



Cooper Energy

PEL 110

**COOPER / EROMANGA BASINS
South Australia**

ANNUAL REPORT

Permit Year 1, Term 2

for the period

November 9th 2008 to November 8th 2009

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1 Introduction

Petroleum Exploration Licence PEL 110 was granted on February 5th 2003, with Term 1 expiring on November 8th 2008. The permit was suspended from January 31st to July 30th 2007, and again from March 6th to June 5th, 2008. Year 1 of the second five year term commenced on November 9th 2008. In accordance with the requirements of Section 33 of the Petroleum Regulations 2000, this report covers the activities conducted by the PEL 110 Joint Venture in Year 1 (Term 2), from November 9th 2008 to November 9th 2009.

Current working interest in PEL 110 is as listed below:

Cooper Energy Ltd (Operator)	20%
Monitor Energy Ltd	20%
Magellan Petroleum Australia	60%

2 Guaranteed Program versus Actual Work

The conditions of the Licence provided for unspecified geophysical/geological studies and permit administration in Year 1, Term 2 (see table below).

License Year	Minimum Work Program	Planned & Indicative Cost
Year 1 (9/11/08 – 8/11/09)	-G&G studies, administration	- G&G studies, administration -
Year 2 (9/11/09 – 8/11/10)	- G&G studies	- G&G studies -
Year 3 (9/11/10 – 8/11/11)	- one well - G&G studies	- one well -
Year 4 (9/11/11 – 8/11/12)	- G&G studies	- G&G studies -
Year 5 (9/11/12 – 8/11/13)	- G&G studies	- G&G studies -

3 Exploration Activity

3.1 Drilling

No wells were drilled during permit the permit year.

3.2 Seismic Data Acquisition

No seismic data was acquired during the permit year.

3.3 Seismic Data Processing

No seismic processing was undertaken during the permit year.

3.4 Geological and Geophysical Studies

Work performed during the first permit year of the second term focussed on reinterpretation of the permit dataset and the creation of a ranked prospect and leads portfolio. As a result of this work, a Permit Interpretation and Prospectivity Report was compiled.

This report contains revised prospects and leads which have been risked and ranked, enabling permit-wide potential hydrocarbon resources to be calculated.

3.5 Planned Exploration Program for Year 5

The work commitment required to be carried out in Permit Year 2 consists of unspecified geophysical/geological studies, with a well to be drilled in Year 3; Cooper Energy will attempt to drill this commitment well early if possible.

4 Administration

4.1 Compliance

Cooper Energy, as Operator of PEL 110, has complied with all relevant conditions under the Petroleum Act 2000 and the Petroleum Regulations 2000.

4.2 Data Submission

No data was required to be submitted to PIRSA during the permit term.

5 Compliance

The activities covered by this report are administered under the *Petroleum & gas Act (2000)* and the *Petroleum & Gas Regulations (2000)*.

There were no areas where non-compliance was identified.

6 Expenditure Statement

Commercial in Confidence