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ASX Announcement

Monday 2 August 2010

COE020810a

Cooper Energy Funding a Gas Field Development in Romania

Dear Shareholders,

Cooper Energy is pleased to announce that the Company has executed a strategic alliance with Zeta Petroleum Limited for oil and gas projects in Romania.

The opportunity involves making a staged placement in Zeta Petroleum to fund the appraisal and development of the Bobocu Gas Field and a strategic alliance to participate in new oil and gas projects.

The placement will be funded out of Cooper Energy's A\$92.4 million cash reserves.



Zeta Petroleum is a private company that was formed in 2005 to search for oil and gas developments in Romania. Zeta's cornerstone asset is the 100% owned Bobocu Gas Field that is located 110 km north-east of Bucharest, Romania's capital city. The company has two other minor oil and gas projects that are funded by farm-outs to other third parties. More information on Zeta Petroleum can be found on their website (www.zetapetroleum.com).

The Bobocu Gas Field lies between 2,500 and 2,700 metres and contains 99% methane. The field produced a total of 33 BSCF of gas from 1977 to 1995 with a second phase of production from 2000 to 2001 and then the field was abandoned. The field is expected to have additional redevelopment potential, which is the focus of the appraisal program. To initiate the appraisal of the gas field Zeta have just completed a 75 km² (50 km² full fold) 3D seismic acquisition program. Cooper Energy will provide Zeta with geology, geophysical and engineering and funding support to progress the gas field appraisal. Cooper Energy will update the market in regards to the field volumes and development potential as evaluations progress.

In addition to the appraisal of the gas field, Zeta Petroleum and Cooper Energy have agreed to create an alliance to mutually seek out and secure oil and gas projects in Romania. The participation in new projects would be in the form of a 50:50 unincorporated Joint Venture.

The full extent of the placement in Zeta Petroleum will be dependent upon appraisal success milestones as follows:

Placement Purpose	Placement Condition	Placement Amount
Zeta G&A/G&G ⁽¹⁾ (2010-2011)	None	A\$1.2 million
Zeta G&A/G&G ⁽¹⁾ (2011-2012)	Zeta remains a going concern.	A\$1.2 million
First appraisal well (2011)	3D seismic interpretation delivers sufficient gas to support an economically viable project.	A\$2.1 million
Second appraisal well (2011-2012)	First appraisal well confirms gas volume estimates and sufficient gas to support an economically viable project.	A\$2.1 million
Gas plant design (2012)	Second appraisal well confirms gas volume estimates and sufficient gas to support an economically viable project.	A\$2.3 million
Gas plant construction (2012+)	Gas plant design confirms cost estimates, the project remains economic and a gas market is available.	A\$9.5 million
Total	Potential total funding if all milestones are funded.	A\$18.4 million⁽²⁾

(1) G&A: General and Administration Costs. G&G: Geology and Geophysics Costs.

(2) Approximate Australian dollar estimates using the current Euro to A\$ forex rate. Costs may change as project progresses.

Depending upon the funding level reached, Cooper Energy would be expected to own somewhere between 10-50% of Zeta Petroleum.

Romania is a member of the European Union (EU) and the country is one of Europe's most prolific hydrocarbon provinces. Romania is an ex Eastern Bloc country and since joining the EU in 2007 has been slowly opening up its industry for western participation. The fiscal terms in Romania are very attractive with a royalty of 3.5-13.5% and an income tax rate of 16%.

Michael Scott, Managing Director, noted that *"Eastern Europe has a number of attractive oil and gas provinces with excellent fiscal terms and Cooper Energy is pleased to add this area to our portfolio. The opportunity with Zeta Petroleum allows us to immediately be active in Romania without the usual long lead-times associated with a new country entry. We have a number of risk managed growth options to pursue and we are looking forward to working with Zeta Petroleum to increase the value of both companies."*

Further information will be announced at the appropriate time.

Regards,
Cooper Energy Limited

Michael Scott
Managing Director

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