Q4 FY20

Quarterly Report for 3 months to 30 June 2020

23 July 2020

Key features:

- **Quarterly production:** up 118% to 0.61 million boe vs prior quarter's 0.28 million boe
- **Quarterly revenue:** up 61% to $24.1 million from $15.0 million in prior quarter
- **Full year production:** up 19% to 1.56 million boe from 1.31 million boe
- **Full year sales revenue:** up 3% to $78.1 million from $75.5 million
- **Sole:** production rate increased to 40 – 45TJ/ day at quarter's-end
- **FY21 full year production guidance:** substantial increase on FY20 anticipated

Managing Director's comments

"The quarter's revenue and production results are the highest the company has recorded. A 61% increase in gas revenue, despite the Orbost Gas Processing Plant's variable processing rates and 21 days offline, gives the first indication of the uplift Sole will deliver to Cooper Energy.

"However, our response is tempered by the fact supply from Sole is lower, and later, than it should be because the plant upgrade is later than planned and commissioning is incomplete.

"We are appreciative of the re-affirmation shown by our customers, shareholders and financiers of Sole's value as a new source of gas supply for south-east Australia. We are keenly looking forward to further improvements in Sole output through ongoing optimisation of operations at Orbost and other work APA is conducting to take the plant to its nameplate capacity.

"The timing of this will largely determine how large our growth in production, revenue and cash generation proves to be this year."

Key measures

$ million unless indicated	**June Qtr**	Prior Qtr Mar 20	Qtr on Qtr change %	**FY20 Full year**	FY19 Full year	YTD change %
Safety: Lost Time Injuries	**0**	0	-	**1**	0	*n/m*
TRCFR[1]	**3.53**	2.67	*n/m*	**3.53**	0.0	*n/m*
Production MMboe	**0.61**	0.28	*118%*	**1.56**	1.31	*19%*
Sales revenue	**24.1**	15.0	*61%*	**78.1**	75.5	*3%*
Capital expenditure (cash)	**35.0**	8.5	*312%*	**93.0**	207.6	*- 55%*
Cash	**131.2**	143.3	*-8%*	**131.2**	164.3	*-20%*
Net debt[2]	**98.2**	83.6	*17%*	**98.2**	53.9	*82%*

Further comment and information:

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[1] Total Recordable Case Frequency Rate
[2] Excluding capitalised transaction costs

This quarterly report approved and authorised by
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Financial

Sales

Sales revenue for the three months to 30 June 2020 (the June quarter) was $24.1 million, 61% higher than the prior quarter's $15.0 million. The increase is principally due to higher gas sales brought by the first full quarter's supply from the Sole gas field which commenced production in March 2020.

Total gas revenue for the quarter of $21.5 million was 61% higher than the March quarter comparative of $13.3 million.

Oil revenue for the quarter was $2.6 million, which includes favorable movement in fair value of receivables at 30 June 2020. Prior quarter oil revenue was $1.6 million. Crude oil sales volumes of 41.0 kbbl were 13% lower than the prior quarter's 47.1 kbbl.

Exclusive of the fair value adjustment the company realised an oil price of A$48.71/bbl compared with A$101.30/bbl in the March quarter. Direct operating costs for oil production during the quarter were A$34.17/bbl.

Full year sales revenue of $78.1 million was 3% higher than the FY20 comparative of $75.5 million. Increased gas sales are responsible for the increase. Revenue from the sale of gas for the year was $63.6 million, 22% higher than the FY19 comparative of $52.3 million. Revenue from crude oil sales of $14.5 million was 38% lower than the previous year due to lower volumes and prices.

Commodity hedging

No oil price hedging was in place as at 30 June 2020.

Cash and borrowings

Cash at 30 June 2020 was $131.2 million, compared with $143.3 million at the beginning of the quarter. The movement in cash was recorded after cash capital expenditure of $35.0 million.

Borrowings increased from $226.9 million to $229.4 million. Net debt of $98.2 million at 30 June compares to $83.6 million at the beginning of the quarter and $53.9 million at 30 June 2019.

Capital expenditure

Incurred capital expenditure

	June quarter FY20			Full year FY20		
$ million	Exploration	Development	Total	Exploration	Development	Total
Gippsland Basin	1.6	-8.9	-7.3	5.3	12.4	17.7
Otway Basin	1.0	2.8	3.8	29.8	5.7	35.5
Cooper Basin	1.3	0.5	1.8	6.5	3.9	10.4
Other	-	2.3	2.3	-	12.6	12.6
Total	3.9	-3.3	0.6	41.6	34.6	76.2

Capital expenditure incurred during the period totaled $0.6 million after inclusion of credits of $7.4 million associated with the commercial close of contracts for the Sole Gas Project.

