

22 July 2014

Highlights

- **Record full year production:** 594 kbbl in the 12 months to 30 June, up 21% on FY13 production of 490 kbbl and at the upper end of upgraded FY14 guidance
- **Highest annual sales ever recorded:** \$72.3 million, up 35% on FY13. Quarterly sales revenue of \$16.1 million.
- **Exploration success:** Bungaloo-1 & Jolly-1 identified a conventional sandstone gas play in the Otway Basin in addition to the existing Casterton shale play
- **Gas development and supply opportunity:** acquisition of 65% of the Gippsland Basin BMG gas & liquids project was completed during the quarter
- **Strong financial position maintained:** cash and financial assets at 30 June was \$75.1 million, 10% higher than at the beginning of the year
- **Production guidance:** FY15 production is expected to be within the range of 500,000 to 560,000 barrels (exclusive of exploration success or significant production interruption); which exceeds all but one of the previous years

Managing Director's Comments

"The 2014 financial year has seen Cooper Energy deliver its strongest production and revenue performance. Growth in annual production of 21% and sales revenue of 35% provide the basis for our expectation of a record earnings announcement in August.

"The year's production and sales results have affirmed our decision to increase our focus on our Australian and Indonesian operations. These operations have performed strongly and the success of our efforts in the Gippsland and Otway Basins has added opportunities for growth from the development and sale of gas to Eastern Australia.

"We have increased total cash resources over the course of the year whilst also funding our largest annual capital expenditure program. With cash and financial resources of \$75 million, Cooper Energy is very well placed to fund its FY15 capital expenditure plans, which includes its biggest drilling program yet.

"Production in FY15 is expected to be in the range 500,000 to 560,000 barrels of oil, excluding any exploration success or significant interruptions to production. This production would exceed all previous years with the exception of 2014."

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Investor Relations

Financial

June quarter

Sales revenue for the 3 months to 30 June 2014 was \$16.1 million, compared with \$19.2 million in the previous quarter and \$16.2 million in the June quarter 2013.

The movement in revenue compared with the previous quarter was the result of lower prices and lower volumes. The average oil price for the quarter of A\$119.05/bbl was 16% lower than the A\$126.09/bbl in the March quarter. A total of 135.2 kbbl of oil was delivered for sale, compared with 152.3 kbbl in the March quarter.

Capital expenditure was \$13.2 million, up from \$5.7 million in the previous quarter with the increase being due to exploration activity, which included drilling in the Otway Basin and Cooper Basin.

Cash at 30 June of \$49.1 million was marginally lower than the quarter's opening balance of \$50.0 million and 3% higher than the corresponding figure of \$47.9 million at the beginning of the year. Total cash and financial assets available for sale at 30 June was \$75.1 million compared with \$79.7 million at the beginning of the quarter, with the movement largely due to change in market valuation of financial assets available for sale.

Year to date

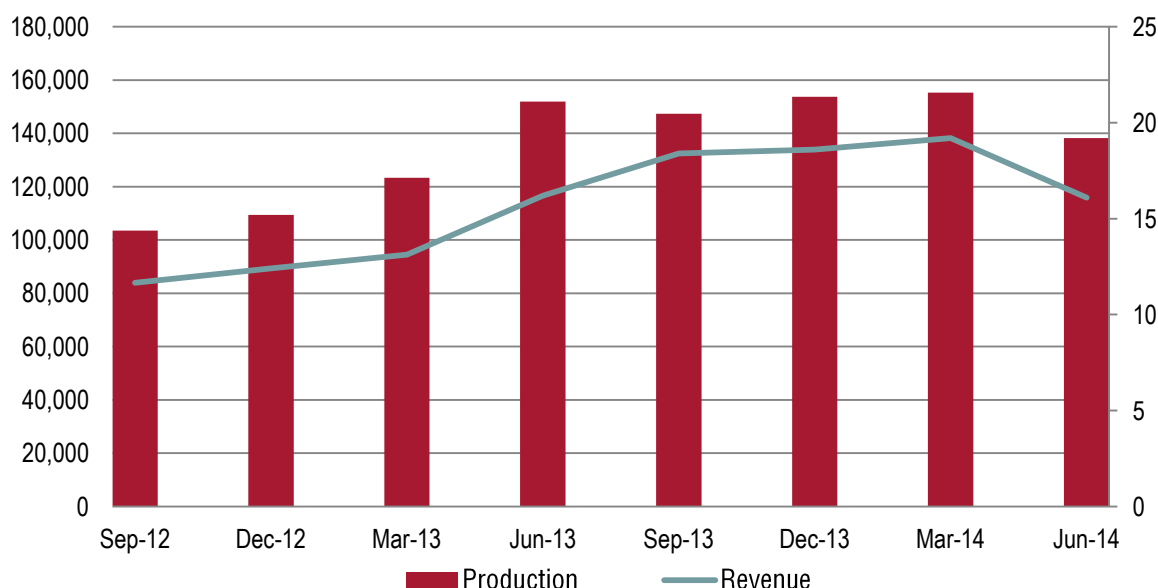
Sales revenue for the twelve months to 30 June 2014 (FY14) was \$72.3 million, the highest yet recorded by the Company and 35% higher than the previous year's sales of \$53.4 million. The increase is due to higher oil production and higher average oil prices in FY14.

