

Key features

- **Record FY22 production, sales volume and revenue:** production up 26% to 3.31 MMboe; sales volume up 27% to 3.83 MMboe; revenue up 55% to \$204.6 million
- **Quarterly production, sales volume, and revenue:** production down 2% to 0.86 MMboe; sales volume down 1% to 0.90 MMboe; revenue up 30% to \$61.1 million
- **Average gas price increase:** up 33% to \$10.49/GJ compared to previous quarter
- **565 TJ gas sold at spot prices during the quarter**
- **Acquisition of the Orbost Gas Processing Plant announced, successful \$244 million equity raise and \$400 million underwritten debt facility**

Comments from Managing Director, David Maxwell

“Cooper Energy finished the 2021/22 financial year with another strong quarter. Record annual production, sales volumes and gas prices combined to deliver a significant increase in annual revenue.

“The acquisition of the Orbost Gas Processing Plant announced in June is transformative for the company. It is the next step in our Gippsland and Otway twin gas supply hub position, underpinned by attractive South-east Australia market dynamics and increasing gas prices.

“The company’s funding and liquidity position is strengthened by the immediate cashflow uplift and enlarged debt facility. Cooper Energy is ideally positioned for growth and a step change in a market where new domestic gas supply is desperately needed by the community.

Key performance metrics

<i>\$ million unless indicated</i>	Jun. Q4 FY21	Mar. Q3 FY22	Jun. Q4 FY22	Qtr on Qtr change	FY21	FY22	Change
Production (MMboe)	0.66	0.87	0.86	(2%)	2.63	3.31	26%
Sales volume (MMboe)	0.97	0.91	0.90	(1%)	3.01	3.83	27%
Sales revenue	47.1	46.9	61.1	30%	131.7	204.6	55%
Cash and cash equivalents	91.3	92.5	249.3	170%	91.3	249.3	173%
Net cash/(debt)	(126.7)	(104.5)	91.3	187%	(126.7)	91.3	172%
Ave. gas price (\$/GJ)	7.54	7.91	10.49	33%	6.86	8.24	20%

Financial

Sales volume and revenue

In the Gippsland Basin there was surplus gas supply relative to the Sole term contracts for the quarter, resulting in 322 TJ sold at spot prices at an average spot price of \$30.26/GJ. While sales volume was slightly lower (2%) than the previous quarter, total gas sales revenue was 30% higher at \$55.6 million.

The average realised gas price of \$10.49/GJ for all gas sales was 33% higher than the previous quarter, and the average realised oil and condensate price was up 27% to \$165.38/bbl. Revenue from the sale of crude oil for the quarter is impacted by higher prices.

		Jun. Q4 FY21	Mar. Q3 FY22	Jun. Q4 FY22	Qtr on Qtr change	FY21 YTD	FY22 YTD	Change
Sales volume								
Gas	PJ	5.7	5.4	5.3	(2%)	17.4	22.7	30%
Oil	kbbl	37.9	29.0	27.8	(4%)	153.8	123.6	(20%)
Condensate	kbbl	0.2	1.0	1.0	0%	1.8	3.0	67%
Total sales volume	MMboe	0.97	0.91	0.90	(1%)	3.01	3.83	27%
Sales revenue (\$ million)								
Gas		43.0	42.7	55.6	30%	119.4	187.0	57%
Oil and condensate		4.1	4.2	5.5	31%	12.3	17.6	43%
Total sales revenue		47.1	46.9	61.1	30%	131.7	204.6	55%
Ave. realised prices								
Gas	\$/GJ	7.54	7.91	10.49	33%	6.86	8.24	20%
Oil and condensate	\$/boe	107.61	130.59	165.38	27%	79.0	129.14	63%

The table below summarises Sole GSA sales and gas sources utilised to service the Sole term contract customer requirements.

