Cooper Energy

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26 August 2009

The Manager
Company Announcement Office
Australian Securities Exchange

Dear Sir/Madam

2009 Full Year Result and Preliminary Final Report

In accordance with ASX Listing Rule 4.3A, the following documents are attached for release to the market:

- Appendix 4E – Preliminary Final Report
- 2009 Annual Report

Yours faithfully

IE Gregory

Ian E Gregory
Company Secretary

In relation to any reported recoverable hydrocarbons, pursuant to the requirements of the ASX Listing Rules 5.11, 5.11.1, 5.12 and 5.13, the reported recoverable hydrocarbon estimates are based on information compiled by Mr Michael Scott. Mr Scott holds a Master of Engineering in Petroleum Engineering and is a member of the Society of Petroleum Engineers. Mr Scott has worked in the industry as a practicing petroleum-reservoir engineer for over 20 years. Mr Scott is employed full-time by Cooper Energy as its Managing Director and has consented in writing to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Appendix 4E
Preliminary Final Report

Cooper Energy Limited		
ABN 93 096 170 295	Report ending Corresponding period	30 June 2009 30 June 2008

Results for announcement to the market

	Percentage Change %	Amount $'000
Revenue from ordinary activities	Down 8%	41,647
Loss from ordinary activities after tax attributable to members		(2,816)
Net loss for the full year attributable to members		(2,816)
	30 June 2009	30 June 2008
Net tangible assets per share (inclusive of Exploration and Evaluation expenditure capitalised)	42.2 cents	45.8 cents

The Directors do not propose to pay a dividend.
The attached Annual Report has been audited

Brief explanation of results

During FY09 the Company participated in the drilling of seven wells (FY08: eleven wells). Five of the wells were exploration wells in the Cooper Basin, South Australia. From the five exploration wells three (3) wells resulted in discoveries. Exploration success for FY09 was 60% (FY08: 40%), which was up 50% on FY08. Two of the wells were appraisal/development wells in the Callawonga Oil Field. All the appraisal/development wells were a success.

In the Cooper Basin, the Company during the year increased its equity in PEL110 from 25% to 40% and assumed the role of Operator. The Company's position in the other Cooper Basin permits remained unchanged from FY08.

Internationally, the Company exited from the Seruway PSC in Indonesia after drilling the Gurame-1X dry hole in FY07. The Company's position in the other international permits remained unchanged from FY08.

All the Company's exploration permits across Australia, Indonesia and Tunisia were matured by varying amounts with studies and/or seismic activities resulting in a deep and valuable portfolio of leads and prospects.

The Company ended FY09 with 1.91 million barrels (P50) of developed recoverable oil (FY08: 1.44 million barrels), which is an increase of 32% on FY08. The increase in recoverable oil was due to the exploration discovery at Perlubie (PEL92), Perlubie South (PEL92) and Butlers (PEL92) and development success in the Callawonga and Parsons Oil Fields.

At the end of FY09 the Company was participating in production from eight oil fields in the Cooper Basin in South Australia – Worrior, Callawonga, Christies, Sellicks, Parsons, Silver Sands, Parsons and Perlubie. Production sales from these fields for the year was 487,254 barrels of oil (FY08: 380,135 barrels of oil), which is an increase of 28% on FY08. This production volume generated some $42 million of sales revenue (FY08: $45 million), which was a slight decrease over the previous period due primarily to a lower oil price.

The Company at the end of FY09 had $93 million in cash deposits (up 45% on FY08 of $65 million).

From an accounting perspective, the Company posted a working capital of $96 million (up 30% on FY08 of A$74 million) and an EBITDAX (Earnings before interest, tax, depreciation, amortisation and exploration expenditure written off) of $25.7 million (down 6% from FY08 of $27.3 million).

Profit before tax fell to $5 million (down from FY08 of $15.4 million) and loss after tax was $2.8 million (FY08: profit of $6.4 million). The decline in profit was mainly due to the $19.7 million (FY08: $11.2 million) write-off of previously capitalised Indonesian exploration costs for which there is no Australian taxation allowance.

Annual General Meeting

This has been set for the 25 November 2009 with the Annual Report to be mailed out to shareholders in late October 2009.

COE 260809A

Cooper Energy

COOPER ENERGY LIMITED
and its controlled entities

ABN 93 096 170 295

ANNUAL FINANCIAL REPORT

30 June 2009

FINANCIAL REPORT

Directors' Statutory Report
for the year ended 30 June 2009

The Directors present their report together with the financial report of Cooper Energy Limited (Cooper or Company) and the consolidated financial report of the Group, being the Company and its controlled entities, for the financial year ended 30 June 2009, and the independent auditor's report thereon.

1. DIRECTORS

The directors of the Company at any time during or since the end of the financial year are:

Name, qualifications and independent status	Age	Experience, special responsibilities and other directorships
Mr Laurence J. SHERVINGTON LLB, SA FIN, MAICD **CHAIRMAN** INDEPENDENT NON-EXECUTIVE DIRECTOR	66	Extensive commercial and corporate law experience. Mr Shervington is a practicing solicitor. Member of the Corporate Governance; Remuneration and Nomination and Audit Committees. Director since October 2003 and appointed Chairman in November 2004
Mr Michael T. SCOTT BSc (Honours), MEng (Petroleum Engineering), MAICD, SPE **MANAGING DIRECTOR**	47	Extensive management and engineering experience in the oil and gas exploration and production industry in Australia and overseas. Director and Managing Director since March 2004.
Mr Gregory G. HANCOCK BA (Econs), BEd (Honours), F FIN EXECUTIVE DIRECTOR	58	Extensive management and financial experience and a founding Director. Currently a Director of Ausquest Limited (October 2003). Member of the Corporate Governance Committee. Director since March 2001 and Chairman until November 2004.
Mr Christopher R. PORTER B.Sc (Honours), M.Sc, INDEPENDENT NON-EXECUTIVE DIRECTOR	68	Extensive petroleum geological experience and consultant to the industry. Member of the Corporate Governance and Remuneration and Nomination Committees. Director since January 2002.
Mr Stephen H. ABBOTT FCPA INDEPENDENT NON-EXECUTIVE DIRECTOR	64	Extensive accounting and consulting career. Member of the Audit, Remuneration and Nomination and the Corporate Governance Committees Director since September 2007.

2. COMPANY SECRETARY

Mr Ian E. Gregory, 54, was appointed to the position of company secretary in December 2005. Mr Gregory has acted as a company secretary for the past 25 years for various listed and unlisted companies and currently consults on secretarial matters to a number of listed companies.

3. DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

Director	Board Meetings		Audit Committee Meetings		Remuneration and Nomination Committee Meetings		Corporate Governance Committee Meetings	
	A	**B**	**A**	**B**	**A**	**B**	**A**	**B**
Mr L.J. Shervington	9	9	3	4	5	6	2	2
Mr M.T. Scott	9	9	-	-	-	-	-	-
Mr G.G. Hancock	9	9	-	-	-	-	-	-
Mr C.R. Porter	9	9	1	1	6	6	1	2
Mr S.H. Abbott	9	9	4	4	6	6	2	2

A = Number of meetings attended.
Mr I. E. Gregory was an alternative for Mr G.G. Hancock on one occasion.

B = Number of meetings held during the time the director held office, or was a member of the committee, during the year

4. CORPORATE GOVERNANCE STATEMENT

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Cooper Energy Limited support the principles of corporate governance.

5. REMUNERATION REPORT (Audited)

This Remuneration Report outlines the director and executive remuneration arrangements of the company and the group in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report, Key Management Personnel (KMP) of the group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the company and the group, directly or indirectly, including any director (whether executive or otherwise) of the parent company and includes the five highest paid executives in the Group and the parent.

For the purposes of this report, the term 'executive' encompasses the Managing Director, Executive Director and other senior managers of the parent and the group.

The following were key management personnel of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period.

Non-executive directors	***Executive Directors***
Mr L.J. Shervington (Chairman)	Mr M.T. Scott (Managing Director)
Mr C.R. Porter	Mr G.G. Hancock
Mr S.H. Abbott	
Executives	
Mr C.D. Todd (Exploration Manager)	Mr J.A. Baillie (Chief Financial Officer)
Mr T.J. Magee (Chief Geologist)	Mr A. Craig (Senior Geophysicist)
Mr R.R. King (Senior Geophysicist) (resigned 10 July 2009)	

Principles of remuneration

The Company recognises that its performance is dependent on the quality of its directors and senior employees. To prosper, the Company must attract, motivate and retain highly skilled directors and senior employees.

Remuneration packages include a mix of fixed and variable compensation with performance based incentives. The Group does not have any policy in relation to the KMP and other personnel limiting their risk in relation to options that were issued as part of their remuneration.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee is responsible for determining and reviewing the remuneration for non-executive directors, the Managing Director, the Executive Director and senior employees.

The Remuneration and Nomination Committee assesses the appropriateness of the nature and amount of remuneration of directors and senior employees on an annual basis by reference to relevant employment market conditions. The overall objective is to ensure shareholders benefit from the retention of a high quality Board and executive team.

The Committee may take advice from independent consultancy sources to ensure remuneration accords with market practice.

Remuneration structure

In accordance with best practice corporate governance, the structure of director and other key management personnel remuneration is separate and distinct.

Directors' remuneration

Objective

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

5. REMUNERATION REPORT (Audited) (continued)

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non executive directors for attending to their duties as directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the non executive directors as agreed. The latest determination was at the Company's Annual General Meeting held on 28 November 2006, when shareholders approved an aggregate remuneration of up to $325,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process. In addition, the directors' may undertake, with the approval of the other directors, consultancy services to the Company from time to time.

The remuneration of directors for the period ending 30 June 2009 is detailed in Table 1 of this report.

Managing Director and senior employees' remuneration

Objective

The Company aims to attract a Managing Director and senior employees with a level and mix of remuneration, so as to:
- reward them for Company and individual performance;
- align their interests with those of shareholders;
- link rewards with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by industry standards.

Structure

The Company's remuneration structure for the Managing Director and senior employees ("Executives") is divided into fixed remuneration and variable remuneration.

Fixed Remuneration

Fixed remuneration comprises base salary and superannuation contributions. It is determined by the scope of each Executive's role, level of knowledge, skill and experience along with their individual performance.

Fixed remuneration is reviewed annually by the Remuneration and Nomination Committee. The process consists of a review of Company, and individual performance, relevant comparative remuneration in the market and, where appropriate, external advice on policies and practices.

Variable Remuneration

The Board and Remuneration Committee may consider the provision of variable remuneration in the form of short term cash bonuses and/or long term share options. There are no contractual obligations and awards are at the discretion of the Board and Remuneration Committee.

Short term cash bonus and long incentives may be considered on the basis of increase in the Company's value brought about by recoverable hydrocarbon additions or outstanding performance.

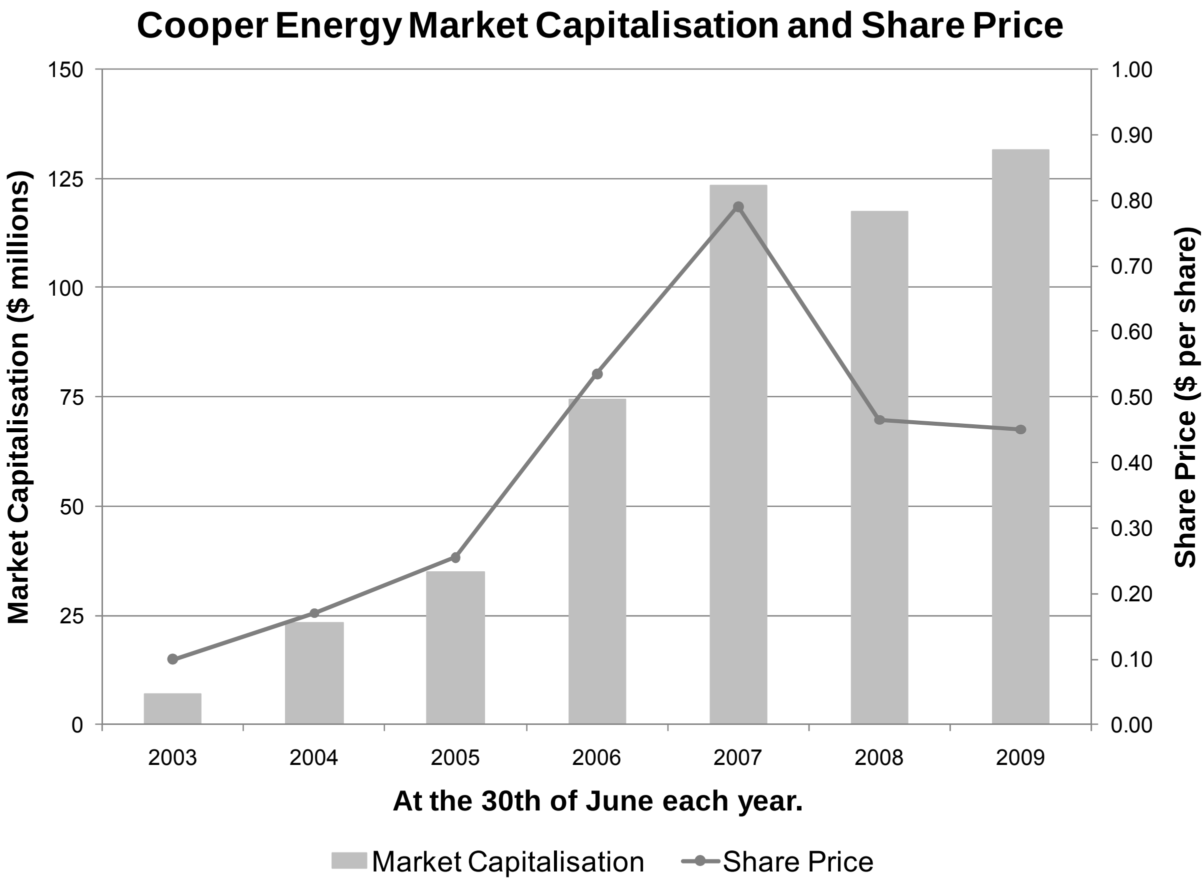
Long term option incentives have historically been used as an incentive and to align executive directors and staff to the long term growth aspirations of the Company. To this end the Company adopted the Employee and Share and Option Plan on 9 January 2002. This plan provides a mechanism whereby the Remuneration and Nomination Committee may issue options to nominated eligible employees and executive directors – the award of options to executive directors requiring Shareholders approval.

