



Half-year report

**Six months ended
31 December 2014**

Appendix 4D

Interim Financial Report

Cooper Energy Limited		
ABN 93 096 170 295	Report ending Corresponding period	31 December 2014 31 December 2013

Results for announcement to the market

	Percentage Change %	Amount \$'000
Revenue from ordinary activities	Down 37.9 %	\$22,967
Loss from continuing operations after tax	Down 177.3 %	\$10,567
Total loss for the period attributable to members	Down 527.6 %	\$58,036
	30 June 2014	31 December 2014
Net tangible assets per share (inclusive of Exploration and Evaluation expenditure capitalised)	51.0 cents	32.1 cents

The Directors do not propose to pay a dividend.

The attached Half -Year Report has been reviewed by the company's auditor.

Review and Results of Operations

The attached Operating and Financial Review provides further information and explanation.

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Operating and Financial Review

For the half-year ended 31 December 2014

The substantial decline in the world oil price during the period has had a significant effect on Cooper Energy's reported results in two principal areas – first, reduced revenues from operations have resulted in a lower profit and, secondly, the Board has resolved to make impairment (non-operating) adjustments to the Tunisian portfolio and certain oil properties. These non-operating items have affected adversely the reported profit after tax by \$59.0 million. Further details of the financial performance and the impairment adjustments will be found later in this Report.

Operations

Cooper Energy is a petroleum exploration and production company which generates revenue from the discovery, development and sale of hydrocarbons in Australia and Indonesia. The Company has chosen to concentrate its resources and efforts on opportunities to supply the Australian energy market and oil and gas exploration and production activities in the South Sumatra Basin, Indonesia. A portfolio of offshore Tunisian acreage is currently subject to a divestment process, the status of which is discussed under the heading "Business Strategies and Prospects" later in this review.

Production

Cooper Energy currently produces oil from the Cooper Basin, Australia and the South Sumatra Basin, Indonesia. The Cooper Basin accounted for 87% of the company's oil production in the six months to 31 December 2014 ("FY15 First half" or "first half").

Production for the first half of 0.25 MMbbl was 17% lower than the previous corresponding period. The movement is attributable to lower output from the Cooper Basin, due to natural decline of producing fields in the region. A focus on acquisition and processing of seismic information has been reflected in reduced drilling activity levels in the company's principal producing licences (PRLs 87 – 104 ex PEL 92) in the Cooper Basin. Drilling activity in PRLs 87 – 104 based on new information is expected to commence in March 2015.

Indonesian operations recorded their highest half of production under Cooper Energy management with field production rates benefitting from the performance of a work-over of the Tangai-3 well.

Exploration and development

Cooper Energy has interests in petroleum exploration tenements in the Cooper, Otway and Gippsland Basins in Australia, the South Sumatra Basin in Indonesia and the Pelagian Basin offshore Tunisia. Cooper Energy also owns a 22.9% interest in Bass Strait Oil Limited which has exploration tenements in the Gippsland Basin and Otway Basin, Australia.

Exploration and development activity during the period included the drilling of three exploration wells and one development well in the Cooper Basin and the spudding of a development well, Bunian-3, in the Sukananti KSO, South Sumatra Basin Indonesia. All of the Cooper Basin wells were unsuccessful and the Indonesian well, which was spudded on 31 December 2014, is still in progress.

The company continued to be active in the acquisition and interpretation of seismic information to identify future drilling locations. In the Cooper Basin, reprocessing and merging of three, 3D seismic surveys was conducted by the PEL 92 Joint Venture (COE interest: 25%). The interpretation of the reprocessed data is expected to provide better information for the selection of targets for drilling by the joint venture scheduled for the FY15 second half. Reprocessing or interpretation of seismic data was also conducted in PPL 207 in the Cooper Basin, the Otway Basin (PEL 495), Gippsland Basin (Basker Manta Gummy (BMG) VIC/L 26-28) fields, Indonesia (Sumbagsel and Merangin III PSC's) and the Bargou permit in Tunisia. Analysis of cores and other information acquired from the Bungalow and Jolly wells in the Otway Basin was also completed.

Development activities during the period included the commencement of production from the Rincon oil field by the PEL 92 Joint Venture, extended production testing of Worrior-8 and Worrior-10 in PPL 207 of the Cooper Basin and the work-over of Tangai -3 and spudding of the Bunian-3 development well, both in Indonesia.

Project and portfolio development

The company is pursuing a strategy for the creation of shareholder value through building oil production opportunities in Australia and Indonesia and a portfolio of gas resources to supply demand opportunities arising in Eastern Australia.

This strategy was advanced considerably in the half year when on 16 December 2014 Cooper Energy announced agreements to acquire uncontracted and undeveloped gas resources in the Sole gas field (Gippsland Basin- VIC/RL3) and a 50% interest in the Orbest gas plant from Santos Limited. There is a clear plan for the development of the Sole gas field for supply into the Eastern Australia gas market from late 2018/early

Operating and Financial Review

For the half-year ended 31 December 2014

2019. Completion of the transaction is subject to regulatory approvals and the completion of pre-FEED (Front End Engineering and Design) and approval of the FEED budget. Cooper Energy expects to announce its assessment of contingent resources for the Sole field after completion of the transaction.

Acquisition of a 65% interest in the BMG gas and liquids resource (VIC/L 26 -28, COE interest 65% and Operator) was completed. Work on a business case to identify the optimum development plan is underway and scheduled for completion by the conclusion of FY15.

Discussions with gas customers for the company's Gippsland Basin gas resources has escalated considerably and the company anticipates being in a position to make announcements as a result of these discussions in July 2015. The plan is to secure long term firm gas sales contracts before the final investment decision (FID) for development of the Sole gas field.