Sole GSA sales and gas sources		Mar. Q3 FY22	Jun. Q4 FY22		Mar. Q3 FY22	Jun. Q4 FY22
Sole GSA sales	PJ	3.3	3.9	TJ/day (average)	37	43
Sole spot sales	PJ	0.8	0.3¹	TJ/day (average)	9	3
<i>Comprising:</i>						
OGPP processing	PJ	3.9	4.0	TJ/day (average)	44	43
Third-party gas purchases	PJ	0.3²	0.2²	TJ/day (average)	2	2

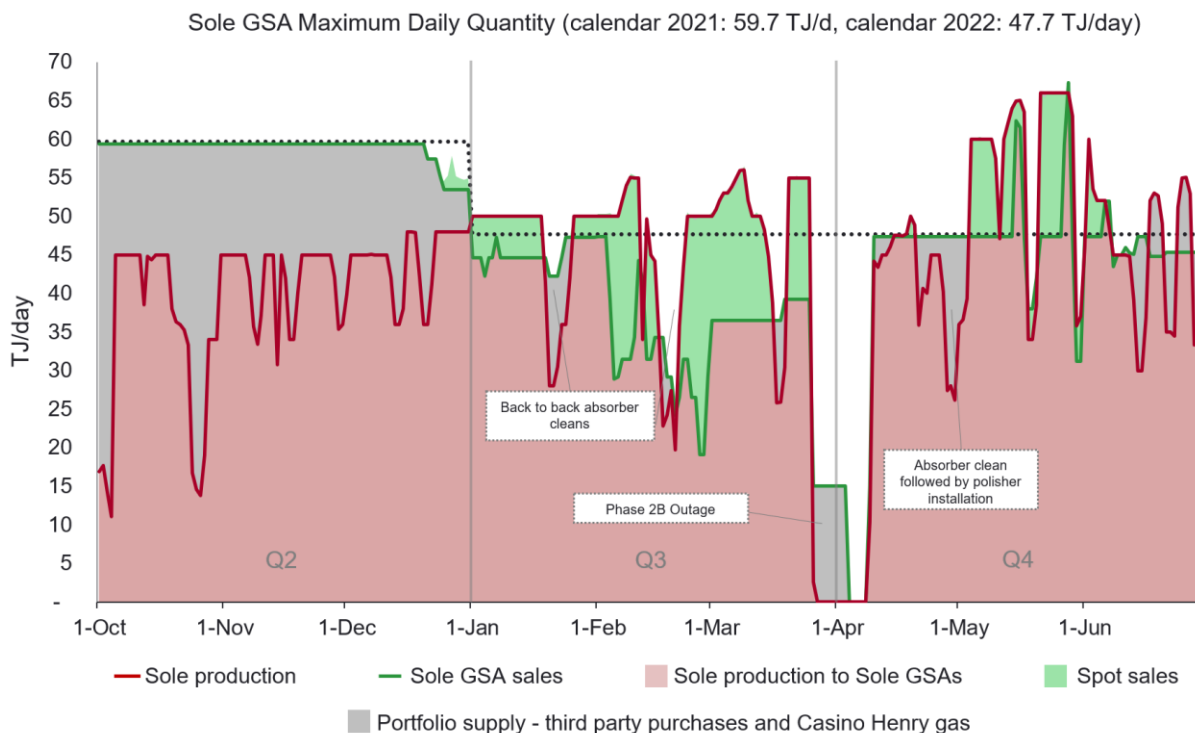
¹Sole spot sales were 322 TJ in Q4 FY22 (rounded to 0.3PJ). Total spot sales for the quarter were 565 TJ which included 243 TJ of spot sales from Casino, Henry and Netherby

²Third-party gas purchases were 246 TJ in Q4 FY22 (rounded to 0.2PJ)

Third-party gas purchases accounted for 5% of total Sole gas sales volume during the quarter at an average purchase price of \$17.93/GJ net of APA contributions. Since early June, the requirement to purchase third party gas has been reduced by the use of short-term gas storage on the Eastern Gas Pipeline and a physical gas swap arrangement with a Sole GSA customer. These arrangements provide for the day-to-day balancing between Orbost Gas Processing Plant production and Sole GSA demand, as an alternative to daily physical balancing by way of sales and purchases.