The offshore project element of the Sole Gas Project conducted by Cooper Energy incurred capital expenditure of $335 million compared to the budget of $355 million.

Cash capital expenditure

	June quarter FY20			Full year FY20		
$ million	Exploration	Development	Total	Exploration	Development	Total
Gippsland Basin	1.3	18.3	19.6	3.0	34.2	37.2
Otway Basin	3.0	7.7	10.7	27.9	11.7	39.6
Cooper Basin	1.5	0.8	2.3	5.5	4.0	9.5
Other	-	2.4	2.4	-	6.7	6.7
Total	5.8	29.2	35.0	36.4	56.6	93.0

The principal elements of cash capital expenditure of $35.0 million for the period included:

- Gippsland Basin development expenditure of $18.3 million relating to final cash settlement of offshore Sole project costs.
- Otway Basin expenditure totalling $7.7 million principally being expenditure on the Concept Select phase for the OP3D[3] project and the Athena gas project.
- Other expenditure of $2.4 million largely relating to the development and extension of business management systems.

[3] Otway Phase-3 Development

Quarterly financial statistics

Refer notes below for information on calculations		Jun qtr 20	Prior qtr Mar 20	PCP qtr Jun 19	Change on prior qtr %	Change on PCP %	FY20	FY19	YTD change %
Sales									
Sales revenue	$ million	**24.1**	15.0	18.7	*61%*	*29%*	**78.1**	75.5	*3%*
Sales volume	Gas PJ	**3.5**	1.4	1.6	*150%*	*119%*	**8.3**	6.5	*28%*
	Oil kbbl	**41.0**	47.1	54.5	*-13%*	*-25%*	**186.0**	231.6	*-20%*
	Condensate kbbl	**0.6**	0.6	1.2	*0%*	*-50%*	**3.5**	4.7	*-26%*
Oil direct operating cost	AUD/bbl	**34.17**	36.43	35.38	*-6%*	*-3%*	**35.17**	36.45	*-4%*
Capital Expenditure (incurred)									
Exploration & appraisal	$ million	**3.9**	4.9	5.9	*-20%*	*-34%*	**41.6**	14.2	*193%*
Development & fixed assets	$ million	**-3.3**	6.8	41.4	*-149%*	*-108%*	**34.6**	189.4	*-82%*
Total incurred capital expenditure	$ million	**0.6**	11.7	47.3	*-95%*	*-99%*	**76.2**	203.6	*-63%*
Capital Expenditure (cash)	$ million	**35.0**	8.5	38.4	*312%*	*-9%*	**93.0**	207.6	*-55%*
Cash									
Cash and term deposits	$ million	**131.2**	143.3	164.3	*-8%*	*-20%*	**131.2**	164.3	*-20%*
Investments	$ million	**0.6**	0.5	1.3	*20%*	*-54%*	**0.6**	1.3	*-54%*
Total financial assets	$ million	**131.8**	143.8	165.6	*-8%*	*-20%*	**131.8**	165.6	*-20%*
Total drawn debt	$ million	**229.4**	226.9	218.2	*1%*	*5%*	**229.4**	218.2	*5%*
Net debt	$ million	**98.2**	83.6	53.9	*17%*	*82%*	**98.2**	53.9	*82%*
Issued Capital									
Issued shares	million	**1,626.6**	1,626.6	1,621.6	*0%*	*0%*	**1,626.6**	1,621.6	*0%*
Performance Rights	million	**17.9**	17.9	16.0	*0%*	*12%*	**17.9**	16.0	*12%*
Share Appreciation Rights	million	**48.3**	48.3	39.8	*0%*	*21%*	**48.3**	39.8	*21%*

Notes:

- Sales figures for most recent quarter are preliminary
- Sales revenue includes impacts from provisional pricing. Under the accounting standard AASB 15 *Revenue from Contracts with Customers* which was adopted by the company on 1 July 2018, movements in provisional pricing will be disclosed separately in the financial report
- Prior periods have been updated for final reconciled figures
- Direct operating costs include production, transport and royalties
- Investments shown at fair value at the reporting date shown
- Drawn debt excludes capitalised transaction costs

Commercial

The company supplied gas under term contracts and spot sales during the quarter. Gas from the Otway Basin was sold under a 12-month contract with AGL Energy that concludes on 31 December 2020. Gas produced from Sole was sold to utility customers under contract at spot prices. Supply from Sole to term gas supply agreements will commence after commissioning of the Orbost Gas Processing Plant establishes capability for significant stable firm supply. The progress of the plant commissioning is discussed further in the Operations Review commencing page 6. Marketing of the company's uncontracted equity share of gas supply from Casino Henry from January 2021 is underway with a view to conclusion prior to calendar year-end.