Financial Performance

Financial Performance		FY15H1	FY14H1	Change	%
Production volume	MMbbl	0.25	0.30	-0.05	-17%
Sales volume	MMbbl	0.24	0.29	-0.05	-17%
Average oil price	\$/bbl	97.4	126.5	-29.1	-23%
Sales revenue	\$ million	23.0	37.0	-14.0	-38%
Other revenue	\$ million	1.1	0.7	0.4	57%
Operating cash flow inflow/(outflow)	\$ million	-2.0	24.2	-26.2	-108%
Net profit/(loss) after income tax (NPAT)	\$ million	-58.0	13.6	-71.6	-526%
Underlying NPAT	\$ million	0.9	13.6	-12.7	-93%
Underlying EBITDA*	\$ million	6.9	21.4	-14.5	-68%
Underlying EBITDA*/Sales revenue	%	30.0	57.8	-27.8	-48%

* Earnings before interest, tax, depreciation and amortisation

Calculation of underlying NPAT by adjusting for items unrelated to the ongoing operating performance is considered to provide meaningful comparison of results between periods. Underlying NPAT and underlying EBITDA are not defined measures under International Financial Reporting Standards and are not audited.

Cooper Energy recorded a statutory loss after tax of \$58.0 million for the six months to 31 December which compares with the profit after tax of \$13.6 million recorded in the 2014 first half. The 2015 first half statutory profit included a number of non-operating items which adversely affected profit after tax by \$59.0 million. These items which principally comprise impairment in respect of the Tunisian portfolio held for sale and oil properties and the impairment of financial assets to reflect market values are detailed in the reconciliations for NPAT to Underlying NPAT and Underlying EBITDA at the end of this review.

Underlying NPAT exclusive of these items was \$0.9 million, compared with an underlying NPAT of \$13.6 million, with the movement being attributable to:

- lower oil prices. The average oil price of A\$97.4/bbl was 23% lower than the 2014 first half average of \$126.5/bbl. This difference was responsible for a \$8.5 million reduction in sales revenue;
- lower sales volumes, due to lower production. Sales volumes were 17% lower than in the 2014 first half, resulting in a \$5.5 million reduction in sales revenue;
- amortisation of costs in areas under production rose \$1.1 million due to revised estimated development expenditure on undeveloped reserves;
- higher finance costs, \$1.0 million, resulting principally from the accretion of the BMG rehabilitation provision and success fee liability;
- a \$0.6 million increase in exploration and evaluation expenditure written-off; and
- higher administration and other expenses of \$0.4 million mainly due to investments in business growth.

These factors were offset in part by:

- higher other revenue and other income, \$0.4 million, with higher joint venture fees and an accounting gain as a result of equity accounting of Bass Strait Oil Limited (refer to note 2);

Operating and Financial Review

For the half-year ended 31 December 2014

- lower royalties by \$1.0 million due to lower oil prices and production; and
- lower tax expense by \$3.8 million, mainly due to the lower underlying profit before tax.

Financial Position

Financial Position		FY15H1	FY14	Change	%
Total assets	\$ million	181.1	248.3	-67.2	-27%
Total liabilities	\$ million	73.3	80.5	-7.2	-9%
Total equity	\$ million	107.8	167.8	-60.0	-36%

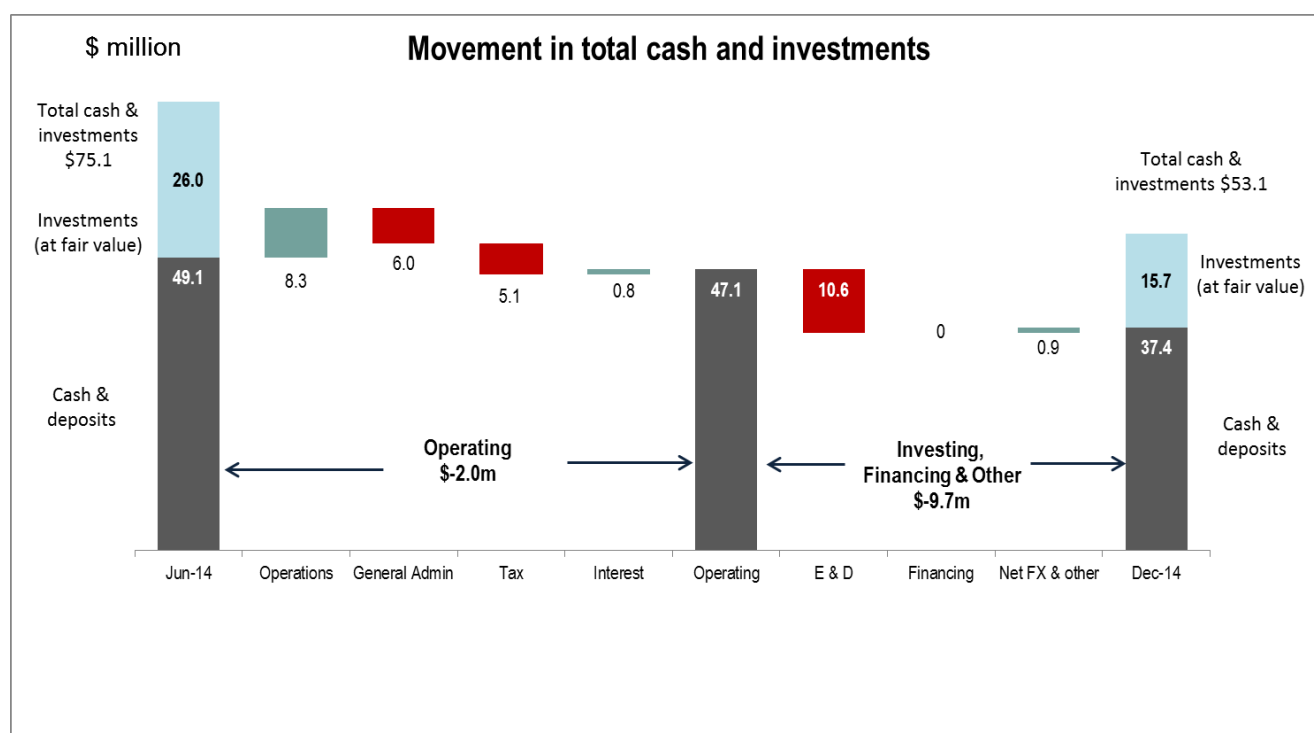
Assets

Total assets decreased by \$67.2 million from \$248.3 million to \$181.1 million.

Cooper Energy has a strong balance sheet. At 31 December the company held cash and deposit balances of \$37.4 million and investments of \$15.7 million.

Cash and deposit balances declined by \$11.7 million over the period after funding exploration and development of \$10.6 million. As illustrated below, operations generated net cash of \$8.3 million after increased payments to suppliers (refer to Total Liabilities) and general administration expenses were \$6.0 million. This was offset by a tax payment of \$5.1 million on the company's record profit result in 2014.