The improvement in Orbost Gas Processing Plant performance and lower Sole term contracts MDQ resulted in a net surplus gas supply position for Cooper Energy from 1 January. In the first half of FY2022, Cooper Energy purchased 2.8 PJ of third-party gas, in contrast to the second half of FY2022 where 0.5 PJ has been purchased,

a reduction of 82%. From 1 January 2022 Cooper Energy sold 1.1 PJ of gas at spot prices (green shaded area in the chart below) at an average price of \$19.06/GJ. The solid green line in the chart below is the total for the Sole term customer nominations.



Capital expenditure

Incurred capital expenditure of \$4.6 million was 48% higher than the prior quarter, attributed to exploration in the Cooper Basin. Further commentary is contained in the *Exploration and development* section commencing on page 5.

\$ million	Jun. Q4 FY21	Mar. Q3 FY22	Jun. Q4 FY22	Qtr on Qtr change	FY21 YTD	FY22 YTD	Change
Exploration and appraisal	(1.0)	1.3	2.4	85%	2.2	5.2	136%
Development	8.2	1.8	2.2	22%	30.1	14.1	(53%)
Total capital expenditure	7.2	3.1	4.6	48%	32.3	19.3	(40%)

By basin	Jun. Q4 FY22		
\$ million	Exploration	Development	Total
Otway Basin	1.1	1.7	2.8
Gippsland Basin	-	-	-
Cooper Basin	1.3	0.4	1.7
Other	-	0.1	0.1
Total capital expenditure	2.4	2.2	4.6

Liquidity

As at 30 June 2022, Cooper Energy had cash reserves of \$249.3 million (Q3 FY22: \$92.5 million) and drawn debt of \$158.0 million (Q3 FY22: \$197.0 million), as summarised below.

\$ million	Jun. Q4 FY21	Mar. Q3 FY22	Jun. Q4 FY22	<i>Qtr on Qtr change</i>	FY21 YTD	FY22 YTD	<i>Change</i>
Cash and cash equivalents	91.3	92.5	249.3	170%	91.3	249.3	173%
Drawn debt	218.0	197.0	158.0	(20%)	218.0	158.0	(28%)
Net cash/(debt)	(126.7)	(104.5)	91.3	187%	(126.7)	91.3	172%

Material impacts on cash reserves during the quarter included:

- proceeds from the institutional portion of the 20 June 2022 announced equity issue of \$178.0 million, net of costs
- customer receipts less payments to suppliers of \$25.8 million
- quarterly debt principal repayment of \$39.0 million and net interest payments (including leases) of \$2.2 million
- rehabilitation costs and petroleum resource rent tax payments of \$2.6 million; and
- capital expenditure of \$5.1 million.

Production

Quarterly gas and oil production of 0.86 MMboe was 2% lower than the prior quarter, mainly due to a compressor trip at the Athena Gas Plant, and Cooper Basin oil production natural field decline.

Gippsland Basin (Sole)

Sole gas production of 4.0 PJ was 2% higher than the prior quarter. Average production of 43.8 TJ/day compares with 43.6 TJ/day during the prior quarter.

April production was impacted by the Orbost Gas Processing Plant Phase 2B works where the plant was shut down from 25 March to 9 April with delays experienced due to flooding of the access road to the Plant. May was a record month for production with an average rate of 55.7 TJ/d and a maximum rate of 66 TJ/d achieved for 9 consecutive days spanning late May and early June. Lower rates in June were attributed to the H₂S polishing unit coming offline from 8 June.

The Sole gas field continues to perform in line with expectations.