Production

Total production for the period of 0.61 million was 118% above the 0.28 million boe of the prior quarter and the highest quarterly result yet recorded by Cooper Energy. The increase is due to the first full quarter contribution from the Sole gas field which commenced production in March 2020.

Total gas production for the quarter was 3.49 PJ compared with 1.41 PJ in the March quarter. Crude oil and condensate production for the quarter of 42.59 kbbl was 15% lower than the prior quarter's 50.14 kbbl.

Full year production totaled 1.56 million boe up 19% on the FY19 production of 1.31 million boe. The increase is due to a 27% rise in gas output.

Cooper Energy share of production for 3 months to 30 June 2020 and full year

By product		Jun qtr 20	Prior qtr Mar 20	PCP qtr Jun 19	Change prior qtr	*Change PCP qtr*	FY20	FY19	Change YOY %
Sales gas	PJ	**3.49**	**1.41**	1.63	*147%*	*114%*	**8.32**	6.55	*27%*
Crude oil & condensate	kbbl	**42.59**	**50.14**	57.19	*-15%*	*-26%*	**196.20**	242.52	*-19%*
Total	MMboe	**0.61**	**0.28**	0.32	*118%*	*90%*	**1.56**	1.31	*19%*

By basin & project		Jun qtr 20	Prior qtr Mar 20	PCP qtr Jun 19	Change prior qtr	*Change on PCP*	FY20	FY19	Change YOY %
Gippsland Basin									
Sole									
Sales gas	PJ	**2.01**	0.09	-	*2,133%*	-	**2.10**	-	-
Otway Basin									
Casino Henry									
Sales gas	PJ	**1.48**	1.32	1.37	*12%*	*8%*	**5.89**	5.52	*7%*
Condensate	kbbl	**0.56**	0.64	0.44	*-13%*	*27%*	**2.76**	1.73	*59%*
Minerva									
Sales gas	PJ	**-**	-	0.26	-	*-100%*	**0.32**	1.03	*-69%*
Condensate	kbbl	**-**	-	0.73	-	*-100%*	**0.76**	2.96	*-74%*
Cooper Basin									
Crude oil	kbbl	**42.02**	49.49	56.03	*-15%*	*-25%*	**192.68**	237.83	*-19%*
Total	**MMboe**	**0.61**	0.28	0.32	*118%*	*90%*	**1.56**	1.31	*18%*

Note: figures rounded. As a result, some totals and percentage changes displayed may not equate with calculation from figures displayed

Operations review

Gippsland Basin

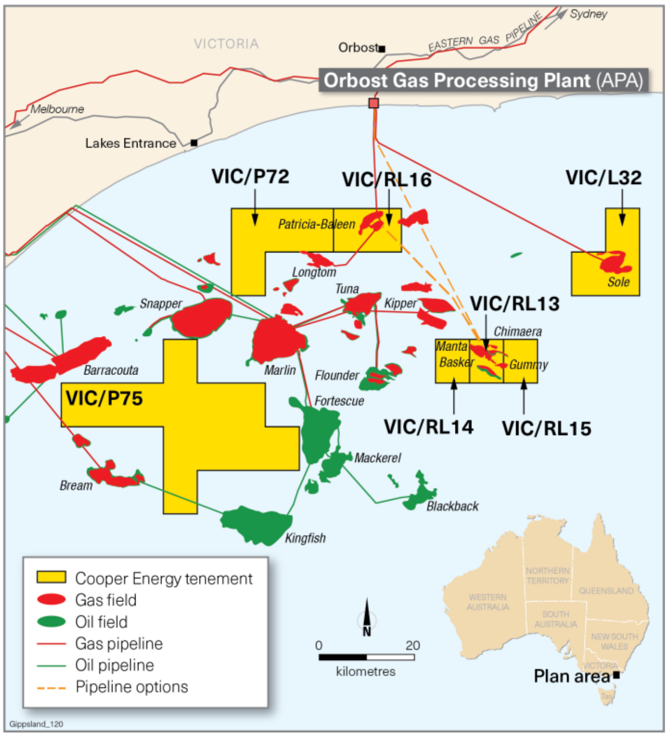
Cooper Energy's interests in the Gippsland Basin include:

1) a 100% interest in, and Operatorship, of production licence VIC/L32, which holds the Sole gas field;

2) a 100% interest and Operatorship of retention leases VIC/RL13, VIC/RL14 and VIC/RL15 which contain the Manta gas and liquids resource;

3) a 100% interest in and Operatorship of retention lease VIC/RL16, which contains the shut-in Patricia-Baleen gas field; and

4) a 100% interest in and Operatorship of exploration permits VIC/P72 and VIC/P75.



