



ABN 93 096 170 295

COE290108b

Quarterly Activity Report – End December 2007

Highlights

- Record quarterly production revenue of A\$12.6 million, up 103% over the last quarter.
- Production of 115,029 barrels of oil, up 73% over the last quarter.
- Parsons-1 and Cleansweep-1 discover new oil fields with clean-up oil flows of 3,362 and 400 barrels of oil per day respectively.
- Callawonga and Worrior development drilling concluded with 100% success - five wells completed as oil producers.
- Gurame-1X rig tendering has identified a rig for February 2008 mobilisation, subject to conclusion of the tendering process.
- Farm-in to 35% of the Hammamet PSC in Tunisia.
- Successful capital raising of A\$60 million by placement and share purchase plan with Euroz Securities Ltd.

Look Back: 1 October – 31 December 2007 Review

Drilling Activity

Eleven wells were spud in the second half of 2007 (seven in the September quarter and four in the December quarter) and the results of those wells are as follows:

Well Name	Spud Date	Well Type	Result
September Quarter			
Kurnia-1	15 July 2007	Exploration	On-going
Rainbird-1	7 August 2007	Exploration	P&A Dry Hole
Worrior-5	12 August 2007	Appraisal/Development	Successful
Callawonga-2	25 August 2007	Appraisal/Development	Successful
Worrior-6	4 September 2007	Appraisal/Development	Successful
Callawonga-3	18 September 2007	Appraisal/Development	Successful
Patron-1	21 September 2007	Exploration	P&A Dry Hole
December Quarter			
Callawonga-4	11 October 2007	Appraisal/Development	Successful
Cleansweep-1	12 October 2007	Exploration	Successful
Sheringa-1	23 October 2007	Exploration	P&A Dry Hole
Parsons-1	17 November 2007	Exploration	Successful

The success of the exploration and development wells has boosted Cooper Energy's recoverable oil portfolio and production capacity.

The Callawonga and Worrior wells have all been tied into the production facilities and have assisted in boosting production levels from October onwards.

Cleansweep is expected to commence production at the end of January 2008.

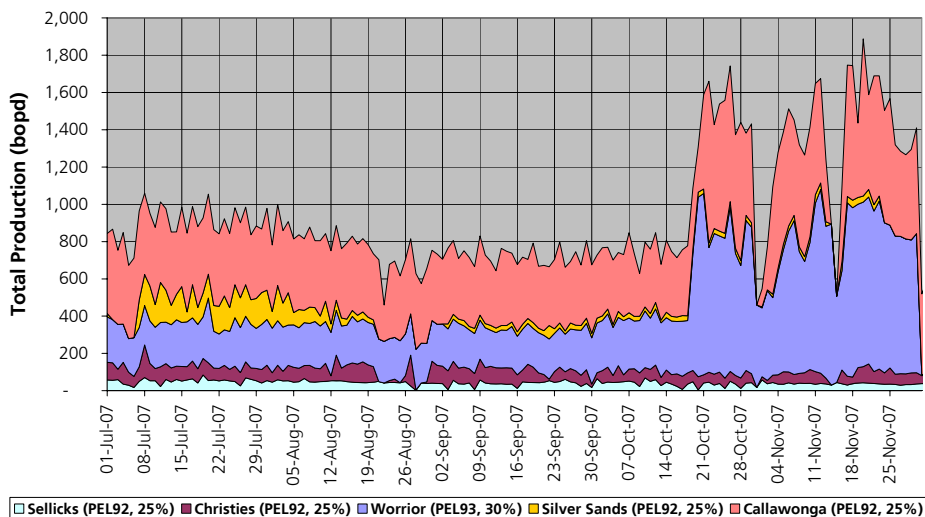
Parsons-1 is expected to commence production in April 2008. A flowline will connect Parsons to the Callawonga flowline before mid-year thereby further boosting production volumes and controlling off-take costs.

Kurnia-1 was successfully drilled to total depth during the period and production testing was initiated. The well commenced cleaning up with flammable gas to surface and good wellhead flowing pressures. During the clean-up the production tubing became plugged with debris and this has necessitated a clean-out operation. As per ASX release COE290108a, the next operation is to kill and clean-out the well. Following clean-out, based on open-hole conditions and alternative completion options, the Joint Venture will decide to either recommence production testing or plug and abandon the well.

Production

Drilling success in the Callawonga and Worrior Oil Fields boosted production volumes towards the end of the year. The initial basecase forecast of 220,000 barrels of oil for the financial year was subsequently revised to 300,000 barrels of oil. The effect of the development drilling can be clearly shown from the daily production plot.

