evaluation	30,846	42,546
Total Non-Current Assets	49,726	61,734
LIABILITIES		
Trade and other payables	2,072	814
Total Current Liabilities	2,072	814
NET ASSETS	51,018	62,936
Revenue	53,397	59,606
Production expenses	12,357	13,109
Royalties	5,096	5,053
Amortisation of exploration areas under production	1,513	2,604
Amortisation of development costs in areas of production	4,575	6,918
Exploration and development write offs	1,493	1,732

Refer to note 20 for details of joint venture contingencies.

22. RELATED PARTIES

The Group has a related party relationship with its subsidiaries, joint ventures (see note 21) and with its key management personnel (refer to disclosure for key management personnel below).

Key management personnel disclosures

The following were key management personnel of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period.

Non-Executive Director's	***Executive Director***
Mr J Conde AO (*Chairman from 25 February 2013)* Mr L.J. Shervington (*Chairman to 25 February 2013*)	Mr D.P. Maxwell
Mr J.W. Schneider	Mr H.M. Gordon
Senior Employees at year end	
Mr J. de Ross *(Chief Financial Officer*)	Ms S. Giles *(Commercial Manager)*
Mr A. Thomas *(Exploration Manager*)	Ms A. Evans *(Legal and Company Secretary*)
Senior Employees who resigned during the year	
Mr J.A. Baillie *(Chief Financial Officer*)	Mr A.A. Warton *(Development Manager)*
Mr S.K. Twartz *(Exploration Manager*)	Mr S.F. Blenkinsop *(Legal and Commercial Manager*)

The key management personnel compensation included in General Administration (see note 4) are as follows:

	Consolidated	
	2013	**2012**
	$	**$**
Short-term benefits	2,992,433	2,100,002
Long-term benefits	36,470	86,428
Post-employment benefits	108,348	104,953
Performance Rights	506,843	342,266
Early Termination payments	571,860	402,950
Total	4,215,954	3,036,599

Individual Directors' and Executives' compensation disclosures

Information regarding individual Directors' and Executives' compensation and some equity instruments disclosures is provided in the Remuneration Report section of the Directors' report on pages 11 to 23.

Apart from the details disclosed in this note, no Director has entered into a material contract with the parent entity or the Group since the end of the previous financial year and there were no material contracts involving Directors' interest existing at year-end.

22. RELATED PARTIES (continued)

Options over equity instruments

The movement during the reporting period in the number of options over ordinary shares in Cooper Energy Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is a follows:

	Held at 1 July 2012	Granted	Expired / lapsed at maturity or termination	Held at 30 June 2013	Vested during the year	Vested and exercisable
Directors						
None held	-	-	-	-	-	-
Executives						
None held	-	-	-	-	-	-

	Held at 1 July 2011	Granted	Expired / lapsed at maturity or termination	Held at 30 June 2012	Vested during the year	Vested and exercisable
Directors						
Mr G.G. Hancock	3,000,000	-	3,000,000	-	-	-
Executives						
Mr J.A. Baillie	600,000	-	600,000	-	-	-
Mr M.T. Scott	5,000,000	-	5,000,000	-	-	-

Performance rights

The movement during the reporting period in the number of performance rights granted but not exercisable over ordinary shares in Cooper Energy Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Held at 1 July 2012	Granted	Forfeited on termination	Vested during the year	Exercisable	Held at 30 June 2013
Directors						
Mr D. Maxwell	1,647,713	1,317,992	-	-	-	2,965,705
Mr H. Gordon	-	728,731	-	-	-	728,731
Executives						
Mr A. Thomas	-	698,412	-	-	-	698,412
Mr J. de Ross	-	399,059	-	-	-	399,059
Ms A. Evans	-	153,782	-	-	-	153,782
Mr S. Twartz	732,605		732,605	-	-	-
Mr A. Warton	569,021		403,104	165,917	-	-
Mr S.F. Blenkinsop	529,788		529,788	-	-	-
Mr J.A. Baillie	454,952		322,296	132,656	-	-

22. RELATED PARTIES (continued)

Performance rights (continued)

	Held at 1 July 2011	Granted	Forfeited on termination	Vested during the year	Exercisable	Held at 30 June 2012
Directors						
Mr D.P. Maxwell	-	1,647,713	-	-	-	1,647,713
Executives						
Mr S. Twartz	-	732,605	-	-	-	732,605
Mr A. Warton	-	569,021	-	-	-	569,021
Mr S.F. Blenkinsop	-	529,788	-	-	-	529,788
Mr J.A, Baillie	-	454,952	-	-	-	454,952