The Company does not have a policy which prohibits executives from entering into arrangements to protect the value of their unvested share options.

5. REMUNERATION REPORT (Audited) (continued)

Group Performance

The graph below shows the performance of the Group (as measured by the Group's Market Capitalisation and Share Price) for the past seven years.



Employment contracts

The remuneration and other terms of employment for the Managing Director and the majority of senior employees are formalised in service agreements. Under terms of the service agreements, all parties continue to be employed until their employment is terminated.
Notice period for termination by the Company of senior executives is three months while similar notice periods must be given if the employee wishes to resign. The notice period for the Managing Director and Executive Director is six months if their contracts of employment are terminated. The Company may make a payment in lieu of notice.

All employees are entitled to receive on termination of employment their statutory entitlements of vested annual and long service leave, together with any superannuation benefits. Any options that have been awarded but not vested at the time of resignation of the employee can be cancelled at the discretion of the Remuneration Committee and the Board.

The service contracts outline the components of compensation paid to the Managing Director and senior employees but do not prescribe how compensation levels are modified year to year. Compensation levels are reviewed each year to take into account cost-of-living changes, any changes in the scope of the role performed by the senior executive, employment market conditions and any changes required to meet the principles of the remuneration policy.

Cash Bonuses

In the twelve month period ending on the 30 June 2009 a bonus of $144,560 was awarded and paid for the discovery of additional hydrocarbons in the Cooper Basin. There was no forfeiture of cash bonuses.

5. REMUNERATION REPORT (Audited) (continued)

Employment contracts (continued)

Details of the nature and amount of each major element of remuneration of each director of the Company and each of the five named senior employees who receive the highest remuneration and other key management personnel are:

Table 1 Directors' remuneration
for the year ended 30 June 2009

	Short-term benefits			Post Employ-ment	Share-based payment	
	Salary & Fees $	Cash Bonus $	Non-Monetary Benefits $	Super-annuation $	Options $	Total $
Directors						
Mr L.J. Shervington *Chairman*	85,000	-	-	7,650	-	92,650
Mr M.T. Scott *Managing Director*	486,596	50,520	-	13,745	318,605	869,466
Mr G.G. Hancock	218,255	-	-	13,745	183,634	415,634
Mr C.R. Porter	65,000	-	-	5,850	-	70,850
Mr S.H. Abbott	65,000	-	-	5,850	-	70,850
	919,851	50,520	-	46,840	502,239	1,519,450

a) Mr Scott's proportion of remuneration that is performance related is 42.5% while the value of options as a proportion of remuneration is 36.6%

b) Mr Hancock's proportion of remuneration that is performance related is 44.2% while the value of options as a proportion of remuneration is 44.2%

c) Mr Scott's cash bonus was a proportionate share of a cash bonus that was awarded to all staff on the 11 August 2008.

d) Mr Hancock provides services to the Company three days per week via employment as an executive director and a marketing consultancy agreement.

e) The share based payment for each of Mr Scott and Mr Hancock represents the proportionate share of the cost of options, awarded in prior reporting years, which vested during the current year. The basis for computing the value of these options is set out in Note 22 of the Annual Financial Statements.

5. REMUNERATION REPORT (Audited) (continued)

Table 1 Directors' remuneration (continued)
for the year ended 30 June 2008

	Short-term benefits			Post Employ-ment	Share-based payment	
	Salary & Fees $	**Cash Bonus $**	**Non-Monetary Benefits $**	**Super-annuation $**	**Options $**	**Total $**
Directors						
Mr L.J. Shervington *Chairman*	77,500	-	-	6,975	-	84,475
Mr M.T. Scott *Managing Director*	436,871	125,382	-	13,129	281,919	857,301
Mr G.G. Hancock	204,637	-	-	13,129	151,259	369,025
Mr C.R. Porter	60,000	-	-	5,400	-	65,400
Mr S.H. Abbott	60,000	-	-	5,400	-	65,400
	839,008	125,382		44,033	433,178	1,441,601

a) Mr Scott's proportion of remuneration that is performance related is 48.2% while the value of options as a proportion of remuneration is 33.4%.

b) Mr Hancock's proportion of remuneration that is performance related is 42.5% while the value of options as a proportion of remuneration is 42.5%

c) Mr Scott's cash bonus was a proportionate share of a cash bonus that was awarded to all staff on the 21 September 2007 and 15 January 2008.

d) Mr Scott's was granted 5,000,000 options that will vest over 2 to 4 years. The options granted were approved by shareholders on 21 November 2007 in recognition for his contribution to the Company's success, to encourage his continuing involvement in the achievement of the Company's objectives and to provide an incentive for him to strive to that end by participating in the future growth and prosperity of the Company through share ownership.

e) Mr Hancock was granted 3,000,000 options that will vest over 2 to 4 years. The options granted were approved by shareholders on 21 November 2007 in recognition for his contribution to the Company's success, to encourage his continuing involvement in the achievement of the Company's objectives and to provide an incentive for him to strive to that end by participating in the future growth and prosperity of the Company through share ownership.

f) No other directors have received any performance based remuneration during the year ended 30 June 2008

g) Mr Hancock provides services to the Company three days per week via employment as an executive director and a marketing consultancy agreement.

h) The share based payment for each of Mr Scott and Mr Hancock represents the proportionate share of the cost of options, awarded in the current and prior reporting years, which vested during the current year. The basis for computing the value of these options is set out in Note 22 of the Annual Financial Statements.

5. REMUNERATION REPORT (Audited) (continued)

Table 2 Executives and Senior Employees remuneration
for the year ended 30 June 2009

	Short-term benefits			Post Employ-ment	Share-based payment	
	Salary & Fees $	**Cash Bonus $**	**Non-Monetary Benefits $**	**Super-annuation $**	**Options $**	**Total $**
Executives and senior employees						
Mr C.D Todd *Exploration Manager*	412,178	36,970	-	13,745	166,095	628,988
Mr T.J. Magee *Chief Geologist*	314,589	32,550	-	13,745	78,720	439,604
Mr. A. N. Craig *Geophysicist*	252,178	15,080	-	13,745	35,875	316,878
Mr. R.R. King *Senior Geologist*	252,922	700	-	13,745	-	267,367
Mr J.A. Baillie *Chief Financial Officer*	216,255	6,170	-	13,745	35,875	272,045
	1,448,122	91,470	-	68,725	316,565	1,924,882

a) Messrs Todd, Magee, Craig and Baillie were respectively granted 200,000; 150,000; 175,000 and 175,000 vesting options (see end of this report for further details) to recognise their contributions to the Company's success and to encourage their continuing involvement in the achievement of the Company's objectives and provide an incentive for them to strive to that end by participating in the future growth and prosperity of the Company through share ownership.

b) Messrs Todd, Magee, King, Craig and Baillie all received a proportionate share of a cash bonus that was awarded and distributed to all staff on the 11 September 2008.

c) Mr Todd's proportion of remuneration that is performance related is 32.3% while the value of options as a proportion of remuneration is 26.4%.

d) Mr Magee's proportion of remuneration that is performance related is 25.3% while the value of options as a proportion of remuneration is 17.9%

e) Mr Craig's proportion of remuneration that is performance related is 16.1% while the value of options as a proportion of remuneration is 11.3%.

f) Mr J.A. Baillie proportion of remuneration that is performance related is 15.5% while the value of options as a proportion of remuneration is 13.2%.

g) The share based payment for each of Messrs Todd, Magee, Craig and Baillie represents the proportionate share of the cost of options, awarded in the current and prior reporting years, which vested during the current year. The basis for computing the value of these options is set out in Note 22 of the Annual Financial Statements.

5. REMUNERATION REPORT (Audited) (continued)

Table 2 Executives and Senior Employees remuneration(continued)
for the year ended 30 June 2008

	Short-term benefits			Post Employ-ment	Share-based payment	
	Salary & Fees $	Cash Bonus $	Non-Monetary Benefits $	Super-annuation $	Options $	Total $
Executives and senior employees						
Mr C.D Todd *Exploration Manager*	374,371	75,161	-	13,129	154,300	616,961
Mr T.J. Magee *Chief Geologist*	276,871	15,106	-	13,129	66,163	371,269
Mr J.A. Baillie *Chief Financial Officer*	206,871	8,109	-	13,129	25,210	253,319
Mr. T. Enman *Senior Geologist*	191,871	6,942	-	13,129	50,420	262,362
Mr. A. N. Craig *Geophysicist*	201,871	3,640	-	13,129	25,210	243,850
	1,251,855	108,958	-	65,645	321,303	1,747,761

a) Messrs Todd, Magee, Baillie, Enman and Craig were respectively granted 2,500,000; 1,250,000; 500,000; 1,000,000 and 500,000 vesting options (see end of this report for further details) to recognise their contributions to the Company's success and to encourage their continuing involvement in the achievement of the Company's objectives and provide an incentive for them to strive to that end by participating in the future growth and prosperity of the Company through share ownership.

b) Messrs Todd, Magee, Baillie, Enman and Craig all received a proportionate share of two cash bonuses that was awarded and distributed to all staff on the 21 September 2007 and 15 January 2008.

c) Mr Todd's proportion of remuneration that is performance related is 38.0% while the value of options as a proportion of remuneration is 25.6%.

d) Mr Magee's proportion of remuneration that is performance related is 22.7% while the value of options as a proportion of remuneration is 18.5%

e) Mr J.A. Baillie's proportion of remuneration that is performance related is 13.9% while the value of options as a proportion of remuneration is 10.5%.

f) Mr T. Enman's proportion of remuneration that is performance related is 23.0% while the value of options as a proportion of remuneration is 20.2%.

g) Mr Craig's proportion of remuneration that is performance related is 12.5% while the value of options as a proportion of remuneration is 10.9%.

5. REMUNERATION REPORT (Audited) (continued)

Value of options granted

No options were granted to executive directors in the period. The options that were granted in previous periods have theoretical Black and Sholes binomial option-pricing model value because they have vested during the period and have not yet been exercised. The A$0.55 and A$1.00 options only have theoretical value as the share price is less than the exercise price thereby preventing the options from being exercised.

Additional options were granted to senior employees during the period. The total value of options granted to senior employees included in share based payments in the current year is $742,628. The fair value of the options is calculated at the date of the grant using a binomial option-pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed above is the portion of the fair value of the options allocated to this reporting period. In valuing the options, market condition's have been taken into account.

Compensation options: Granted and vested during the year

Details on options over ordinary shares in the Company that were granted at no cost as compensation during the reporting period and details on options that were vested during the reporting period are as follows:

	Number of options granted	Fair value per options at grant date (cents)	Exercise price per options (cents)	Number of options vested during the period	Number of options vested to date	Percentage of options vested to date
Granted on the 1 January 2005						
Director						
Mr M.T. Scott	1,900,000	14.1	55	633,334	1,900,000	100%
Executive						
Mr C.D. Todd	1,800,000	14.1	55	600,000	1,800,000	100%
Mr T.J. Magee	200,000	14.1	55	66,667	200,000	100%
The first date for exercise of these options is the 31 December 2005.						
The options expire on 31 December 2010.						
Granted on the 26 November 2007						
Director						
Mr M.T. Scott	5,000,000	14.7	100	1,666,666	1,666,666	33.3%
Mr G. Hancock	3,000,000	14.7	100	1,000,000	1,000,000	33.3%
Executive						
Mr C.D. Todd	2,500,000	14.7	100	833,333	833,333	33.3%
Mr T.J. Magee	1,250,000	14.7	100	416,667	416,667	33.3%
Mr J.A. Baillie	500,000	14.7	100	166,667	166,667	33.3%
Mr A.N. Craig	500,000	14.7	100	166,667	166,667	33.3%
The first date for exercise of these options is the 1 January 2009.						
The options expire on 1 September 2011.						
Granted on the 21 May 2009						
Executive						
Mr J.A. Baillie	75,000	6.24	55	75,000	75,000	100%
Mr A.N. Craig	75,000	6.24	55	75,000	75,000	100%
The first date for exercise of these options is the 30 June 2009.						
The options expire on 31 December 2010						

5. REMUNERATION REPORT (Audited) (continued)

Compensation options: Granted and vested during the year (continued)

	Number of options granted	Fair value per options at grant date (cents)	Exercise price per options (cents)	Number of options vested during the period	Number of options vested to date	Percentage of options vested to date
Granted on the 21 May 2009						
Executive						
Mr C.D. Todd	200,000	5.97	75	nil	nil	0%
Mr T.J. Magee	150,000	5.97	75	nil	nil	0%
Mr J.A. Baillie	100,000	5.97	75	nil	nil	0%
Mr A.N. Craig	100,000	5.97	75	nil	nil	0%
The first date for exercise of these options is the 30 June 2010.						
The options expire on 31 December 2011						

Since the end of the financial year no options have been granted. The options were provided at no cost to the recipients.