2007-2008 Production (Cooper Energy Share)



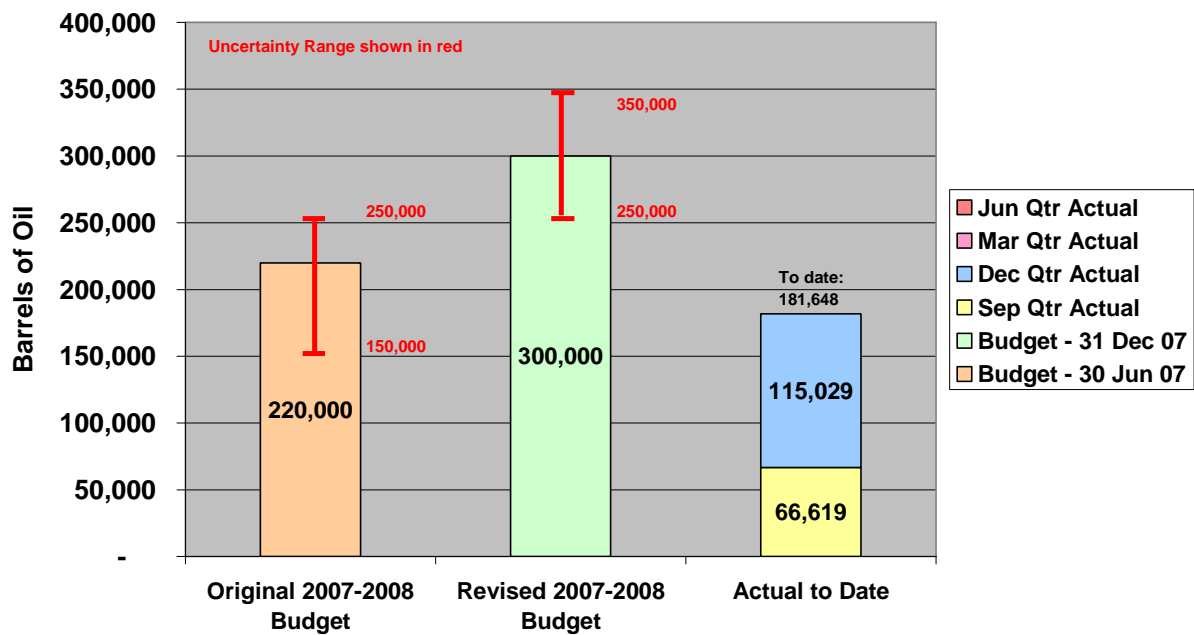
The quarterly production from the producing fields is shown in the table below and compared to the last quarter.

Field	100% Joint Venture		Cooper Energy Share			Change (%)
	Sept Qtr (barrels)	Dec Qtr (barrels)	COE Share (%)	Sept Qtr (barrels)	Dec Qtr (barrels)	
Worrior	61,861	207,774	30%	18,558	62,332	236%
Christies	26,998	20,300	25%	6,750	5,075	-25%
Sellicks	16,591	13,102	25%	4,148	3,276	-21%
Silver Sands	5,967	1,417	25%	1,492	354	-76%
Callawonga	142,682	175,969	25%	35,671	43,992	+23%
Total	254,099	418,562		66,619	115,029	+73%

The success of the Worrior-5 and Worrior-6 development drilling program can be clearly seen from the 236% enhancement to the Worrior oil field production volumes.

Following the success of the development drilling and exploration discoveries at Parsons and Cleansweep, Cooper Energy revised its annual “do-nothing, no-success” production budget upwards from 220,000 barrels of oil to 300,000 barrels of oil to reflect the increase in potential production capacity for the rest of the year. A comparison of the budget and the actual production to date is shown below.

Cooper Energy Budget Basecase v Actual Production Statistics



Recoverable Hydrocarbons Portfolio

During the quarter the Cleansweep and Parsons oil field discoveries added approximately 500,000 barrels of oil (P50) to Cooper Energy's undeveloped oil portfolio. Approximately 400,000 barrels of oil (P50) will be moved to the developed category once the wells have commenced production. Approximately 100,000 barrels of oil (P50) will remain in the undeveloped category pending a second development well in the Parsons oil field.

In addition, the Callawonga and Worrior appraisal/development drilling program moved recoverable oil in the undeveloped category to recoverable oil in the developed category for both the Callawonga and Worrior oil fields. The magnitude of the movement is still under review and will be evaluated using production performance trends from those two fields towards the middle of 2008.

