



QUARTERLY REPORT

for the Quarter Ended 31 December 2012

Highlights

- **Oil production and revenue increase:** by 6% to 109,543 barrels and \$12.4 million respectively due to commencement of the Lycium to Moomba oil pipeline in December and increased Indonesian production.
- **Production increase expected in March Quarter:** due to the full quarter operation of the Lycium to Moomba pipeline and connection of up to 5 new production wells.
- **Increased exploration activity from February:** with drilling activity planned for Cooper Basin, Otway Basin, Tunisia and Indonesia.
- **Head Office relocated to Adelaide:** from January 2013 as planned.

Managing Director's Comments

"Performance in the December Quarter has been consistent with plans and Cooper Energy is set up for a very active 2013.

Production in the next 6 months is expected to increase with the additional Cooper Basin oil pipeline transport capacity available since mid-December 2012 and up to 5 new wells to be connected. The production guidance of 550,000 barrels remains unchanged.

The busy exploration activity over the next 9 months includes up to 11 wells.

The Head Office has been successfully re-located to Adelaide from Perth from the beginning of January 2013."

ASX Code: COE

Capital Structure as at : 31 Dec 2012

Shares on issue : 329,034,654

Performance Rights : 8,691,542

COE Board of Directors

Laurie Shervington – Chairman

David P Maxwell – Managing Director

Jeffrey W Schneider – Non Executive Director

Hector M Gordon – Executive Director

Ian Gregory – Company Secretary

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Corporate

Head Office Relocation

The Head Office of Cooper Energy Limited (“Cooper” or the “Company”) relocated from Perth to Adelaide in January 2013 as planned. The Head Office is temporarily located in the former Somerton Energy Limited office while the new permanent Head Office is being prepared for occupation from April 2013.

Cooper has built a very capable and experienced technical, financial and commercial team in Adelaide. A small technical team to manage the Tunisian assets and activities has been retained in Perth.

Annual General Meeting

The 2012 Annual General Meeting held on 9 November 2012 in Perth passed all resolutions with very clear majorities. The adoption of the Remuneration Report was carried with a 98.43% majority vote.

Financial

Revenue for the December 2012 Quarter was A\$12.4 million compared with A\$11.7 million from the September 2012 Quarter. As at 31 December 2012 there were 96,108 barrels of produced oil for which the sales proceeds had not yet been received.

Cash and term deposits as at 31 December 2012 were A\$47.6 million (including security deposits of A\$3.7 million). In addition, available for sale financial assets (before marking to market) totaled A\$24.1 million as at 31 December 2012.