Lower prices for listed investments resulted in investments reducing by \$10.3 million over the period.



Exploration and evaluation assets (including those held for sale) decreased \$36.7 million from \$141.5 million to \$104.8 million as a result of the impairment of \$47.5 million on the Tunisian exploration and evaluation assets held for sale partially offset by exploration expenditure during the period.

Oil properties decreased by \$7.1 million from \$18.3 million to \$11.2 million mainly due to an impairment of PEL 93 of \$6.1 million (refer to note 8) and amortisation, partially offset by capital expenditure during the period.

Trade and other receivables decreased \$2.2 million from \$10.9 million to \$8.7 million mainly due to the timing of sales revenue receipts and a decrease in the oil price.

Operating and Financial Review

For the half-year ended 31 December 2014

Total Liabilities

Total liabilities decreased by \$7.2 million from \$80.5 million to \$73.3 million.

Trade and other payables decreased \$6.0 million from \$12.9 million to \$6.9 million mainly due to timing of payments to suppliers being unfavourable relative to a three year average.

Income tax payable reduced from \$5.0 million to \$0.5 million mainly due to the payment of income tax of \$5.1 million relating to FY14 record profits.

Provisions increased by \$5.3 million from \$41.4 million to \$46.7 million due to increase in the BMG rehabilitation provision arising from a lower 10 year bond rate to discount the future value and accretion during the period.

Total Equity

Total equity has decreased by \$60.0 million from \$167.8 million to \$107.8 million. In comparing equity for the period to the prior corresponding period the key movements were:

- lower retained profits of \$58.0 million due to the total loss for the half year; and
- lower reserves of \$2.2 million mainly due to unrealised fair value adjustments on investments available for sale.

Business Strategies and Prospects

The company focuses its resources and effort on opportunities to supply the Australian energy market and also on its existing acreage in the South Sumatra Basin, Indonesia.

Within the areas of interest, the company will focus on those opportunities which satisfy fundamental commercial and technical merit criteria whilst taking due care for safety, the environment and community. Cooper Energy seeks to generate and add value through the application of its deep knowledge and expertise in Australian basins and gas commercialisation, and concentrate its efforts on the opportunities where its knowledge and expertise can be best applied. This business strategy is supported by the retention of a strong balance sheet.

The company's oil production on the western flank of the Cooper Basin features low operating costs, with production and transport costs of approximately A\$35/bbl. The operating costs for the Indonesian operations are A\$50/bbl. These existing production operations are considered to be viable at current and anticipated A\$ oil prices.

Production from existing Cooper Basin and Indonesian interests will be optimised to continue to maximize cash flow and support the company's clear growth plans. Low risk exploration and appraisal drilling will continue in the Cooper Basin and Indonesia with the intention of maintaining production of approximately 500,000 barrels of oil per annum from the existing production licences for the medium term. Additional production opportunities will also be considered where they add value consistent with the company's strategy.

A multi-basin gas supply portfolio is being built through the acquisition and planned development of gas resources and infrastructure in the Gippsland Basin (refer discussion under Operations above) and the exploration for commercial gas reserves in the Otway Basin, where the company has a large acreage position which is considered to be well located for available gas market opportunities and proximity to existing production facilities.

In Indonesia, the focus is on adding further value to the existing South Sumatra acreage through exploration, development and production.

The company has previously announced its intention to divest its Tunisian portfolio as these assets fall outside the company's strategic focus on the Australian energy market and Indonesia value adding (refer to note 6). To date a sale has not been completed. The downturn in oil prices and general industry sentiment has made it more difficult to sell the Tunisian assets. The company remains committed to divestment of the Tunisian portfolio. Drilling commitments in Tunisia are being deferred to 2016 at the earliest.

2015 Full Year Outlook

Cooper Energy maintains production guidance of 0.50 MMbbl to 0.56 MMbbl. Production for the second half is anticipated to exceed that recorded in the six months to December due to increased development and appraisal drilling activity in Indonesia and the Cooper Basin (PEL 92). The FY15 production level will be determined by the success of this planned development and appraisal drilling program and the timing of the connection of successful wells.

Capital expenditure plans for the year have been reduced in view of lower oil prices and the resultant reductions to revenue and cash flow. Cooper Energy now anticipates capital expenditure of approximately \$26 million for FY15 (previous guidance \$40 million). This includes the forecast expenditure on the company's 50% share of the Sole gas field project being acquired from Santos as announced on 16 December 2014.

Exploration and development activity for the remainder of FY15 includes:

- the drilling of 2 to 5 development and exploration wells in Cooper Basin licences PRL's 85 – 104 by the PEL 92 Joint Venture based on targets identified by recent 3D seismic reprocessing;
- the drilling of a development well at the Worrior oil field (PPL 207); and
- completion of the Bunian-3 development well followed by 1 to 2 additional development/appraisal wells in the Sukananti KSO, South Sumatra Basin Indonesia.

Funding and Capital Management

When managing funding and capital, the company's objective is to ensure the entity continues as a going concern whilst maintaining an optimal return to shareholders. As at 31 December 2014 the company had cash, deposits and investments available for sale of \$53.1 million. The company currently has \$10 million in bank facilities and is finalising conditions precedent for a further \$30 million of bank facilities. The company has no current plans to issue equity except on conversion of performance rights held by employees that may meet vesting conditions.

Risk Management

The company manages risks in accordance with its risk management policy with the objective of ensuring all risks inherent in oil and gas exploration and production activities are identified, measured and then managed or kept as low as reasonably practicable. The Management Team perform risk assessments on a regular basis and a summary is reported to the Audit and Risk Committee. The Audit and Risk Committee approves and oversees an internal audit program undertaken by an external tier 1 firm.

Key risks which may materially impact the execution and achievement of the business strategies and prospects for Cooper Energy in future financial years are risks inherent in the oil and gas industry including technical, economic, commercial, operational, environmental and political risks. This should not be taken to be a complete or exhaustive list of risks. Many of the risks are outside the control of the company and its officers.

Appropriate policies and procedures are continually being developed and updated to help manage these risks.

