

24 March 2016

Hammamet Permit – Request for Arbitration

Cooper Energy (ASX:COE) advises that CE Hammamet Ltd, a wholly owned subsidiary has today been served with a Request for Arbitration by the remaining joint venture partners in the Hammamet Permit, Tunisia (Medco Ventures International (Barbados) Ltd and DNO Tunisia AS).

Cooper Energy has previously reported its intention to withdraw from Tunisia and consistent with this CE Hammamet Ltd elected not to participate in the most recent extension of the Hammamet Permit and issued a notice to withdraw from the joint venture on 16 June 2015, in accordance with the terms of the joint operating agreement.

The parties hold differing opinions regarding the interpretation of the terms of the joint operating agreement regarding ongoing liability to pay for work obligations which may be undertaken during the extension period of the permit following the withdrawal. The remaining joint venture parties are now seeking security from CE Hammamet Ltd for a 35% share of the cost of drilling a well in the Hammamet Permit, a share which they assert to be at least \$US13.1 million. They also seek an unspecified amount of damages for the claimed breach of the joint operating agreement. The remaining joint venture parties have invoked the dispute resolution procedure under the joint operating agreement.

CE Hammamet Ltd believes the claim to be without basis and denies any liability for activities undertaken during an extension period of the permit in which it has elected not to participate. CE Hammamet Ltd is unaware of firm plans for a well to be drilled at all.

Accordingly, Cooper Energy considers that it is not obliged to provide the security as requested by the remaining joint venture parties and that it is in shareholders' interests to defend the claim which it intends to do with vigour.

The company will advise of further developments in accordance with its disclosure obligations.

Further comment and information	
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