

2014 Financial Results: **Record earnings, resources and drilling plans**

18 August 2014

- **Statutory profit after tax of \$22.0 million, up from \$1.3 million**
- **Underlying profit after tax of \$25.3 million, up from \$12.7 million**
- **Operating cash flow \$50.3 million, up from \$12.5 million**
- **Proved & probable oil reserves (2P) 2.01 million bbls, compared to 2.16 million bbls¹**
- **Contingent Resources (2C) of 35 million boe, up from 5.7 million boe**
- **New oil discoveries at Worrior Patchawarra formation and Hammamet West**
- **New conventional gas play identified in the Otway Basin**
- **Cash and investments of \$75.1 million up from \$68.1 million**
- **Conference call 9 am, 18 August**

Cooper Energy Limited ("Cooper Energy", ASX: **COE**) has announced its 2014 financial results, its strongest to date, to the ASX today. The announcement, which featured record profit and cash flow results for the 12 months to 30 June, also included a five-fold increase in Contingent Resources and advice of the company's largest ever annual drilling program for FY15.

Statutory net profit after tax for the twelve months to 30 June 2014 (FY14) was \$22.0 million compared with \$1.3 million in FY13, with the latter figure having been affected significantly by the de-recognition of the PRRT deferred tax asset. Underlying profit, which excludes adjustments for PRRT and exploration impairments, was \$25.3 million, up 99% from \$12.7 million. The increase in underlying profit was driven by record production of 0.59 million barrels of oil for the year, 20% higher than the 2013 production of 0.49 million barrels.

Sales revenue of \$72.3 million was 35% higher than the \$53.4 million in the preceding period, with the benefits of stronger production being amplified by higher A\$ oil prices.

Cooper Energy Managing Director David Maxwell said the company's results in 2014 "rank as its best to date. Production, revenue, profit and cash generation were all the highest yet achieved by the company."

¹ Cooper Energy's estimates of Reserves and Contingent Resources are detailed in the annexure to this announcement that commences from page 5.

“The stand-out feature is our Contingent Resources, which was increased five times and now includes valuable gas resources in the Gippsland Basin which are well located for commercialisation to supply Eastern Australia’s emerging gas needs. We have estimated BMG to hold gross gas and liquids 2C Contingent Resources² of approximately 28 million boe (Cooper Energy share 18 million boe) and we have commenced the process of analysing and documenting a business case for development,” he said.

Cooper Energy estimates its total 2C Contingent Resources at 30 June to be 35 million boe, up from 5.7 million boe. This figure does not include estimates for the promising Otway Basin gas play identified by the recent deep drilling program, or any unconventional resources.

Year-end reserves have been maintained at 2 million barrels of oil notwithstanding record oil production and an exploration program featuring reduced drilling as the Company invested in seismic data acquisition.

Cash and financial assets at 30 June, 2014 were \$75.1 million, 10% higher than the opening position of \$68.1 million. Cooper Energy remains debt-free.

Mr Maxwell said that the results highlighted the high margin, cash generating capacity of the company’s producing assets. “Cash from operating activities for the year exceeded \$51 million. We have funded our largest capital expenditure program to date and still finished with a stronger balance sheet” he said.

Proved and probable reserves at 30 June were 2.01 million barrels of oil compared to the previous corresponding figure of 2.16 million barrels. Mr Maxwell said that the total of 3 oil exploration wells spudded during FY14 was the lowest by the company in nine years as it invested in acquiring and processing seismic data for drilling in future years and gathering technical information for the Otway Basin gas opportunity.

“The analysis and interpretation of this information is expected to flow through to our prospects and leads inventory and will inform our 2015 drilling program,” he said.

Cooper Energy anticipates its production for the 12 months to 30 June 2015 will range between 0.50 and 0.56 million barrels. This guidance is exclusive of the impact of exploration success or significant interruptions to production.

Mr Maxwell said that while natural decline resulted in production from some existing fields, the company had expanded its potential for growth, much of which will be tested and matured in the current year.

“The 2015 drilling program includes 18 wells and, for the first time, the majority of exploration wells drilled will be outside the traditional ‘engine room’ licence area that was PEL 92. This is significant and reflects the company’s development and the work undertaken in areas such as our northern

² Cooper Energy released its initial estimates of Contingent Resources attributable to the BMG project in an earlier announcement to the ASX today, 18 August 2014.

Cooper Basin Licences PEL's 90,100 and 110, PEL 93 where a new oil pool discovery has been made, and in Indonesia" he said.

Exploration would account for 10 wells in the program including: five exploration wells planned for the northern licences PELs 90, 100 and 110; four exploration wells in the PRL's 85 – 104 (previously PEL 92), where drilling in the second half will employ information from the interpretation of 3D seismic data and an exploration well budgeted for the Sumbagsel licence in Indonesia.