The Orbost Gas Processing Plant is owned and operated by APA Group (ASX: APA). Ownership is planned to transfer to Cooper Energy by the end of July (refer to the Commercial, corporate and subsequent events section on page 7 of this report).

Otway Basin (Casino, Henry and Netherby)

The Athena Gas Plant and Casino, Henry and Netherby (CHN) gas production of 1.1 PJ (COE share) was 10% lower than the prior quarter. Average production of 12 TJ/day compares with 14 TJ/day during the prior quarter. This quarter was mainly impacted by a two-day plant shutdown, and 5 days at reduced rates in April, due to a mechanical failure on one sales gas compressor.

The Athena Gas Plant and CHN gas fields are owned by Cooper Energy (50% and operator) and Mitsui E&P Australia Pty Ltd (25%) and Peedamullah Petroleum Pty Ltd (25%).

Cooper Basin

Oil production of 26.9 kbbl was 8% lower than the prior quarter, mainly due to natural field decline. Production from PEL 92 contributed 25.8 kbbl (Q3 FY22: 28.8 kbbl) and the Worrior field in PPL 207 contributed 1.1 kbbl (Q3 FY22: 1.1 kbbl).

Production by product		Jun. Q4 FY21	Mar. Q3 FY22	Jun. Q4 FY22	Qtr on Qtr change	FY21 YTD	FY22 YTD	Change
Sales gas	PJ	3.8	5.2	5.1	(1%)	15.1	19.46	29%
Oil and condensate	kbbl	38.4	30.3	27.9	(8%)	158.1	127.46	(19%)
Total production	MMboe	0.66	0.87	0.86	(2%)	2.63	3.31	26%

Production by basin		Jun. Q4 FY21	Mar. Q3 FY22	Jun. Q4 FY22	Qtr on Qtr change	FY21 YTD	FY22 YTD	Change
Gippsland Basin (Sole)								
Sales gas	PJ	3.0	3.9	4.0	2%	10.4	15.2	46%
Otway Basin (CHN)								
Sales gas	PJ	0.8	1.3	1.1	(10%)	4.7	4.3	(9%)
Condensate	kbbl	0.2	1.0	1.0	1%	1.8	3.0	67%
Cooper Basin								
Oil	kbbl	38.2	29.3	26.9	(8%)	156.9	125.5	(20%)
Total production	MMboe	0.66	0.87	0.86	(2%)	2.63	3.31	26%

NB. Preliminary Cooper Basin production data for the current quarter

Exploration and development

Gippsland Basin

Development

Orbost Gas Processing Plant

The Phase 2B works at Orbost Gas Processing Plant concluded during the quarter. The Cooper Energy endorsed Phase 2B works included the installation of the Solids Removal Package (SRP) which aims to improve plant reliability and sustainable production rates. Tie-in and commissioning of the SRP will be completed at a later stage balanced with market and customer permitted allowances to minimise the impact of downtime.

During the Phase 2B shutdown APA completed the installation of a gas 'polishing' unit (not part of the Cooper Energy endorsed Phase 2B works). The unit was commissioned in the later part of April however was taken offline in early June resulting in processing interruptions. The Orbost Gas Processing Plant has returned to a

steady rate of 55TJ/d between absorber cleans while APA are undertaking a root cause analysis to understand why the polishing unit's performance has degraded. This analysis will guide the next steps to bring the polishing unit back online.

Exploration

The exploration focus in the Gippsland Basin has been on adding potential to a future Manta Hub development. Work is ongoing to assess additional prospectivity in VIC/RL13,14 15 and VIC/P80.

