

COOPER ENERGY ATTAINS CASH RECORD AS STRONG PRODUCTION UNDERPINS GROWTH

- **Strong June Quarter oil production underpins 4% increase in oil sales to A\$8.4 million.**
- **Record A\$23.9 million working capital at quarter-end.**
- **Full-year production of 354,086 barrels of oil exceeds base case target by 54,086 barrels.**
- **Continued strong operational performance underpins aggressive growth strategy with 7 exploration wells targeting greater than 200 million barrels of oil.**

Cooper Energy Limited (**ASX: COE**) has laid the foundations for another strong full-year financial result – and an aggressive 7-well exploration program – after posting a 4% increase in oil sales to A\$8.4 million for the June Quarter – increasing its working capital to a record A\$23.9 million.

The Perth-based oil and gas Company said today (Thursday 27 July) that net oil production from its Cooper Basin operations in South Australia was 81,849 barrels of oil for the June quarter (March Quarter: 88,807 barrels), resulting in production of 354,086 barrels of oil for the full financial year. This oil production volume exceeds the Company's base-case production target for the year by 54,086 barrels of oil.

Chief Executive Officer, Mike Scott, said the additional production volumes had resulted from, and been solely driven by, successful in-fill drilling programs and facility enhancements at the Christies and Worrior fields in the Cooper Basin.

"The production from our Cooper Basin operations in a high oil price environment has continued to generate strong cash flow for the Company, with our working capital – calculated on the basis of cash plus debtors minus creditors – attaining an all-time record for Cooper Energy," Mr Scott said. "Our cash position puts us in a very strong position to continue pursuing our aggressive growth strategy, both in Australia and internationally."

Mr Scott said the Company had completed four exploration wells during the quarter, with the Silver Sands-1 well resulting in a modest oil discovery and the balance plugged and abandoned as dry holes.

"Our aggressive exploration program is continuing unabated and we have a total of 7 wells currently planned targeting undiscovered reserves in excess of 200 million barrels of oil," he said.

Mr Scott added: "This 7-well program is already yielding results with the first well in the program, Callawonga-1, this week discovering another oil field just 7 km from the existing Christies field."

Cooper Energy believes that Callawonga-1 has the potential to open up a new oil play fairway around the Christies oil field. Snowden-1 and Somerton-1 are scheduled to follow Callawonga-1, targeting similar structures in the fairway. The drilling of these wells will be followed up by a regional 3D seismic acquisition program to enable additional prospects in the fairway to be accurately defined for drilling.

"The new Callawonga oil field discovery, in conjunction with the successful Christies-5, Sellicks-2, Sellicks-3 and Silver Sands-1 development and exploration wells drilled during the quarter, will have a positive impact on Cooper Energy's discovered reserves portfolio and future production volumes." Mr Scott said.

The current exploration program includes Tawriffic East-1 (a 4 million barrel target, due to spud in September 2006) and the Kurnia-1 well in South Madura, Indonesia – which is scheduled to spud in February 2007 targeting undiscovered reserves of 200 million barrels. Two further wells are planned around the end of the 1Q2007.

Mr Scott said that work on the South Madura PSC, where Cooper Energy holds a 45% interest, continued during the quarter. "Kurnia-1 continues to be our highest potential value target and we are forging ahead with the drilling program with the spud of this well currently expected to commence in early 2007," he added.

Released by:
Nicholas Read
Jan Hope & Partners
Telephone: +61 8 9388 1474

On behalf of:
Mr Michael Scott
Chief Executive Officer
Cooper Energy Limited
Telephone: +61 8 9368 5833

BACKGROUND INFORMATION

Cooper Energy Limited (ASX: **COE**) is a successful Australian-based oil and gas production and exploration company with a strong growth focus. Based in Perth, Western Australia, Cooper Energy is listed on the Australian Stock Exchange.

During the 2004-05 financial year, Cooper Energy posted a record net profit of A\$11 million after tax with oil sales revenue of \$25 million generated from the production of 368,086 barrels of oil from its Cooper Basin operations. At the end of the same period, the Company had cash reserves of A\$22 million, no debt and no forex or oil price hedging, providing full exposure to the strong oil price environment.

Cooper Energy's strategy is to leverage off the strong cash generation of its Cooper Basin operations to build a substantial international oil and gas portfolio that will underpin its next stage of growth. Significant acquisitions have already been announced in Morocco, Tunisia, Cambodia and Indonesia. The Company is continuing to seek for new oil and gas opportunities in its two focus areas of South East Asia and North Africa and is working to mature its exploration portfolio in order to deliver high quality prospects for drilling.

Cooper Energy's primary objective is to "Create Shareholder Wealth" and the outstanding consistent results to date demonstrate Cooper Energy's commitment to this objective.

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