

COOPER ENERGY BOOSTS OIL RESERVES BY 50%

- **P50 discovered reserves estimate for Callawonga-1 of 1.6 million barrels of oil. (Cooper Energy 25% share, 0.4 million barrels of oil)**
- **50% increase in Cooper Energy's total P50 discovered reserves portfolio from 0.8 million barrels at 30 June 2006 to 1.2 million barrels following the Callawonga discovery.**
- **Callawonga-1 production expected to commence 4Q06, with two follow-up exploration wells scheduled to be drilled in the next 2-3 months.**

Cooper Energy Limited (**ASX: COE**) has made a strong start to its 2006-2007 drilling program, today announcing a 50% increase in its discovered oil reserves inventory following the recently announced discovery at **Callawonga-1** (PEL92), the first well in its current exploration program in the South Australia's Cooper Basin.

Cooper said today (Wednesday) that the P50 discovered reserves for Callawonga had been estimated by Cooper Energy to be **1.6 million barrels of oil**, with the well cased and suspended as a future producer in the Namur formation. The well will either be developed as a standalone producer or tied back to the nearby Christie's oil field (in production), with the preferred development scenario to be determined by engineering studies to be completed as a near-term priority.

The Company's CEO, Mike Scott, said the discovery of the 1.6 million barrels (0.4 million barrels Cooper Energy share) would increase Cooper Energy's P50 discovered reserves position to approximately **1.2 million barrels of oil**, representing an increase of **50%** over the 30 June 2006 estimate of 0.8 million barrels.

The upgraded reserves portfolio comes after the recently announced oil production of 354,086 barrels of oil for 2005-2006, which exceeded the Company's base case target for the year by 54,086 barrels of oil. Cooper Energy recently announced a 4% increase in oil sales for the June Quarter to A\$8.4 million, increasing its working capital to a record A\$23.9 million.

"Callawonga-1 has provided a very strong start to the year, propelling Cooper Energy to its strongest 30 June P50 discovered reserves position to date," Mr Scott said. "We are aiming to commence production from this field in the final quarter of 2006."

An open-hole production test for Callawonga-1 produced 2,400 barrels of oil per day and it is expected that the production facilities should be able to achieve similar or greater production rates.

"We believe that this discovery has the potential to open up a new oil play fairway around the Christies oil field. The Callawonga discovery will be followed up with Snowden-1, located 10km south of Christies, which we expect to spud in approximately 3 weeks," Mr Scott continued. "Snowden-1 will then be immediately followed by Somerton-1, which lies 7km west of Christies and 7km south west of Callawonga-1"

Following the drilling of these wells, a regional 3D seismic survey in PEL92 will be acquired and interpreted so that further prospects can be high-graded for future drilling. It is expected that the acquisition and interpretation of the 3D seismic will be complete around early to mid-2007. Following the seismic, drilling of economically viable targets would be expected to commence in the second half of 2007.

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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 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. For the 2005-2006 financial year, Cooper Energy has reported oil production volumes of 354,086 barrels of oil.

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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