Movement in shares

The movement during the reporting period in the number of ordinary shares in Cooper Energy Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Held at 1 July 2012	Purchases	Received on exercise of options	Sales	Held at 30 June 2013
Directors					
Mr J Conde AO	-	-	-	-	-
Mr L. J. Shervington	405,933	-	-	-	405,933
Mr D.P. Maxwell	935,527	77,663	-	-	1,013,190
Mr J.W. Schneider	300,000	-	-	-	300,000
Mr H.M. Gordon	176,608	-	-	-	176,608
Executives					
Mr S.F. Blenkinsop	2,933	-	-	-	Resigned

	Held at 1 July 2011	Purchases	Received on exercise of options	Sales	Held at 30 June 2012
Directors					
Mr L. J. Shervington	405,933	-	-	-	405,933
Mr C.R Porter	525,933	-	-	-	Resigned
Mr G.G. Hancock	2,600,001	-	-	-	Resigned
Mr S.H. Abbott	60,000	-	-	-	Resigned
Mr D.P. Maxwell	-	935,527	-	-	935,527
Mr J.W. Schneider	-	300,000	-	-	300,000
Mr H.M. Gordon	-	176,608	-	-	176,608
Executives					
Mr M.T. Scott	751,500	-	-	-	Resigned
Mr S.F. Blenkinsop	160,933	-	-	158,000	2,933

22. RELATED PARTIES (continued)

Subsidiaries

The Group financial statements include the financial statements of Cooper Energy Limited and the subsidiaries listed in the following table.

Name	Country of incorporation	Equity interest 2013	2012 %
Cooper Energy Sukananti Limited	British Virgin Islands	100%	100%
Cooper Energy Sumbagsel Limited	British Virgin Islands	100%	100%
Cooper Energy Merangin III Limited	British Virgin Islands	100%	100%
CE Tunisia Bargou Ltd	British Virgin Islands	100%	100%
CE Hammamet Ltd	British Virgin Islands	100%	100%
CE Nabeul Ltd	British Virgin Islands	100%	100%
Cooper Energy (Seruway) Pty Ltd	Australia	100%	100%
Worrior (PPL 207) Pty Ltd	Australia	100%	100%
CE Poland Pty Ltd	Australia	100%	100%
Somerton Energy Limited	Australia	100%	92.7%
Essential Petroleum Exploration Pty Ltd	Australia	100%	100%
CE Poland Coopertief UA	Netherlands	99%	99%
CE Polska sp z.o.o.	Poland	100%	100%

Joint Venture

During the reporting period, the Group provided geological and technical services to joint ventures it manages at a cost of $1,772,000 (2012: $202,000). At the end of the financial period, $614,000 was outstanding for these services (2012: $nil).

An impairment assessment is undertaken each financial year by examining the financial position of the related party and their investment in the respective joint venture's which are prospecting for hydrocarbons to determine whether there is objective evidence that a related party receivable is impaired. When such objective evidence exists, the Group recognises an allowance for the impairment loss.

23. SHARE BASED PAYMENT PLANS

On 16 December 2011 shareholders of the parent entity approved the establishment of an Employee Performance Rights Plan whereby the Board can, subject to certain conditions, issue performance rights to employees to acquire shares in the parent entity.

The first issue under the plan was made on 20 January 2012. During the financial year further issues were made in July 2012, August 2012, October 2012 and May 2013. The performance rights were issued for no consideration. The right extends to the holder the right to be vested with shares in the parent entity.

Vesting of the performance rights will be in three equal tranches over the term of the right to be determined in the fourth calendar quartile of each year.

The vesting test is two parts. Up to 25% of the eligible rights to vest are determined from the absolute total shareholder return of the parent entity's share price against its own share price at the date of the grant of the right. If the return is less than 5% no rights will vest. If the return is between 5% and 25% the rights that will vest will be between 6.25% and 12.5% of the eligible rights. If the return is greater than 25% up to 25% of the eligible rights will vest.

The second part is for the remaining 75% of the eligible rights to vest and is determined from the absolute total shareholder return of the parent entity's share price against a weighted basket of absolute total shareholder returns of peer companies listed on the Australian Stock Exchange. If the return is less than 50% of peer companies no rights will vest. If the return is between 50% and 75% rights the eligible rights that will vest will be between 37.5% and 56.25%. If the return is greater than 75% up to 75% of the eligible rights will vest.

Rights that do not qualify for vesting in any one year can be carried forward to the following year for testing of vesting eligibility.