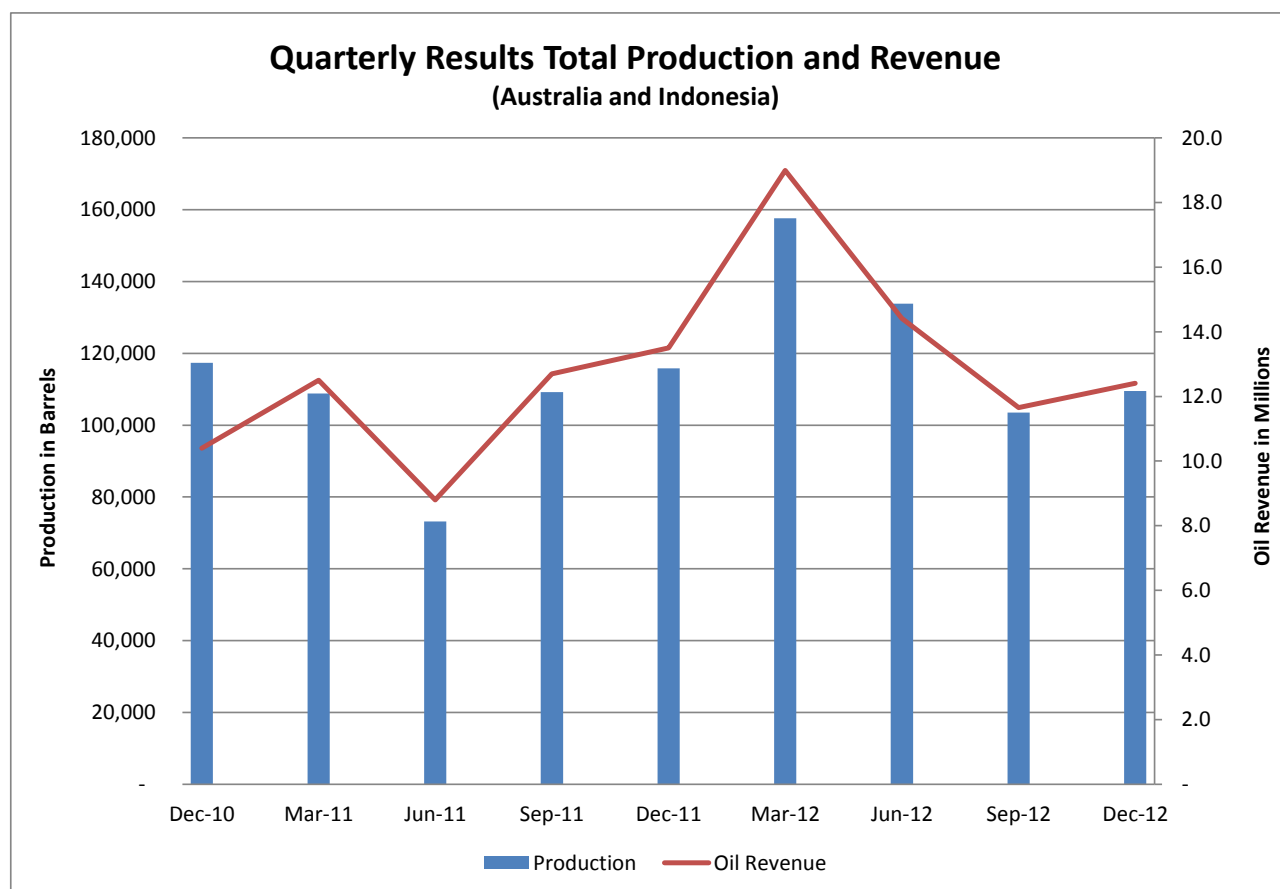
Activities

Australia

Production – Cooper Basin

The Company's share of oil production from its Cooper Basin tenements for the December 2012 Quarter was 103,541 barrels, 4% above that achieved in the previous quarter. During the December Quarter production was constrained by trucking capacity until mid December, when the new Lycium to Moomba oil pipeline commenced operation.

Production for the March Quarter is expected to be materially higher than the December Quarter due to the availability of the new Lycium to Moomba oil pipeline and the connection of up to 5 wells in PEL 92.