All options expire on the earlier of their expiry date or termination of the individual's employment. The options are exercisable immediately on vesting up until the expiry date.

Options granted as part of remuneration

	Value of Options					
	Granted in year $ (A)	Exercised in year $ (B)	Shares issued (number)	Paid per share cents	Total granted, exercised and lapsed in year $ (C)	Remuneration consisting of Options for the year %
Mr C.D. Todd	11,940	-	-	-	11,940	2.5%
Mr T.J. Magee	8,955	-	-	-	8,955	2.4%
Mr A.N. Craig	10,650	-	-	-	10,650	3.7%
Mr J.A. Baillie	10,650	-	-	-	10,650	4.3%
	42,195	-			42,195	

A The value of the options granted in the year is the fair value of the options calculated at grant date using a binomial option pricing model. The total value of the options granted is included in the table above. This amount is allocated to remuneration over the vesting period.

B The value of options exercised during the year is calculated as the market price of shares of the Company on the Australian Stock Exchange as at close of trading on the date the options were exercised after deducting the price paid to exercise the option.

C. No options lapsed during the year.

For details on the valuation of the options, including models and assumptions used, refer to note 22.

6. PRINCIPAL ACTIVITIES

Cooper is an upstream oil and gas exploration and production company whose primary purpose 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 year.

7. OPERATING AND FINANCIAL REVIEW

During FY09 the Company participated in the drilling of seven wells (FY08: eleven wells). Five of the wells were exploration wells in the Cooper Basin, South Australia. From the five exploration wells three (3) wells resulted in discoveries. Exploration success for FY09 was 60% (FY08: 40%), which was up 50% on FY08. Two of the wells were appraisal/development wells in the Callawonga Oil Field. All the appraisal/development wells were a success.

In the Cooper Basin, the Company during the year increased its equity in PEL110 from 25% to 40% and assumed the role of Operator. The Company's position in the other Cooper Basin permits remained unchanged from FY08.

Internationally, the Company exited from the Seruway PSC in Indonesia after drilling the Gurame-1X dry hole in FY07. The Company's position in the other international permits remained unchanged from FY08.

All the Company's exploration permits across Australia, Indonesia and Tunisia were matured by varying amounts with studies and/or seismic activities resulting in a deep and valuable portfolio of leads and prospects.

The Company ended FY09 with 1.91 million barrels (P50) of developed recoverable oil (FY08: 1.44 million barrels), which is an increase of 32% on FY08. The increase in recoverable oil was due to the exploration discovery at Perlubie (PEL92), Perlubie South (PEL92) and Butlers (PEL92) and development success in the Callawonga and Parsons Oil Fields.

At the end of FY09 the Company was participating in production from eight oil fields in the Cooper Basin in South Australia – Worrior, Callawonga, Christies, Sellicks, Parsons, Silver Sands, Parsons and Perlubie. Production sales from these fields for the year was 487,254 barrels of oil (FY08: 380,135 barrels of oil), which is an increase of 28% on FY08. This production volume generated some $42 million of sales revenue (FY08: $45 million), which was a slight decrease over the previous period due primarily to a lower oil price.

The Company at the end of FY09 had $93 million in cash deposits (up 45% on FY08 of $65 million).

From an accounting perspective, the Company posted a working capital of $96 million (up 30% on FY08 of A$74 million) and an EBITDAX (Earnings before interest, tax, depreciation, amortisation and exploration expenditure written off) of $25.7 million (down 6% from FY08 of $27.3 million).

Profit before tax fell to $5 million (down from FY08 of $15.4 million) and loss after tax was $2.8 million (FY08: profit of $6.4 million). The decline in profit was mainly due to the $19.7 million (FY08: $11.2 million) write-off of previously capitalised Indonesian exploration costs for which there is no Australian taxation allowance.

8. DIVIDENDS

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of dividends since the end of the previous financial year, or to the date of this report.

9. ENVIRONMENTAL REGULATION

The Group is a party of various exploration and development licences or permits. In most cases, the contracts specify the environmental regulations applicable to oil and gas operations in the respective jurisdiction. The Group aims to ensure that it complies with the identified regulatory requirements in each jurisdiction in which it operates. There have been no significant known breaches of the environmental obligations of the Group's licences.

10. EVENTS SUBSEQUENT TO REPORTING DATE

There were no material events subsequent to the reporting date which would require disclosure.

11. LIKELY DEVELOPMENTS

Other than disclosed elsewhere in the Annual Report, further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would likely result in unreasonable prejudice to the consolidated entity .

12. DIRECTORS' INTERESTS

The relevant interest of each director in ordinary shares and options over shares issued by the Company as notified by the directors to the Australian Stock Exchange in accordance with S205G(1) of the Corporations Act 2001, at the date of this reports is as follows:

	Cooper Energy Limited Ordinary Shares	Cooper Energy Limited Options over shares
Mr L.J. Shervington	405,933	-
Mr M.T. Scott	561,500	6,900,000
Mr G.G. Hancock	2,600,001	3,000,000
Mr C.R. Porter	525,933	-
Mr S.H. Abbott	60,000	-

13. SHARE OPTIONS

Options issued to directors and officers of the Company

During or since the end of the financial year, the Company granted options for no consideration over unissued ordinary shares in the Company to the following directors and to the following of the five most highly remunerated officers and key management personnel of the Company as part of their remuneration:

	Number of options granted	Vested during the period	Exercise Price cents	Expiry Date
Executive				
Mr C.D. Todd	200,000	nil	75	31 December 2011
Mr T.J. Magee	150,000	nil	75	31 December 2011
Mr A.N. Craig	75,000	75,000	55	31 December 2010
	100,000	nil	75	31 December 2011
Mr J.A. Baillie	75,000	75,000	55	31 December 2010
	100,000	nil	75	31 December 2011

All options were granted during the financial year. No options have been granted since the end of the financial year.

Unissued shares under options

At the date of this report unissued ordinary shares of the Company under option are:

Expiry Date	Exercise price	Number of Shares
1 August 2009	25 cents	500,000
1 April 2010	75 cents	500,000
1 May 2010	40 cents	150,000
31 December 2010	55 cents	4,100,000
31 December 2010	55 cents	475,000
1 September 2011	100 cents	12,875,000
31December 2011	75 cents	875,000
30 April 2012	75 cents	500,000
31 August 2012	100 cents	120,000
31 December 2012	100 cents	450,000

All options expire on the earlier of the expiry date or, if deemed by the Board, on termination of the employee's employment. In addition, the ability to exercise the options is conditional upon vesting dates as detailed in the Remuneration Report on pages 4 to 12.

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

Shares issued on exercise of options

Since the end of the financial year, the Company issued 500,000 ordinary shares as a result of the exercise of 500,000 25 cent options. There were no amounts unpaid on the shares issued.

14. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Indeminification

The company has agreed to indemnify the following current directors of the company, Mr L.J Shervington; Mr M.T. Scott; Mr G.G. Hancock; Mr C.R. Porter and Mr S.H. Abbott against all liabilities (subject to certain limited exclusions) to persons (other than the company or a related body corporate) which arise out of the performance of their normal duties as a director or executive director unless the liability relates to conduct involving a lack of good faith. The company has agreed to indemnify the directors and executive directors against all costs and expenses incurred in defending an action that falls within the scope of the indemnity and any resulting payments.

Insurance premiums

Since the end of the previous financial year the company has paid insurance premiums of $45,000 in respect of directors' and officers' liability and legal insurance contracts for current and former directors and officers including senior employees of the company.

The insurance premium relates to costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome and other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The insurance policy outlined above does not contain details of premiums paid in respect of individual directors, officers and senior employees of the company.

15. AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is set out on page 60 and forms part of the directors' report for the financial year ended 30 June 2009.

16. NON-AUDIT SERVICES

During the year Ernst & Young, the company's auditor, has performed certain other services in addition to their statutory duties.

The board has considered the non-audit services provided during the year by the auditor and, in accordance with written advice provided by resolution of the audit committee, is satisfied that the provision of these non-audit services during the year by the auditor is compatible with, and do not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the company and have been reviewed by the audit committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in Section 290 of "APES 110 – The Code of Ethics for Professional Accountants" as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the company, acting as an advocate for the company or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the company, Ernst & Young and its related practices for non-audit services provided during the year are set out below.

	Consolidated	
	2009	**2008**
	$	**$**
Services other than statutory audit		
Review of Employee Share Option Plan	-	1,400
Taxation consulting services	-	16,000
Consultation on disclosure requirements relating to a potential merger	25,750	-
	25,750	17,400

17. ROUNDING OFF

The company 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 off to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of the directors:

Mr Michael T Scott
Managing Director

Dated at Perth this 26th August 2009.

Income Statement

for the year ended 30 June 2009

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Continuing Operations					
Revenue from oil sales	4	41,647	45,014	41,647	45,014
Cost of sales	4	(15,390)	(14,879)	(15,390)	(14,879)
Gross profit		26,257	30,135	26,257	30,135
Other revenue	4	4,245	3,716	4,245	3,936
Other income	4	-	135	-	135
Administration and other expenses	4	(25,461)	(18,622)	(25,686)	(18,725)
Profit before income tax		5,041	15,364	4,816	15,481
Income tax expense	5	(7,857)	(8,958)	(7,857)	(8,958)
Net (loss)/profit after tax from continuing operations		(2,816)	6,406	(3,041)	6,523
Basic (loss)/earnings per share (cents per share)	6	(1.0)	3.0		
Diluted (loss)/earnings per share (cents per share)	6	(1.0)	2.9		

The above income statement should be read in conjunction with the accompanying notes.

Balance Sheet
as at 30 June 2009

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
ASSETS					
Current Assets					
Cash and cash equivalents	7	92,037	54,609	92,037	54,599
Term deposits at banks	7	1,400	10,000	1,400	10,000
Trade and other receivables	8	11,986	15,343	11,986	14,800
Prepayments	9	74	50	74	50
Financial asset	10	-	3,780	-	3,780
Total Current Assets		105,497	83,782	105,497	83,229
Non-Current Assets					
Financial asset	10	-	3,218	-	3,218
Investments in subsidiaries	20	-	-	-	7,331
Other receivables	11	-	-	15,346	21,760
Oil properties	12	15,465	14,016	15,465	14,016
Exploration and evaluation	13	15,276	28,890	360	148
Total Non-Current Assets		30,741	46,124	31,171	46,473
TOTAL ASSETS		136,238	129,906	136,668	129,702
LIABILITIES					
Current Liabilities					
Trade and other payables	14	5,157	6,884	5,157	6,026
Income tax payable		3,875	3,314	3,875	3,314
Total Current Liabilities		9,032	10,198	9,032	9,340
Non-Current Liabilities					
Deferred tax liabilities	5	3,273	3,944	3,273	3,944
Provisions	15	622	273	622	273
Total Non-Current Liabilities		3,895	4,217	3,895	4,217
TOTAL LIABILITIES		12,927	14,415	12,927	13,557
NET ASSETS		123,311	115,491	123,741	116,145
EQUITY					
Contributed equity	16	98,472	88,385	98,472	88,385
Reserves	16	1,658	1,109	2,200	1,650
Retained profits	16	23,181	25,997	23,069	26,110
TOTAL EQUITY		123,311	115,491	123,741	116,145

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the Year ended 30 June 2009

	Issued Capital $'000	Consoli-dation Reserve $'000	Share Based Payment Reserve $'000	Net Unrealised Gain (Loss) Reserve $'000	Option Reserve $'000	Retained Earnings $'000	Total Equity $'000
Consolidated							
Balance at 1 July 2008	88,385	(541)	1,425	200	25	25,997	115,491
Net loss on available for sale assets	-	-	-	(200)	-	-	(200)
Amount recognised directly in equity	-	-	-	(200)	-	-	(200)
Net loss for the period	-	-	-		-	(2,816)	(2,816)
Total income and expenses for the period	-	-	-	(200)	-	(2,816)	(3,016)
Equity transactions:							
Share based payments	-	-	749	-	-	-	749
Shares placed	9,981	-	-	-	-	-	9,981
Share issue costs	106	-	-	-	-	-	106
Balance at 30 June 2009	98,472	(541)	2,174	-	25	23,181	123,311
Balance at 1 July 2007	29,642	(541)	529	(180)	25	19,591	49,066
Gain on available for sale assets	-	-	-	380	-	-	380
Amount recognised directly in equity	-	-	-	380	-	-	380
Net profit for the period	-	-	-	-	-	6,406	6,406
Total income and expenses for the period	-	-	-	380	-	6,406	6,786
Equity transactions:							
Share based payments	-	-	770	-	-	-	770
Fee for acquisition of subsidiary			126				126
Shares placed	55,003	-	-	-	-	-	55,003
Share purchase plan	4,999	-	-	-	-	-	4,999
Share issue costs	(2,222)	-	-	-	-	-	(2,222)
Options exercised for shares	963	-	-	-	-	-	963
Balance at 30 June 2008	88,385	(541)	1,425	200	25	25,997	115,491

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of Changes in Equity
for the Year ended 30 June 2009