Operating and Financial Review

For the half-year ended 31 December 2014

Reconciliations for NPAT to Underlying NPAT and Underlying EBITDA

Reconciliation to Underlying NPAT		FY15H1	FY14H1	Change	%
Net profit after income tax (NPAT)	\$ million	-58.0	13.6	-71.6	-526%
Adjusted for:					
Impairment of exploration assets held for sale	\$ million	47.5	0.0	47.5	0%
Impairment of oil properties	\$ million	6.1	0.0	6.1	100%
Impairment of available for sale financial assets	\$ million	6.1	0.0	6.1	100%
Accounting gain on purchase	\$ million	-0.3	0.0	-0.3	200%
Tax impact of above changes	\$ million	-1.7	0.0	-1.7	0%
Deferred tax asset on capital losses derecognised	\$ million	1.3	0.0	1.3	100%
Underlying NPAT	\$ million	0.9	13.6	-12.7	-93%
Reconciliation to Underlying EBITDA*		FY15H1	FY14H1	Change	%
Underlying NPAT	\$ million	0.9	13.6	-12.7	-93%
Add back:					
Interest revenue	\$ million	-0.7	-0.7	0.0	0%
Accretion expense	\$ million	1.1	0.3	-0.8	-267%
Tax expense	\$ million	1.0	4.8	-3.8	-79%
Depreciation	\$ million	0.2	0.2	0.0	0%
Amortisation	\$ million	4.4	3.2	1.2	38%
Underlying EBITDA*	\$ million	6.9	21.4	-14.5	-68%
* Earnings before interest, tax, depreciation and amortisation					

Directors' Report

For the half-year ended 31 December 2014

The Directors of Cooper Energy Limited ("the company" or "Cooper") present their report and the consolidated Financial Report for the half-year ended 31 December 2014. The dollar figures are expressed in Australian currency and to the nearest thousand unless otherwise indicated.

Directors

The names of the Directors in office during the half-year and until the date of this report are as below. All Directors were in office for the entire period unless otherwise stated.

Board of Directors

John C Conde AO (Non-Executive Chairman)
David P Maxwell (Managing Director)
Hector M Gordon (Executive Director Exploration and Production)
Jeffrey W Schneider (Non-Executive Director)
Alice J Williams (Non-Executive Director)

Principal Activities

The Group is an upstream oil and gas exploration company whose primary focus is to secure, find, develop, produce and sell hydrocarbons. These activities are undertaken either solely or via unincorporated joint ventures. There was no significant change in the nature of these activities during the half year.

Review and Results of Operations

A review of the operations of the Group can be found in the Operating and Financial Review on page 4.

Significant events after the balance date

On 16 December 2014 Cooper Energy Ltd announced the agreement to acquire a 50% interest in the Sole gas field (VIC/RL3) and the Orbest Gas Plant in Victoria from Santos Limited. The acquisition is expected to be completed in April of 2015.

Auditor's Independence Declaration

Cooper Energy has obtained an independence declaration from the auditors, Ernst & Young, which forms part of this report.

Rounding

The Group is of a kind referred to in ASIC Class Order 98/0100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors



Mr John C. Conde, AO
Chairman

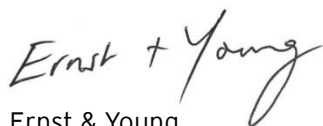


Mr David P. Maxwell
Managing Director

16 February 2015

Auditor's Independence Declaration to the Directors of Cooper Energy Limited

In relation to our review of the financial report of Cooper Energy Limited for the half-year ended 31 December 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



T S Hammond
Partner
Adelaide
16 February 2015

Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2014

	Notes	31 December 2014 \$'000	31 December 2013 \$'000
Continuing Operations			
Revenue from oil sales	7	22,967	36,966
Cost of sales	7	(13,368)	(12,591)
Gross profit		9,599	24,375
Other revenue	7	836	713
Other income	2	281	-
Exploration and evaluation expenditure written off		(1,173)	(565)
Finance costs	7	(1,059)	(34)
Impairment of available for sale financial assets		(6,062)	-
Impairment of oil properties	8	(6,061)	-
Share of loss in associate		(45)	-
Administration and other expenses	7	(6,293)	(5,976)
Profit/(loss) before income tax		(9,977)	18,513
Taxes			
Income tax expense	9	(590)	(4,849)
Total tax expense		(590)	(4,849)
Net profit/(loss) after tax from continuing operations		(10,567)	13,664
Discontinued operations			
Loss for the year from discontinued operations	6	(47,469)	(91)
Total profit/(loss) for the period attributable to members		(58,036)	13,573
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation reserve		404	77
Fair value movements on available for sale financial assets		(10,550)	4,996
Income tax effect on fair value movements on available for sale financial assets		1,346	(187)
Reclassification during the year to profit or loss of impairment on available for sale financial assets		6,062	-
Other comprehensive income/(expenditure) for the period net of tax		(2,738)	4,886
Total comprehensive income/(loss) for the period attributable to members		(60,774)	18,459
		cents	cents
Basic earnings per share from continuing operations		(3.2)	4.1
Diluted earnings per share from continuing operations		(3.2)	4.0
Basic earnings per share		(17.6)	4.1
Diluted earnings per share		(17.6)	4.0

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2014

	Notes	31 December 2014 \$'000	30 June 2014 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	4	27,362	47,178
Term deposits at banks	4	10,000	-
Trade and other receivables		8,713	10,901
Inventory		1,112	289
Prepayments		473	732
		47,660	59,100
Assets classified as held for sale	6	43	46,906
Total Current Assets		47,703	106,006
Non-Current Assets			
Available for sale financial assets		14,779	26,040
Investment in associate		948	-
Other non-current receivables		410	244
Term deposits at banks	4	51	1,919
Oil properties		11,243	18,293
Other property, plant & equipment		1,169	1,141
Exploration and evaluation		104,756	94,621
Total Non-Current Assets		133,356	142,258
TOTAL ASSETS		181,059	248,264
LIABILITIES			
Current Liabilities			
Trade and other payables		6,916	12,896
Income tax payable		483	5,040
		7,399	17,936
Liabilities and provisions classified as held for sale	6	1,645	2,740
Total Current Liabilities		9,044	20,676
Non-Current Liabilities			
Deferred tax liabilities		13,211	14,431
Provisions		46,741	41,360
Financial liabilities		4,310	4,004
Total Non-Current Liabilities		64,262	59,795
TOTAL LIABILITIES		73,306	80,471
NET ASSETS		107,753	167,793
EQUITY			
Contributed equity	5	114,833	114,625
Reserves		5,228	7,440
Retained profits		(12,308)	45,728
TOTAL EQUITY		107,753	167,793

