

## COOPER ENERGY TARGETS LARGE INCREASE IN RECOVERABLE OIL PORTFOLIO

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- Three Callawonga development wells planned targeting 2.58 million barrels of oil (650,000 barrels Cooper share).
  - Four Cooper Basin exploration wells planned targeting 8.4 million barrels of oil.
  - 26% increase in Cooper's proved reserves to 1.04 million barrels as at 30 June 2007.
  - Successful spud of Kurnia-1 well targeting 200 million barrels of oil, 256 Bcf gas.
  - 2006/07 oil production of 256,871 barrels.
  - 10% increase in working capital to A\$21.2M and 15% increase in cash equivalents to A\$22.5M.
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Cooper Energy Limited (**ASX: COE**) is targeting a substantial increase in its proved reserve portfolio in Australia with an aggressive second half drilling program for 2007 - including **three development wells** in the **Callawonga Oil Field** in South Australia targeting **2.58 million barrels** of P50 undeveloped recoverable oil.

In its June Quarterly Report released today (**Monday**), the Australian-based explorer and producer said evaluations on the Callawonga Field – currently the main contributor to its Cooper Basin production – demonstrated that the development wells had the potential to add 0.65 million barrels of recoverable oil to Cooper Energy's proved oil portfolio.

If the wells are successful, this would boost Cooper Energy's proved oil inventory by more than 50%. The Company's proved recoverable oil increased to **1.04 million barrels** as at 30 June 2007, representing a 26% year-on-year increase from 824,000 barrels in June 2006. The three development wells at Callawonga are scheduled to spud in September 2007.

The drilling program at Callawonga is part of an aggressive second half drilling program for Cooper Energy. This program includes four exploration wells in the Cooper Basin targeting undiscovered recoverable oil of **8.4 million barrels** (P50), two additional development wells in the Worrior Oil Field, the high potential Kurnia-1 well in Indonesia (which spud on 15 July targeting undiscovered recoverable oil of **200 million barrels** (P50) and **256 Bcf of gas** (P50)), and the Gurame-6X gas field appraisal well.

Two exploration wells in PEL 92 have also been approved for drilling and are targeting 3.0 million barrels of undiscovered recoverable oil (P50). In addition, one exploration well in PEL 93 and one exploration well in PEL100 are targeting a total of 5.4 million barrels of undiscovered recoverable oil (P50).

Cooper Energy today reported full-year oil production of 256,871 barrels (2005/06: 354,086 barrels) following lower net production for the June Quarter of 54,022 barrels (March Quarter: 75,676 barrels), due mainly to the impact of heavy rain in May on trucking operations causing production deferment in all fields and some mechanical downtime.

Quarterly oil sales were down 24% to \$4.9 million for the Quarter compared with \$6.5 million in the March Quarter, although the Company remained in a strong financial position with a 15% increase in cash equivalents to \$22 million at 30 June and 10% increase in working capital to \$21.2 million.

Cooper Energy's CEO, Mike Scott, said the Company had established a "do nothing" base case production forecast of 200,000 barrels of oil for the 2007/08 financial year, with an uncertainty of 150,000-250,000 barrels. "Development drilling success at Callawonga could add 50,000-100,000 barrels of oil to our budget volume and would significantly increase Cooper's developed recoverable oil portfolio, which would assist in underpinning our future production income," he said.

"This will be one of the most active six month periods we have ever experienced in both exploration and development activities, and it really demonstrates our aggressive commitment to adding value for our shareholders," Mr Scott commented.

"While there is understandably a lot of investor interest in our high-potential international activities, which have the potential to dramatically re-rate the Company if successful, we should not underestimate the importance of the ongoing exploration and development work in the Cooper Basin as that provides us with the revenue to leverage into the high value international projects," Mr Scott continued.

"The next six to twelve months are pivotal for us," he said. "The recent commencement of the high risk-high reward Kurnia-1 well, the planned spud of the Gurame-1 well in Indonesia in November and the aggressive Cooper Basin drilling program all add up to a particularly significant period of growth and activity for the Company. Success in any of these areas has the potential to elevate Cooper Energy to the next level of growth."

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### **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 2005-06 financial year, Cooper Energy posted a net profit of A\$9.4 million after tax with record oil sales revenue of \$32.6 million generated from the production of 354,086 barrels of oil from its Cooper Basin operations. At the end of the same period, the Company had cash reserves of A\$26 million, no debt and no forex or oil price hedging, providing full exposure to a 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 Australian and international oil and gas portfolio that will underpin its next stage of growth.

The Company is continuing to seek new oil and gas opportunities in its focus areas of Australia, 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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