In April 2022 Cooper Energy was granted 100% equity in a new exploration permit VIC/P80¹. VIC/P80 is adjacent to several gas and oil fields, including Sole to the east, Manta to the south, and Kipper to the west. Wobbegong is the key prospect in VIC/P80. Cooper Energy's estimate of its unrisks Prospective Resource potential is 79 Bcf (P90), 192 Bcf (P50), 236 Bcf (Mean) and 264 Bcf (P10). In combination with the Manta and Chimaera Deep prospects² the combined mean unrisks Prospective Resource potential is approximately 1 Tcf. Activities have commenced to procure new 3D seismic data over the Manta Hub area. In the remainder of 2022 geologic and geophysical studies will concentrate on remapping the Manta Hub area and updating the prospectivity.

BMG abandonment

The BMG abandonment project involves decommissioning seven wells and associated subsea infrastructure in the Basker, Manta and Gummy (BMG) fields in the Gippsland Basin. The BMG permits contain the proven Manta gas field and the Manta Deep prospect.

Cooper Energy approved the BMG abandonment project to proceed during the quarter. Cooper Energy has contracted the Helix Q7000 intervention vessel to perform the works. The cost to complete the well abandonment activities is expected to be \$165 million on a 100% basis. Cooper Energy has a 90% working interest in the BMG abandonment project with PT Pertamina Hulu Energi holding the remaining 10%.

The plan is to plug the BMG wells by no later than 31 December 2023 and remove the remaining infrastructure by no later than 31 December 2026.

Otway Basin (Offshore)

Development

Otway Phase-3 Development (OP3D) Project

In May Cooper Energy announced its Offshore Otway gas hub growth plan³. The plan commences with the Otway Phase-3 Development (OP3D) project, expected to enter detailed Front End Engineering Design (FEED) in Q1 FY23. Final Investment Decision (FID) is targeted in Q3 FY23 with first gas by winter 2025 and is subject to joint venture approval.

Significant work was completed in the quarter considering capital efficiency, resource size and risk resulting in OP3D being revised to be based around the development of the Annie gas field. In addition, planning to drill short cycle time, high deliverability exploration prospects is progressing in parallel with the Annie development. Further development of the Henry gas field will be deferred for inclusion in a future campaign.

Utilising the capacity of the Athena Gas Plant, the Offshore Otway gas hub growth plan will deliver a step change in production and offer gas customers a significant new supply option over the next decade.

¹ Grant of Gippsland Basin exploration permit VIC/P80 announced to the ASX 13 April 2022

² Prospective Resource Upgrade at Manta field and Chimaera East prospect announced to the ASX on 4 May 2016

³ Offshore Otway gas hub growth plan announced to the ASX on 18 May 2022

Exploration

A Prospective Resource update for six prospects (Elanora, Isabella, Heera, Pecten East, Juliet and Nestor) was announced to the ASX in February 2022. These prospects all show strong seismic amplitude support for the presence of gas and are located close to the existing production infrastructure.

A detailed review of drilling options for testing the gas potential of these exploration prospects is underway. The plan is to secure an offshore rig for a future campaign that will likely include drilling two to three exploration prospects.

Otway Basin (Onshore)

Exploration

The Dombey 3D seismic survey in PEL 494 in the onshore Otway Basin was completed on 23 March 2022. The surveyed area is located approximately 15 kilometres west of Penola and covers 165 square kilometres. Processing of the new 3D seismic data is progressing, and it is expected the data will be ready for interpretation at the end of 2022.

Cooper Basin

Exploration

In ex-PEL-92 (PRLs 85-104), onshore South Australia, Cooper Energy participated in drilling two oil exploration wells (Cooper Energy 25%, Beach Energy 75% and Operator).

Bangalee-1 spudded on 16 April 2022, located approximately 2km east of the Windmill oil field. It intersected approximately four metres of net oil pay in the target Namur reservoir, with minor pay in the Birkhead reservoir. The well was cased and suspended as a future oil producer. It is expected to be brought online in FY23.

Hummocky-1 spudded on 2 May 2022 and is located approximately 2km southwest of the Christies oil field. It was plugged and abandoned on 8 May 2022, having drilled to a total depth of 1,983m and failing to encounter significant hydrocarbons in the primary target Namur Reservoir.