	Issued Capital $'000	Share Based Payment Reserve $'000	Net Unrealised Gain (Loss) Reserve $'000	Option Reserve $'000	Retained Earnings $'000	Total Equity $'000
Parent						
Balance at 1 July 2008	88,385	1,425	200	25	26,110	116,145
Net loss on available for sale assets	-	-	(200)	-	-	(200)
Amount recognised directly in equity	-	-	(200)	-	-	(200)
Net loss for the period	-	-		-	(3,041)	(3,041)
Total income and expenses for the period	-	-	(200)	-	(3,041)	(3,241)
Equity transactions:						
Share based payments	-	750	-	-	-	750
Shares placed	9,981	-	-	-	-	9,981
Share issue costs	106	-	-	-	-	106
Balance at 30 June 2009	98,472	2,175	-	25	23,069	123,741
Balance at 1 July 2007	29,642	529	(180)	25	19,587	49,603
Gain on available for sale assets	-	-	380	-	-	380
Amount recognised directly in equity	-	-	380	-	-	380
Net profit for the period	-	-	-	-	6,523	6,523
Total income and expenses for the period	-	-	380	-	6,523	6,903
Equity transactions:						
Share based payments	-	770	-	-	-	770
Fee for acquisition of subsidiary	-	126	-	-	-	126
Shares placed	55,003	-	-	-	-	55,003
Share purchase plan	4,999	-	-	-	-	4,999
Share issue costs	(2,222)	-	-	-	-	(2,222)
Options exercised for shares	963	-	-	-	-	963
Balance at 30 June 2008	88,385	1,425	200	25	26,110	116,145

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Cash Flow Statement
for the year ended 30 June 2009

	Notes	Consolidated		Parent	
		2009 $'000	2008 $'000	2009 $'000	2008 $'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		43,995	37,409	43,995	37,409
Payments to suppliers and employees		(15,916)	(10,089)	(15,601)	(11,207)
Income tax paid		(7,767)	(3,215)	(7,767)	(3,215)
Interest received – other entities		4,316	2,630	4,316	2,560
Net cash from operating activities	**7**	24,628	26,735	24,943	25,547
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of available-for-sale-financial assets		(8,780)	(3,290)	(8,780)	(3,290)
Proceeds on disposal of available-for-sale-financial assets		25,208	463	25,208	463
Loans to subsidiaries and associates		-	-	(6,185)	(22,597)
Proceeds from disposal of exploration property		-	1,188	-	-
Payments for exploration and evaluation		(6,888)	(25,027)	(1,008)	(53)
Investments in oil properties		(5,340)	(8,685)	(5,340)	(8,685)
Net cash flows from/(used) in investing activities		4,200	(35,351)	3,895	(34,162)
CASH FLOWS FROM FINANCING ACTIVITIES					
Issue of shares		-	60,964	-	60,964
Cost of shares issued		-	(3,023)	-	(3,023)
Net cash flow from financing activities		-	57,941	-	57,941
NET INCREASE IN CASH HELD		28,828	49,325	28,838	49,326
CASH AT THE BEGINNING OF THE YEAR		64,609	15,284	64,599	15,273
CASH, CASH EQUIVALENTS AND TERM DEPOSITS AT THE END OF THE YEAR	**7**	93,437	64,609	93,437	64,599

The above cash flow statement should be read in conjunction with the accompanying notes

1. CORPORATE INFORMATION

The financial report of Cooper Energy Limited (the Company) for the year ended 30 June 2009 was authorised for issue in accordance with a resolution of the Directors on 26 August 2009.

Cooper Energy Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in note 3.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards.

The financial report has also been prepared on a historical cost basis, except for available for sale financial assets which have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the class order applies.

b) Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

From 1 July 2008 the Consolidate Entity has adopted the following Standard and Interpretations, mandatory for annual periods beginning or after 1 Juy 2008. Adoption of these standards interpretation did not have any effect on the financial prostitution or performance of the Consolidated Entity.

The following standards and interpretations have also been adopted form 1 July 2008:

- AASB 2008-10 *Amendment to Australian Accounting Standards – Reclassification of Financial Assets (amendments to AASB 139 Financial Instruments; Recognition and Measurement* and AASB 7 *Financial Instruments Disclosures)*
- Interpretation 4 (revised) *Determining whether an arrangement contains a lease*

The consolidate Entity has not elected to early adopted any new standards or amendments. The following table lists all applicable Standards/Interpretations issued but not yet effective for 30 June 2009 year end for which the Company has elected not to early adopt. The table is accurate as at 30 June 2009.

Reference	Title	Summary	Application date of Standard	Impact on Group Financial Report	Application date for Group
AASB 8 and AASB 2007-3	Operating Segments and consequential amendments to other Australian Accounting Standards	New standard replacing AASB 114 *Segment Reporting*, which adopts a management reporting approach to segment reporting.	1 January 2009	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the Group's financial statements. The amendments may have an impact on the Group's segment disclosures.	1 July 2009

2 b) Statement of compliance (continued)

Reference	Title	Summary	Application date of Standard	Impact on Group Financial Report	Application date for Group
AASB 1039 (revised)	Concise Reporting	AASB 1039 was revised in August 2008 to achieve consistency with AASB 8 Operating Segments. The revisions include changes to terminology and descriptions to ensure consistency with the revised AASB 101 Presentation of Financial Statements.	1 January 2009	The Group does not prepare Concise Reports.	1 July 2009
AASB 101 (Revised) and AASB 2007-8 and AASB 2007-10	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	These amendments are only expected to affect the presentation of the Group's financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report. The Group has not determined at this stage whether to present a single statement of comprehensive income or two separate statements.	1 July 2009

2 b) Statement of compliance (continued)

Reference	Title	Summary	Application date of Standard	Impact on Group Financial Report	Application date for Group
AASB 2008-1	Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations	The amendments clarify the definition of 'vesting conditions', introducing the term 'non-vesting conditions' for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.	1 January 2009	The Group has share-based payment arrangements that may be affected by these amendments. However, the Group has not yet determined the extent of the impact, if any.	1 July 2009
AASB 127 (Revised)	Consolidated and Separate Financial Statements	Under the revised standard, a change in the ownership interest of a subsidiary (that does not result in loss of control) will be accounted for as an equity transaction.	1 July 2009	If the Group changes its ownership interest in existing subsidiaries in the future, the change will be accounted for as an equity transaction. This will have no impact on goodwill, nor will it give rise to a gain or a loss in the Group's income statement.	1 July 2009
AASB 2008-3	Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	Amending standard issued as a consequence of revisions to AASB 3 and AASB 127.	1 July 2009	Refer to AASB 3 (Revised) and AASB 127 (Revised) above.	1 July 2009

2 b) Statement of compliance (continued)

Reference	Title	Summary	Application date of Standard	Application date for Group
AASB 2008-5	Amendments to Australian Accounting Standards arising from the Annual Improvements Project	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASB identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact. This was the first omnibus of amendments issued by the IASB arising from the Annual Improvements Project and it is expected that going forward, such improvements will be issued annually to remove inconsistencies and clarify wording in the standards. The AASB issued these amendments in two separate amending standards; one dealing with the accounting changes effective from 1 January 2009 and the other dealing with amendments to AASB 5, which will be applicable from 1 July 2009 [refer below AASB 2008-6].	1 January 2009	1 July 2009
AASB 2008-6	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	This was the second omnibus of amendments issued by the IASB arising from the Annual Improvements Project. Refer to AASB 2008-5 above for more details.	1 July 2009	1 July 2009

2 b) Statement of compliance (continued)

Reference	Title	Summary	Application date of Standard	Application date for Group
AASB 2008-7	Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	The main amendments of relevance to Australian entities are those made to AASB 127 deleting the "cost method" and requiring all dividends from a subsidiary, jointly controlled entity or associate to be recognised in profit or loss in an entity's separate financial statements (i.e., parent company accounts). The distinction between pre- and post-acquisition profits is no longer required. However, the payment of such dividends requires the entity to consider whether there is an indicator of impairment. AASB 127 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary (that is, share of equity) rather than its fair value.	1 January 2009	1 July 2009
AASB 2009-4	Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16]	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The main amendment of relevance to Australian entities is that made to IFRIC 16 which allows qualifying hedge instruments to be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements in AASB 139 that relate to a net investment hedge are satisfied. More hedging relationships will be eligible for hedge accounting as a result of the amendment. These amendments arise from the issuance of the IASB's Improvements to IFRSs. The amendments pertaining to IFRS 5, 8, IAS 1,7, 17, 36 and 39 have been issued in Australia as AASB 2009-5 (refer below).	1 July 2009	1 July 2009

2 b) Statement of compliance (continued)

Reference	Title	Summary	Application date of Standard	Application date for Group
AASB 2009-5	Further Amendments to Australian Accounting Standards arising	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to	1 January 2010	1 July 2010

	from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	terminology and editorial changes are expected to have no or minimal effect on accounting. The main amendment of relevance to Australian entities is that made to AASB 117 by removing the specific guidance on classifying land as a lease so that only the general guidance remains. Assessing land leases based on the general criteria may result in more land leases being classified as finance leases and if so, the type of asset which is to be recorded (intangible v property, plant and equipment) needs to be determined. These amendments arise from the issuance of the IASB's Improvements to IFRSs. The AASB has issued the amendments to IFRS 2, IAS 38, IFRIC 9 as AASB 2009-4 (refer above).		
AASB 2009-Y	Amendments to Australian Accounting Standards [AASB 5, 7, 107, 112, 136 & 139 and Interpretation 17]	These comprise editorial amendments and are expected to have no major impact on the requirements of the amended pronouncements.	1 July 2009	1 July 2009

2 b) Statement of compliance (continued)

Reference	Title	Summary	Application date of Standard	Application date for Group
Amendments to International Financial Reporting Standards*	Amendments to IFRS 2	The amendments clarify the accounting for group cash-settled share-based payment transactions, in particular: ► the scope of AASB 2; and ► the interaction between IFRS 2 and other standards. An entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. A "group" has the same meaning as in IAS 27 Consolidated and Separate Financial Statements, that is, it includes only a parent and its subsidiaries. The amendments also incorporate guidance previously included in IFRIC 8 Scope of IFRS 2 and IFRIC 11 IFRS 2—Group and Treasury Share Transactions. As a result, IFRIC 8 and IFRIC 11 have been withdrawn.	1 January 2010	1 July 2010

*pronouncements that have been issued by the IASB and IFRIC but have not been issued by the AASB.

The impact of the adoption of these new and revised standards onwards and interpretations from AASB 2008 - 5 (refer page 21) onwards has not been determined by the Company.

c) Basis of consolidation

The consolidated financial statements are those of the consolidated entity, comprising Cooper Energy Limited ("the parent entity") and its subsidiaries ("the Group").

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. All inter-company balances and transactions, income and expenses and profit and losses arising from intra-group transactions, have been eliminated in full.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

d) Jointly controlled assets

The Group has an interest in joint ventures that are jointly controlled assets. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled asset involves use of assets and other resources of the venturers rather than establishment of a separate entity.

The Group's interest in joint ventures which are unincorporated joint venture assets are accounted for by recognising its proportionate share in assets that it controls and liabilities that it incurs from joint ventures.

In addition, expenses incurred by the Group and sale of the Group's entitlement to production are recognised in the Group's financial statements on a pro rata basis to the Group's interest.

e) Foreign currency

The functional currency and presentation currency of Cooper Energy Limited is Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences in the consolidated financial report are taken to the income statement.

f) Investments

Investments are classified as available-for-sale and are initially recognised at fair value plus any directly attributable transaction costs. The classification depends on the purpose for which the investments were acquired. Designation will be re-evaluted at each financial year-end.

After initial recognition, investments are remeasured to fair value. Changes in the fair value of available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative change in fair value previously reported in equity is included in earnings.

For investments that are actively traded in organised financial markets, fair value is determined by reference to stock exchange quoted market bid prices at the close of business on the balance sheet date. Where investments are not actively traded, fair value is established by using other market accepted valuation techniques.

g) Revenue and cost recognition

Revenue is recognised and measured at fair value of consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Revenues and costs from production sharing contracts
Revenue earned and production costs incurred from a production sharing contract are recognised when title to the product passes to the customer and is based upon the Group's share of sales and costs relating to oil production that are allocated to the Group under the contract.

Interest revenue
Interest revenue is recognised as interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

h) Depreciation and amortisation

Oil properties and other plant and equipment, other than freehold land, are depreciated to their residual values at rates based on the expected useful lives of the assets concerned.

The majority of oil properties are amortised on the Units of Production basis using proved plus probable developed reserves, updated at least annually, after taking into consideration that some of the assets have a life greater than current developed reserves. No amortisation is charged on areas under development where production has not commenced.

Depreciation on property plant and equipment is calculated at between 7.5% and 37.5% per annum using the diminishing value method over their estimated useful lives.

***i)* Employee benefits**

Provision is made for employee benefits accumulated as a result of employees rendering services up to the end of the reporting period. These benefits included wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave. Liabilities expected to be settled within twelve months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amount expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

The general provisions for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms of maturity and currencies that match, as closely as possible, the estimated future cash outflows. Employees accumulated long services leave is ascribed to individual employees at the rates payable as and when they become entitled to long service leave.

j) Share based payments

The Group provides benefits to employees and directors of the Group in the form of share-based payment transactions, whereby employees render services in exchange for rights over shares ("equity-settled transactions"). There is currently one plan in operation to provide these benefits.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and are recorded as an expense, with a corresponding increase in reserves, on a straight-line basis over the vesting period of the related instrument.

The fair value is determined using a binomial model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

1. the extent to which the vesting period has expired; and
2. the Group's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

j) Share based payments (continued)

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employees as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

k) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangements conveys a right to use the asset.

Finance lease, which transfer to the Group substantially all the risks and benefits incidental to ownership of the lease item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charge are recognised as an expense in profit or loss.