Production for FY14 was 594.5 kbbl, the highest annual production yet recorded by Cooper Energy and 21% higher than the 2013 comparative of 490.5 kbbl. The average oil price for the year was A\$124.08/bbl, 12% higher than the FY13 comparative of A\$111.11/bbl.

Quarterly Production and Revenue

Production (bbls)

Revenue (A\$million)



Quarterly and Year to Date Summary

	Units	Quarter Ending:			Year to date:		
Description		30June 2014 ¹	31 Mar 2014 ²	Change	30June 2014 ¹	30 June 2013 ²	Change
Production and Sales							
Group oil produced	kbbl	138.2	155.3	-11%	594.5	490.5	21%
Group oil sold/delivered for sale ²	kbbl	135.2	152.3	-11%	582.7	480.6	21%
Group sales revenue	\$MM	16.1	19.2	-16%	72.3	53.4	35%
Average oil price	A\$/bbl	119.05	126.09	-6%	124.08	111.11	14%
Capital Expenditure							
Exploration and appraisal	\$MM	11.9	4.1	190%	44.7	7.2	521%
Development and fixed assets	\$MM	1.3	1.6	-19%	6.0	10.0	-40%
Total capital expenditure		13.2	5.7	132%	50.7	17.2	195%
Financial Assets							
Cash and term deposits	\$MM	49.1	50.0	-2%	49.1	47.9	3%
Available for sale financial assets ³	\$MM	26.0	29.7	-12%	26.0	20.2	29%
Total financial assets		75.1	79.7	- 6%	75.1	68.1	10%
Capital							
Issued shares	million	329.2	329.2	-	329.2	329.1	-
Performance rights	million	14.7	14.7	-	14.7	8.6	71%

Notes:

- (1) Current quarter and year-to-date includes preliminary production figures for PEL 92 in the Cooper Basin
- (2) Prior periods have been updated for final reconciled production figures
- (3) Available for sale financial assets shown at fair value at the reporting date shown

Australia

Production – Cooper Basin

The Company's share of oil production from its Cooper Basin tenements for the June quarter was 125 kbbl (average 1,373 bopd) compared to 142 kbbl (average 1,587 bopd) in the preceding quarter and 143 kbbl in the previous corresponding period.

Exploration and Development – Cooper Basin

During the quarter the PEL 92 Joint Venture (Cooper Energy 25%) was granted 20 Petroleum Retention Licences (PRLs 85 -104) covering the entire 1,884 km² area of what was previously PEL 92.

PRLs 85-104 were granted for 5 year terms, all commencing 6 June 2014, with the joint venture holding rights of renewal. The PRLs are grouped with a combined exploration expenditure target over the 5 year term of \$27.6 million (100% J.V. basis). If grouped expenditure target is not met, then a pro-rata area of the grouped PRLs will be relinquished on renewal.