Production, Sole Gas Project

Production

Production from the Sole gas field commenced in March 2020 for the purpose of commissioning the raw gas processing facilities at the Orbost Gas Processing Plant. The plant is owned and operated by APA Group ("APA").

Commissioning continued throughout the quarter, averaging daily production of 28.7 TJ from 70 days online. A total of 2.01 PJ was supplied into the Eastern Gas Pipeline from Sole in the 3 months to 30 June.

Completion of commissioning requires plant performance satisfying the commercial agreement between the parties, which includes demonstrated capacity to sustain gas supply of 68 TJ/day. This has not been achieved to date, with the maximum daily production recorded being 53.5 TJ. As advised to the ASX during the quarter foaming in the absorber section of the plant has impaired output rates and been accompanied by fouling which required two shutdowns for maintenance.

Plant performance has progressively improved through optimisation of operations and minor plant modifications by APA. Average daily production rose from 22.3 TJ prior to the first shutdown in May to steady state production of approximately 45 TJ/day at quarter's end.

Post-quarter performance, ongoing commissioning and commencement of firm sales

Daily production from Sole has ranged between 31 TJ and 48 TJ in the period from 1 July to 19 July, with an average of 43 TJ. Lower rates have been targeted in the week commencing 20 July for plant analysis purposes.

APA and Cooper Energy are working collaboratively to improve plant performance to that required for the completion of commissioning. APA is considering further incremental improvement through a combination of ongoing optimisation of plant operation and plant reconfiguration.

Technical analysis to identify the cause of the foaming is ongoing. APA has also shared plans for a plant reconfiguration under consideration as a supplementary course of action which may provide broader plant operation and output benefits in addition to greater flexibility for management of foaming and achievement of capacity of 68 TJ/day.

The reconfiguration may involve a change in the arrangement of absorbers in the sulphur recovery unit from a sequential to a parallel configuration. It is expected the work could be conducted within the December quarter 2020 and may require a shutdown of at least 3 weeks. A decision on plant works is expected to be made by APA and Cooper Energy in parallel with the current technical analysis within the current quarter.

Sales gas produced during ongoing commissioning will continue to be sold to utility customers at spot gas prices.

Reservoir and well performance have been consistent with expectations, with both Sole-3 and Sole-4 contributing supply during the period.

Exploration

VIC/P72

VIC/P72 adjoins VIC/RL16 which holds the Patricia-Baleen gas field and its associated subsea production infrastructure connected to the Orbost Gas Processing Plant. The permit is close to several Esso-operated gas and oil fields including Remora, Snapper, Sunfish, Sweetlips and the SGH Energy-operated Longtom gas field.

Prospects identified in VIC/P72 are analogues to offset fields. Geological work to refine a preferred drilling target is ongoing.

VIC/P75

VIC/P75 is located in the central area of the Gippsland Basin surrounded by major oil and gas fields, including the Marlin, Snapper and Barracouta gas fields to the north and the Kingfish and Fortescue oil fields in the south and east respectively. Good quality 3D seismic data covers most of the permit.

Previous exploration within the area has been impaired by significant depth conversion issues related to velocity complexities above reservoir targets. However, recent advances in 3D seismic reprocessing have provided greater clarity for the mapping of subsurface structures. Interpretation has begun of licensed 3D seismic data covering the permit that was reprocessed in 2018.

VIC/P75 was granted to Cooper Energy for a six-year term, the first three years of which entails a guaranteed work program consisting of seismic reprocessing and geological/geophysical studies.

Manta

The Manta gas field is located in retention licences VIC/RL13, VIC/RL14 and VIC/RL15, 35 kilometres from Sole and 58 kilometres from the Orbost Gas Processing Plant. The field is assessed to contain 2C Contingent Resources[4] of 121 PJ of gas and 3.4 million boe of condensate. Prospective Resources[4] are also present at the Manta Deep prospect, with a Best Estimate unrisked prospective resources comprising 526 PJ of gas, 12.9 million barrels of condensate and 1.5 million barrels of oil.

The estimated quantities of petroleum that may be potentially recovered by the application of future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Manta is being considered as a follow-on development to Sole, with its proximity to that field and the Orbost Gas Processing Plant enhancing its development attraction. Provision to access the plant for processing of Manta gas has been incorporated in the agreements executed by APA and Cooper Energy.

An appraisal well, Manta-3, is required prior to a development decision on the field’s Contingent Resources. The well would also present the opportunity to test the Prospective Resource assessed in deeper reservoirs.