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2014

	Issued Capital \$'000	Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 July 2014	114,625	7,440	45,728	167,793
Loss for the period	-	-	(58,036)	(58,036)
Other comprehensive expense	-	(2,738)	-	(2,738)
Total comprehensive income for the period	-	(2,738)	(58,036)	(60,774)
Transactions with owners in their capacity as owners:				
Share based payments	-	734	-	734
Transferred to issued capital	208	(208)	-	-
Balance as at 31 December 2014	114,833	5,228	(12,308)	107,753

	Issued Capital \$'000	Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 July 2013	114,570	(1,138)	23,778	137,210
Profit for the period	-	-	13,573	13,573
Other comprehensive income	-	4,886	-	4,886
Total comprehensive income for the period	-	4,886	13,573	18,459
Transactions with owners in their capacity as owners:				
Share based payments	-	395	-	395
Transferred to issued capital	55	(55)	-	-
Balance as at 31 December 2013	114,625	4,088	37,351	156,064

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2014

	31 December 2014 \$'000	31 December 2013 \$'000
Notes		
Cash Flows from Operating Activities		
Receipts from customers	24,644	41,766
Payments to suppliers and employees	(22,397)	(18,298)
Income tax paid	(5,052)	-
Interest received – other entities	836	686
Net cash from operating activities	(1,969)	24,154
Cash Flows from Investing Activities		
Transfers of/(placements on) term deposits	(8,131)	1,112
Receipts from sale of other property, plant & equipment	-	13
Payments for exploration and evaluation	(6,897)	(25,998)
Investments in oil properties	(3,676)	(5,641)
Net cash flows used in investing activities	(18,704)	(30,514)
Cash Flows from Financing Activities		
Payment for shares	-	-
Net cash flow used in financing activities	-	-
Net increase / (decrease) in cash held	(20,673)	(6,360)
Net foreign exchange differences	857	47
Cash and cash equivalents at 1 July	47,178	43,154
Cash and cash equivalents at 31 December	27,362	36,841

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to and forming part of the Financial Statements

For the half-year ended 31 December 2014

1. Basis of preparation and accounting policies

This general purpose financial report for the half-year ended 31 December 2014 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report should be read in conjunction with the annual financial report for the year ended 30 June 2014 and considered together with any public announcements made by Cooper Energy Limited during the half year ended 31 December 2014 in accordance with the continuous disclosure obligations of the ASX Listing Rules.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

New standards, interpretations and amendments thereof, adopted by the Group

The accounting policies adopted in the preparation of the half-year financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2014, except for the adoption of new standards and interpretations as of 1 July 2014, noted below:

AASB 2012-3	<i>Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities</i>
Summary	AASB 2012-3 adds application guidance to AASB 132 Financial Instruments: Presentation to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.
Application Date of the Standard	1 January 2014
Application date for Group	1 July 2014
Impact on Group financial report	The Group had no change as a result of the adoption of this standard.

AASB 1031	<i>Materiality</i>
Summary	The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework (issued December 2013) that contain guidance on materiality. AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed
Application Date of the Standard	1 January 2014
Application Date for Group	1 July 2014
Impact on Group Financial report	The Group had no change as a result of the adoption of this standard.

Notes to and forming part of the Financial Statements

For the half-year ended 31 December 2014

1. Basis of preparation and accounting policies continued

IFRS Annual Improvements 2010-2012 Cycle	<i>Annual Improvements to IFRSs 2010–2012 Cycle</i>
Summary	<p>AASB 2014-1 Part A: This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle.</p> <p>Annual Improvements to IFRSs 2010–2012 Cycle addresses the following items:</p> <ul style="list-style-type: none"> ▶ AASB 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'. ▶ AASB 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137. ▶ AASB 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets. ▶ AASB 116 & AASB 138 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts. ▶ AASB 124 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.
Application Date of the Standard	1 July 2014
Application Date for Group	1 July 2014
Impact on Group Financial report	The Adoption of this standard resulted in no impact upon the Group financial statements or the related disclosures.
AASB 136	<i>Recoverable Amount Disclosures for Non-Financial Assets</i>
Summary	<p>AASB 2013-3 amends the disclosure requirements in AASB 136 <i>Impairment of Assets</i>. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.</p>
Application Date of the Standard	1 January 2014
Application Date for Group	1 July 2014
Impact on Group Financial report	The Group will be required to make additional disclosures should recoverable amounts be based upon fair value less costs of disposal.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Notes to and forming part of the Financial Statements

For the half-year ended 31 December 2014

2. Investment in associates

Significant Influence of Bass Strait Oil Company Limited

Cooper Energy through its wholly owned subsidiary Somerton Energy Pty Ltd holds shares in Bass Strait Oil Company Limited ("BAS") and has a holding of 22.9%. On 27 October, 2014, Cooper Energy's Executive Director Hector Gordon was appointed to the Board of BAS. As a consequence Cooper Energy now has significant influence over the decisions made in BAS and BAS is now considered an associate of Cooper Energy. Cooper Energy's investment in BAS will be equity accounted using a fair value approach as per AASB 128 *Investments in Associates and Joint Ventures*. The fair values as at date of significant influence are:

	\$'000
Carrying value of shares	712
Share of fair value of net assets	993
Gain on bargain purchase	<u>281</u>

3. Segment Reporting

Identification of reportable segments and types of activities

The Group operates in various geographical locations and prepares reports internally and externally by continental geographical segments. Within each segment, the costs of operations and income are prepared firstly by legal entity and then by joint venture. Revenue and outgoings are allocated by way of their natural expense and income category. These reports are drawn up on a quarterly basis. Resources are allocated between each segment on an as needs basis. Selective reporting is provided to the Board quarterly while the annual and bi-annual results are reported to the Board. The Managing Director is the chief operating decision maker.

Other prospective opportunities outside of these geographical segments are also considered from time to time and, if they are secured, will then be attributed to the continental geographical segment where they are located.

