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ASX Announcement

Thursday 25 February 2010

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COOPER ENERGY LIMITED BROADCAST

COOPER ENERGY LIMITED (COE) provides the opportunity to listen to an audio broadcast with **Mr Michael Scott, MD** in a presentation titled "**Cooper Energy Half Year Results Presentation**".

To listen, copy the following details into your web browser: brr.com.au/event/64308

The presentation details are as follows:

- **Cooper Energy Half Year Results Presentation**
- **Presented by Mr Michael Scott, MD**
- **Thu, 25 Feb 2010 10:00am AWST**

The transcript of this interview is attached to this announcement.

Regards,
Cooper Energy Limited

Michael Scott
Managing Director

Disclaimer

The information in this report:

- *Is not an offer or recommendation to purchase or subscribe for shares in Cooper Energy Limited or to retain or sell any shares that are currently held.*
- *Does not take into account the individual investment objectives or the financial situation of investors.*
- *Was prepared with due care and attention and is current at the date of the presentation.*
- *Actual results may materially vary from any forecasts (where applicable) in this report.*
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Attachment: Interview Transcript

BRR:	Welcome to BRR Mr Scott.
MS:	Thank you James.
BRR:	<p>We note this week that Cooper Energy has released its half yearly and a detailed seismic and drilling operations update.</p> <p>With regards to page 5 in your operations presentation, perhaps you could give us a quick update as to your half yearly results.</p>
MS:	<p>As you point out we released our half yearly results earlier in the week. For the half year we had oil sales revenue of \$22.2 million, an EBITDAX of \$13 million and a profit after tax of \$8 million. All the measures were higher than the same period last year.</p> <p>The key measure however is cash – at the end of December we had \$95 million in the bank, which is \$30 million more than last year.</p> <p>As a small E&P company it's our healthy cash balance supplemented by our net production revenue that enables us to pursue our goals and differentiates us from all the other small E&P companies.</p> <p>The bottom-line is Cooper Energy is very healthy and looking to invest that cash in high growth projects.</p>
BRR:	Looking at page 6 of your presentation, you seem to indicate that growth by drilling is your key focus – is this correct?
MS:	<p>I believe that exploration drilling within our own acreage gives us the highest leverage to growth.</p> <p>The next best option is farming into a technically mature prospect. If a prospect stacks up and we like the risks and economics then it gives us near-term operational activity and growth potential.</p> <p>After those two growth options the risks and uncertainty increases:</p> <ul style="list-style-type: none">- Blocks bids are highly competitive so we need to be careful that we don't financially over-commit and- Project acquisitions at the moment seem to be generally fully or over priced at the 2P level with limited upside <p>So I believe that in order to grow efficiently we should continue to mature our own blocks and look for blocks where the owners have a technically mature prospect to drill.</p>
BRR:	In your half yearly ASX announcement you used the phrase "optimistically cautious" to describe Cooper Energy's style – what exactly did you mean by that?
MS:	<p>The oil industry is all about managing financial and technical risk.</p> <p>We are optimistic about our potential and that we believe we will continue to grow – we enthusiastically pursue opportunities within our existing portfolio and new projects.</p> <p>However, we take a cautious view and make sure that our enthusiasm does not overtake our capacity to assess and manage the financial and technical risks.</p> <p>We have a high level of technical and commercial skills and experience in the Company and we use those skills to keep us viable in the long-term.</p> <p>Cooper Energy is not about short-term good news – we are here for the long-term so we need to make sure our projects can stand the test of time.</p>
BRR:	Moving onto your operations, it would appear that 2010 is going to be a very busy year.
MS:	<p>On page 9 of our presentation we have summarised the program.</p> <p>On the seismic front we have three programs being matured. The purpose of those programs is to identify prospects for drilling in 2011 and beyond.</p> <p>In our exploration portfolio we expect to drill nine exploration wells this year and the program will kick-off in April with the Gigir East-1 well in Indonesia.</p>

	<p>After Indonesia we are then back to the Cooper Basin, then off to Tunisia for two wells and then back to the Cooper Basin at the end of the year.</p> <p>On the development drilling front we expect to drill between 1 to 4 wells on our existing oil fields in the Cooper Basin. The purpose of these wells is to boost reserves and production.</p> <p>All these activities are individually detailed through the presentation.</p>
BRR:	Which of the wells do you think will get investors excited?
MS:	<p>The two keys wells that will get the most interest are most likely the two in Tunisia.</p> <p>The onshore well and the offshore well in the second half of the year will generate the most interest in the stock.</p>
BRR:	Are the two Tunisian wells fully planned and ready to go?
MS:	<p>For the offshore well the Operator is searching for a rig. We believe that this will be resolved in the near future.</p> <p>For the onshore well we have completed the well proposal, well design and location selection. The next step is to initiate the tendering of equipment and materials.</p>
BRR:	Why are the Tunisian wells more exciting than the Cooper Basin wells?
MS:	<p>It's simply the size of the targets and the potential impact they could have on the share price if they are discoveries.</p> <p>An oil company is all about the volume of hydrocarbons it owns and the revenue it generates from those hydrocarbons.</p> <p>In very general terms, the bigger the volume the more value it can create.</p>
BRR:	With all the activity you have – how will your cash be impacted.
MS:	<p>We will most likely finish 2010 with less cash than we started.</p> <p>We have budgeted \$30 million for our exploration drilling so that comes right out of our bank accounts.</p> <p>However, remember that we will still be generating income from our production so we will also be replenishing our bank account from our net revenue.</p> <p>At the end of 2010 we expect to be left with about \$70-75 million in cash with everything paid for.</p>
BRR:	There seems to be limited downside and high upside.
MS:	<p>That's exactly correct.</p> <p>With our current share price undervaluing our portfolio investors get a free ride on our exploration.</p> <p>At the end of 2010 – if we drill all dry holes – the share price should be valued much the same as today. If we make a few discoveries it could be as high as \$2.</p> <p>Our high cash levels provide the ultimate hard floor to the share price.</p> <p>So – you are completely correct – downside limited, upside 400%.</p>
BRR:	So looking forward how would you summarise 2010?
MS:	From April we are going to have lots of drilling activity, production will continue, cash will remain high and we are hoping to inject a new project sometime during the year.
BRR:	Good luck and I look forward to the next update.
MS:	<p>Thanks James – we've got a great year in front of us and I think Cooper Energy will experience a further evolution through 2010.</p> <p>In closing I'd just like to also thank our shareholders who continue to support our efforts and we hope that we can reward them with share price increases this year.</p>