In the Otway Basin, the identification of a new deep conventional gas play was a highlight of the FY14 drilling campaign.

"The priority for the Otway Basin joint venturers is now to assess the detailed information gathered and then plan further exploration activity" said Mr Maxwell.

"We expect the next twelve months to see significant advances in our gas strategy as we develop the business case for BMG as a commercial source of gas for eastern Australia and in maturing the understanding of the Otway gas opportunity" said Mr Maxwell. "We are also assessing opportunities to use our strong balance sheet to add production and reserves where value metrics and strategic fit align".

Further comment and information	
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Qualified petroleum reserves and resources evaluator

This report contains information on petroleum resources which is based on and fairly represents information and supporting documentation reviewed by Mr Andrew Thomas who is a full time employee of Cooper Energy Limited holding the position of Exploration Manager, holds a Bachelor of Science (Hons), is a member of the American Association of Petroleum Geologists and the Society of Petroleum Engineers and is qualified in accordance with ASX listing rule 5.41 and has consented to the inclusion of this information in the form and context in which it appears.

Conference call and webcast details:

Time:	9:00 am EST, Monday 18 August		
Webcast	http://event.on24.com/r.htm?e=830422&s=1&k=674DE1C2F46781B08CFBD05CFA1CD96C		
Conference call	Conference ID number: 8107 0716		
Australia:	Toll free: 1800 123 296		
	Toll: + 61 2 8038 5221 - (can be used if dialing from international location)		
International dial- in	Toll free:		
	Canada	1855 5616 766	New Zealand 0800 452 782
	China	4001 203 085	Singapore 800 616 2288
	Hong Kong	800 908 865	United Kingdom 0808 234 0757
	Japan	0120 985 190	United States 1855 293 1544

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 and the Sukananti KSO in Indonesia. Cooper also has prospective exploration licenses in Australia (Cooper, Otway and Gippsland Basins), Tunisia and Indonesia. Cooper enjoys a strong balance sheet, good production earnings, and has a clear strategy to enhance shareholder return. www.cooperenergy.com.au

Annexure: Reserves & Contingent Resources as at 30 June 2014

Reserves

Cooper Energy's Proved and Probable Reserves as at 30 June 2014 are assessed to be 2.01 million barrels of oil (MMbbl). This represents a decrease of 0.15 MMbbl from 30 June 2013, driven by record production, partially offset by reserve upgrades in fields in both Australia and Indonesia.

	Petroleum Reserves as at 30 June 2014		
	MMbbl		
	Proved (1P)	Proved & Probable (2P)	Proved, Probable & Possible (3P)
Cooper Basin	0.71	1.54	2.61
Indonesia	0.14	0.47	0.81
Total	0.85	2.01	3.42

Note:

- Reserves include Cooper Energy's share of future crude fuel usage in the Cooper Basin. The estimated fuel usage is; 1P 0.02 MMbbl, 2P 0.05 MMbbl and 3P 0.08 MMbbl. There is no produced crude oil used for fuel in Indonesia.
- Categories are aggregated by arithmetic summation.
- Basin and Company totals are aggregated by arithmetic summation. Aggregated 1P may be a very conservative estimate and aggregated 3P may be a very optimistic estimate due to the portfolio effects of arithmetic summation.

Contingent Resources

Contingent Resources at 30 June 2014 have increased by 29.3 MMboe to an estimate of 35.1 MMboe. The key revisions are the addition of the Hammamet West field, Tunisia, and the Basker and Manta fields in the Gippsland Basin.

	Contingent Resources as at 30 June 2014		
	MMboe		
	1C	2C	3C
Cooper Basin	0.0	0.01	0.03
Gippsland Basin (BMG)	10.8	18.0	30.6
Tunisia (Hammamet West & Tazerka)	9.0	17.0	39.5
Total	19.8	35.1	70.1

Note:

- The Contingent Resource assessment includes resources in the, Hammamet West Field, in the Bargou Permit, offshore Tunisia, as released to the ASX on 28 April 2014. Cooper Energy is not aware of any new information or data that materially affects the information provided in that release, and all material assumptions and technical parameters underpinning the estimates provided in that release continue to apply and have not changed.
- The Contingent Resource assessment includes resources in Basker and Manta Fields Field, in the Gippsland Basin, as released to the ASX on 18 August 2014. Cooper Energy is not aware of any new information or data that materially affects the information provided in that release, and all material assumptions and technical parameters underpinning the estimates provided in that release continue to apply and have not changed.
- Categories are aggregated by arithmetic summation.
- Basin and Company totals are aggregated by arithmetic summation. Aggregated 1C may be a very conservative estimate and aggregated 3C may be a very optimistic estimate due to the portfolio effects of arithmetic summation.

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