It is considered this well is optimally timed by inclusion in the offshore drilling campaign, being planned to commence in the latter half of calendar 2022, subject to rig availability.

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[4] Cooper Energy announced its assessment of the Manta Contingent Resource to the ASX on 12 August 2019. Prospective Resource for the field was announced to the ASX on 4 May 2016. Cooper Energy is not aware of any new information or data that materially affects the information provided in that release and all material assumptions and technical parameters underpinning the assessment provided in the announcement continues to apply. Refer notes at the back of this report for information on calculation.

Otway Basin

Offshore

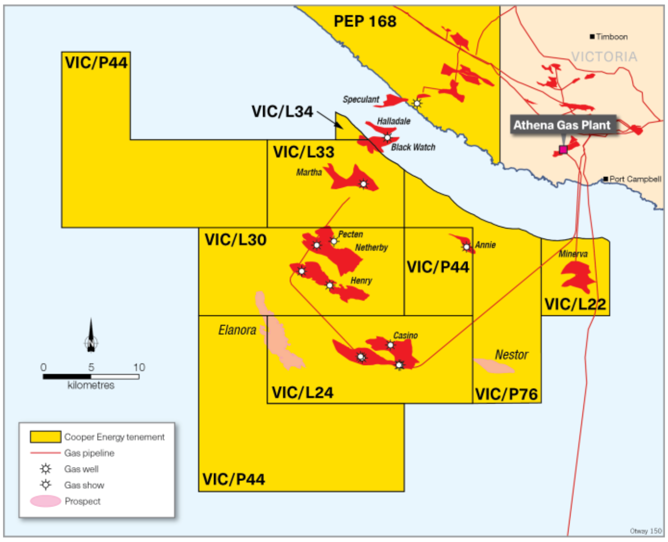
The company's interests in the Otway Basin offshore Victoria include:

a) a 50% interest in, and Operatorship of, the producing Casino Henry Netherby ("Casino Henry") Joint Venture (VIC/L24 and VIC/L30). Mitsui E&P Australia and its associated entities ("Mitsui") hold the remaining 50% interest;

b) a 50% interest in, and Operatorship, of production licences VIC/L33 and VIC/L34 which contain part of the Black Watch gas field. Mitsui holds the remaining 50% interest;

c) a 50% interest in, and Operatorship of, the VIC/P44 exploration permit. Mitsui holds the remaining 50% interest;

d) a 100% interest in the exploration permit VIC/P76;



e) a 50% interest in, and Operatorship of, the Athena Gas Plant (previously known as the Minerva Gas Plant) located onshore Victoria. Mitsui holds the remaining 50% interest; and

f) a 10% interest in the Minerva gas field (VIC/L22) which ceased production on 3 September. BHP Petroleum is the Operator and holder of a 90% interest.

Production

Production from Casino Henry increased during the quarter. Gas production of 1.48 PJ was 12% higher than the prior quarter's 1.32 PJ, which was affected by a one-week maintenance shutdown of the Iona gas plant. Casino Henry also contributed 0.56 kbbl of condensate to June quarter production compared with 0.64 kbbl in the previous quarter.

Full year production from Casino Henry of 5.89 PJ was 7% higher than the FY19 comparative of 5.52 PJ. These fields have accounted for all of the company's Otway Basin production since the depletion and shut-in of the Minerva gas field in September 2019. Total production from the Otway Basin in FY20 was 6.21 PJ, down from 6.55 PJ in the preceding year which benefited from a full year's contribution from Minerva.

Exploration

VIC/P76

VICP/76 borders the VIC/P44 and VIC/L24 licenses which contain the Annie discovery and producing Casino Henry gas fields. Nestor, the primary prospect in the block, is considered to be similar to the Annie gas discovery. Nestor is located 9 km east of the Casino gas field and close to existing subsea infrastructure (refer map above), including the Casino Henry gas pipeline which traverses VIC/P76. The southeastern tip of the Annie field is within VIC/P76.

Seismic mapping has been completed using the existing 3D seismic data which covers the permit. Planning for reprocessing of the seismic data has begun.

Development

Cooper Energy and its joint venture partner Mitsui are undertaking development projects to promote the supply of gas from the Otway Basin to gas consumers in south-east Australia through:

- establishment of a low-cost gas processing hub using the Athena Gas Plant to process gas from Casino Henry and discoveries in the region such as Annie; and
- Otway Phase 3 Development (OP3D) of undeveloped gas in the Annie and Henry gas fields.

Athena Gas Processing Plant Project

The Athena Gas Processing Project involves minor modification to the gas plant, connection of onshore pipelines and connection of the Casino Henry control system to the Athena Gas Plant control room and associated regulatory approvals.