Commercial, corporate and subsequent events

Acquisition of the Orbost Gas Processing Plant, \$244 million equity raise and \$400 million underwritten debt facility

On 20 June 2022, the Company entered into a binding asset sale agreement to acquire the Orbost Gas Processing Plant from APA Group for between \$270 million and \$330 million⁴. The consideration is structured as:

- a fixed payment of \$210 million at financial close
- a fixed payment of \$40 million due 12 months after financial close
- a fixed payment of \$20 million due 24 months after financial close
- a variable deferred performance payment ranging from \$0 to \$20 million 24 months after financial close
- a variable deferred performance payment ranging from \$0 to \$40 million 36 months after financial close

⁴ Acquisition of Orbost Gas Processing Plant, equity raise, and new debt facility announced to the ASX on 20 June 2022

To fund the acquisition and position the Company's Balance Sheet for the next phase of growth, Cooper Energy also:

- successfully completed a fully underwritten \$244 million equity offering. The offering comprised a 2-for-5 accelerated, non-renounceable entitlement offer raising \$160 million together with a \$84 million placement to institutional investors and was fully underwritten; and
- secured a new fully underwritten \$400 million revolving corporate debt facility and \$20 million working capital facility which will refinance the existing syndicated debt facility and provide additional funding capacity for the Company's near-term activities and growth objectives. Financial close of the new debt facility is expected in the next few weeks

The circa \$644 million aggregate capital ensures the Company is able to refinance its existing debt facility, meet the upfront consideration for the Orbost Gas Processing Plant, and accelerate its activity programme over the next three years including OP3D and the BMG decommissioning.

For further details on the Orbost Gas Processing Plant acquisition, equity raise and new debt facility, please see the [investor presentation](#) released on 20 June 2022.

Cooper Energy and APA continue to work proactively to completion of the acquisition.

APA Group will continue to operate the Orbost Gas Processing Plant on behalf of Cooper Energy under a transitional services agreement, until the plant's major hazard facilities license is transferred to Cooper Energy. During this transitional period there will be continuity of key people, systems and processes.

Cooper Energy is finalising a detailed plan to integrate the Orbost Gas Processing Plant into the Company. The key operational staff associated with the Orbost Gas Processing Plant have been offered similar roles at Cooper Energy.

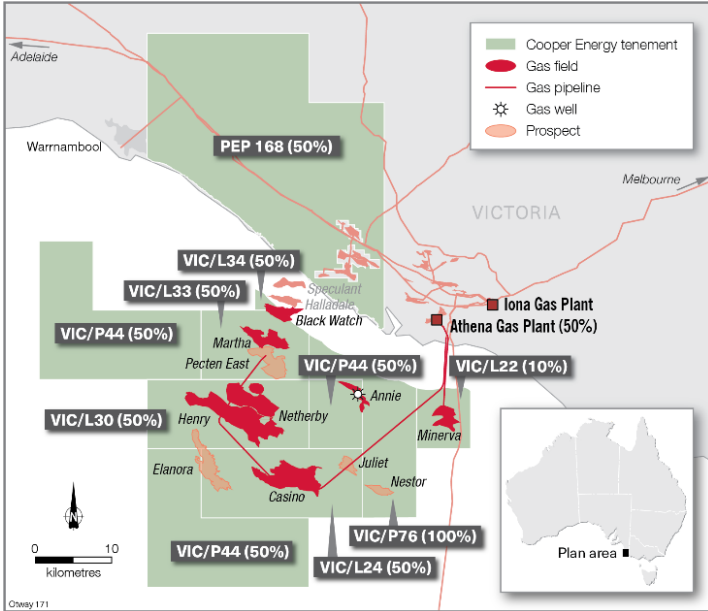
Executive leadership changes

Mr Daniel Young commenced in the role of Chief Financial Officer on 2 May 2022.