There are no participating rights or entitlements inherent in the rights and holders will not be entitled to participate in new issues of capital offered to shareholders during the period of the rights. All rights are settled by physical delivery of shares.

Information with respect to the number of performance rights granted to employees is as follows:

Granted in the year ended	Number of rights granted	Average share price at commencement date of grant (cents)	Average contractual life of rights at grant date in years
1 July 2012	597,583	$0.365	3
2 August 2012	252,980	$0.437	3
26 October 2012	5,172,342	$0.574	3
31 May 2013	267,607	$0.471	3

The number and weighted average exercise prices of performance rights held by employees is as follows:

	Number of rights 2013	Number of rights 2012
Balance at beginning of year	5,855,831	-
- granted	6,290,512	5,855,831
- vested	(405,667)	-
- expired and not exercised	-	-
- forfeited following employee resignation	(3,179,306)	-
Balance at end of year	8,561,370	5,855,831
Exercisable at end of year	nil	nil

During the financial year, 405,667 rights were vested (2012: nil).

23. SHARE BASED PAYMENT PLANS (continued)

The fair value of services received in return for the performance rights granted are measured by reference to the fair value of performance rights granted. The estimate of the fair value of the services received is measured based on the Black-Scholes methodology to produce a Monte-Carlo simulation model that allows for the incorporation of market based performance hurdles that must be met before the shares vest to the holder.

Fair value assumptions	**1 July 2012**
Fair value at measurement date	26.1 cents
Share price	36.5 cents
Risk free interest rate	3.27%
Expected volatility	40%
Dividend Yield	0%

Fair value assumptions	**2 August 2012**
Fair value at measurement date	40.6 cents
Share price	48.5 cents
Risk free interest rate	2.65%
Expected volatility	42%
Dividend Yield	0%

Fair value assumptions	**26 October 2012**
Fair value at measurement date	45.8 cents
Share price	58.5 cents
Risk free interest rate	2.64%
Expected volatility	43%
Dividend Yield	0%

Fair value assumptions	**31 May 2013**
Fair value at measurement date	24.9 cents
Share price	38 cents
Risk free interest rate	2.59%
Expected volatility	44%
Dividend Yield	0%

24. DEED OF CROSS GUARANTEE

The parent entity and each of the Australian Subsidiaries (the Closed Group) entered into a Deed of Cross Guarantee on 28 June 2013. The effect of the Deed is that the Parent has guaranteed to pay the deficiency in the event of winding up of any of the Australian Subsidiaries under certain provision of the *Corporations Act 2001*. The Australian Subsidiaries have also given a similar guarantee in the event that the Parent is wound up. The statement of comprehensive income and statement of financial position of the Closed Group are as follows:

Closed Group Statement of Comprehensive Income	**Closed Group**	
	2013 $'000	**2012 $'000**
Continuing Operations		
Revenue from oil sales	50,976	-
Cost of sales	(22,067)	-
Gross profit	28,909	-
Other revenue	2,343	-
Exploration and evaluation expenditure written off	(1,493)	-
Administration and other expenses	(11,714)	-
Profit before income tax	18,045	-
Taxes		
Income tax expense	(5,569)	-
Petroleum Resource Rent Tax	(11,019)	-
Total income tax (expenses)	(16,588)	-
Net profit after tax from continuing operations	1,457	-
Retained profits at the beginning of the period	23,373	-
Retained profits at the end of the period	24,830	-

Notes to the Financial Statements
For the year ended 30 June 2013

Closed Group Statement of Financial Position	Closed Group	
	2013 $'000	**2012 $'000**
ASSETS		
Current Assets		
Cash and cash equivalents	43,154	-
Trade and other receivables	18,216	-
Materials	-	-
Prepayments	731	-
Total Current Assets	62,101	-
Non-Current Assets		
Available for sale financial assets	20,182	-
Loans to subsidiaries	31,796	-
Term deposits at banks	4,766	-
Oil properties	17,303	-
Exploration and evaluation	26,287	-
Deferred tax asset	-	-
Total Non-Current Assets	100,334	-
TOTAL ASSETS	162,435	-
LIABILITIES		
Current Liabilities		
Trade and other payables	11,203	-
Income tax payable	-	-
Total Current Liabilities	11,203	-
Non-Current Liabilities		
Deferred tax liabilities	9,102	-
Provisions	3,326	-
Total Non-Current Liabilities	12,428	-
TOTAL LIABILITIES	23,631	-
NET ASSETS	138,804	-
EQUITY		
Contributed equity	114,570	-
Reserves	(596)	-
Retained profits	24,830	-
TOTAL EQUITY	138,804	-