Benefits anticipated from the project include lower processing costs, improved gas recovery enabled by lower inlet pressure and the capability to offer customers uninterruptable supply. The Athena Gas Plant has a processing capacity of up to 150 TJ/day and capability for processing of liquid hydrocarbons.

As advised to the ASX earlier this month, FID was taken on the project in July 2020. The plant modification and connection are expected to involve gross capital expenditure by Cooper Energy and Mitsui of $37 million. Expenditure to date on acquisition, detailed engineering and design has amounted to a gross $17 million. First gas through the plant is expected in the September quarter 2021, with this schedule incorporating allowance for the impact of COVID-19 as presently understood. It is possible further delays to this schedule may be imposed by restrictions and supply chain disruptions.

Otway Phase-3 Development: Henry development well and Annie gas discovery

The Otway Phase 3 Development Project (OP3D) involves development of the Annie gas field and infill drilling of the Henry gas field to enable production of over 100 PJ of gas via the Athena Gas Plant. OP3D is currently in the Concept Select phase. The project is scheduled to complete this phase in the first half of FY21 for a FID in the June quarter 2021.

Development drilling required for OP3D could be incorporated into a broader drilling rig program being planned to commence in the latter half of 2022, enabling first gas in 2023.

Onshore

Cooper Energy's interests in the onshore Otway Basin include licences in South Australia and permits in Victoria.

The company's interest in the region include:

1) 30% interests in PEL 494, PRL 32, and PELA 680, South Australia. The latter permit was awarded during the quarter and is discussed below. Beach Energy is the Operator and holds the remaining interest in these licences;
2) 50% interests in Bridgeport Energy-operated PEP 150 and Beach Energy-operated PEP 168 in Victoria; and
3) a 75% interest in PEP 171 in Victoria which may reduce by up to a further 25% on fulfilment of farm-in arrangements executed with Vintage Energy.

Activity during the quarter focused on PEL 494, which contains the Dombey-1DW1 gas discovery in the Penola Trough, announced October 2019. Evaluation of the well's results are ongoing and better subsurface definition is required than afforded by the current 2D seismic dataset. Planning for the acquisition of 3D seismic is continuing, with the expectation it will be conducted in 2021.

During the quarter, the Victorian state government passed the Petroleum Legislation Amendment Act 2020. The Act extends the current moratorium until 30 June 2021, at which point conventional gas exploration in onshore Victoria can resume. All onshore permits remain in suspension until that time.

PELA 680

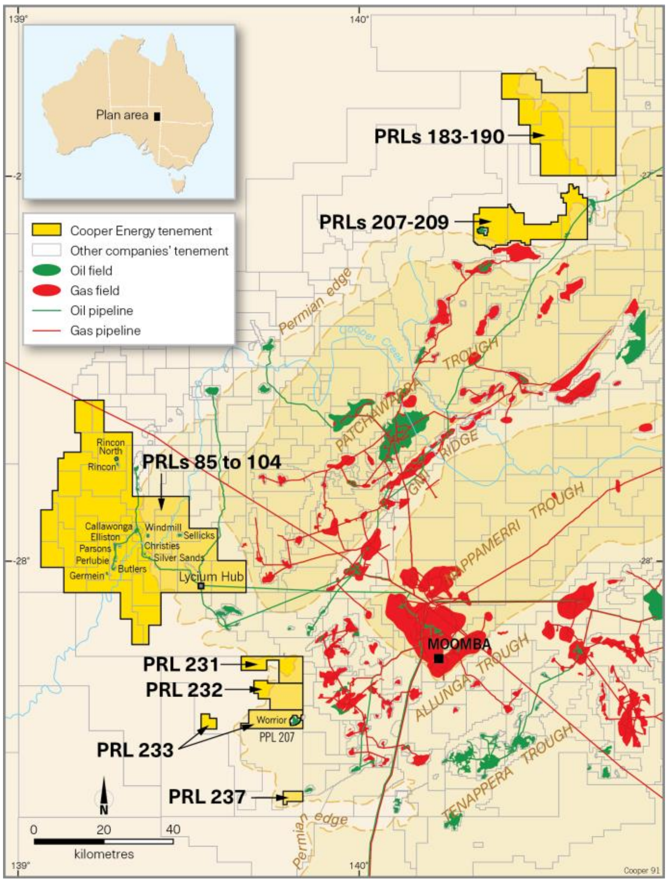
On 30 June 2020 Cooper Energy was notified its joint bid with Beach Energy for PELA 680 was successful. The permit is located south of the Penola Trough gas fields, including the Dombey gas discovery in the adjoining PEL 494. PELA 680 comprises approximately 1,923 km^2 with limited 2D seismic coverage and well tests of the Pretty Hill formation, the main gas-bearing reservoir of the Penola Trough gas fields. A number of promising structures have been identified within PELA 680 that will require additional work to mature.