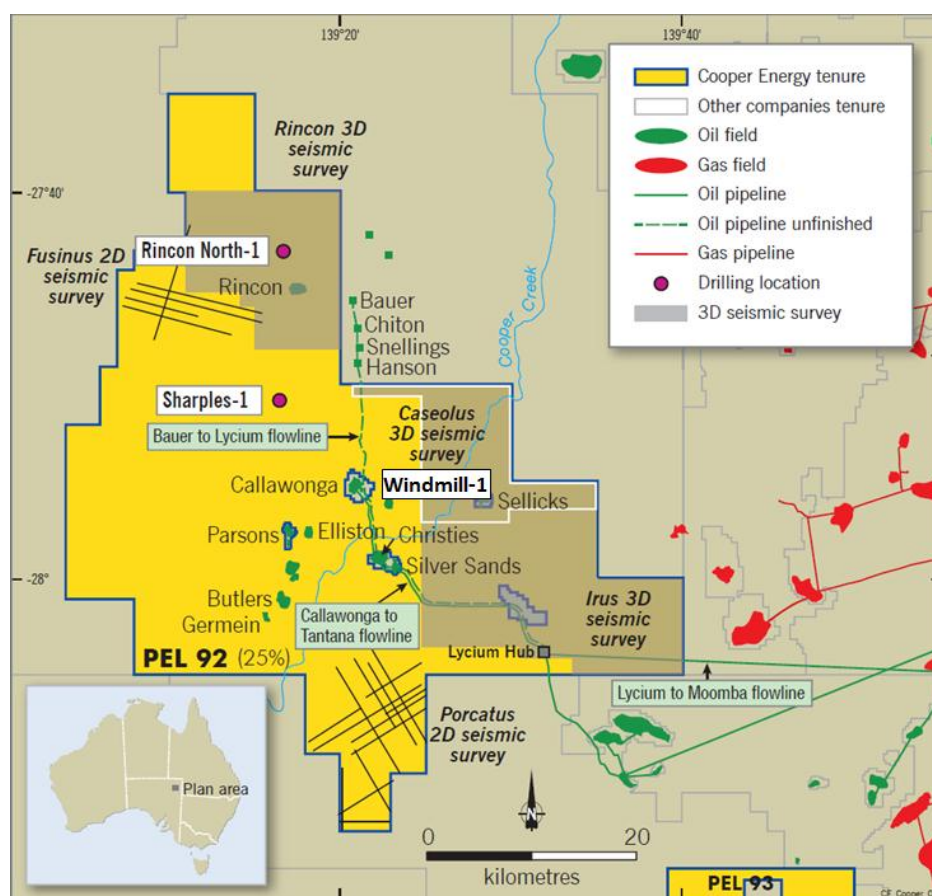


Exploration and Development - Cooper Basin

During the Quarter two exploration wells were drilled in PEL 92 (Cooper 25%). Windmill-1 encountered a 6.6 metre oil column in the Namur Sandstone. The result is consistent with the pre-drill estimate that the Windmill structure could contain approximately 600,000 barrels of recoverable oil (150,000 bbls net to COE). Significant oil shows were also encountered over a 15 metre section of the Birkhead Formation and two drill stem tests were conducted, one of which recovered 25 barrels of oil and 31 barrels of formation water oil from a 3 metre sandstone unit. The well was cased and suspended for future completion for oil production from the Namur Sandstone.

Tinah-1 failed to encounter significant hydrocarbons and was plugged and abandoned.

PEL 92 Permits, Drilling and Seismic Surveys



In PEL 92 the acquisition of the Irus 3D Seismic Survey (588 km²) was completed in December 2012. The processing of the Rincon 3D survey and the Fusinus 2D survey was completed and the processing of the Porcatus 2D survey is nearing completion. Acquisition of the Caseolus 3D Seismic Survey will commence in February. The new and planned seismic data will be used to assist in the delineation of future well locations. A drilling program consisting of four exploration and two development wells is expected to commence in March 2013. This drilling program will include the Sharples-1 and Rincon North-1 exploration wells.

