



ABN 93 096 170 295

COE301006a

Quarterly report for period ended 30 September 2006

Highlights

Financial

- Cash of A\$25.2 million, compared to the A\$25.9 million in the June 2006 quarter.
- Working capital of A\$24.0 million, compared to the A\$23.8 million in the June 2006 quarter.
- Oil sales of A\$4.9 million for the quarter, compared to the A\$8.4 million in the June 2006 quarter. The downgrade in sales was due to reduced production volumes (see below).

Exploration

- Callawonga-1 (PEL92, COE 25%) discovered a new oil field in July 2006 and added 0.4 million barrels to the P50 discovered reserves portfolio.
- Kurnia-1 in the South Madura PSC, Indonesia (COE 45% funding 50%) progressed with casing orders placed.
- 277 km² 3D seismic acquisition approved by the PEL92 Joint Venture – the seismic commenced in late October 2006.

Development

- Silver Sands production commenced late August 2006.

Production

- Net Cooper Energy production for the quarter was 53,681 barrels of oil. This was down 34% over the June quarter mainly due to mechanical downtime in the Christies and Worrior oil fields and weather. Production volumes are expected to recover in the next quarter (see detailed narrative for more information).

Corporate

- Mr Stephen Abbott was appointed as a Non-Executive Director to replace Mr Kirtlan on the Board. Mr Kirtlan resigned as an Executive Director on 8 September 2006.

Financial Overview

Working capital at the end of the quarter was A\$24.0 million, compared to the A\$23.8 million in the June 2006 quarter.

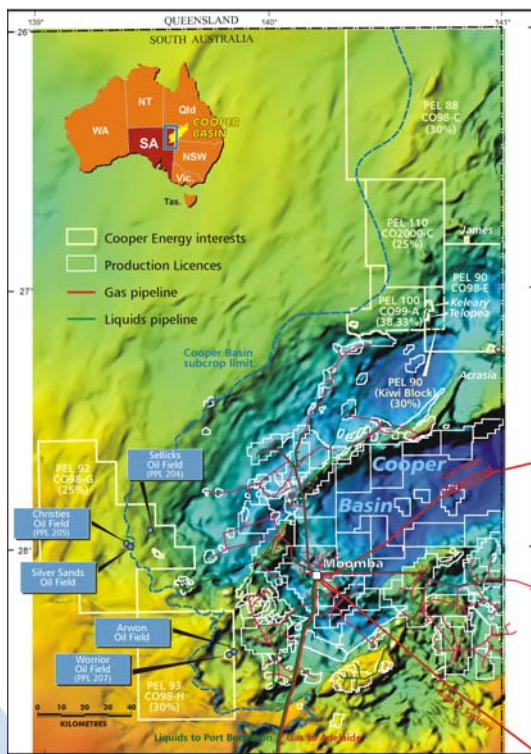
[Note: Working capital is a balance sheet calculation equal to cash plus debtors minus creditors minus current tax payable.]

Oil sales for the quarter were A\$4.9 million compared to the A\$8.1 million in the March 2006 quarter.

Exploration Overview

Australia

Cooper Basin - South Australia COOPER ENERGY PERMIT INTERESTS



Callawonga-1 (PEL92, COE 25%) made a new field oil discovery just north-west of the Christies oil field and was cased and suspended as a future production well. Callawonga boosted Cooper Energy's reserves by 400,000 barrels of oil.

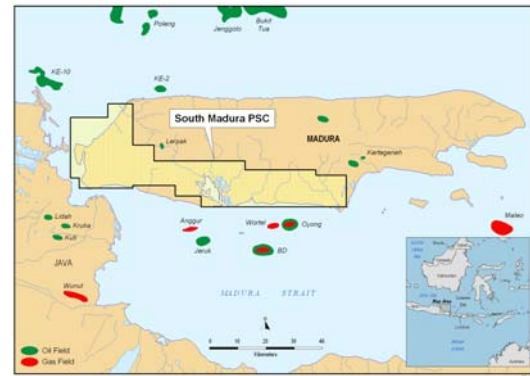
Somerton-1 (PEL92, COE 25%) was drilled and subsequently plugged and abandoned as a dry hole.