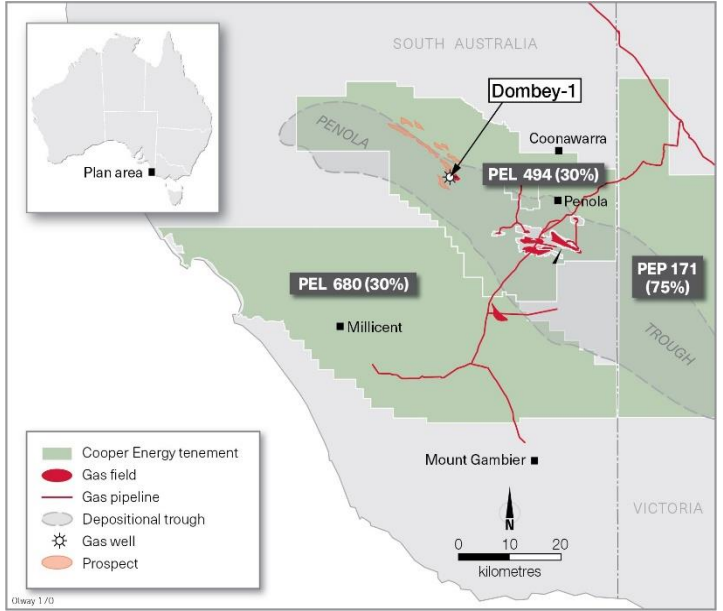
Cooper Energy tenements

Please refer to Cooper Energy's 2021 [Annual Report](#) for further information regarding tenement interests. The Gippsland Basin map has been updated since the Annual Report to include permit VIC/P80.

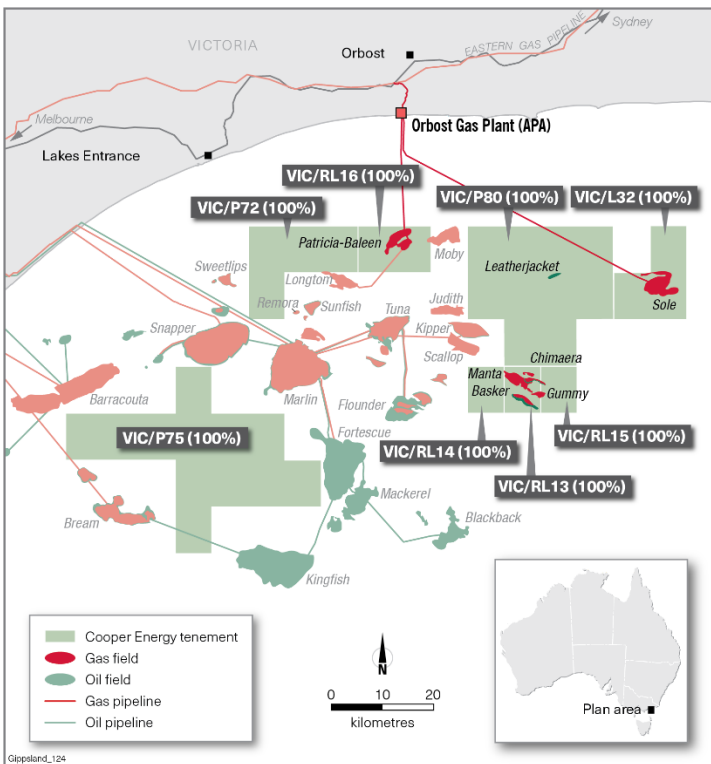
Otway Basin (Victoria):