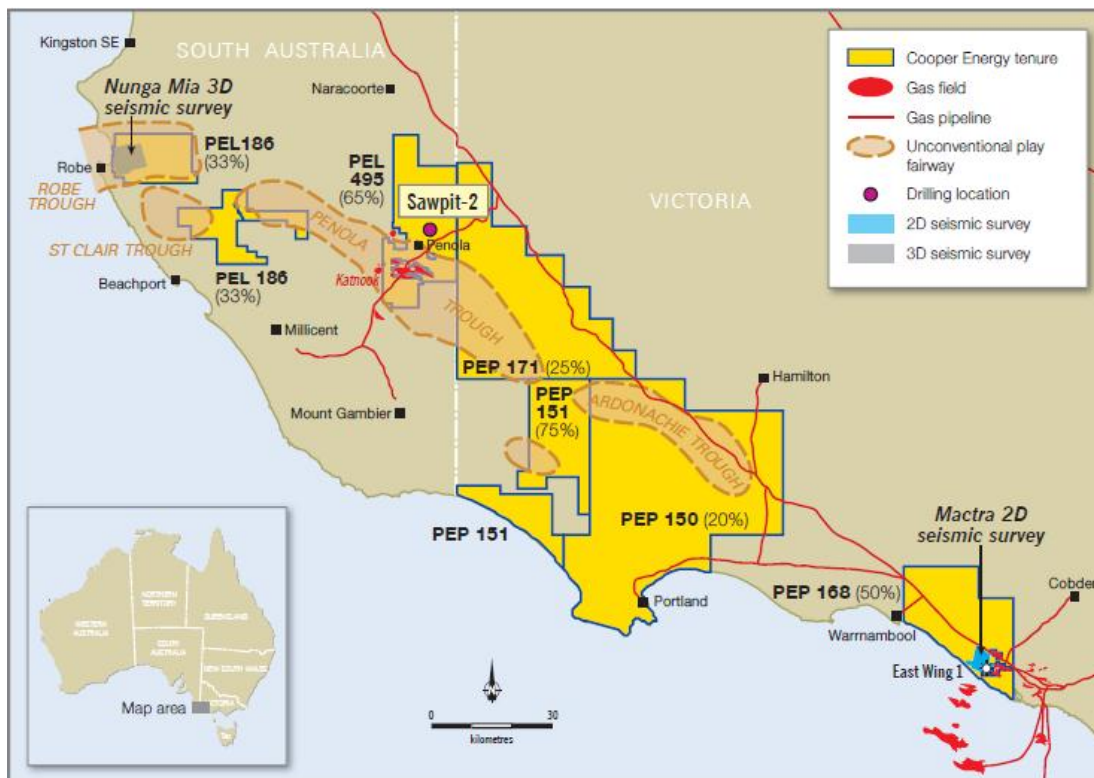
The Dundinna 3D Seismic Survey acquisition is planned to begin in the June Quarter within PELs 100, 110 and 90(K).

Exploration – Otway Basin

During the December 2012 Quarter processing of the Mactra 2D Seismic Survey (102km) in PEP 168 (Cooper 50%) and the Nunga Mia 3D Seismic Survey (70km²) in PEL 186 (Cooper 33.33%) was completed. Interpretation of the results of these surveys is ongoing.

The Sawpit-2 exploration well in PEL 495 (Cooper 65%) is expected to commence drilling in February. Beach Energy will operate the drilling of the well and fund 70% of the well cost. Sawpit-2 will test a conventional oil target and evaluate the Casterton Formation unconventional play.

Otway Basin Permits and Sawpit-2 Location



During the December Quarter further discussions were conducted with Victorian state government regulatory authorities in relation to acquisition of seismic in PEP 151 (COE 75%). Although some progress has been made, it is now not feasible to acquire seismic until the summer of 2013/14. As a result, Cooper's continued participation in the PEP 151 permit is now under review. This internal review is due primarily to the protracted processes required to obtain government approval for petroleum operations in the PEP 151 tenement and Cooper considers the tenement to be of relatively low prospectivity compared to the Company's other Otway Basin tenements.

Cooper will continue to progress its other activities in Victorian tenements (PEP168, PEP 150 and PEP 171) which it considers to be of greater prospectivity and in doing so have regard to the Victorian state government regulatory requirements.

Exploration – Gippsland Basin

Commencement of field operations associated with Phase 1 of the farm-in agreement with Lakes Oil is suspended pending removal of the Victorian state government moratorium on fracture stimulation operations.

During the Quarter Cooper elected not to exercise its 'Phase 2' option to earn further equity in PRL 2. As a result Cooper now has the option to earn up to a 5% equity in PRL 2, contingent on completing the Phase 1 operation.