Snowden-1 (PEL92, COE 25%) was drilled and subsequently plugged and abandoned as a dry hole.

The PEL92 Joint Venture has approved the acquisition of a 277 km² 3D seismic survey around the Christies oil field and the survey commenced in late October. The seismic will be used to identify additional oil fields close to the Christies oil field, similar to the recent Callawonga and Silver Sands discoveries.

Indonesia

Work on the South Madura PSC continued. Casing orders were placed in October 2006. The Operator will now locate a suitable rig to coincide with the casing delivery in March 2007.



Full details on the progress of the Kurnia-1 well were detailed in the ASX releases of 18 and 19 October 2006 (COE181006a and COE191006a).

Production Overview

The quarterly production from the producing fields is shown in the table below and compared to the last quarter.

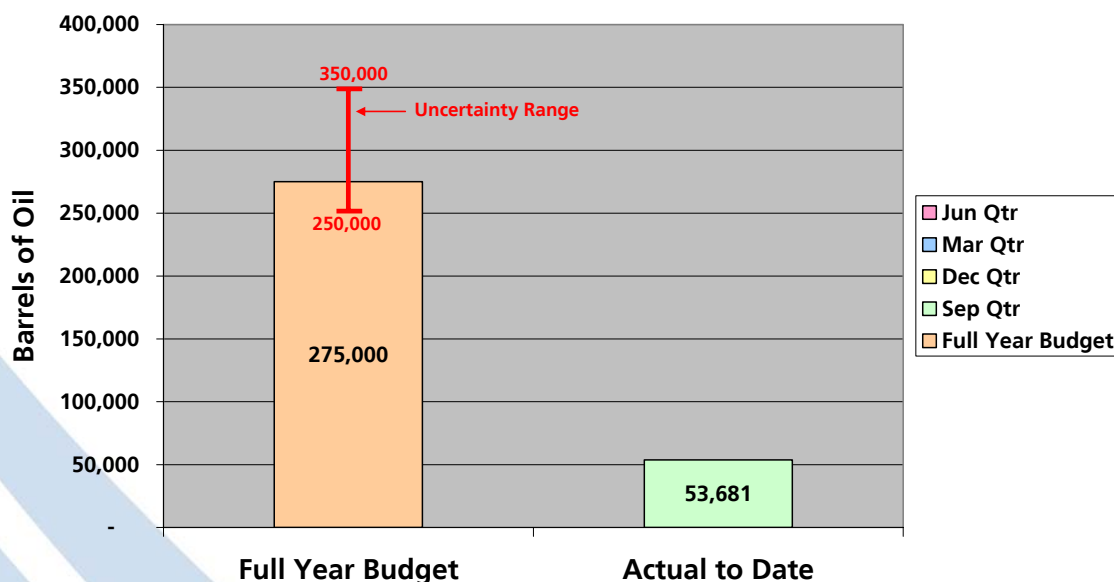
Field	100% JV		COE Share			Change (%)
	Jun Qtr (barrels)	Sep Qtr (barrels)	Share (%)	Jun Qtr (barrels)	Sep Qtr (barrels)	
Worrior	178,820	110,262	30%	53,646	33,079	-38%
Christies	105,433	64,235	25%	26,358	16,059	-39%
Sellicks	7,287	15,146	25%	1,822	3,787	+108%
Silver Sands	0	2,943	25%	0	736	n/a
Arwon	209	181	11.2%	23	20	-13%
Total	291,749	192,767		81,849	53,681	-34%

The production decrease has been caused by natural field decline and some mechanical downtime in the Christies, Sellicks and Worrior oil fields. Christies and Worrior have especially been hit by mechanical downtime due to completion repairs in Christies-1 and Christies-2, jet pump repairs in Worrior-1 and Worrior-3 and 6 days trucking downtime due to rain impacting oil production off-take in July. Production volumes are expected to recover in the next quarter as the mechanical problems have been rectified and Callawonga is expected to be on-line in late November 2006.