Capitalised lease assets are depreciated over the short of the estimate useful life of the asst and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense I the income statement on or a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

l) Management fees

Revenue is recognised when the Group's right to receive payment is established.

m) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss: or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

m) Income tax (continued)

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss: or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interest in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be accessible against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that its not longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that were expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exits to offset current tax assets against current tax liabilities and the deferred tax asset and liabilities relate to the same taxable entity and the same taxation authority.

n) Other taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Taxes (“GST”) except:-

- where the GST incurred on a purchase of foods and services in not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

o) Exploration and evaluation expenditure

Exploration and evaluation expenditure is accounted for in accordance with the area of interest method and is capitalised to the extent that:-

i. the rights to tenure of the areas of interest are current and the Group controls the area of interest in which the expenditure has been incurred; and
ii. such costs are expected to be recouped through successful development and exploration of the area of interest, or alternatively by its sale; or
iii. exploration and evaluation activities in the area of interest have not at the reporting date:-
    a. reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves; and
    b. active and significant operations in, or in relation to, the area of interest are continuing.

o) Exploration and evaluation expenditure (continued)

An area of interest refers to an individual geological area where the potential presence of an oil or a natural gas field is considered favourable or has been proven to exist, and in most cases will comprise an individual prospective oil or gas field.

Exploration and evaluation expenditure which does not satisfy these criteria is written off. Specifically, costs carried forward in respect of an area of interest that is abandoned or costs relating directly to the drilling of a dry well that is plugged and abandoned are written off in the year in which the decision to abandon is made. If exploratory wells encounter shows of oil and gas, the well costs remain capitalised on the balance sheet as long as sufficient progress in assessing the reserves and the economic and operating viability of the project is being made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Where a discovered oil or gas field enters the development phase the accumulated exploration and evaluation expenditure is transferred to oil properties.

p) Oil properties

Oil properties are carried at cost including construction, installation of infrastructure such as roads and the cost of development of wells.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

q) Provision for restoration

The company records the present value of its share of the estimated cost to restore operating locations. The nature of restoration activities includes the obligations relating to the reclamation, waste site closure, plant closure, production facility removal and other costs associated with the restoration of the site.

A restoration provision is recognised after the construction of the facility and then reviewed on an annual basis.
When the liability is recorded the carrying amount of the production assets is increased by the asset retirement costs and depreciated over the producing life of the asset. Over time, the liability is increased for the change in the present value based on a risk adjusted pre-tax discount rate appropriate to the risks inherent in the liability. The unwinding of the discount is recorded as an accretion charge within finance costs.

Any changes in the estimate of the provision for restoration arising from the annual renewal is recorded by adjusting the carrying amount of the production asset and then depreciated over the producing life of the asset. The liability is correspondingly adjusted for the change in the present value on the risk adjusted pre-tax discount rate with the unwinding of the adjusted discount recorded as an accretion change within finance costs.

These estimated costs, whilst based on anticipated technological and legal requirements, assume no significant changes will occur in relevant State and Federal legislation.

r) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

r) Property, plant and equipment (continued).

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of property, plant and equipment is the higher of fair value less cost to sell and value in use. For an asset that does not generate largely independent cash flows, recoverable amount is determined for the cash generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An asset's or cash generating unit's carrying amount is written down immediately to its recoverable amount if the asset's or cash generating unit's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the income statement.

An item of property, plant and equipment is de-recognised upon disposal or when no further future economic benefits are expected from its use. Any gains or losses arising on de-recognition of the asset (calculates as the difference between the net disposal proceeds and the net carrying amount of the asset) is included in the income statement in the period the asset is de-recognised

s) Impairment of non current assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset.

t) Cash and cash equivalents

Cash and short term deposits in the balance sheet comprise cash at bank and short term deposits with an original maturity of three months or less. Cash also includes the Group's share of cash held as operator of joint ventures. For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 90 days, net of outstanding bank overdrafts.

u) Trade and other receivables

Trade receivables, which generally have 30 to 90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Financial difficulties of the debtor, default payments or debts more than 90 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount, compared to the present value of estimated future cash flows, discounted at the original effective interest rate. Bad debts are written of when identified.

The Group's share of cash held in non operated joint ventures is classified as a receivable.

v) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

w) Provisions

Provisions are recognised when the Group has a legal or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

x) Contributed equity

Issued and paid up capital is recognised as the fair value of the consideration received by the company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

y) Earnings per share

Basic earnings per share are calculated as net profit attributable to members divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit attributable to members adjusted for the after tax effect of dilutive potential ordinary shares that have been recognised as expenses during the period divided by the weighted average number of ordinary shares and dilutive potential ordinary shares.

z) Judgements in applying accounting policies and key sources of estimation uncertainty

(i) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Determination of recoverable hydrocarbons
Estimates of recoverable hydrocarbons impact the asset impairment assessment , depreciation and amortisation rates and decommissioning and restoration provisions.

Estimates of recoverable hydrocarbons are evaluated and reported by Competent Persons in accordance with Cooper Energy's Recoverable Hydrocarbon Guidelines (www.cooperenergy.com.au/policies). A technical understanding of the geological and engineering processes enables the recoverable hydrocarbon estimates to be determined by using forecasts of production, commodity prices, production costs, exchange rates, tax rates and discount rates.

Recoverable hydrocarbon estimates may change from time to time if any of the forecast assumptions are revised.

Taxation
The Group's accounting policy for taxation requires management's judgment as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the balance sheet. Deferred tax assets, including those arising from un recouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not they they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Judgements are also required about the application of income tax legislation. These judgments and assumptions are subject to risk and uncertainty, hence there is a possibility changes in circumstances will alter expectation, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet and the amount of other tax losses and temporary differences not yet recognised.

z) Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting a corresponding credit or charge to the income statement.

Operating lease commitments

The Group has entered into a commercial property lease. The Group has determined that is does not retain any of the significant risks and rewards of ownership of this property and has thus classified the lease as an operating lease.

(ii) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of capitalised exploration and evaluation expenditure
The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of oil reserves, future technological changes which could impact the cost of extraction, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable oil reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

Impairment of capitalised development expenditure
The future recoverability of capitalised development expenditure is dependent on a number of factors, including the level of oil reserves and future technological changes which could impact the cost of extraction, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised development expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

Provisions for decommissioning and restoration costs
Decommissioning and restoration costs are a normal consequence of oil extraction and the majority of this expenditure is incurred at the end of a well's life. In determining an appropriate level of provision consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the well), and the estimated future level of inflation.

The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other wells. The expected timing of expenditure can also change, for example in response to changes in oil reserves or to production rates.

Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

z) Judgements in applying accounting policies and key sources of estimation uncertainty

Share-based payments transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a binominal model and applying the calculation criteria detailed in note 2 (j).

Classification of and valuation of investments
The Group has decided to classify investments in listed securities as “available for sale” investments and movements in the fair value are recognised directly in equity while adverse movements that are prolonged or significant are recognised as impaired and will reduce the profit. The fair value is determined by reference to published price quotations in an active market.

3. SEGMENT REPORTING

The Group’s primary reporting format is geographical segments.

The Group operates in three main geographical segments, namely Australia, where the majority of its assets are located, with all its sales generated within Australia; Asia where it has joint venture interests in two localities to explore for hydrocarbons and in Africa where it will be undertaking similar exploratory activity at two localities. Other prospective opportunities outside of these geographical localities are also considered from time to time and, if they are secured, will then be attributed to the discreet geographical segment where they are located. The following are the reportable segments:

Australian Business Unit
Exploration and evaluation for oil and gas, development and production and sale of crude oil in assigned permit areas from various projects in the Cooper Basin located in South Australia.

African Business Unit
Exploration and evaluation for oil and gas in the Bargou and Hammamet permit area off the coast of Tunisia.

Asian Business Unit
Exploration and evaluation for oil and gas in the South Madura permit area in Indonesia.

3. SEGMENT REPORTING (continued)

	Australian Business Unit $'000	African Business Unit $'000	Asian Business Unit $'000	Consolidated $'000
Year ended 30 June 2009				
Revenue	41,647	-	-	41,647
Other revenue	-	-	-	4,245
Total consolidated revenue	41,647			45,892
Depreciation of property	(83)	-	-	(83)
Amortisation of:-				
:Development costs	(3,209)	-	-	(3,209)
:Exploration costs	(787)	-	-	(787)
Share based payments	(749)	-	-	(749)
Exploration costs written off	(797)	-	(19,705)	(20,502)
Segment result	24,746		(19,705)	5,041
Income tax expense				(7,857)
Net Loss				(2,816)
Segment liabilities	(12,927)	-	-	(12,927)
Segment assets	121,321	10,126	4,791	136,238
Cash flow from:-				
:Operating activities	24,628	-	-	24,628
:Investing activities	4,200	-	-	4,200
Capital Expenditure	(6,348)	(2,900)	(2,980)	(12,228)
Year ended 30 June 2008				
Revenue	45,014	-	-	45,014
Other income	135	-	-	135
Other revenue	-	-	-	3,716
Total consolidated revenue	45,149			48,865
Depreciation of property	(85)	-	-	(85)
Amortisation of:-				
:Development costs	(2,899)	-	-	(2,899)
:Exploration costs	(759)	-	-	(759)
Impairment of available for sale financial asset	(1,778)	-	-	(1,778)
Share based payments	(770)	-	-	(770)
Exploration costs written off	(347)	-	(11,250)	(11,597)
Segment result	15,480	(100)	(16)	15,364
Income tax expense				(8,958)
Net Profit				6,406
Segment liabilities	(13,557)	(41)	(817)	(14,415)
Segment assets	100,611	7,226	22,069	(129,906)
Cash flow from:-				
:Operating activities	25,547	-	1,188	26,735
:Investing activities	(34,162)	-	(1,189)	(35,351)
:Financing activities	57,941	-	-	57,941
Capital Expenditure	(8,738)	(6,278)	(18,696)	(33,712)

4. 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:

	Consolidated		Parent	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Revenues from Oil Operations				
Oil sales	41,647	45,014	41,647	45,014
Total revenue from oil sales	41,647	45,014	41,647	45,014
Cost of Sales				
Production expenses	(8,486)	(7,311)	(8,486)	(7,311)
Royalties	(2,908)	(3,910)	(2,908)	(3,910)
Amortisation of exploration areas under production	(787)	(759)	(787)	(759)
Amortisation of development costs in areas of production	(3,209)	(2,899)	(3,209)	(2,899)
Total cost of sales	(15,390)	(14,879)	(15,390)	(14,879)
Other Revenue				
Interest revenue	3,904	3,349	3,904	3,281
Dividend revenue	119	64	119	64
Joint venture fees	222	303	222	591
Total other revenue	4,245	3,716	4,245	3,936
Other Income				
Gain from sale of available for sale financial asset	-	135	-	135
Total other income	-	135	-	135
Administration and Other Expenses				
Depreciation of property, plant and equipment	(83)	(85)	(83)	(85)
Exploration and evaluation write-offs	(20,502)	(11,597)	(797)	(348)
Business development	(484)	(548)	(484)	(548)
Directors' and employee benefits	(2,150)	(1,981)	(2,150)	(1,981)
Share based payments	(749)	(770)	(749)	(770)
Audit fees and other services provided by Ernst & Young	(139)	(226)	(139)	(226)
Compliance and insurance costs	(247)	(401)	(247)	(401)
Consultants	(116)	(187)	(116)	(187)
Premises and utilities	(57)	(48)	(57)	(48)
Travel	(127)	(217)	(127)	(193)
Finance cost – accretion of rehabilitation cost	(13)	(20)	(13)	(20)
Minimum lease payment – operating lease	(204)	(194)	(204)	(194)
Administration and other expenses	(239)	(570)	(239)	(464)
Loss on the sale of available for sale financial assets	(351)	-	(351)	-
Impairment of financial assets	-	(1,778)	(7,331)	(1,778)
Impairment of non-current other receivables	-	-	(12,599)	(11,482)
Total other expenses	(25,461)	(18,622)	(25,686)	(18,725)

5. INCOME TAX

The major components of income tax expense are:

	Consolidated		Parent	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Income Statement				
Current income tax				
Current income tax charge	8,328	5,775	8,328	5,775
Adjustments in respect of prior year income tax	94	23	94	23
	8,422	5,798	8,422	5,798
Deferred income tax				
Origination and reversal of temporary differences	(565)	3,160	(565)	3,160
	(565)	3,160	(565)	3,160
Income tax expense reported in the income statement	7,857	8,958	7,857	8,958
Numerical reconciliation between tax expense and pre-tax net profit				
Profit before tax	5,041	15,364	4,816	15,481
Income tax using the domestic corporation tax rate of 30% (2008: 30%)	1,512	4,609	1,444	4,644
Increase (Decrease) in income tax expense due to:				
Non deductible expenditure	6,318	4,354	6,318	4,354
Deduction not recognised in income statement		-		-
Adjustments in respect of prior year income tax	94	(40)	94	(40)
Other	(67)	35	1	-
	6,345	4,349	6,413	4,314
	7,857	8,958	7,857	8,958

Tax Consolidation

The company and its 100% owned Australian resident subsidiary formed a tax consolidated group effective from the 1 April 2007. Cooper Energy Limited is the head entity of the tax consolidated group that provides for the allocation of income tax liabilities between each other should the head entity default on its tax payment obligations. No amounts have been recognized in the financial statements in respect of this agreement on the basis that the possibility of default is remote. The Australian resident subsidiary has no current or deferred tax liability and does not carry on any other business following the withdrawal from the Seruway PSC in November 2008.

Members of the tax consolidated group have not entered into a tax funding agreement. Hence, no compensations is receivable or payable for any deferred tax asset or current tax payable (receivable) assumed by the head entity.

Unrecognised temporary differences

At 30 June 2009, there are no un recognised temporary differences associated with the Group's investments in subsidiaries or joint ventures, as the Group has no liability for additional taxation should unremitted earnings be remitted. (2008 $ nil).