Tunisia

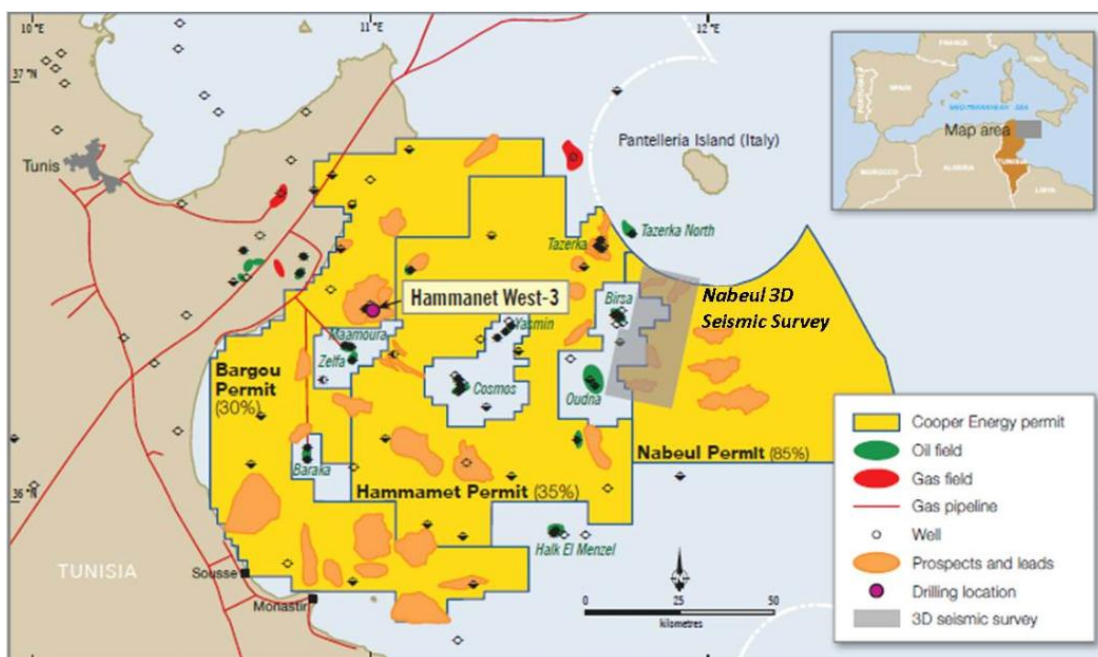
Exploration

Mobilisation of the jack-up drilling rig "GSP Jupiter" to Tunisia, is expected to commence by early February 2013 and lead to the commencement of drilling of Hammamet West-3, (Bargou Permit - Cooper 30%), in late March 2013.

The Hammamet West-3 well will be located offshore in water depths of approximately 50 metres. Results of two vertical wells previously drilled indicate that an oil column is present in the target Abiod Formation. The objective at Hammamet West-3 is to drill and test a highly deviated wellbore through the Abiod Formation to confirm oil productivity. Cooper's contribution to the well will be fully funded up to a gross amount of US\$26.6 million by Dragon Oil (paying 75% to earn 55%) and Jacka Resources (paying 30% to earn 15%).

The Nabeul Permit (Cooper 85%) joint venture partners have been granted a 2 year extension to the Initial Period of the exploration permit. Interpretation of the 3D seismic survey received in late 2012 is ongoing. The results of the interpretation will be used for farm-out discussions being planned for mid-2013.

Tunisia Permits, Drilling and Seismic Surveys



Indonesia

Production

Production from Bunian-1 (Sukananti KSO, Cooper 55%) during the Quarter totalled 12,604 barrels of oil (Cooper's net oil entitlement 6,002 barrels), equivalent to an average rate of 137 bopd, which is a 25% increase above production in the previous Quarter.

