

Cooper Energy Expands with A\$60 million Capital Raising and Tunisian Farm-In

- **Material and strategic farm-in to 35% of an attractive Tunisian block secured**
- **Block has several exploration targets and oil field appraisal potential**
- **Establishes Cooper Energy's footprint over the majority of the Gulf of Hammamet petroleum province**
- **Adjacent to the 100% held Cooper Energy Bargou Block**
- **Farm-in triggers funding for next phase of aggressive international drilling with up to 2 wells per year**
- **A\$60 million to be raised via placement and share purchase plan**

Cooper Energy Limited (ASX: **COE**) is set to substantially enhance its profile as a leading mid-tier player in the international oil & gas industry after unveiling a major strategic addition to its offshore acreage in north-east Africa and announcing a **A\$60 million capital raising** to fund the farm-in and accelerate its growth ambitions.

The Australian-based oil & gas company said today (**Friday**) that it had reached agreement to farm into a **35% interest** in the highly-prospective **Hammamet PSC**, an offshore block in the highly sought-after Gulf of Hammamet located immediately adjacent to its 100%-owned Bargou Prospecting Permit in Tunisia.

The farm-in consolidates the Company's strategic footprint in a proven and highly prospective petroleum province in north-east Africa, which has attracted significant recent activity in the oil and gas sector. AIM-listed Cairn Energy recently unveiled £35.8 million worth of acquisitions of two companies with significant acreage in offshore Tunisia.

The 4,676km² Hammamet block includes several attractive exploration and development prospects as well as the Tazerka oil field, which was discovered in 1979 by Shell and developed in 1982. Tazerka had an original oil-in-place estimate of 78 million barrels (P50) and produced approximately 21.6 million barrels of oil before being abandoned in a low oil price environment in 1998. It has excellent redevelopment potential.

The Farm-in Agreement is with Canadian company, Storm Ventures International Inc., which operates three permits in Tunisia and which has acquired 402km² of 3D and 240km of 2D seismic over the exploration prospects and the Tazerka field to identify an initial drilling target.

Cooper Energy's Managing Director, Mr Michael Scott, said the acquisition represented a significant coup, increasing the Company's exposure to a proven petroleum province in a politically, fiscally and geologically attractive country where it has been operating for over two years. "This is an attractive strategic fit with our existing Bargou Block, giving us an extensive footprint in an attractive petroleum province surrounded by oil fields," he said.

"2004 was a watershed year for Cooper Energy when we first commenced our international growth strategy, leveraging off our strong domestic production base in the Cooper Basin," Mr Scott commented. "We have since developed a strong international portfolio, giving us exposure to quality acreage and high-impact wells such as the current Kurnia-1 exploration well and the end-of-year Gurame-6X appraisal well in Indonesia.

"The new transaction will effectively supercharge our international growth strategy, underpinning the migration of our planned drilling schedule from domestic to international with a minimum of two high-impact international wells to be drilled per year in addition to 2-4 domestic exploration wells in the Cooper Basin," Mr Scott said.

With the Hammamet acquisition, Cooper Energy's portfolio now comprises the South Madura (30%) and Seruway (22.5%) blocks in Indonesia and two blocks in Tunisia, Bargou (100%) and Hammamet (35%) – providing an impressive conveyor belt of exploration and appraisal opportunities that have a substantial volume of discovered hydrocarbons.

The detailed terms of the farm-in agreement are commercially sensitive at this stage, but will involve Cooper Energy paying an immediate payment for a portion of the back costs on the permit and a reasonable, industry acceptable, promoted participation on the future work program. The first well is expected to cost between US\$15-25 million (100% Joint Venture), depending on various rig parameters.

To fund the acquisition and underpin its growth strategy, Cooper Energy today announced a share placement of 84.62 million shares at A\$0.65 per share to institutional and sophisticated investor clients of Euroz Securities Limited to raise A\$55 million. In addition, the Company has announced its intention to undertake a fully underwritten Share Purchase Plan (SPP) to existing shareholders, also at A\$0.65 per share, to raise a further A\$5 million, amounting to a total capital raising of **A\$60 million**. The SPP is underwritten by Euroz.

Following completion of the share placement and SPP, Cooper Energy will have cash reserves of between A\$70-90 million and an expected market capitalisation of approximately A\$170-A\$200 million.

"This farm-in further demonstrates Cooper Energy's hunger for growth and is another quality addition to our portfolio during 2007. Earlier in the year we acquired Rion Energy that delivered a strategic interest in the high-value offshore Seruway PSC in north-east Sumatra, where our first well is scheduled to be drilled in late 2007/early 2008. The low risk Gurame appraisal well is planned to test the productive capacity of the Gurame Gas Field, which will hopefully kick us off into our first overseas development," Mr Scott commented.

"In an opportunity-constrained environment, we have been successful in developing a very exciting international growth portfolio and next year we expect our international drilling expenditure to greatly exceed our domestic expenditure.

"We are also pleased to welcome a number of new high quality institutional shareholders to our share register and we look forward to what is expected to be a very exciting period of growth for the Company," he added.

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