During the quarter Cooper Energy divested all rights and obligations of the 11.2% participating interest in the Arwon field to Stuart Petroleum for A\$50,000. The Arwon-1 well had increased in watercut to 100% during the quarter. Risk analysis by Cooper Energy indicated that it would be economically prudent to cease expenditure on Arwon-1 and hence the divestment of its interest.

Cooper Energy has established a production budget of 275,000 barrels of oil for the 2006-2007 financial year. The following graph demonstrates progress relative to this budget.

Cooper Energy Budget Basecase v Actual Production Statistics



Note that production forecasts are subject to a large number of controllable and uncontrollable variables and the actual produced volumes at the end of the financial year may be equal, less or greater than the stated budget estimates.

Corporate Overview

Mr Stephen Abbott was appointed to the Board of Directors as a Non-Executive Director and will replace Mr Rob Kirtlan who resigned as an Executive Director on 8 September 2006. Mr Kirtlan was a founding member of Cooper Energy and the Board thanks Mr Kirtlan for all his support and guidance since the company was conceptualised.

Forward Drilling Program

Well	Location	Share	Target Info
Kurnia-1	South Madura PSC, Indonesia	45%	Early 2007 spud. Oil and gas exploration well; 200 million barrel (P50) target.
Piastre-1	PEL93	30%	March 2007 spud. Oil exploration well; target size to be announced.
Colonus-1	PEL90	25%	April 2007 spud. Oil exploration well; target size to be announced.

For further information please contact Michael Scott, Chief Executive Officer on +61 8 9368 5833 or Greg Hancock, Executive Director on +61 418 263 388.



Michael Scott
Chief Executive Officer

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

COOPER ENERGY LIMITED

ABN

93 096 170 295

Quarter ended ("current quarter")

30 September 2006

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from customers	6,360	6,360
1.2 Payments to suppliers and employees	(4,466)	(4,466)
1.3 Dividends received		
1.4 Interest received	364	364
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid	(1,032)	(1,032)
1.7 Other revenue	99	99
Net Operating Cash Flows	1,325	1,325
Cash flows related to investing activities		
1.2 Payments for:		
(a) exploration & evaluation	(925)	(925)
(b) oil properties	(1,000)	(1,000)
1.8 Payment for purchases of:		
(a) prospects		
(b) jointly controlled entities		
(c) other fixed assets		
1.9 Proceeds from sale of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets		
1.10 Loans to other entities	(186)	(186)
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	(2,111)	(2,111)
1.13 Total operating and investing cash flows (carried forward)	(786)	(786)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(786)	(786)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	250	250
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material) Refund of costs of share issue (IPO)		
Net financing cash flows		250	250
Net increase (decrease) in cash held		(536)	(536)
1.20	Cash at beginning of quarter/year to date	25,975	25,975
1.21	Exchange rate adjustments to item 1.20	(188)	(188)
1.22	Cash at end of quarter	25,251	25,251

**Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	257
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

1.23 Salaries, directors fees and consultants fees paid to directors and associates of directors

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

nil

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements (refer note below.)	Nil	Nil

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	750
4.2 Development	500
Total	1,750

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	147	204
5.2 Deposits at call	25,087	25,575
5.3 Bank overdraft		
5.4 Other – Joint Venture cash	17	196
Total: cash at end of quarter (item 1.22)	25,251	25,975

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		Nil
6.2		Interests in mining tenements acquired or increased		Nil

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	140,049,546	140,049,546		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i> 500,000 – 20c 5,350,000 – 25c 850,000 – 25c 150,000 – 40c 4,400,000 – 55c	<i>Expiry date</i> 01 Feb. 2007 31 Dec. 2007 01 Aug. 2009 01 May 2010 31 Dec 2010
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 27 October 2006

Print name: Mr John Baillie CFO

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.