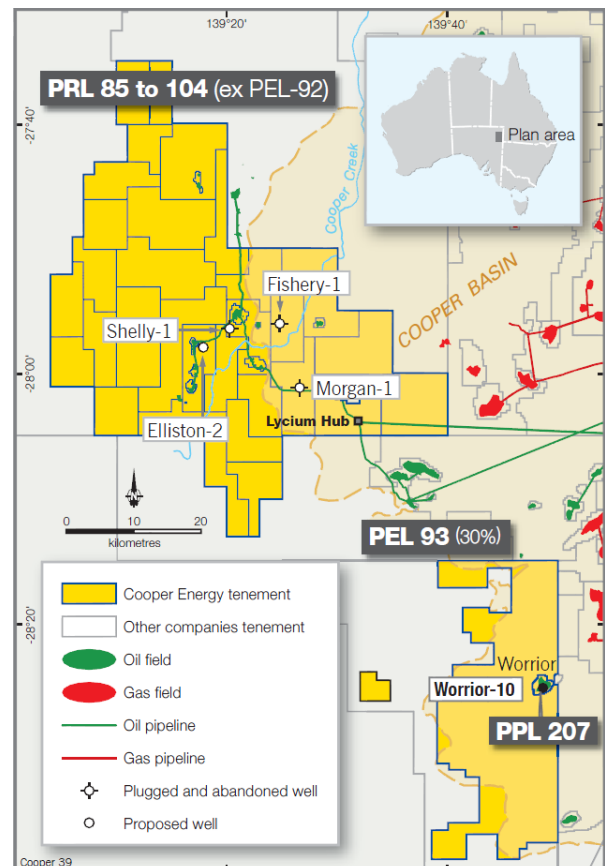
The overall effect of the change is to provide additional medium to long term security of tenure to the joint venture and facilitates a more effective allocation of capital.

Production from the Rincon oil field commenced in June and production from the Rincon North well is expected to commence in the second quarter.

Two exploration wells, Morgan-1 and Fishery-1 were drilled during the quarter. Morgan-1 (PRL 101) was plugged and abandoned as a dry hole and Fishery-1 (PRL 99) was plugged and abandoned after encountering a hydrocarbon accumulation considered to be too small to be economically developed at this location. Further analysis of seismic data is ongoing to assess whether there is updip oil potential adjacent to Fishery-1.

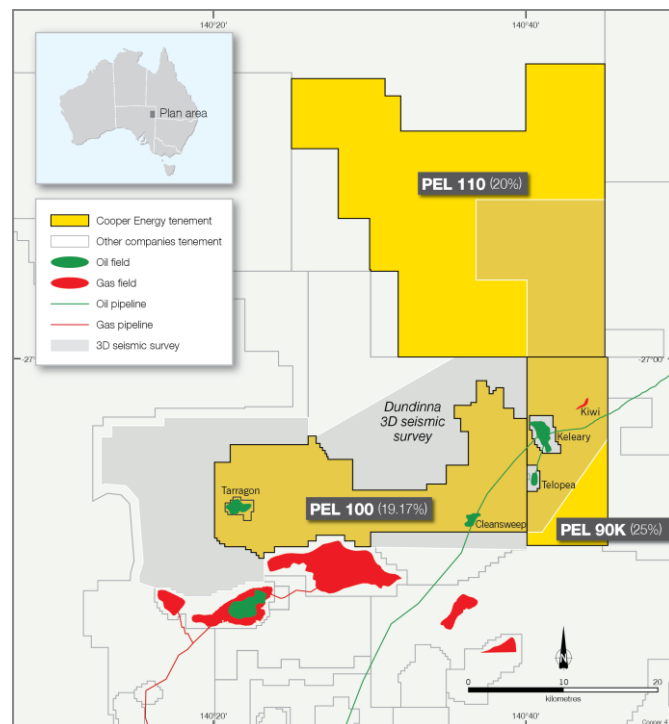
Subsequent to the end of the quarter, the Shelly-1 exploration well (PRL 86) was drilled. The well was plugged and abandoned after encountering a hydrocarbon accumulation considered to be too small to be economically developed at this location. Elliston-2, a development well, is programmed for drilling in PPL 249 at the end of July.

In PPL 207 (Cooper Energy 30%), completion operations and surface construction activity associated with the extended production test of the Patchawarra Formation in Worrior-10 is ongoing. Flow testing is scheduled to commence in August.



The northern Cooper Basin permits PEL 90K (Cooper Energy 25%), PEL 100 (Cooper Energy 19.17%) and PEL 110 were the focus of the Dundinna 3D seismic survey conducted earlier in the year.

Processing of survey data has been completed and interpretation is being conducted in preparation for a five well exploration program scheduled for the current year.