Franking Tax Credits

At 30 June 2009 the company had franking tax credits of $13,827,581(2008: $9,374,031). The fully franked dividend equivalent is $32,264,356 (2008 $21,872,701).

5. INCOME TAX (continued)

	Balance sheet		Income statement	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Deferred income tax				
Deferred income tax at the 30 June relates to the following:				
Consolidated				
Deferred tax liabilities				
Trade and other receivables	2,146	3,229	(1,083)	2,464
Prepayments	-	3	(3)	3
Oil property	890	835	107	(279)
Exploration and exploration	1,226	971	255	838
Unrealised currency translation gain		-		-
	4,262	5,038		
Deferred tax assets				
Oil properties	-	52	-	13
Equity raising costs	761	868	213	20
Trade and other payables	(6)	-	6	74
Provision for employee entitlements	147	92	(55)	(92)
Provisions	82	82		(5)
Unrealised currency translation loss	5	-	(5)	124
	989	1,094		
Deferred tax income (expense)			(565)	3,160
As represented on the balance sheet, net deferred tax liability	3,273	3,944		
Parent				
Deferred tax liabilities				
Trade and other receivables	2,146	3,229	(1,083)	2,464
Prepayments	-	3	(3)	3
Oil property	890	835	107	(279)
Exploration and exploration	1,226	971	255	838
Unrealised currency translation gain		-		-
	4,262	5,038		
Deferred tax assets				
Oil properties	-	52	-	13
Equity raising costs	761	868	213	20
Trade and other payables	(6)	-	6	74
Provision for employee entitlements	147	92	(55)	(92)
Provisions	82	82	-	(5)
Unrealised currency translation loss	5	-	(5)	124
	989	1,094		
Deferred tax income (expense)			(565)	3,160
As represented on the balance sheet, net deferred tax liability	3,273	3,944		

6. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net (loss)/profit for the year attributable to ordinary equity holders of the parent by the weighted average of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential options into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Consolidated	
	2009 $'000	2008 $'000
Net (loss)/profit attributable to ordinary equity holders of the parent from continuing operations	(2,816)	6,406
	2009 Thousands	**2008 Thousands**
Weighted average number of ordinary shares for basic earnings per share	276,562	216,004
Effect of dilution:		
Share options	175	1,882
Weighted average number of ordinary shares adjusted for the effect of dilution	276,737	217,886
Basic (loss)/earnings per share for the period (cents per share)	(1.0)	3.0
Diluted (loss)/earnings per share for the period (cents per share)	(1.0)	2.9

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

There no instruments excluded from the calculation of dilutive earnings per share that could potentially dilute basic earnings per share in the future because they are anti-dilutive for either of the periods presented.

7. CASH AND CASH EQUIVALENTS

	Consolidated		Parent	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Cash at bank and in hand	1,327	5,609	1,327	5,599
Short term deposits at banks (i)	90,710	49,000	90,710	49,000
	92,037	54,609	92,037	54,599
Term deposits at the bank (ii)	1,400	10,000	1,400	10,000
	93,437	64,609	93,437	64,599

(i) Short term deposits at the banks are for periods of up to 90 days and earn interests at money market interest rates.

(ii) Term deposits at the bank are for periods exceeding 90 days but not longer than one year and earn interests at money market interest rates.

The term deposit at the 30 June 2009 is to underwrite a letter of credit issued on behalf of the Company to support foreign contractual obligations which will expire on 31 December 2009.

The Group does not have any finance facilities as of 30 June 2009.

Reconciliation of net (loss)/profit after tax to net cash flows from operations.

	Consolidated 2009	Consolidated 2008	Parent 2009	Parent 2008
NET (LOSS)/PROFIT FOR THE YEAR	(2,816)	6,406	(3,041)	6,523
Adjustments for:				
Amortisation of development costs in areas of production	3,209	2,899	3,209	2,899
Depreciation of property, plant and equipment	83	85	83	85
Exploration and development written off	20,502	11,597	797	347
Amortisation of exploration areas under production	787	759	787	759
Share based payments	749	770	749	770
Share based payment to past director	-	126	-	126
Amortisation of share issue costs	106	-	106	-
Finance cost – accretion of rehabilitation cost	13	-	13	-
Impairment of financial asset	-	1,778	7,331	1,778
Loss/(Profit) on sale of financial assets	351	(135)	351	(135)
Impairment of non-current receivable	-	-	12,599	11,482
(Increase)/decrease in trade and other receivables	3,357	(7,564)	2,814	(8,736)
(Increase)/decrease in prepayments	(24)	(4)	(24)	(4)
(Decrease)/increase in deferred tax liabilities	(671)	3,160	(671)	3,160
(Decrease)/increase in trade and other payables	(1,727)	4,281	(869)	3,916
(Decrease)/increase in current tax liability	561	2,560	561	2,560
(Decrease)/increase in provisions	148	17	148	17
Net cash from operating activities	24,628	26,735	24,943	25,547

8. TRADE AND OTHER RECEIVABLES (current)

	Consolidated		Parent	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Trade receivable (i)	11,543	13,891	11,543	13,891
Related party receivables (ii)	131	98	131	98
Joint ventures cash calls in advance (iii)	-	543	-	-
Other debtors (iv)	312	811	312	811
	11,986	15,343	11,986	14,800

(i) Trade receivables are non-interest bearing and are generally on 30-90 days terms. There are no past due not impaired receivables.
(ii) All related party payments are current within agreed terms of trade and do not exceed 60 days.
(iii) Joint Venture cash calls represent the company's proportionate share of cash on hand in the various joint venture at the reporting date.
(iv) Other debtors include interest accrued on cash and cash equivalents of $310,000 (2008: $722,000) and in 2008 dividend income on the financial asset of $64,000 and do not exceed 45 days.

9. PREPAYMENTS (current)

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Insurance	74	-	74	-
Consultancy services	-	50	-	50
	74	50	74	50

10. FINANCIAL ASSETS

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Current				
Available for sale financial asset	-	3,780	-	3,780
	-	3,780	-	3,780
Non-current				
Available for sale financial asset	-	3,218	-	3,218
	-	3,218	-	3,218
	-	6,998	-	6,998

Investments in available for sale financial assets consist of investments in listed ordinary shares which have no fixed maturity date or coupon rate.

Available for sale financial assets	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Balance at 1 July	6,998	5,434	6,998	5,434
Addition from the issue of Cooper Energy Ltd shares	9,981	-	9,981	-
Cost of acquiring the financial assets	1,512	-	1,512	-
Additions	7,268	3,291	7,268	3,291
Sales	(25,208)	(329)	(25,208)	(329)
Fair value gain transferred to (from) equity	(200)	380	(200)	380
Impairment due to significant share price decline	-	(1,778)	-	(1,778)
Loss on disposable of holdings	(351)	-	(351)	-
Balance at 30 June	-	6,998	-	6,998

11. OTHER RECEIVABLES (non-current)

	Consolidated		Parent	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Loans to controlled entities	-	-	39,490	33,305
Less Provision for diminution of loans	-	-	(24,144)	(11,545)
	-	-	15,346	21,760

At the 30 June 2009, a loan to a controlled entity was impaired for $12,599,000 following the withdrawal from the Seruway PSC in Indonesia. For terms and conditions relating to Loans to controlled entities refer to note 20.

All loans to controlled entities are provided for undertaking exploration activity with repayment dependent on the successful discovery of economical recoverable hydrocarbons. An allowance for diminution of the loans is made if there is objective evidence that a loan is impaired where the area of interest criteria as set out in Note 2 (p) cannot be met.

12. OIL PROPERTIES (non-current)

	Plant and Equipment $'000	Transferred Exploration and evaluation $'000	Development $'000	Total $'000
Consolidated				
As at 1 July 2007				
Cost	427	4,795	12,339	17,561
Accumulated depreciation	(196)	(1,863)	(6,428)	(8,487)
	231	2,932	5,911	9,074
Year end 30 June 2008				
Carrying amount at 1 July 2007	231	2,932	5,911	9,074
Additions	44	917	7,724	8,685
Depreciation	(85)	(759)	(2,899)	(3,743)
Carrying amount at 30 June 2008	190	3,090	10,736	14,016
As at 30 June 2008				
Cost	471	5,712	20,063	26,246
Accumulated depreciation	(281)	(2,622)	(9,327)	(12,230)
	190	3,090	10,736	14,016
Year end 30 June 2009				
Carrying amount at 1 July 2008	190	3,090	10,736	14,016
Additions	172	640	4,716	5,528
Depreciation	(83)	(787)	(3,209)	(4,079)
Carrying amount at 30 June 2009	279	2,943	12,243	15,465
As at 30 June 2009				
Cost	643	6,352	24,779	31,774
Accumulated depreciation	(364)	(3,409)	(12,536)	(16,309)
	279	2,943	12,243	15,465

12. OIL PROPERTIES (non-current) (continued)

	Plant and Equipment $'000	Transferred Exploration and evaluation $'000	Development $'000	Total $'000
Parent				
As at 1 July 2007				
Cost	427	4,795	12,339	17,561
Accumulated depreciation	(196)	(1,863)	(6,428)	(8,487)
	231	2,932	5,911	9,074
Year end 30 June 2008				
Carrying amount at 1 July 2007	231	2,932	5,911	9,074
Additions	44	917	7,724	8,685
Depreciation	(85)	(759)	(2,899)	(3,743)
Carrying amount at 30 June 2008	190	3,090	10,736	14,016
As at 30 June 2008				
Cost	471	5,712	20,063	26,246
Accumulated depreciation	(281)	(2,622)	(9,327)	(12,230)
	190	3,090	10,736	14,016
Year end 30 June 2009				
Carrying amount at 1 July 2008	190	3,090	10,736	14,016
Additions	172	640	4,716	5,528
Depreciation	(83)	(787)	(3,209)	(4,079)
Carrying amount at 30 June 2009	279	2,943	12,243	15,465
As at 30 June 2009				
Cost	643	6,352	24,779	31,774
Accumulated depreciation	(364)	(3,409)	(12,536)	(16,309)
	279	2,943	12,243	15,465

13. EXPLORATION AND EVALUATION (non-current)

	Consolidated		Parent	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
(a) Regions of focus				
Africa	10,126	7,225	-	-
Asia	4,790	21,517	-	-
Australia	360	148	360	148
Total exploration and evaluation	15,276	28,890	360	148
(b) Reconciliations of the carrying amounts of capitalised exploration at the beginning and end of the financial year are set out below:-				
Carrying amount at 1 July	28,890	15,460	148	442
Expenditure	7,528	25,944	1,649	970
Transferred to oil properties	(640)	(917)	(640)	(917)
Unsuccessful exploration well written off	(20,502)	(11,597)	(797)	(347)
Carrying amount at 30 June	15,276	28,890	360	148

Exploration write offs relate to exploration wells that were plugged and abandoned as dry holes, during the year.

14. TRADE AND OTHER PAYABLES (current)

	Consolidated		Parent	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Trade payables (1)	197	369	197	369
Other payables (1)	2,063	2,280	2,063	2,280
Accruals	2,427	1,045	2,427	1,045
	4,687	3,694	4,687	3,694
Related party payables	470	3,190	470	2,332
	5,157	6,884	5,157	6,026

(1) Trade and other payables are non-interest bearing and are normally settled on 30-90 day terms

15. PROVISIONS (non-current)

Restoration provision	622	273	622	273
Movement in carrying amount:				
Carrying amount at 1 July	273	256	273	256
Additional provision	336	-	336	-
Increase through accretion	13	17	13	17
Carrying amount at 30 June	622	273	622	273

16. CONTRIBUTED EQUITY AND RESERVES

	Consolidated		Parent	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Ordinary shares	98,472	88,385	98,472	88,385

Effective 1 July 1998, the Corporations legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the Parent does not have authorised capital nor par value in respect of its issued shares.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Share capital

	Consolidated	
	2009 $'000	2008 $'000
Ordinary shares		
Issued and fully paid	98,472	88,385

	Thousands	$'000
Movement in ordinary shares on issue		
At 1 July 2007	156,101	29,642
Ordinary shares issued at 65 cents from Share Purchase Plan	7,692	4,999
Ordinary shares placed at 65 cents	84,620	55,003
Issued from exercise of options	3,850	963
Cost of placement	-	(2,222)
At 30 June 2008	252,263	88,385
Issued as part of the acquisition of a financial asset *	39,663	9,981
Cost of issue	-	106
At 30 June 2009	291,926	98,472

*These were valued at the closing share price on the date of each acceptance into the offer that was made for the financial asset (refer note 10).

Share options
The company has a share based payment option scheme under which options to subscribe for the company's shares have been granted to key management personnel and senior employees (refer note 23)

Reserves

	Consolida-tion reserve $'000	Net unrealised gain (loss) reserve $'000	Option premium reserve $'000	Share based payment reserve $'000	Total $'000
Consolidated					
At 30 June 2007	(541)	(180)	25	529	(167)
Income recognised directly in equity	-	380	-	-	380
Share-based payments	-	-	-	770	770
Fee for acquisition of subsidiary in 2007	-	-	-	126	126
At 30 June 2008	(541)	200	25	1,425	1,109
Share-based payments				749	749
Net loss recognised directly in equity	-	(200)	-	-	(200)
At 30 June 2009	(541)	-	25	2,174	1,658

16. CONTRIBUTED EQUITY AND RESERVES (continued)

	Net unrealised gain (loss) reserve $'000	Option premium reserve $'000	Share based payment reserve $'000	Total $'000
Parent				
At 30 June 2007	(180)	25	529	374
Income recognised directly in equity	380	-	-	380
Share-based payments	-	-	770	770
Acquisition of subsidiary	-	-	126	126
At 30 June 2008	200	25	1,425	1,650
Share-based payments	-	-	750	750
Net loss recognised directly in equity	(200)	-	-	(200)
At 30 June 2009	-	25	2,175	2,200

Nature and purpose of reserves

Consolidation reserve
The reserve comprises the premium paid on acquisition of minority shareholdings in a controlled entity.