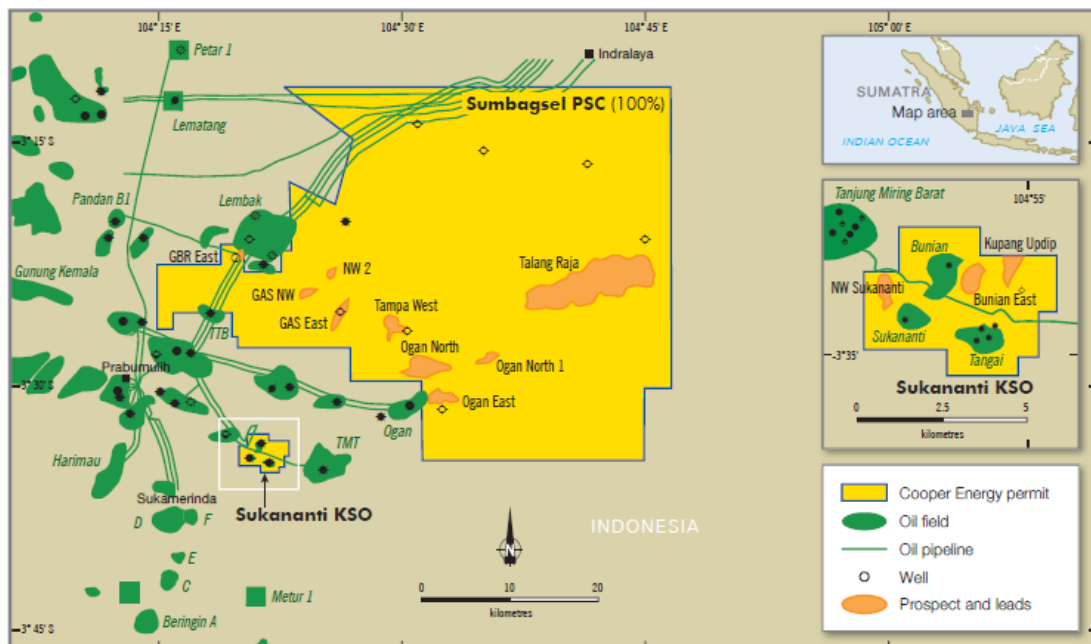
Workover of Tangai-1 in the Sukananti KSO is expected to commence in February and if successful will further increase oil production.

Exploration and Development

Evaluation of drilling opportunities in Sukananti and the Sumbagsel PSC (Cooper 100%) is continuing and is likely to lead to the commencement of a 1 to 3 well drilling program in the September Quarter 2013. Seismic acquisition is also expected to commence in the Sumbagsel PSC in the second half of calendar 2013.

Farmout discussions in relation to the the Sumbagsel PSC are underway. Evaluation of further low to moderate risk exploration opportunities to add reserves, production and value to the Indonesian portfolio is ongoing.