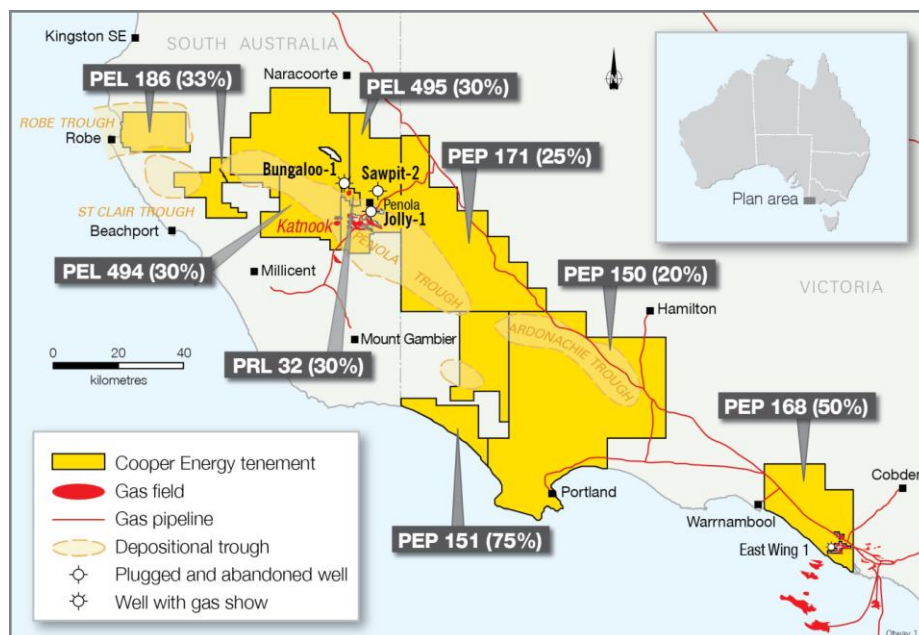


Otway Basin

Bungaroo-1, the second of two deep wells drilled in the Penola Trough, onshore Otway Basin South Australia, was drilled in PRL 32 (Cooper Energy 30%) during the quarter.

This well was cased and suspended after cutting cores in the Casterton Formation and Lower Sawpit Shale. Elevated mud gas readings and hydrocarbon fluorescence were observed within sandstone intervals of the Lower Sawpit Shale in addition to elevated mud gas readings in the Casterton Formation and Basement.

The results follow the similarly encouraging results from the preceding well, Jolly-1, which encountered elevated mud gas readings in the Casterton Formation and Lower Sawpit Shale.



Analysis of the data and cores obtained from the two wells will now be undertaken to build understanding of the gas potential of the Penola Trough before determining the next steps in the exploration program. The results to date open up opportunities for future evaluation of the prospectivity of the deeper Penola Trough.

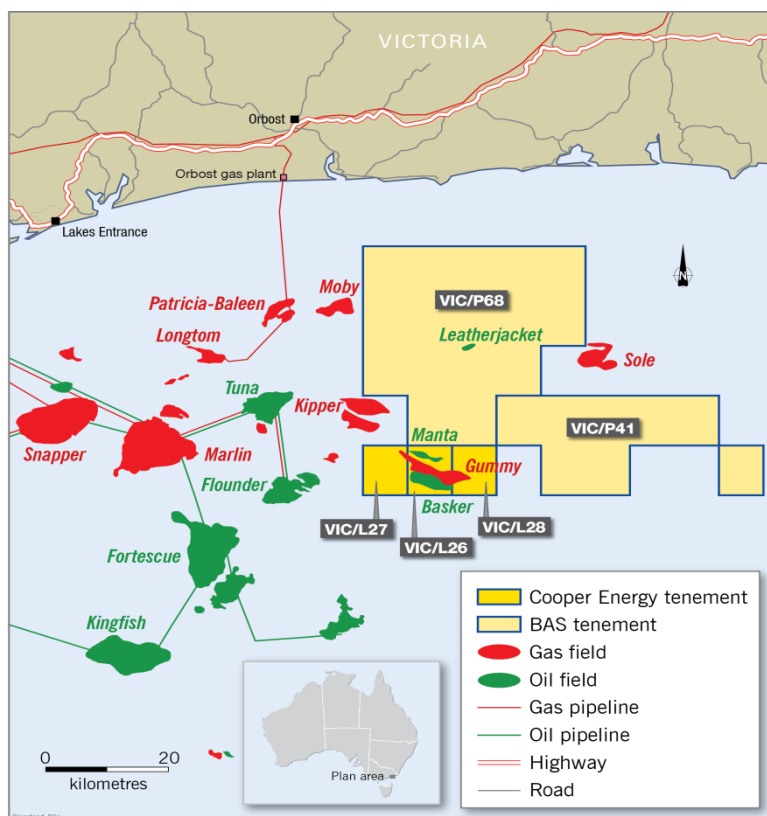
Gippsland Basin

BMG Project

Transactions to finalise the Company's acquisition of a 65% interest in the Basker/Manta/Gummy (BMG) Joint Venture (VIC/L26, VIC/L27 & VIC/L28) were completed in May. Subsequent to the end of the quarter, final regulatory approvals were obtained on 11th July.

