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## **Sole Gas Project advances: enters FEED; acquisition completed; & Contingent Resources booked**

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- **Sole Gas Project enters FEED to supply gas to eastern Australia**
- **Acquisition of VIC/RL3 and Orbost Gas Plant completed**
- **Cooper Energy books 2C Contingent Resources of 106PJ**

Cooper Energy (ASX:COE) reports that the acquisition of a 50% interest in the Sole gas field and Orbost Gas Plant announced on 15 December 2014 has been completed with the project entering Front End Engineering and Design (FEED). Completion of the acquisition has resulted in Cooper Energy booking 2C Contingent Resources of 106PJ of sales gas, as advised in a separate announcement today.

The VIC/RL3 joint venture, which comprises Cooper Energy and Santos Limited, will now work to completion of FEED for a Final Investment Decision (FID) in the September quarter 2016.

Cooper Energy Managing Director David Maxwell said that the commencement of FEED was a significant milestone for the project and the company.

“Together with Santos we are now working on completing the detailed analysis, design and costing necessary for the decision on developing the Sole gas field” he said. Mr Maxwell noted that the company’s confidence in the project had been reinforced by market conditions. “The current outlook is very encouraging, with gas prices and field development costs trending favourably for economic development of Sole.”

“We believe that Sole, as a conventional gas field, nearby existing infrastructure, is a competitive and attractive source of gas for eastern Australia. We are working with customers to develop the gas sales agreements that will deliver the best value outcomes for our shareholders and customers” he said.

Gas market offtake contracts and finance for project construction will be developed in parallel with the FEED in readiness for a likely FID in the September quarter of 2016.

Cooper Energy has assessed the Sole gas field to contain a Contingent Resource (2C) of 211 PJ of sales gas (100% joint venture). Whilst project development and costing will be determined by the FEED process, the field is expected to provide gas supply of approximately 25 PJ per annum over 8 years after commissioning in late 2018. Gas produced from Sole will be transported by pipeline to the Orbost Gas Plant onshore Victoria, from where it can be distributed to eastern Australian gas customers via the Eastern Gas Pipeline.

The FEED phase is budgeted to cost approximately \$27 million, which Cooper Energy will fund 100% as part of its commitment to pay the first \$50 million of project costs. Cooper Energy’s costs through to FID stage are fully funded.

The addition of Sole has more than doubled Cooper Energy’s Gippsland Basin gas resources which now total 183 PJ of 2C Contingent Resources (comprising Sole and the nearby BMG gas and liquids

resource). The total gas held by the Gippsland Basin joint ventures in which Cooper Energy participates amounts to 330PJ at the 2C Contingent Resources level<sup>1</sup>, which together with the Orbost Gas Plant, is expected to feature in new supply to eastern Australian energy markets from late 2018.

“Development of Sole will provide a cornerstone for the broader development of Gippsland gas resources via the Orbost Gas Plant” said David Maxwell. “This includes our nearby BMG resource where we, as operator of the project, are currently finalising a business plan for development to commence gas supply from 2021”.

The Sole field is located (see Figure 1 following) 65 kilometres from the Orbost Gas Plant, onshore Victoria and 35 kilometres from Cooper Energy’s BMG gas and liquids resource.

The Sole Gas Project is expected (see Figure 2 following) to comprise a single vertical subsea well and pipeline to the Orbost Gas Plant which is connected to the Eastern Gas pipeline. The Orbost Gas Plant is currently processing gas from the Longtom gas field.

### Sole gas field background

Sole-1, was drilled by Shell in 1972 and intersected 16 metres of net gas pay on the flank of the field in the Palaeocene Kingfish Formation. Sole-2 drilled in 2002 by Santos near the crest of the structure intersected 68 metres of net gas pay with the top of the reservoir encountered at a depth of approximately 750 metres subsea. The production test at Sole-2 flowed 20.6 MMcfd gas and the development well is designed to produce at a plateau rate of 68 MMcfd. The field is a simple four way dip closed structure with excellent seismic definition. Structural confidence is high as a direct hydrocarbon indicator (DHI) seen on the seismic data coincides with the gas-water-contact (GWC) and the maximum gas column height is 71.5 metres. Reservoir properties are excellent with an average porosity greater than 30% and permeability greater than 1 Darcy. Sole gas contains 1% CO<sub>2</sub>, 0.15% H<sub>2</sub>S and less than 1bbl condensate/MMscf. The gas will be processed to remove the H<sub>2</sub>S, but not CO<sub>2</sub>.

Sole gas has a calorific value of 1.007 MJ per scf.

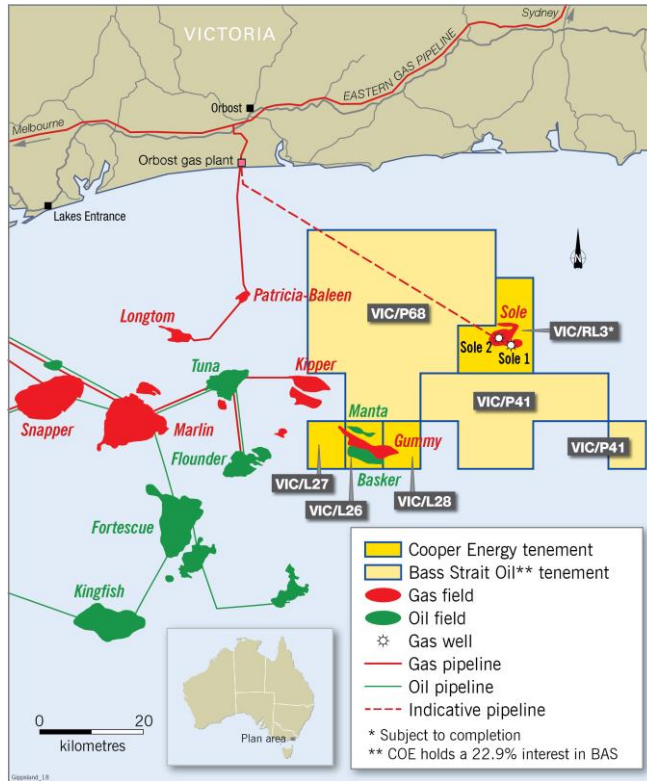
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**About Cooper Energy Limited (ASX:COE)** is an ASX listed exploration and production company featuring low cost oil production, a growing portfolio of gas resources and exploration acreage and a management and Board team with a proven track record in building resource companies.

Cooper Energy conducts oil exploration and production in the Cooper and South Sumatra Basins and is advancing development of its gas resources to supply opportunities in Eastern Australia in the coming years. The company has a strong balance sheet, enjoys strong cash flow and is executing a clear strategy driven by shareholder return. [www.cooperenergy.com.au](http://www.cooperenergy.com.au)

<sup>1</sup> Comprises Contingent Resources of the Sole field announced to the ASX 25 May 2015 and the BMG Gas and liquids resource announced 18 August 2014

**Figure 1: Location of VIC/RL3, Gippsland Basin, offshore Victoria**



**Figure 2: Indicative Schematic Overview of Sole Gas Field Development**