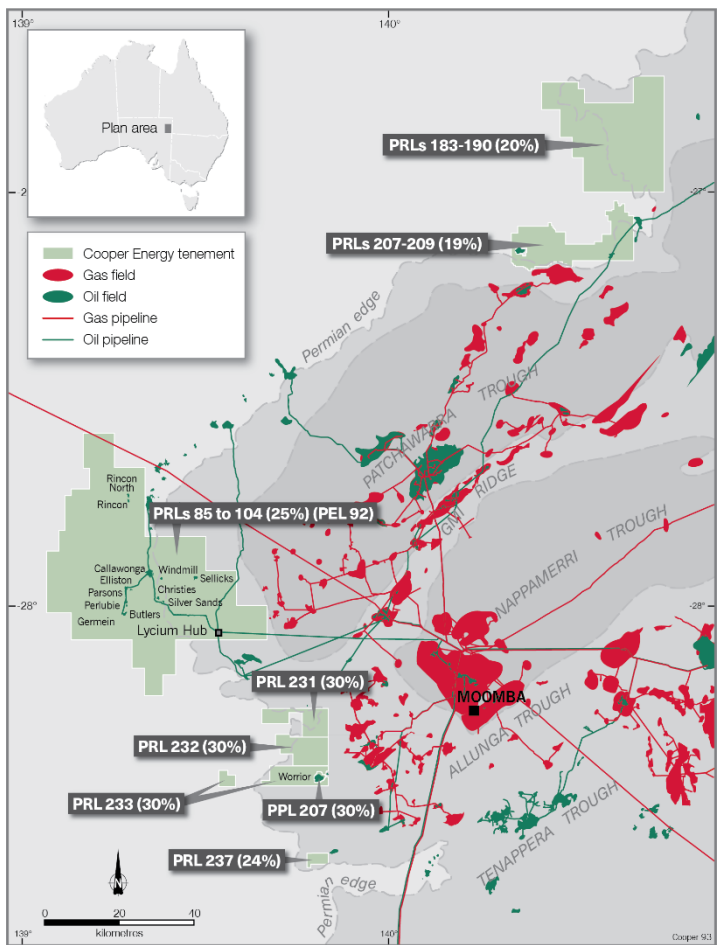
Otway Basin (onshore):



Gippsland Basin:



Cooper Basin:



Terms, abbreviations and conversion factors

Terms and abbreviations

\$	Australian dollars
APA	APA Group (ASX: APA)
bbbl	Barrels
Bcf	Billion cubic feet of gas
bopd	Barrels of oil per day
BMG	Basker, Manta and Gummy fields
CHN	Casino, Henry and Netherby fields
Cooper Energy	Cooper Energy Limited ABN 93 096 170 295
FEED	Front End Engineering and Design
FID	Final Investment Decision
GSA	Gas Sales Agreement
kbbl	Thousand barrels
km	Kilometres
m	Metres
MMboe	Million barrels of oil equivalent
MMscf/day	Million standard cubic feet of gas per day
n/m	Not meaningful
NOPTA	National Offshore Petroleum Titles Administrator
OP3D	Otway Phase 3 Development
PEL	Petroleum Exploration Licence
PEP	Petroleum Exploration Permit
PJ	Petajoules
PPL	Petroleum Production Licence
PRL	Petroleum Retention Lease
scf	Standard cubic feet of gas
Tcf	Trillion cubic feet of gas
TJ	Terajoules
YTD	Year to date

Conversion factors

Gas	1 PJ	= 0.163 MMboe
Oil	1 bbl	= 1 boe
Condensate	1 bbl	= 0.935 boe

Disclaimer

This report contains forward looking statements, including statements of current intention, statements of opinion and expectations regarding Cooper Energy's present and future operations, possible future events and future financial prospects. Such statements are not statements of fact and may be affected by a range of variables which could cause Cooper Energy's actual results, performance or trends to materially differ from the results or performance expressed or implied by such statements. There can be no certainty of outcome in relation to the matters to which the statements relate, and the outcomes are not all within the control of Cooper Energy.

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Numbers in this report have been rounded. As a result, some figures may differ insignificantly due to rounding and totals reported may differ insignificantly from arithmetic addition of the rounded numbers.