Seismic interpretation work has commenced to assist with preparation of revised assessments of Contingent and Prospective Resources. The results of this work will be key inputs to the preparation of the Business Case to support the next phase of activity in the tenements, which may include appraisal drilling in FY16.

Initial planning activities for potential drilling and work to develop scoping level field development plans will commence in the September quarter.



Indonesia

Production

Cooper Energy's share of production from the Sukananti KSO (Cooper Energy 55%) was 13 kbbl (145 bopd), slightly above the previous quarter's 12.5 kbbl (139 bopd).

Exploration and Development

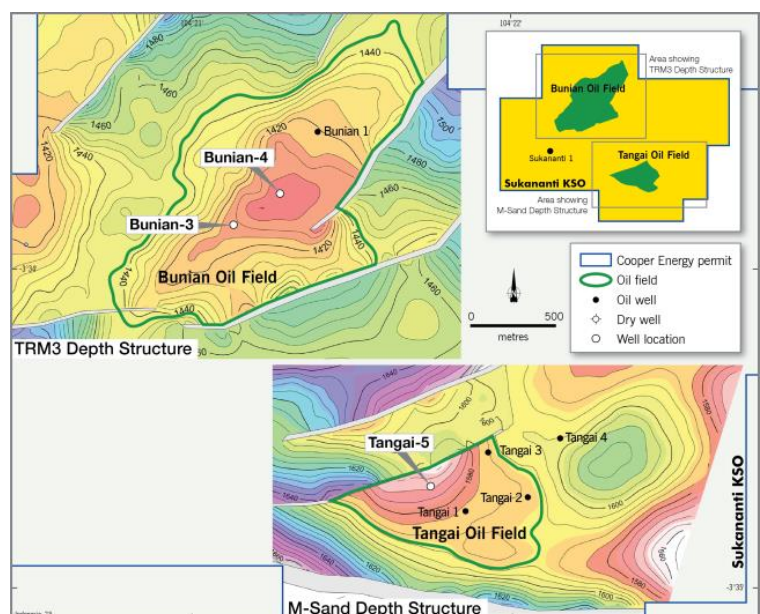
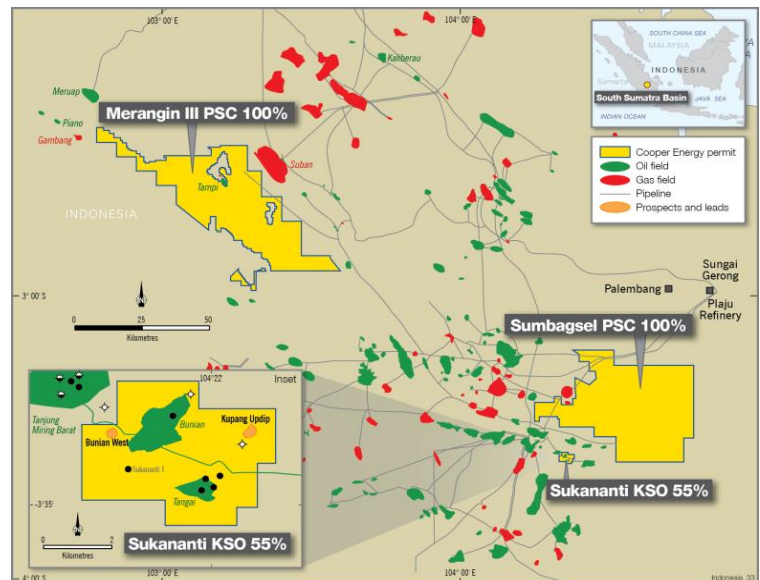
Sukananti-1, which was a non-producing well, has been recompleted as a water injection well, increasing field water disposal capacity by a factor of more than 5 and hence eliminating an existing oil production constraint.

The Tangai-3 workover to assess potential bypassed oil pay commenced on 12 July.

Preparatory work continues for a development drilling campaign in the Sukananti KSO comprising the Bunian-3 and Tangai-5 wells, with Bunian-4 to follow if Bunian-3 is successful. The campaign is expected to start either late in the September quarter or early in the December quarter.

Interpretation of the 257km, 2D seismic survey acquired in the Sumbagsel PSC (Cooper Energy 100%) is in progress. The objective of the survey is to delineate exploration targets for future drilling.