Net unrealised gain (loss) reserve
The reserve includes the cumulative net change in the fair value of available-for-sale investments until the investment is derecognised or until the investment is determined to be impaired.

Option premium reserve
This reserve is used to accumulate amounts received from the issue of options. The reserve can be used to pay dividends or issue bonus shares.

Share based payment reserve
This reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration. Refer to note 22 for further details of these plans.

Retained earnings

	Consolidated		Parent	
Movement in retained earnings were as follows:	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Balance 1 July	25,997	19,591	26,110	19,587
Net (loss) profit for the year	(2,816)	6,406	(3,041)	6,523
Balance at 30 June	23,181	25,997	23,069	26,110

Capital management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as maintain optimal return to shareholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity commensurate with the business risk.

As the equity market is constantly changing management may issue new shares to provide for future exploration or developments activities. Management has no current plans to issue further shares or to borrow any funds.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and short term deposits, receivables, available for sale investments and payables.

The Group manages its exposure to key financial risks in accordance with its risk management policy with the objective to ensure that the financial risks inherent in oil and gas exploration activities are identified and then managed or kept as low as reasonably practicable.

The main financial risks that arise in the normal course of business for the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring exposure to foreign exchange risk and assessments of market forecast for interest rate, foreign exchange and commodity prices. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

It is, and has been, throughout the period under review, the Board's policy that no speculative trading in financial instruments be undertaken.

Primary responsibility for identification and control of financial risks rests with the Managing Director and the Chief Financial Officer, under the authority of the Board. The Board is apprised of these and other risks at Board meetings and agrees any policies that may be taken to manage any of the risks identified below.

Details of the significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised , in respect of each financial instrument are disclosed in Note 2 to the financial statements.

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments recognised in the financial statements.

	Carrying amount		**Fair value**	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Consolidated				
Financial assets				
Cash	93,437	64,609	93,437	64,609
Trade and other receivables	11,986	15,343	11,986	15,343
Financial assets	-	6,998	-	6,998
Financial liabilities				
Trade and other payables	5,157	6,884	5,157	6,884
Parent				
Financial assets				
Cash	93,437	64,599	93,437	64,599
Trade and other receivables	11,986	14,800	11,986	14,800
Financial assets	-	6,998	-	6,998
Other receivables (non-current)	15,346	21,760	15,346	21,760
Financial liabilities				
Trade and other payables	5,157	6,026	5,157	6,026

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The financial assets and liabilities of the Group and the Parent are recognised on the balance sheets at their fair value in accordance with the accounting policies set out in Note 2. The following summarises the significant methods and assumptions used in estimating the fair value of financial instruments:

Trade and other receivables
The carrying value is a reasonable approximation of their fair values due to the short-term nature of trade receivables.

Other receivables (non-current)
The carrying value is a reasonable approximation of the fair value of loans to controlled entities after impairment testing of the exploration activity that the controlled entities have provided funds for.

Risk Exposure and Response.

Market Risk

Foreign currency risk

The Group has transactional currency exposure arising from all its sales which are denominated in United States dollars, whilst almost all its costs are denominated in the Group's functional currency of Australian dollars.

In addition the Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar. Transaction exposures, where possible, are netted off across the Group to reduce volatility and provide a natural spread.

The Group may from time to time have cash denominated in United States dollars.

Currently the Group has no foreign exchange hedge programmes in place. The Chief Financial Officer manages the purchase of foreign currency to meet exploration requirements, which cannot be netted off against US Dollar's receivables.

The financial assets denominated in US Dollars are as follows:-

	Consolidated		Parent	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Consolidated				
Financial assets				
Cash	4	67	4	67
Trade and other receivables	9,377	14,539	9,377	13,996
Financial liabilities				
Trade and other payables	1,204	818	1,204	-

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The following table summarises the sensitivity of financial instruments held at balance date, to movements in the exchange rates for the Australian dollar to the US dollar, with all other variables held constant. The 10% sensitivity in 2009 is based on the changes over the previous financial year. The sensitivity up and till 2008 was based on reasonably changes over a financial year, using the observed range of actual historical rates for the preceding 5 year period.

	Impact on after tax profit			
	Consolidated		Parent	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
If the Australian dollar were higher at the balance date	(681)	(467)	(681)	(467)
If the Australian dollar were lower at the balance date	832	517	832	517

	Impact on equity			
	Consolidated		Parent	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
If the Australian dollar were higher at the balance date	(681)	(467)	(681)	(467)
If the Australian dollar were lower at the balance date	832	517	832	517

Price risk

The Group is exposed to commodity and equity securities price risk.

Commodity price risk arises from the sale of oil denominated in US dollars. The Group does not sell forward and any of its oil and has no financial instruments at balance date that relate to commodity prices.

Equity securities price risk arises from strategic investments in equity securities traded on the Australian Stock Exchange. All equity investments are sanctioned by the Board.

The following table summarises the sensitivity of equity securities held at balance date, to movements in the share price, with all other variables held constant. The 25% sensitivity is based on management's assessment of possible changes, over the financial year, of the share price relative to the securities held.

	Impact on after tax profit			
	Consolidated		Parent	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
If the equity securities 25% higher at the balance date	-	-	-	-
If the equity securities were 25% lower at the balance date	-	(1,749)	-	(1,749)

	Impact on equity			
	Consolidated		Parent	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
If the equity securities 25% higher at the balance date	-	1,749	-	1,749
If the equity securities were 25% lower at the balance date	-	(1,749)	-	(1,749)

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

Credit risk arises from the financial assets of the Group which comprise cash and cash equivalents and trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

The Group trade only with recognised creditworthy third parties. The Group has had no exposure to bad debts.

The Group has a concentration of credit risk with short term receivables due from three entities with all cash and short term deposits held at two financial institutions that have a Australian rating agency determined AA credit rating.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The liquidity position of the Group is managed to ensure sufficient liquid funds are available to meet all financial commitments in a timely and cost-effective manner. The Managing Director and Chief Financial Officer constantly reviews the liquid position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels.

At the balance dates, all financial liabilities are interest free and are payable within 30 to 90 days.

Interest rate opportunity profit risk

The company has no borrowings at 30 June 2009 (2008: $ nil) nor has the company drawn and repaid any loans from a financial institution during the reporting period.

It has no undrawn credit facilities with any financial institution.

The company has no investment in financial instruments nor has it invested in financial instruments during the reporting period. Accordingly the company has no exposure to an interest rate risk that could impact on the fair value of the non financial instrument.

As with any other commercial activity there is an opportunity risk as to the timing of the execution of the commercial activity which could result in an opportunity loss or gain if the event was delayed or accelerated. The company does not speculate on the timing as to the placement of its surplus funds.

At the end of June 2009 the company had $90,710,000 on term deposit with two banking institutions. The remaining terms of these deposits at the 30 June 2009 is between 30 and 88 days. If the company places these funds in a non financial instrument at 1% variation to the present rate of interest, it will result in future after tax interest earned increasing/decreasing by $2,485 for each day of the investment.

At the end of June 2008 the company had $59,000,000 on term deposit which had 29 to 48 days of the fixed term remaining. If the company had placed these funds in a non financial instrument at 1% variation to the present rate of interest, it will result in future after tax interest earned increasing/decreasing by $1,131 for each day of the investment.

Any fluctuation of the interest rate either up or down will have no impact on the fair value of the cash on deposit at the banks. The company does not invest in financial instruments.

18. COMMITMENTS AND CONTINGENCIES

	Consolidated		Parent	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Operating lease commitments under non-cancellable office lease not provided for in the financial statements and payable:				
Within one year	244	236	244	236
One year or later and no later than five years	124	368	124	368
	368	604	368	604

The Company leases a suite of offices from which it conducts its operations. The lease is for five years with an option to renew after that date. Lease payments are increased each year to reflect market rentals. Payments are recognised as an expense as and when they are incurred.

A joint venture, in which the company is a participant, may have to pay taxes inclusive of penalties arising from fiscal obligations incurred before the company acquired an equity interest in a production sharing contract. In terms of an agreement with the vendor of the production sharing contract, any pre-acquisition taxes and penalties can be recovered from the vendor. Any liability that may arise is not expected to exceed $264,000 (2008: $264,000) and will be fully recoverable from the vendor of the equity interest.

The syndicate of buyers of all oil produced by the Company are in dispute with the State Government of South Australia over charges levied at the port of export. The Company's contingent exposure, before any penalties and other charges, could be $740,000 (2008: $560,000).

19. INTEREST IN JOINT VENTURE ASSETS

The group has interests in a number of joint ventures which are involved in the exploration and/or production of oil in Australia, Indonesia and Tunisia.

The Group has the following interests in joint ventures in the following major areas:

		Ownership Interest 2009	Ownership Interest 2008
a) Joint Ventures in which Cooper Energy Limited is the operator/manager			
Australia			
Cooper Basin			
PEL 110	Oil and gas exploration	40%	n/a
PEL 495	Oil and gas exploration	100%	n/a
Indonesia			
South Madura PSC	Oil and gas exploration	30%	30%
Tunisia Bargou	Oil and gas exploration	100%	100%
b) Joint Ventures in which Cooper Energy Limited is not the operator/manager			
Australia			
Cooper Basin			
PEL 90	Oil and gas exploration	25%	25%
PEL 92	Oil and gas exploration and production	25%	25%
PEL 93	Oil and gas exploration and production	30%	30%
PEL 100	Oil and gas exploration	19.165%	19.165%
PEL 110	Oil and gas exploration	n/a	25%
Indonesia			
Seruway PSC	Oil and gas exploration	Withdrawn	22.5%
Tunisia			
Hammamet PSC	Oil and gas exploration	35%	35%

19. INTEREST IN JOINT VENTURE ASSETS (continued)

Other than detailed on the previous page, the Groups' ongoing funding obligation to each Joint Venture is no greater than the ownership interest in that joint venture. The share of assets, liabilities and expenses of the joint venture which are included in the financial statements, are as follows:-

	Consolidated		Parent	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
ASSETS				
Current Assets				
Cash and cash equivalents	-	20	-	10
Trade and other receivables	-	543	-	-
Total Current Assets	-	563	-	10
Non-Current Assets				
Other receivables	-	-	10,152	18,625
Oil properties	15,186	13,826	15,186	13,826
Exploration and evaluation	10,251	25,882	360	148
Total Non-Current Assets	25,437	39,708	25,698	32,599
TOTAL ASSETS	25,437	40,271	25,698	32,609
LIABILITIES				
Current Liabilities				
Trade and other payables	1,569	3,191	1,569	2,332
Total Current Liabilities	1,569	3,191	1,569	2,332
NET ASSETS	23,868	37,080	24,129	30,277
Revenue	41,647	45,014	41,647	45,014
Cost of sales	11,394	11,221	11,394	11,221
Amortisation of exploration areas under production	787	759	787	759
Amortisation of development costs in areas of production	3,209	2,899	3,209	2,899
Exploration and development write offs	20,502	348	797	348

Refer to note 18 for details of joint venture contingencies.

20. RELATED PARTIES

Identity of related parties

The Group has a related party relationship with its subsidiaries, joint ventures (see note 19) and with its key management personnel (refer to disclosure for key management personnel below).

Key management personnel disclosures

The following were key management personnel of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period.

Non-executive directors	***Executive Directors***
Mr L.J. Shervington (Chairman)	Mr M.T. Scott (Managing Director)
Mr C.R. Porter	Mr G.G. Hancock
Mr S.H. Abbott	
Executives	
Mr C.D. Todd (Exploration Manager)	Mr J.A. Baillie (Chief Financial Officer)
Mr T.J. Magee (Chief Geologist)	Mr A. Craig (Senior Geophysicist)
Mr R.R. King (Senior Geophysicist) (resigned 10 July 2009)	

The key management personnel compensation included in Other Expenses (see note 4) are as follows:

	Consolidated		Parent	
	2009	**2008**	**2009**	**2008**
Short-term benefits	2,509,963	2,325,203	2,509,963	2,325,203
Post-employment benefits	115,565	109,678	115,565	109,678
Share-based payments	818,804	754,481	818,804	754,481
Total	3,444,332	3,189,362	3,444,332	3,189,362

Individual directors' and executives' compensation disclosures

Information regarding individual directors' and executives' compensation and some equity instruments disclosures is provided in the Remuneration Report section of the Directors' report on pages 4 to 11.

Apart from the details disclosed in this note, no director has entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving directors' interest existing at year-end.

Other key management personnel transactions

A key management person held a position in an entity in which they have control or significant influences over the financial or operating policies of that entity. This entity transacted with the Company in the reporting period.