The current external customers by geographical location of production are the Australian Business Unit with two customers and the Indonesian Business Unit with one customer.

The following are the current geographical segments:

Australian Business Unit

Exploration and evaluation for oil and gas, development, production and sale of crude oil in a number of areas in the Cooper Basin, Gippsland Basin and Otway Basin. Revenue is derived from the sale of crude oil to IOR Energy Pty Ltd and a consortium of buyers made up of Santos Limited and its subsidiaries; Delhi Petroleum Pty Ltd and Origin Energy Resources Limited. Interest income is earned from the placement of funds with various Australian Banks for periods of up to six months.

Asian Business Unit

The Asian business unit involved the production and sale of crude oil from the Tangai-Sukananti KSO. It is located on the island of Sumatra, Indonesia. Revenue is derived from the sale of crude oil to PT Pertamina EP. The Group is also involved in exploration and evaluation for oil and gas in the Sumbagsel and Merangin III Permit areas on the island of Sumatra, Indonesia.

African Business Unit

Exploration and evaluation for oil and gas in the Bargou, Nabeul and Hammamet permit areas off the coast of Tunisia. No income is derived from these units. The company has announced its intention to dispose of the equity interests in the Tunisian assets.

European Business Unit

The company has disposed of all exploration interests in Poland and is in the process of winding up the Polish and Dutch subsidiaries.

Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally is the same as those contained in Note 1 to the accounts and in the prior period.

Notes to and forming part of the Financial Statements

For the half-year ended 31 December 2014

3. Segment reporting continued

Geographical Segments	Australian Business Unit \$'000	African Business Unit (disc. operation) \$'000	Asian Business Unit \$'000	European Business Unit (disc. operation) \$'000	Elimination \$'000	Consolidated \$'000
Half year ended 31 December 2014						
Revenue	20,262	-	2,705	-	-	22,967
Other Income and revenue	1,359	-	-	-	(242)	1,117
Total consolidated revenue	21,621	-	2,705	-	(242)	24,084
Depreciation of property	(180)	-	(25)	-	-	(205)
Amortisation of development costs	(2,629)	-	(1,321)	-	-	(3,950)
Amortisation of exploration costs	(403)	-	-	-	-	(403)
Impairment	(12,123)	(47,484)	-	(15)	-	(59,622)
Finance costs	(1,059)	-	-	-	-	(1,059)
Share based payments	(734)	-	-	-	-	(734)
Exploration costs written off	(1,173)	-	-	-	-	(1,173)
Segment result	(9,370)	(47,445)	(365)	(24)	(242)	(57,446)
Income tax						(590)
Net Profit						(58,036)
Segment liabilities	69,595	1,595	2,065	51	-	73,306
Segment assets	161,438	240	19,362	19	-	181,059
Non-Current Assets	118,309	-	15,047	-	-	133,356
Cash flow from:						
- Operating activities	(5)	(1,300)	(649)	(15)	-	(1,969)
- Investing activities	(18,979)	102	158	15	-	(18,704)
- Financing	-	-	-	-	-	-
Capital Expenditure	(6,689)	(367)	(3,516)	-	-	(10,572)
Half year ended 31 December 2013						
Revenue	33,867	-	3,099	-	-	36,966
Interest and other revenue	713	-	-	-	-	713
Total consolidated revenue	34,580	-	3,099	-	-	37,679
Depreciation of property	(205)	-	(29)	-	-	(234)
Amortisation of development costs	(2,282)	-	(404)	-	-	(2,686)
Amortisation of exploration costs	(562)	-	-	-	-	(562)
Finance costs	(34)	-	-	-	-	(34)
Share based payments	(395)	-	-	-	-	(395)
Exploration costs written off	(565)	-	-	(91)	-	(656)
Segment result	17,179	-	1,272	(29)	-	18,422
Income tax						(4,849)
Net Profit						13,573
Segment liabilities	25,205	2,947	2,958	29	-	31,139
Segment assets	128,778	44,678	13,504	243	-	187,203
Non-Current Assets	77,805	-	10,179	-	-	87,984
Cash flow from:						
- Operating activities	22,241	2,503	(483)	(107)	-	24,154
- Investing activities	(7,902)	(20,593)	(2,019)	-	-	(30,514)
- Financing	-	-	-	-	-	-
Capital Expenditure	(9,027)	(20,593)	(2,019)	-	-	(31,639)

Notes to and forming part of the Financial Statements

For the half-year ended 31 December 2014

4. Cash and Cash Equivalents and Term Deposits

	31 December 2014 \$'000	30 June 2014 \$'000
Current Assets		
<i>Cash and cash equivalents</i>		
Cash at banks and in hand	3,650	7,671
Short term deposits at banks (i)	23,712	39,507
	27,362	47,178
<i>Short Term Deposits</i>		
Term deposits at banks (ii)	10,000	-
Non-Current Assets		
Term deposits at the banks (ii)	51	1,919

- (i) Short term deposits at banks are in Australian dollars and are for periods of up to 3 months and earn interest at money market interest rates.
- (ii) The carrying value of the term deposit approximates its fair value.

The company has a bilateral facility agreement for bank facilities totalling \$40 million with Westpac Banking Corporation. Tranche A \$10 million is available for issuing bank guarantees and cash advances (sub limit \$5 million). As at 31 December 2014 bank guarantees of \$3,382,337 (December 2013:\$975,000) in relation to performance bonds on exploration permits were issued against the facility. Tranche B \$30 million is subject to satisfaction of certain conditions precedent before draw down.

5. Contributed equity

	31 December 2014 \$'000	30 June 2014 \$'000
<i>Ordinary shares</i>		
Issued and fully paid	114,833	114,625
	Thousands	\$'000
Movement in ordinary shares on issue		
At 1 July 2014	329,236	114,625
Issue of shares	648	208
At 31 December 2014	329,884	114,833

Notes to and forming part of the Financial Statements

For the half-year ended 31 December 2014

6. Exploration assets held for sale and discontinued operations

In June 2013 the Board resolved to dispose of its exploration assets in Tunisia. Management is in the process of obtaining expressions of interest from third parties for the company's equity holding in its Tunisian exploration activities.

The losses from the exploration assets classified as held for sale are presented on a separate line in the Consolidated Statement of Comprehensive Income.