25. AUDITORS REMUNERATION

	Consolidated	
	2013 $	2012 $
The auditor of Cooper Energy Limited is Ernst & Young		
Amounts received or due and receivable by Ernst & Young Australia for:		
Auditing and review of financial reports of the entity and the consolidated group	184,427	243,500
Other services – due diligence	-	20,000
	184,427	263,500
Amounts received or due and receivable by related practices of Ernst & Young Australia for:		
Auditing and review of financial reports of an entity in the consolidated group	-	-
	184,427	263,500

26. PARENT ENTITY INFORMATION

	Parent Entity	
Information relating to Cooper Energy Limited	2013 $'000	2012 $'000
Current Assets	60,804	64,472
Total Assets	161,140	160,598
Current Liabilities	9,773	15,223
Total Liabilities	22,030	21,878
Issued capital	114,570	113,877
Retained profits	24,144	23,694
Option premium reserve	25	25
Unrealised (loss)/gain on available for sale financial assets	(3,381)	(1,995)
Share based payment reserve	3,752	3,119
Total shareholders' equity	139,110	138,720
Profit/(loss) of the parent entity	451	9,143
Total comprehensive income/(loss) of the parent entity	(2,930)	7,148

Commitments and Contingencies

Operating lease commitments under non-cancellable office lease not provided for in the financial statements and payable:

Within one year	312	358
After one year but not more than five years	2,058	1,580
After more than five years	-	-
Total minimum lease payments	2,370	1,938

27. EVENTS AFTER THE REPORTING PERIOD

On 28 June 2013 the Company executed a bilateral facility agreement for bank facilities totalling $40 million with Westpac Banking Corporation. Subsequent to 30 June 2013 the Company has satisfied all conditions precedent for Tranche A Facilities of $10m and these are available for use. Remaining conditions precedent to the first drawdown under Tranche B Facilities of $30m relate to finalisation of security arrangements.

The Company resigned as operator on PEP 151 on 15 August 2013 with no change in equity interests.

On 22 August 2013 the Tax Consolidated Group entered into a Tax Sharing Agreement and Tax Funding Agreement. There is no accounting impact upon the Consolidated Group.

Ms. Alice Williams was appointed to the Board of Directors on 28 August 2013.

Directors' Declaration

In accordance with a resolution of the Directors of Cooper Energy Limited, I state that:

In the opinion of the Directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2b;

(c) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable;

(d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2013; and

(e) at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 24 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

Signed is accordance with a resolution of the Directors.

Mr John C. Conde AO
Chairman

Mr David P. Maxwell
Director

28 August 2013

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Independent auditor's report to the members of Cooper Energy Limited

Report on the financial report

We have audited the accompanying financial report of Cooper Energy Limited, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

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Opinion

In our opinion:

a. the financial report of Cooper Energy Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the remuneration report

We have audited the Remuneration Report included in pages 11 to 23 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Cooper Energy Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.

Ernst + Young

Ernst & Young

T S Hammond
Partner
Adelaide
28 August 2013

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Auditor's
Independence Declaration to the Directors of Cooper Energy Limited

In relation to our audit of the financial report of Cooper Energy Limited for the financial year ended 30 June 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst + Young

Ernst & Young

T S Hammond
Partner
28 August 2013

Corporate Directory

Directors

John CONDE AO (Chairman appointed 25 February 2013)
Laurence J SHERVINGTON (Chairman to 25 February 2013)
David P. MAXWELL
Jeffery W. SCHNEIDER
Hector M. GORDON

Company Secretary

Alison EVANS (appointed 25 February 2013)
Ian E GREGORY (resigned 28 February 2013)

Registered Office and Business Address

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Facsimile: + 618 8100 4997
E-mail: admin@cooperenergy.com.au
Website: www.cooperenergy.com.au

Auditors

Ernst & Young
121 King William Street
Adelaide, South Australia, 5000

Solicitors

Squire Sanders
Level 21
300 Murray Street
Perth WA 6000

Bankers

Westpac Banking Corporation
Level 18, 91 King William Street
Adelaide, South Australia, 5000

National Australia Bank Limited
Level 2, 22 King William Street
Adelaide, South Australia, 5000

Commonwealth Bank of Australia
Level 8, 100 King William Street
Adelaide, South Australia, 5000

Citibank N.A.
2 Park Street
Sydney, New South Wales 2000

Share Registry

Computershare Investor Services Pty Limited
Level 2
Reserve Bank Building
45 St George's Terrace
Perth, Western Australia 6000