Financial, Production and Share Capital Summary

Description	Units	Full Year 2005-2006	Full Year 2006-2007	September Quarter	December Quarter
PRODUCTION					
Oil production	barrels	354,086	256,871	66,619	115,029
Oil sales	A\$000	32,568	21,228	6,211	12,599
A\$/barrel	A\$/bbl	92	83	93	110
CASH					
Cash at bank	A\$000	668	204	148	175
Deposits at call	A\$000	25,307	15,080	12,672	63,877
Mosaic Oil NL investment ⁽¹⁾	A\$000	0	5,434	4,156	3,836
<i>Total cash or equivalents</i>	<i>A\$000</i>	<i>25,975</i>	<i>20,718</i>	<i>16,976</i>	<i>67,888</i>
EXPENDITURE					
Exploration	A\$000	6,300	5,562	2,900	11,699
Development	A\$000	6,699	3,276	1,114	2,052
Production	A\$000	8,764	6,812	1,965	2,382
<i>Total operational expenditure</i>	<i>A\$000</i>	<i>21,763</i>	<i>15,650</i>	<i>5,979</i>	<i>16,133</i>
FINANCIALS					
Working capital ⁽²⁾	A\$000	23,764	20,939	18,432	72,459
EBITDAX ⁽³⁾	A\$000	21,276	11,268		
Profit before tax ⁽³⁾	A\$000	13,414	8,037		
Profit after tax ⁽³⁾	A\$000	9,378	5,536		
CAPITAL					
Issued shares	# millions	139.050	156.101	156.751	252.263
Unlisted Options	# millions	11.60	9.25	8.72	19.395

Notes:

(1) The Mosaic Oil NL investment is classified according to the AASB as an "available for sale financial asset". The value of the asset is marked to closing of the market at the relevant reporting date.

(2) Working Capital is a balance sheet calculation equal to cash plus debtors minus creditors minus current tax payable.

(3) EBITDAX, PBT, PAT are accounting numbers that are reported at the half and full year.

New Ventures

In October 2007 Cooper Energy was successful in farming into the Hammamet Exploration Permit in Tunisia. Seismic processing and interpretation is currently in progress with a well planned to be drilled towards the end of 2008. Further details on the Hammamet farm-in and permit prospectivity was detailed in the capital raising presentation.

Capital Raising

During October 2007 Euroz Securities Limited, on behalf of Cooper Energy, successfully raised \$60 million. The funds raised will be used to drill the well in the Hammamet Permit in Tunisia, the Gurame-1X gas appraisal well in Indonesia and ongoing work activities and commitments across the portfolio.

Look Ahead: 1 January – 31 March 2008 Expected Activities

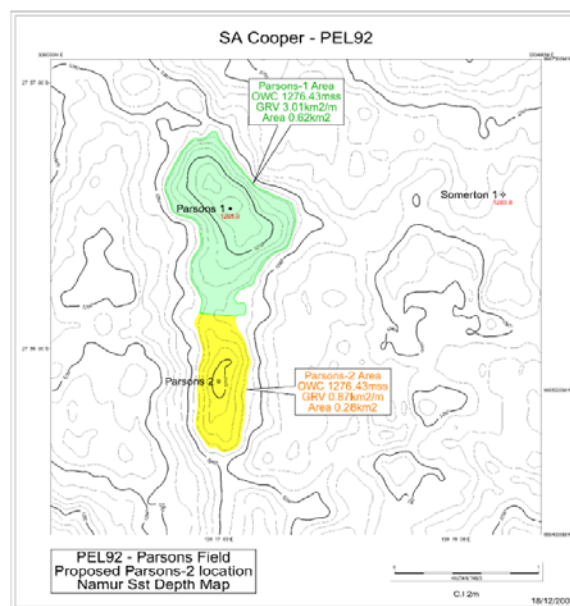
Drilling Activity

Cooper Energy's 2008 drilling program is currently under review.

The next well on the schedule to be spud is the Gurame-1X well in North Sumatra. As per the general drilling update (COE140108a) a rig has been identified for mobilisation to the Gurame-1X location in February 2008, subject to conclusion of the rig tendering process.

Around early March 2008 a Parsons-2 appraisal/development well is scheduled to spud. The Parsons-2 well is approximately 1.25 km south of Parsons-1 and approximately 9km west of the Christies oil field. Parsons-2 is targeting a second crest on the Parsons structure with a view of furthering developing the Parsons oil field. As noted earlier, Parsons-2 is targeting some 400,000 barrels of recoverable oil (Cooper Energy share 100,000 barrels of recoverable oil).

During the next quarter it is expected that the Kurnia-1 well evaluation will be completed and the results of the well announced.



Production Enhancement

Further production volumes from the Parsons and Cleansweep discoveries are expected to commence in January and April respectively, which, when coupled with the continuing buoyant oil price, is expected to boost production revenue for the remainder of the financial year.

Parsons-1 produced 3,362 barrels of oil per day on clean-up (841 barrels of oil per day Cooper Energy share) and Cleansweep-1 produced 400 barrels of oil per day on open-hole production test (77 barrels of oil per day Cooper Energy share) – adding collectively 918 barrels of oil per day to Cooper Energy's production volumes.

The Callawonga to Tantanna flowline is expected to be commissioned in March 2008 and will assist in maintaining cost effective and efficient production from the PEL92 production area (Christies, Callawonga, Parsons).

Reporting Schedule

Cooper Energy's audited Half Year Financial Accounts are expected to be released around 26 February 2008.

Regards,

Michael Scott
Managing Director