

Second side-track to be drilled at Hammamet West-3

17 October 2013

Cooper Energy Limited (Cooper Energy: ASX:COE) as Operator and 30% joint venture interest-holder of the Bargou Permit, offshore Tunisia advises that the joint venture has decided to drill a second deviated well bore (ST-2) at Hammamet West-3 to access hydrocarbon bearing fractures in the Abiod formation targeted and identified by the initial deviated well bore, ST-1.

The decision to drill ST-2 has been made after production testing of ST-1 successfully confirmed the presence of open hydrocarbon bearing fractures but could not be completed due to ongoing blockages and obstructions caused by lost circulation material (LCM). As previously reported, ST-1 recorded flow rates averaging 1,290 barrels per day for 1.5 hours on 7 August, including oil to surface, in initial testing before blocking of the test string by LCM.

Numerous attempts since that date to clean up the well and resume testing have all resulted in further blockages and obstruction. The joint venture is of the view that a successful production test of ST-1 will be unlikely, and accordingly, is completing operations to plug and abandon ST-1 and prepare for the drilling of ST-2, using the rig that is currently on location (GSP Jupiter), subject to the finalisation of terms.

Hammamet West-3 ST-2 will involve the drilling of a deviated 6 inch hole in the Abiod Formation from the Hammamet West-3 wellbore to intersect fractures located by ST-1 and the original fracture zone targeted, but not reached, by ST-1. Drilling of ST-1 was suspended at 3,443 metres (measured depth in metres below the rotary table) approximately 400 metres before the original prognosed total depth (TD) of 3,840 metres after experiencing large drilling mud losses and elevated gas levels whilst drilling through open fractures. LCM was introduced into the well bore to minimise drilling mud losses while drilling these sections.

Information acquired about the reservoir during the drilling of ST-1 is being incorporated into the design of ST-2 and the joint venture is of the view that the mitigation provided has significantly increased the probability of success. In particular, it is expected that ST-2 can be drilled with significantly reduced reliance on LCM for control of losses and that the knowledge of fracture location provided by ST-1 has enabled the plotting of a more direct well path for ST-2.

It is expected that drilling ST-2 to TD will take approximately 28 days and testing and subsequent well suspension (or abandonment) a further 30 days. The cost of Hammamet West-3 to date is US\$80 million, of which Cooper Energy's share is approximately US\$15 million. Advice on the anticipated cost of ST-2 will be advised on the finalisation of agreement with the drilling contractor.

Well background

Hammamet West-3 is located 15 km offshore and 1.6 km east of Hammamet West-2 in 54 metres water depth (see map following). The nearest producing field is Maamoura, 12 km SW.

The objective of the well is to drill and test a highly deviated wellbore through the naturally fractured Abiod Formation reservoir to confirm oil productivity. This was addressed initially through ST-1, which accessed 432 metre of Abiod Formation through a near-horizontal well bore.

ST-1 intersected significant natural fractures and recovered oil and gas to surface as well as recording other hydrocarbon indications including elevated gas levels and oil shows whilst drilling. These results have confirmed the pre-drill fracture model and the resource potential of the Hammamet West structure as well as reducing the risk of other similar prospects in the Bargou and neighbouring Hammamet (Cooper Energy 35%) permits offshore Tunisia.

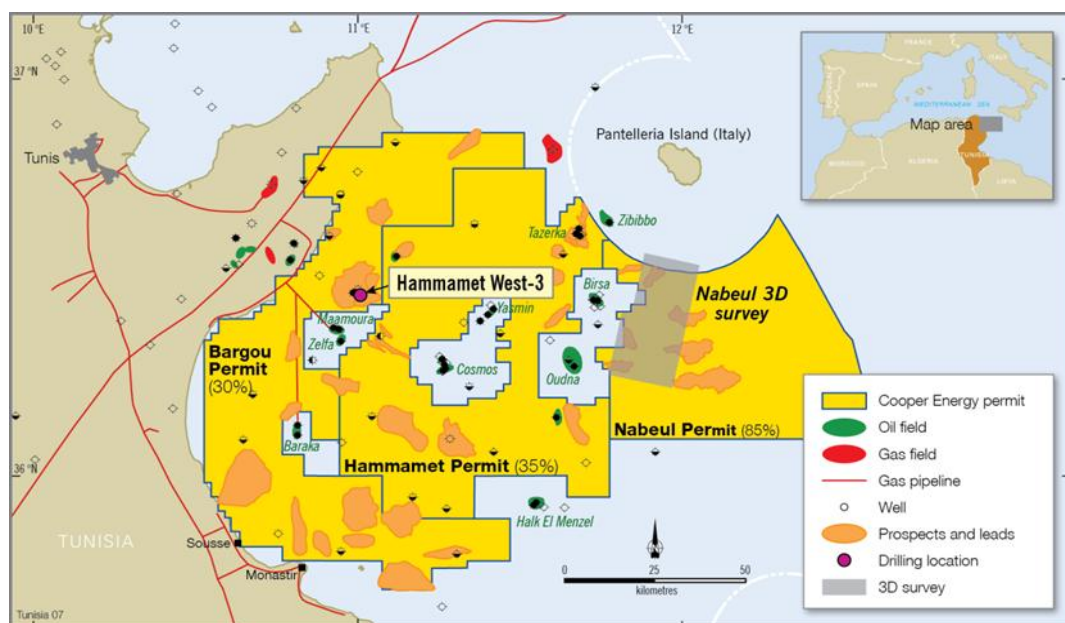
Participating interests:

Cooper Energy Limited (Operator) 30%

Dragon Oil Ltd 55%

Jacka Resources Limited 15%

Location of Hammamet West-3



Further comment and information
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About Cooper Energy Limited (“Cooper”)

Since listing on the ASX in 2002, Cooper has built a portfolio of near term low risk development and appraisal projects as well as high impact exploration prospects. Cooper currently benefits from approximately 500,000 barrels of oil production per year from the Cooper Basin, South Australia, with approximately 150 barrels of oil per day gross production from its Sukananti KSO in Indonesia. Cooper also has prospective exploration licenses in Australia (Cooper, Otway and Gippsland Basins), Tunisia and Indonesia. Cooper enjoys a solid balance sheet, good production earnings, and has a clear strategy to enhance shareholder return. www.cooperenergy.com.au