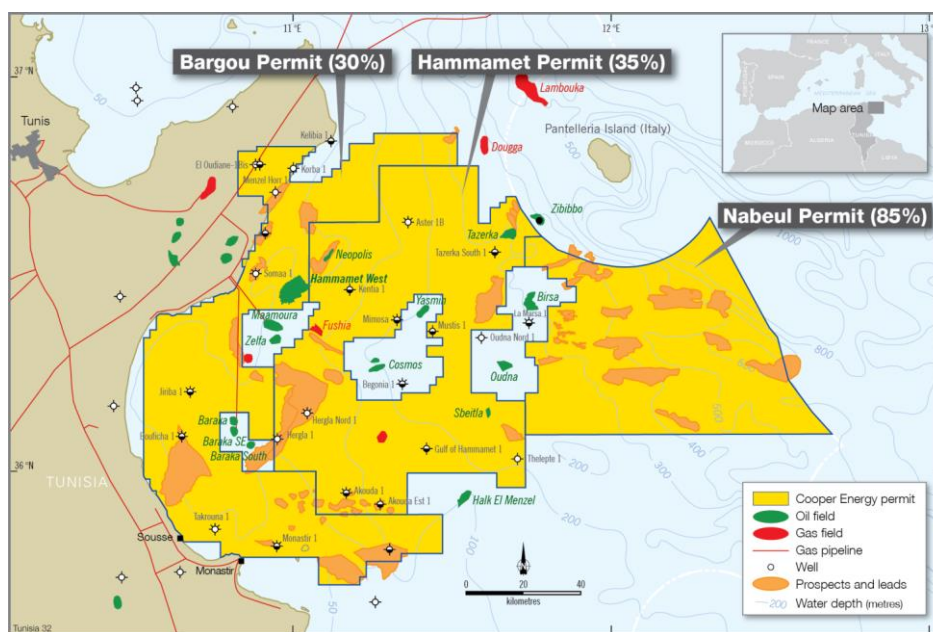
Interpretation of 1,490km of 2D seismic data from the Merangin III PSC (Cooper Energy 100%) commenced, with the objective of maturing targets for seismic acquisition in FY15.



Tunisia

Exploration

Activities to secure a rig to re-enter Hammamet West-3 (Bargou Permit Cooper Energy 30% and Operator) and drill and test a second sidetrack well, Hammamet West-3 ST-2 continued during the quarter. It is expected that operations at Hammamet West-3 will re-commence in 2015, subject to rig availability and government regulatory approvals.



Tunisia portfolio divestment

The data room for the divestment of Cooper Energy's Tunisian portfolio remained open during the quarter with a number of interested parties engaged in reviewing the assets.

It is intended that the data room will close in the current quarter prior to a call for final offers. In the absence of an acceptable offer, Cooper Energy considers that the greatest value will be realised through a sale after the drilling and production testing of the planned Hammamet West-3 ST-2 noted above.

Disclaimer

The information in this report

- Is not an offer or recommendation to purchase or subscribe for shares in Cooper Energy Limited or to retain or sell any shares that are currently held.
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- Was prepared with due care and attention and is current at the date of the report.
- Actual results may materially vary from any forecasts (where applicable).
- Before making or varying any investment in shares of Cooper Energy Limited, all investors should consider the appropriateness of that investment in light of their individual investment objectives and financial situation and should seek their own independent professional advice.

Hydrocarbon Reporting Standard

- Cooper Energy reports hydrocarbons in accordance with the SPE Petroleum Resources Management System 2007 (SPE-PRMS).

Terms and abbreviations

Cooper Energy reports uses terms and abbreviations common to the petroleum industry and the financial sector.

Terms used include:

- 2D, 3D: two dimensional, three dimensional (with respect to seismic surveys)
- bbl: barrels
- Bcf: Billion cubic feet (of gas)
- bopd: barrels of oil per day
- Financial year: 12 months ending 30 June
- FY14: financial year ending 30 June 2014
- FY15: financial year ending 30 June 2015
- JV: Joint Venture
- kbbbl: thousand barrels
- m: metres
- mMDRT: measured depth in metres below the rotary table or drilling floor
- MM: million
- MMboe: Million barrels of oil equivalent. Conversion factor of 1 boe = 5,620 scf (1 Bcf = 0.178 MMboe)
- pcp: prior corresponding period
- PEL: Petroleum Exploration Licence
- PEP: Petroleum Exploration Permit
- PRL: Petroleum Retention Licence
- PPL: Petroleum Production Licence
- PSC: Production Sharing Contract
- scf: Standard cubic feet (of gas)