Cooper Energy has not been able to sell its Tunisian portfolio in whole or part since commencing a divestment process over a year ago. The recent significant decline in the oil price makes any outright sale(s) even more difficult in the near term. In this current oil price environment management believes the fair value less costs to sell (FVLCS) of the portfolio to be nil and have therefore impaired the carrying value to nil.

At this stage it is unclear when the required improvement in sentiment will occur and accordingly the company is not in a position to advise of a likely divestment date. Drilling commitments have been deferred in light of industry conditions and no further drilling is planned for the Tunisian acreage in calendar 2015.

	2014 \$'000	2013 \$'000
Assets associated with held for sale assets	43	44,921
Liabilities and provisions associated with held for sale assets	(1,645)	(2,975)
Net assets directly associated with disposal group	(1,602)	41,946
(Loss)/Profit for the year from discontinued operations	16	(91)
Impairment loss recognised	(47,485)	-
(Loss)/Profit for the year from discontinued operations	(47,469)	(91)
Basis (loss)/earnings per share from discontinued operations (cents per share)	(14.4)	(0.001)
Diluted (loss)/earnings per share from discontinued operations (cents per share)	(14.4)	(0.001)

Notes to and forming part of the Financial Statements

For the half-year ended 31 December 2014

7. Revenues and Expenses

Profit before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the entity:

	31 December 2014 \$'000	31 December 2013 \$'000
Revenues from oil operations		
Oil sales	22,967	36,966
Total revenue from oil sales	22,967	36,966
Other revenue		
Interest revenue	699	686
Other	-	10
Joint venture fees	137	17
Total other revenue	836	713
Cost of sales		
Production expenses	(7,099)	(6,451)
Royalties	(1,916)	(2,892)
Amortisation of exploration costs in areas under production	(403)	(562)
Amortisation of development costs in areas of production	(3,950)	(2,686)
Total cost of sales	(13,368)	(12,591)
Finance costs		
Accretion of rehabilitation cost	(752)	(34)
Accretion of BMG success fee liability	(307)	-
Total finance costs	(1,059)	(34)
Administration and other expenses		
Depreciation of property, plant and equipment	(205)	(234)
General administration (includes employee benefits and lease payments)	(6,735)	(6,109)
Realised and unrealised foreign currency translation (loss)/gain	647	367
Total other expenses	(6,293)	(5,976)
Employee benefits expense		
Director and employee benefits	(2,329)	(2,806)
Share based payments	(734)	(395)
	(3,063)	(3,201)
Lease payments		
Minimum lease payment – operating lease	(191)	(140)

Notes to and forming part of the Financial Statements

For the half-year ended 31 December 2014

8. Impairment of oil properties

During the half year impairments were made as follows:

	31 December 2014 \$'000	31 December 2013 \$'000
Impairment of CGU		
PEL 93	(6,061)	-

In accordance with the Group's accounting policies and procedures, the Group performs its impairment testing bi-annually.

A number of factors represented indicators of impairment as at 31 December 2014, including a significant decline in the oil price throughout the period. As a result, the Group assessed the recoverable amounts of its Cash Generating Units (CGUs).

a) Impairment Testing

i) Methodology

Impairment is recognised when the carrying amount exceeds the recoverable amount of a CGU. The recoverable amount of each CGU has been estimated using its value in use (VIU).

Value in use is estimated based on discounted cash flows using market based commodity price exchange rate assumptions, estimated production forecasts based on 2P reserves, operating costs and capital expenditure based on current development plans.

Estimates of production, operating costs and capital expenditure are sourced from our planning process including specific development plans of each CGU.

ii) Key Assumptions

The table below summarises the key assumptions used:

	31 December 2014		30 June 2014	
	2015-2018	Long term (2019 +)	2015-2018	Long term (2019 +)
Real oil price (US\$ per bbl)	\$50 increasing to \$80	\$80	\$100 decreasing to \$95	\$95
AUD:USD exchange rate	\$0.83 decreasing to \$0.80	\$0.80	\$0.90 decreasing to \$0.85	\$0.85
CPI (%)		2.5%		2.5%
Pre-tax discount rate (%)		AUD assets 10.4% USD assets 15.0%		AUD assets 10.4% USD assets 15.0%

Commodity prices and exchange rates

Oil price and exchange rates are estimated with reference to external data and are reviewed quarterly. The rates applied have been obtained from spot and forward values and market analysis including equity analyst estimates.

Notes to and forming part of the Financial Statements

For the half-year ended 31 December 2014

8. Impairment of oil properties continued

Discount rate

In determining the VIU, the future cash flows were discounted using rates based on the Group's real pre-tax weighted average cost of capital, in line with the Capital Asset Pricing Model, for each functional currency with additional premiums being applied based on geographical location and current economic conditions.

Production, operating and capital costs

Production forecasts have been based on 2P developed and undeveloped reserves for which a developed plan will be pursued. The forecasts include all capital required to produce the reserves and, where applicable, develop the undeveloped reserves.

iii) Impacts

As a result of impairment testing, the recoverable amount of PEL 93 was reduced to \$0.7million and an impairment loss of \$6.1 million was recognised.

b) Sensitivity Analysis

After recognising the impairment loss on PEL 93 the carrying amount is assessed as the asset's recoverable amount.

Any change to the assumptions used to determine the VIU could result in a change to the recoverable amount. If the change has a negative impact on VIU, it could indicate a requirement to recognise further impairments.

It is estimated that changes in the key assumptions would have the following approximate impact on the VIU of PEL 93:

	\$'000
10% change in production	700
10% change in oil price	500
5% change in foreign exchange rates	400
5% change in operating costs	200
10% change in capital expenditure	200

It is noted that each of the above sensitivities assumes that the specific assumption changes in isolation however, in reality it may be the case that a change in one assumption would accompany a change in another.

In addition to the impairment testing performed over PEL 93, testing was performed over PEL 92 and Sukananti. The results of this testing indicated that the CGU recoverable amounts were higher than their carrying amounts. No impairment was recognised in respect of these two CGU's.