The terms and conditions of the transactions with this entity were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

The amount recognised during the year relating to key management personnel and their related parties were as follows:

	Consolidated		Parent	
	2009	**2008**	**2009**	**2008**
Key management persons and their related parties				
(i) Other related parties				
Mr L.J. Shervington - Minter Ellison for legal fees	479,589	185,810	479,589	185,810

20. RELATED PARTIES (continued)

Amounts receivable from and payable to key management personnel and other related parties at the reporting date arising from these transactions were as follows:

	Consolidated		Parent	
	2009	2008	2009	2008
Liabilities arising from the above transactions				
Current payables – Other related parties				
Trade creditors for legal expenses	-	100,000	-	100,000

Options and rights over equity instruments
The movement during the reporting period in the number of options over ordinary shares in Cooper Energy Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is a follows:

	Held at 1 July 2008	Granted	Exercised	Held at 30 June 2009	Vested during the year	Vested and exercisable
Directors						
Mr M.T. Scott	7,400,000	-	-	7,400,000	2,300,000	4,066,667
Mr G.G. Hancock	3,000,000	-	-	3,000,000	1,000,000	1,000,000
Executives						
Mr C.D. Todd	4,300,000	200,000	-	4,500,000	1,433,333	2,633,333
Mr T.J. Magee	1,600,000	150,000	-	1,750,000	483,334	766,666
Mr A.N. Craig	500,000	175,000	-	675,000	166,667	241,668
Mr J.A. Baillie	500,000	175,000	-	675,000	166,667	241,668

	Held at 1 July 2007	Granted	Exercised	Held at 30 June 2008	Vested during the year	Vested and exercisable
Directors						
Mr L.J. Shervington	400,000	-	(400,000)	-	-	-
Mr C.R. Porter	500,000	-	(500,000)	-	-	-
Mr M.T. Scott	2,400,000	5,000,000	-	7,400,000	-	1,766,667
Mr G.G. Hancock	2,000,000	3,000,000	(2,000,000)	3,000,000	-	-
Executives						
Mr C.D. Todd	1,800,000	2,500,000	-	4,300,000	-	1,200,000
Mr T.J. Magee	350,000	1,250,000	-	1,600,000	-	283,332
Mr T. Enman	100,000	1,000,000	-	1,100,000	-	100,000
Mr A.N. Craig	-	500,000	-	500,000	-	-
Mr J.A. Baillie	-	500,000	-	500,000	-	-

20. RELATED PARTIES (continued)

Options and rights over equity instruments not exercisable
The movement during the reporting period in the number of options vested but not exercisable over ordinary shares in Cooper Energy Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Held at 1 July 2008	Granted	Exercisable	Held at 30 June 2009
Directors				
Mr M.T. Scott	5,633,333	-	2,300,000	3,333,333
Mr G.G. Hancock	3,000,000	-	1,000,000	2,000,000
Executives				
Mr C.D. Todd	3,100,000	200,000	1,433,333	1,866,667
Mr T.J. Magee	1,316,666	150,000	483,334	983,332
Mr A.N. Craig	500,000	175,000	241,667	433,333
Mr J.A, Baillie	500,000	175,000	241,667	433,333

	Held at 1 July 2007	Granted	Exercisable	Held at 30 June 2008
Directors				
Mr M.T. Scott	633,333	5,000,000	-	5,633,333
Mr G.G. Hancock	-	3,000,000	-	3,000,000
Executives				
Mr C.D. Todd	600,000	2,500,000	-	3,100,000
Mr T.J. Magee	66,666	1,250,000	-	1,316,666
Mr T. Enman	-	1,000,000	-	1,000,000
Mr A.N. Craig	-	500,000	-	500,000
Mr J.A, Baillie	-	500,000	-	500,000

20. RELATED PARTIES (continued)

Movement in shares

The movement during the reporting period in the number of ordinary shares in Cooper Energy Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Held at 1 July 2008	Purchases	Received on exercise of options	Sales	Held at 30 June 2009
Directors					
Mr L. J. Shervington	405,933	-	-	-	405,933
Mr C.R Porter	525,933	-	-	-	525,933
Mr M.T. Scott	557,881	3,619	-	-	561,500
Mr G.G. Hancock	3,600,001	-	-	1,000,000	2,600,001
Mr S.H. Abbott	60,000	-	-	-	60,000
Executives					
Mr C.D. Todd	207,865	-	-	-	207,865

	Held at 1 July 2007	Purchases	Received on exercise of options	Sales	Held at 30 June 2008
Directors					
Mr L. J. Shervington	-	5,933	400,000	-	405,933
Mr C.R Porter	20,000	5,933	500,000	-	525,933
Mr M.T. Scott	606,366	201,515	-	250,000	557,881
Mr G.G. Hancock	2,600,001	-	3,000,000	2,000,000	3,600,001
Mr S.H. Abbott	60,000	-	-	-	60,000
Executives					
Mr C.D. Todd	6,350	201,515	-	-	207,865

Shares held by key management personnel's related parties

The movement during the reporting period in the number of ordinary shares in Cooper Energy Limited held, directly, indirectly or beneficially, by each key management person's related parties, is a follows:

	Held at 1 July 2008	Purchases	Received on exercise of options	Sales	Held at 30 June 2009
Directors					
Mr C.R Porter	525,933	-	-	-	525,933
Mr M.T. Scott	550,000	-	-	-	550,000
Mr G.G. Hancock (*)	600,001	-	-	-	875,001
Mr S.H. Abbott	60,000	-	-	-	60,000

* Mr G.G. Hancock transferred 275,000 shares to a related party

	Held at 1 July 2007	Purchases	Received on exercise of options	Sales	Held at 30 June 2008
Directors					
Mr C.R Porter	20,000	5,933	500,000	-	525,933
Mr M.T. Scott	600,000	200,000	-	250,000	550,000
Mr G.G. Hancock	100,001	-	500,000	-	600,001
Mr S.H. Abbott	60,000	-	-	-	60,000

20. RELATED PARTIES (continued)

Subsidiaries

The Group financial statements include the financial statements of Cooper Energy Limited and the subsidiaries listed in the following table.

Name	Country of incorporation	Equity interest 2009 %	Equity interest 2008 %	Loans 2009 $'000	Loans 2008 $'000	Investments 2009 $'000	Investments 2008 $'000
South Madura Exploration Comany Ltd	British Virgin Island	100	100	5,051	2,926	-	-
South Madura Exploration Company Pte Ltd (i)	Singapore	100	100	-	-	-	-
CE Tunisia Bargou Ltd	British Virgin Island	100	100	5,100	3,135	-	-
CE Cambodia B Limited	British Virgin Island	100	100	-	-	-	-
Cooper Energy (Seruway) Pty Ltd	Australia	100	100	-	11,481	-	7,331
CE Hammamet Ltd	British Virgin Island.	100	100	5,195	4,218	-	-
				15,346	21,760	-	7,331

(i) South Madura Exploration Company Pte Ltd is a wholly owned subsidiary of South Madura Exploration Company Ltd. Loans from its parent were $ nil (2008: nil) and the investment was $nil (2008: nil).

Loans are made by the Company to wholly owned subsidiaries for investment in various joint ventures exploring for hydrocarbons. The loans are interest free and repayable on demand.

There were no transactions between subsidiaries during the financial year (2008: $nil).

Joint Venture

During the reporting period, the Company provided geological and technical services to joint ventures it manages at a cost of $ 222,000 (2008: $302,000). At the end of the financial period, $125,000 was outstanding for these services (2008: $68,000).

An impairment assessment is undertaken each financial year by examining the financial position of the related party and their investment in the respective joint venture's that are prospecting for hydrocarbons to determine whether there is objective evidence that a related party receivables is impaired. When such objective evidence exists, the Group recognises an allowance for the impairment loss.

21. AUDITOR'S REMUNERATION

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
The auditor of Cooper Energy Limited is Ernst & Young				
Amounts received or due and receivable by Ernst & Young Australia for:				
Auditing and review of financial reports of the entity and the consolidated group	103,000	167,000	103,000	167,000
Other services	25,750	17,400	25,750	17,400
	128,750	184,400	128,750	184,400
Amounts received or due and receivable by related practices of Ernst & Young Australia for:				
Auditing and review of financial reports of an entity in the consolidated group	9,645	42,000	9,645	42,000
	9,645	42,000	9,645	42,000
	138,395	226,400	138,395	226,400

22. SHARE BASED PAYMENT PLANS

On 9 January 2002, the consolidated entity established a share option plan that enables employees to purchase shares in the company. Further details are set out in the Remuneration Report contained in the Directors Report at pages 4 to 12.

Information with respect to the number of options granted to employees is as follows:

Granted in the year ended	Number of options granted	Vesting conditions (if any)	Average exercise price (cents)	Average contractual life of options at grant date in years
30 June 2003	2,500,000	none	25	5
30 June 2004	3,000,000	none	25	4
30 June 2005	1,900,000	none	25 to 40	5
30 June 2006	4,100,000	See below	55	5
30 June 2007	500,000	Nil	Nil	Nil
30 June 2008	12,875,000	See below	100	4
30 June 2009	1,800,000	See below	55 to 75	3
	26,675,000			

On 21 May 2009, a number of employees were granted 475,000 options to subscribe for 475,000 shares in the Company at an exercise price of 55 cents each; 875,000 options to subscribe for 875,000 shares in the Company at an exercise price of 75 cents each and 450,000 options to subscribe for 450,000 shares in the Company at an exercise price of 75 cents each. The vesting date for these options tranches is 30 June 2009; 30 June 2010 and 30 June 2011.

On 26 November 2007, a number of employees were granted 12,875,000 options to subscribe for shares in the Company at an exercise price of 100 cents each. The vesting date for these options, in three equal tranches, is 1 January 2009; 1 January 2010 and 1 January 2011.

On 1 May 2007, an employee was granted 500,000 options to subscribe for shares in the Company at an exercise price of 75 cents each. The vesting date for these options is when the employee is instrumental in introducing hydrocarbon opportunities that is accepted by the Board.

The number and weighted average exercise prices of share options held by employees is as follows:

	Weighted average exercise price (cents) 2009	Number of options 2009	Weighted average exercise price (cents) 2008	Number of options 2008
Balance at beginning of year	89.3	18,895,000	43.8	8,920,000
- granted	75.0	1,800,000	100.0	13,875,000
- exercised		-	25.0	(2,900,000)
- forfeited following employee resignation	80.0	(150,000)	100.0	(1,000,000)
Balance at end of year	88.1	20,545,000	89.3	18,895,000
Exercisable at end of year		10,636,667		2,966,667

The options outstanding at 30 June 2009 have an exercise price in the range of 25 cents to $1.00 and a weighted contractual life of 2 years remaining.

All the options were issued for nil consideration, and, other than 500,000 granted to an employee on the 1 May 2007, have no associated performance hurdles. The unlisted options are issued with various expiration dates. There are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to shareholders during the period of the options. All options are settled by physical delivery of shares.

During the financial year, no share options were exercised (2008: 2,900,000). The weighted average share price at the dates of exercise in 2008 was 74 cents.

22. SHARE BASED PAYMENT PLANS (continued)

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the binomial option-pricing model. The contractual life of the option is used as an input in to this model. Expectations of early exercise are incorporated into the binominal option-pricing model.

Fair value of share options and assumptions	21 May 2009	21 May 2009	21 May 2009
Fair value at measurement date	6.24 cents	5.97 cents	5.90 cents
Share price	43 cents	43 cents	43 cents
Exercise price	55 cents	75 cents	100 cents
Expected volatility	50%	50%	50%
Option life	1.5 years	2.5 years	3.5 years
Expected dividends	-	-	-
Risk free interest rate	3.43%	3.87%	4.23%

Fair value of share options and assumptions	26 November 2007	1 December 2005
Fair value at measurement date	14.7 cents	14.1 cents
Share price	66 cents	39 cents
Exercise price	100 cents	55 cents
Expected volatility	50%	50%
Option life	4 years	5 years
Expected dividends	-	-
Risk free interest rate	6.5%	5.154%

The expected volatility is based on the historic volatility adjusted for any expected changes to future volatility due to publicly available information.

Employee expenses

	Consolidated		Parent	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Share options granted in 2006 equity settled	26	61	26	61
Share options granted in 2007 equity settled	(14)	9	(14)	9
Share options granted in 2008 equity settled	737	700	737	700
Total expenses recognised in employee costs	749	770	749	770

23. EVENTS AFTER THE BALANCE SHEET DATE

On the 20 July 2009, Mr M.T. Scott, Managing Director, exercised 500,000 options at an exercise price of 25 cents each. The share price at the time of exercise of the options was 41 cents.

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 and the additional disclosures included in the directors’ report designated as audited, of the company and of the consolidated entity are in accordance with the Corporations Act 2001, including:

   i) giving a true and fair view of the company’s and consolidated entity’s financial position as at 30 June 2009 and of their performance for the year ended on that date; and

   ii) complying with Accounting Standards 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.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with sections 295A of the Corporations Act 2001 for the financial period ended 30 June 2009.

On behalf of the Board

Michael Scott

Mr M.T. Scott
Managing Director
26 August 2009

Mr S.H. Abbott
Non- Executive Director

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Independent auditor's report to the members of Cooper Energy Limited

Report on the Financial Report

We have audited the accompanying financial report of Cooper Energy Limited, which comprises the balance sheet as at 30June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration.

Auditor's Opinion

In our opinion:

1. the financial report of Cooper Energy Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the financial position of Cooper Energy Limited and the consolidated entity at 30 June 2009 and of their performance for the year ended on that date; and

   ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 4 to 12 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Cooper Energy Limited for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

R A Kirkby
Partner
Perth
26 August 2009

RK:MJ:COOPER:050

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

In relation to our audit of the financial report of Cooper Energy Limited for the financial year ended 30 June 2009, 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

R A Kirkby
Partner
26 August 2009

RK:MJ:COOPER:051

Corporate Directory

Directors

Laurence J SHERVINGTON (Chairman)
Michael T SCOTT (Managing Director)
Gregory G HANCOCK
Christopher R PORTER
Stephen H ABBOTT

Company Secretary

Ian E GREGORY

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Piper-Alderman
167 Flinders Street
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