South Sumatra Blocks and Tangai-1 Well Location



Poland

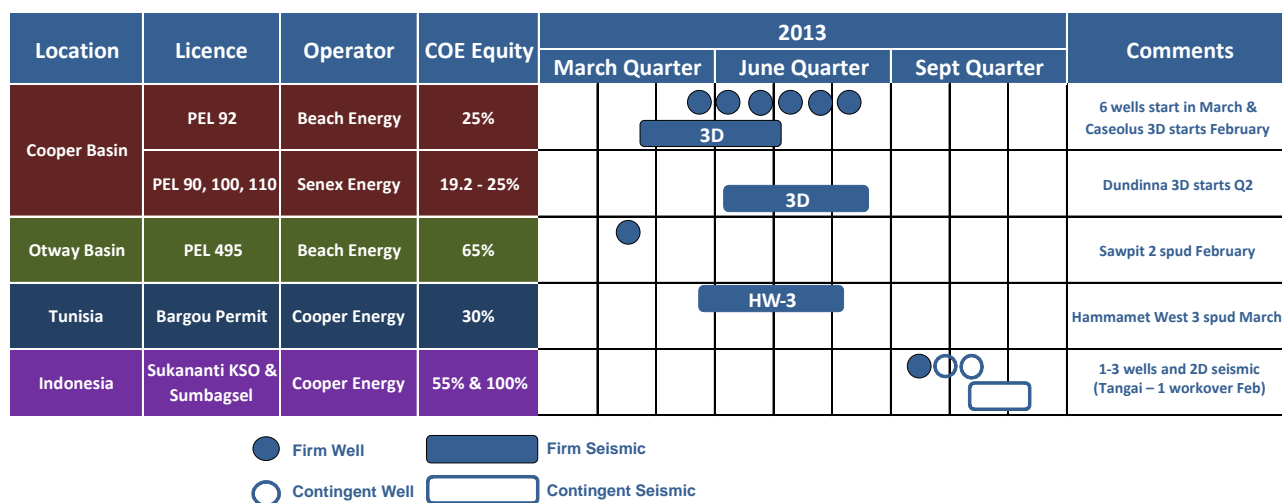
Exploration

COE (40%) has withdrawn from Licences 433, 434, 435 and 455 as reported in the September Quarter. The process to divest Licences 414 and 415 is ongoing.

Exploration Activities Look-Ahead

As illustrated in the diagram below the period from February to September is a period of high exploration drilling and seismic acquisition activity for Cooper. The exploration program is specifically directed at adding value in the core areas of activity and building sustainable medium term production and reserves growth. In parallel with this exploration program Cooper continues to evaluate acquisition opportunities which are consistent with the Company's strategy.

Exploration Activities – Work Program



Production Summary and Financial Highlights

Description	Units	Quarter 30-Sep 2012 (1)	Quarter 31-Dec 2012 (2)	Qtr on Qtr Change %	Year to Date 31-Dec 2012 (2)
PRODUCTION					
Group oil produced and sold	Barrels	103,537	109,543	6%	213,080
Group sales revenue	A\$000	11,654	12,410	6%	24,064
GROUP EXPENDITURE					
Exploration	A\$000	440	1,796	273%	2,236
Development	A\$000	3,760	1,227	-67%	4,987
Production expenses	A\$000	3,119	3,939	26%	7,058
Royalties	A\$000	1,147	578	-50%	1,725
Corporate Taxation	A\$000	1,846	670	-64%	2,516
FINANCIAL ASSETS					
Cash and term deposits	A\$000	50,175	47,571	-6%	47,571
Available for sale financial assets (at cost)	A\$000	19,265	24,122	57%	24,122
CAPITAL					
Issued shares	millions	328.694	329.035	0.1%	329.035
Unlisted Options	millions	0.100	0.000	-100%	0.000
Performance Rights	millions	4.089	8.692	113%	8.692

Notes:

(1) The previous quarter has been updated for final reconciled production figures

(2) The current quarter includes preliminary production figures for PEL 92 in the Cooper Basin

Cooper Energy Licences

Australia	Licence	COE Equity	Operator	Notes
Cooper Basin	PEL 90 (Kiwi)	25%	Senex	
	PEL 92 ⁽¹⁾	25%	Beach	Oil production
	PEL 93 ⁽¹⁾	30%	Senex	Oil production
	PEL 100	19.16%	Senex	
	PEL 110	20%	Senex	
Otway Basin	PEL 186	33.33%	Cooper	
	PEL 495	65%	Cooper ⁽²⁾	
	PEP 150	20% ⁽³⁾	Beach	
	PEP 151	75%	Cooper	
	PEP 168	50%	Beach	
	PEP 171	25% ⁽³⁾	Beach	
Gippsland Basin	PRL 2	Earning up to 5%	Beach	
Tunisia	Bargou	30%	Cooper	
	Hammamet	35%	Storm Ventures	
	Nabeul	85% ⁽⁴⁾	Cooper	
Poland	MUA 2	40%	RWE	
Indonesia	Sukananti KSO	55%	Cooper	Oil production
	Sumbagsel PSC	100%	Cooper	

1. Oil fields are separate licences delineated from within these original exploration licences.
2. Beach will operate the drilling of Sawpit-2.
3. Subject to Native Title Agreement.
4. Enterprise Tunisienne d'Activites Petrolieres (ETAP) can back in up to 55% in the event of a commercial hydrocarbon development.

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.
- Does not take into account the individual investment objectives or the financial situation of investors.
- 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) in this presentation.
- 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).