Notes to and forming part of the Financial Statements

For the half-year ended 31 December 2014

9. Income Tax Expense

The major components of income tax expense in the interim consolidated income statement are:

	31 December 2014 \$'000	31 December 2013 \$'000
Consolidated Statement of Comprehensive Income		
<i>Current income tax</i>		
Current income tax charge	(483)	(1,975)
Adjustments in respect of prior year income tax	(33)	290
	(516)	(1,685)
<i>Deferred income tax</i>		
Origination and reversal of temporary differences	(74)	(3,164)
	(74)	(3,164)
Income tax expense	(590)	(4,849)
Total tax expense	(590)	(4,849)
Numerical reconciliation between tax expense and pre-tax net profit		
Income Tax Expense		
Accounting profit before income tax from continuing operations	(9,978)	18,513
Income tax using the domestic corporation tax rate of 30% (2013: 30%)	2,993	(5,554)
Increase/(decrease) in income tax expense due to:		
Non-deductible (expenditure)/non-assessable income	(2,011)	151
(De-recognition)/recognition of previously recognised capital losses	(1,346)	187
Adjustments in respect to current income tax previous years	(33)	290
Non Australian taxation jurisdictional subsidiaries	(193)	77
Total income tax expense	(590)	(4,849)

Notes to and forming part of the Financial Statements

For the half-year ended 31 December 2014

10. Financial Instruments

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, and based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities

Level 2 Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable)

Level 3 Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable)

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Set out below is an overview of financial instruments held by the Group, with a comparison of the carrying amounts and fair values as at 31 December 2014:

		Carrying amount		Fair value	
		31 December 2014	30 June 2014	31 December 2014	30 June 2014
	Level	\$'000	\$'000	\$'000	\$'000
Consolidated					
Financial assets					
Cash and cash equivalents	1	27,362	47,178	27,362	47,178
Short term deposits	1	10,000	-	10,000	-
Term deposits	1	51	1,919	51	1,919
Available for sale investments	1	14,779	26,040	14,779	26,040
Trade and other receivables	1	8,713	10,901	8,713	10,901
Financial liabilities					
Trade and other payables	1	6,916	12,896	6,916	12,896
Success fee financial liability	3	4,310	4,004	4,310	4,004

The financial assets and liabilities of the Group are recognised in the consolidated statement of financial position in accordance with the accounting policies set out in Note 2 of the Annual Report.

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments:

Trade and other receivables

The carrying value is a reasonable approximation of fair value due to the short-term nature of trade receivables.

Available for sale investments

The fair value of available for sale investments is determined by reference to their quoted market price on a prescribed equity stock exchange at the reporting date, and hence is a level 1 fair value measurement.

Trade and other payables

The carrying value is a reasonable approximation of fair value due to the short-term nature of trade payables.

Notes to and forming part of the Financial Statements

For the half-year ended 31 December 2014

10. Financial instruments continued

Success fee financial liability

The success fee liability is the fair value of the Group's liability to pay a \$5,000,000 success fee upon the commencement of commercial production of hydrocarbons on the Group's BMG assets acquired on 7 May 2014. The significant unobservable valuation inputs for the success fee financial liability includes: a probability of 10% that no payment is made, a probability of 30% the payment is made in 2018 and a 60% probability of the payment is made in 2028. The discount rate used in the calculation of the liability as at 31 December 2014 equalled 2.96% (2014: 3.7%).

Reconciliation of recurring fair value measurements categorised within Level 3 of the fair value hierarchy

	31 December 2014 \$'000	30 June 2014 \$'000
Success fee financial liability	4,310	4,004

Movement in carrying amount of the success fee financial liability:

As at 1 July 2014	4,004	-
Obligation through BMG asset acquisition	-	3,965
Fair value adjustment	(1)	-
Increase through accretion	307	39
Carrying amount at 31 December	4,310	4,004

11. Commitments and Contingencies

	31 December 2014 \$'000	31 December 2013 \$'000
Operating lease commitments under non-cancellable office leases not provided for in the financial statements and payable:		
Within one year	320	264
After one year but not more than five years	681	959
After more than five years	-	-
Total minimum lease payments	1,001	1,223

The parent entity leases an office in Adelaide, South Australia from which it conducts its operations.

As at 31 December 2014 the Parent entity has bank guarantees for \$3,432,914 (2013: \$4,742,000). These guarantees are in relation to performance bonds on exploration permits, security on the company's credit card facilities and guarantees on office leases.

Exploration capital commitments not provided in the financial statements and payable:

Within one year	7,720	47,318
After one year but not more than five years	30,808	27,014
After more than five years	-	-
Total minimum lease payments	38,528	74,332

12. Events Subsequent to 31 December 2014

Sole asset acquisition

On 16 December 2014 Cooper Energy Ltd announced the agreement to acquire a 50% interest in the Sole gas field (VIC/RL3) and the Orbost (Patricia Baleen) Gas Plant in Victoria from Santos Limited. Consideration for the acquisition comprises an initial cash payment of \$2.5 million by Cooper Energy, then funding 100 per cent of the initial \$50 million project costs. The acquisition is anticipated to be finalised in April 2015.

Share issue to Executive Director

On 2 January 2014 the company issued 1,483,712 fully paid ordinary shares to the managing director on the vesting of performance rights. This issue was made in accordance with the rules of the Employee Performance Rights Plan approved by shareholders on 16 December 2011.

Directors' Declaration

In accordance with a resolution of the directors of Cooper Energy Limited, we state that:

In the opinion of the directors:

- a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the financial position at 31 December 2014 and the performance for the half-year ended on that date of the consolidated entity; and
 - ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and Corporations Regulations 2001; and
- b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Mr John C. Conde AO
Chairman



Mr David P. Maxwell
Managing Director

16 February 2015

To the members of Cooper Energy Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Cooper Energy Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising of other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Cooper Energy Limited and the entities it controlled during the period, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

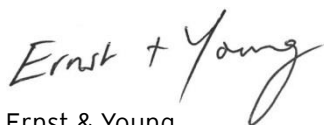
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

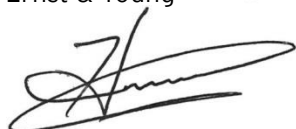
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cooper Energy Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



T S Hammond
Partner
Adelaide
16 February 2015

Directors

John C Conde AO, Chairman
David P Maxwell
Hector M Gordon
Jeffrey W Schneider
Alice J Williams

Company Secretaries

Alison Evans
Jason de Ross

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