The permit has a 5-year term, including a guaranteed work program of geological and geophysical studies and seismic reprocessing in the first 4 years. Following the formal award of the permit, the joint venture structure will be Cooper Energy (30% interest) and Beach Energy (70% interest and Operator).

Cooper Basin

The company's Cooper Basin interests during the quarter comprised:

1) a 25% interest in the oil producing PEL 92 Joint Venture which holds the PRLs 85-104 on the western flank of the Cooper Basin and production licences within this region. Beach Energy is the Operator and holds the balance of interests in the joint venture, which accounted for approximately 95% of the company's oil production for the quarter;
2) a 30% interest in the Senex Energy operated oil producing PPL 207 ('Worrior') Joint Venture and PRL's 231, 232, 233 and 237 on the western flank of the Cooper Basin; and
3) interests in northern Cooper Basin exploration licences PRLs 183 - 190 and PRLs 207 – 209, which are operated by Senex Energy.



Production

Cooper Energy's share of oil production from its Cooper Basin tenements for the June quarter was 42.02 kbbl (average 462 bopd) compared with 49.2 kbbl (average 541 bopd) in the previous quarter.

Production from Cooper Energy's interest in the PEL 92 Joint Venture in the June quarter accounted for 40.1 kbbl of oil representing an average daily rate of 440 bopd. In comparison, production from PEL 92 averaged 522 bopd in the previous quarter. Production from the PPL 207 Joint Venture (Worrior oil field) accounted for the balance of the company's Cooper Basin production. Cooper Energy's share of PPL 207 June quarter production was 1.95 kbbl compared with 1.99 kbbl in the previous quarter.

Exploration and Appraisal

No drilling occurred in PEL 92 during the quarter.

Post-appraisal drilling reviews of Callawonga, Butlers, Parsons and Rincon field completed. Assessments of future development opportunities to increase field production are being undertaken.

There was no significant activity in PRLs 231, 232 and 233 (formerly PEL 93), PRLs 183 - 190 (formerly PEL 110) and PRLs 207 – 209 (formerly PEL 100). All these permits are currently in Suspension.

FY21 outlook

Production

Total production in FY21 is expected to increase significantly on the FY20 comparative of 1.56 MMboe due to a full year contribution from Sole.

The extent of this increase will depend upon the timing and rate of production escalation achieved at APA's Orbost Gas Processing Plant. As this, and future potential shutdown requirements, are presently unknown, guidance on Sole production for FY21 is not yet possible.

As an indication, Cooper Energy's total production in FY20 from all operations averaged 4.3 kboe/day, which compares to production of approximately 6.5 to 7 kboe/day from Sole alone at the rate of approximately 40 - 45 TJ/day maintained by the plant in the opening of July 2020.

Achievement of plant nameplate capacity represents an increment to these rates of 23 TJ to 28 TJ/day, or another 3.7 to 4.5 kboe/day. This goal is being pursued by the ongoing optimisation of operations and plant reconfiguration being planned by APA for the December quarter. Ongoing technical analysis on the cause of the foaming within the plant (discussed on page 6) may also identify avenues for improvement of plant performance.

Cooper Energy expects to issue further advice on Sole production performance and outlook as milestones and events occur. The company also notes that daily production performance of the Orbost Gas Processing Plant can be monitored via the AEMO website at https://aemo.com.au/energy-systems/gas/gas-bulletin-board-gbb/data-portal.

Expectations for other regions include:

- gas production of approximately 4.5 PJ (approximately 12 TJ or 2.1 kboe/day) from the Casino Henry gas operations. Production from these fields will be interrupted during the year for maintenance shutdowns at the Iona Processing Plant and for connection to the Athena Gas Plant; and
- crude oil production of approximately 180,000 barrels (0.2 MMboe) from the Cooper Basin. Lower production is attributable to natural decline. Development drilling of 2 wells is planned for FY21 to support production rates in FY22.

Capital Expenditure outlook

Incurred capital expenditure of an indicative $50-58 million is anticipated. Cash capital expenditure for the year will differ from incurred capital expenditure due to the timing of payments.

Indicative forecast incurred capital expenditure by region is summarised below.

Indicative $ million	Exploration	Development	**Total**	
Otway Basin	~3	30-35	**33-38**	• Athena Gas Project • OP3D Select process • Exploration well planning
Gippsland Basin	~4	>1	**4-5**	• Manta-3 planning to Select • VIC/P72 & VIC/P75 studies
Cooper Basin	~1	~5	**6-8**	• 2 development wells
Other non-classified			**7-8**	
Total	7-9	36-41	**50-58**	

Terms and abbreviations

Cooper Energy reports uses terms and abbreviations common to the petroleum industry and the financial sector. Such terms that may be used in this report include:

2C:	Best Estimate, contingent resources
2D, 3D:	two dimensional, three dimensional (with respect to seismic surveys)
2P:	proved and probable reserves
bbl:	barrels
Bcf:	Billion cubic feet (of gas)
bfpd:	barrels of fluid per day
bopd:	barrels of oil per day
Casino Henry:	Casino Henry Netherby
the company:	Cooper Energy Limited and/or its subsidiaries
Cooper Energy:	Cooper Energy Limited and/or its subsidiaries
FEED:	Front End Engineering and Design
FID:	Final Investment Decision
Financial year:	12 months ending 30 June
JV:	Joint Venture
kbbl:	thousand barrels
km:	kilometres
m:	metres
MM:	million
MMboe:	Million barrels of oil equivalent
MMscf/day:	Million standard cubic feet per day
MDRT:	measured depth rotary table
n/m:	not meaningful
pcp:	prior corresponding period
PEL:	Petroleum Exploration Licence
PEP:	Petroleum Exploration Permit
PJ:	petajoules
PRL:	Petroleum Retention Licence
PPL:	Petroleum Production Licence
the quarter:	three months ended 31 June 2020
SPE PRMS:	Society of Petroleum Engineers Petroleum Resources Management System 2007
spudding:	the commencement of drilling a petroleum well
TJ:	Terajoules
TRCFR:	Total recordable case frequency rate

Conversion factors

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

Disclaimer and explanatory notes

Disclaimer: important information about this report

This report was prepared with due care and attention and the information therein is current at the date of the report. The information in this report:

- is not an offer or recommendation to purchase or subscribe for shares in Cooper Energy Limited or to retain or sell any shares that are currently held; and
- does not take into account the individual's investment objectives or the financial situation of investors.

Actual results may materially vary from any forecasts (where applicable). Before making or varying any investment in shares of Cooper Energy, all investors should consider the appropriateness of that investment in light of their individual investment objectives and financial situation and should seek their own independent professional advice.

Hydrocarbon Reporting Standard

Cooper Energy reports hydrocarbons in accordance with the SPE PRMS.

Calculation of reserves and resources

Cooper Energy has completed its own estimation of reserves and resources based on:

- in respect of licences operated by Cooper Energy, its own information; and
- in respect of licences operated by third parties, information provided by the permit Operators Beach Energy Ltd, Senex Ltd, and BHP Billiton Petroleum (Victoria) P/L (or their relevant subsidiaries) as applicable,

in accordance with the definitions and guidelines in the SPE PRMS.

Petroleum reserves and contingent resources are typically prepared by deterministic methods with support from probabilistic methods. The resources estimate methodologies incorporate a range of uncertainty relating to each of the key reservoir input parameters to predict the likely range of outcomes. Project and field totals are aggregated by arithmetic summation by category. Aggregated 1P and 1C estimates may be conservative, and aggregated 3P and 3C estimates may be optimistic due to the effects of arithmetic summation.

Reserves

Under the SPE PRMS, reserves are those petroleum volumes that are anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions.

The assessment includes Reserves in the Gippsland, Otway and Cooper Basins. Reserves were announced to the ASX on 12 August 2019. Cooper Energy is not aware of any new information or data that materially affects the information provided in that release and all material assumptions and technical parameters underpinning the assessment provided in the announcement continues to apply.

The Otway Basin totals comprise the arithmetically aggregated project fields. The Cooper Basin totals comprise the arithmetically aggregated PEL 92 project fields and the arithmetic summation of the Worrior project Reserves. The Gippsland Basin total comprises Reserves in Sole field only. All Reserves exclude Cooper Energy's share of future fuel usage.

Contingent Resources

Under the SPE PRMS, contingent resources are those petroleum volumes that are estimated, as of a given date, to be potentially recoverable from known accumulations but for which the applied projects are not considered mature enough for commercial development due to one or more contingencies.

The assessment includes Contingent Resources in the Gippsland, Otway and Cooper Basins. Cooper Energy announced its assessment of Contingent Resources to the ASX on 12 August 2019. A Contingent Resource announcement for the Annie gas field was made on 24 February 2020. Cooper Energy is not aware of any new information or data that materially affects the information provided in either release and all material assumptions and technical parameters underpinning the assessments provided in the announcements continues to apply.

Rounding

Numbers in this presentation have been rounded. As a result, some total figures may differ insignificantly from totals obtained from arithmetic addition of the rounded numbers presented.