

21 October 2015

### Key features Q1 FY16

- **First quarter production:** 125 kbbl in the 3 months to 30 September, up 5% on previous quarter of 119 kbbl and compared to the pcq of 127 kbbl
- **Revenue of \$7.6 million;** down from \$9.4 million in previous quarter due to lower average oil price of A\$62.74, down 23% on previous quarter and 45% on pcq
- **Gas sales agreement for Sole:** Heads of Agreement signed with O-I Australia
- **Sole Gas Project FEED:** on schedule for completion by June 2016
- **Low cost operations:** direct operating costs of A\$33.16/bbl, reduced from A\$34.04/bbl in June quarter
- **Drilling success in Indonesia:** Bunian-4 successful, identifies additional hydrocarbon bearing zone
- **Financial position:** cash and investments of \$37.9 million at 30 September
- **Finance facilities:** restructured to reserve based lending

### Managing Director's comments

"We continue to show very good progress on the Gippsland gas projects which are expected to add significant reserves and revenue in coming periods. Sole FEED is progressing to schedule and we have announced the first agreement for the sale of gas from the field and advanced negotiations with other buyers. We are on track to securing the necessary sales commitments for a Final Investment Decision on the project around June 2016. In addition, the Manta gas field is already attracting interest from gas buyers.

"The successful Cooper Basin wells Callawonga 10 & 11 were brought on line at the end of the quarter and have lifted output from the region. Our work in Indonesia continues to yield success with Bunian-4 delivering favourable results and production from the KSO up 24% above the record set in the previous quarter.

"Whilst lower oil prices impacted revenue, this was partly offset by hedging gains and our operating costs remain low at A\$33.16 per barrel.

"In the coming months we are looking to secure additional Heads of Agreement for gas supply from Sole, thereby locking away a critical input to the commercialisation of the field."

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Further comment and information:

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**Managing Director**

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**Investor Relations**

## Financial

Sales revenue for the 3 months to 30 September 2015 (the September quarter) was \$7.6 million compared with \$9.4 million in the previous quarter and \$14.2 million in the September quarter 2014.

The lower quarterly revenue is due to lower prices, with the September quarter average oil price of A\$62.74/bbl being 23% lower than the June quarter average of A\$81.75/bbl and 45% lower than the average of A\$114.71/bbl in the previous corresponding period (pcp). The first quarter revenue and average oil price are inclusive of hedging gains of \$0.3 million. There were no hedging gains in the June quarter or pcp.

Direct production costs, including transport and royalties, of A\$33.16/bbl were 3% lower than the previous quarter's comparative of A\$34.04/bbl and effectively unchanged from the pcp (A\$33.08/bbl).

Sales volume for the September quarter rose 5%, in line with higher production. Production for the quarter was 125.2 kbbl, 5% higher than the previous quarter's output of 118.8 kbbls. Year on year production was slightly lower with the September quarter output being 2% lower than the pcp of 127.6 kbbls.

Capital expenditure was \$10.1 million, down from \$11.0 million in the previous quarter with the movement being due to lower exploration activity. Drilling at Bunian and expenditure in relation to the Sole FEED were the major capital expenditure items in the quarter. As previously advised, capital expenditure guidance for FY16 is \$39 million, with the large majority of this expenditure incurred in relation to growth projects in the Gippsland Basin gas fields.

Cash at 30 September of \$36.1 million compares to the quarter's opening balance of \$39.4 million. Total cash and investments available for sale at 30 September was \$37.9 million compared with \$41.3 million at the beginning of the quarter.

All costs and, in particular, general and administration (G&A) costs are being managed closely while maintaining resourcing necessary for delivery of the company's growth projects. On this basis, the company is aiming to reduce current year G&A cash costs below FY15 levels.

### *Hedging*

Cooper Energy uses hedging to protect against downside oil price scenarios and retain partial exposure to higher oil prices. During the quarter the company realised hedging gains of \$0.3 million from its zero cost collar options. The table below summarises the hedging in place as at 30 September 2015:

<b>Hedge arrangements</b> (bbls remaining):	<b>FY16H1</b>	<b>FY16H2</b>	<b>Total</b>
A\$50 put options	62,499	-	62,499
A\$80.00 – 90.57 collar options	30,000	60,000	90,000
<b>Total</b>	<b>92,499</b>	<b>60,000</b>	<b>152,499</b>

### *Bank facilities*

Cooper Energy has completed the restructuring of its bank facilities with Westpac Banking Corporation from corporate to reserve-based lending, strengthening liquidity and financial flexibility. The facilities of \$40 million are secured, committed to 30 June 2018 and comprise \$35 million for general corporate purposes (debt funding) and \$5 million for bank guarantees. Based on reserves as at 30 June 2015, the facilities provide \$21 million in immediately available debt funding and this remains undrawn.

## Quarterly and Year to Date Summary

Description	Units	Quarter Ending			Year to Date		
		30-Sep 2015 <sup>1</sup>	30-Jun 2015 <sup>2</sup>	Change	30-Sep 2015 <sup>1</sup>	30-Sep 2014	Change
<b>Production and Sales</b>							
Oil produced	kbbl	125.2	118.8	5%	125.2	127.6	-2%
Oil sold / delivered for sale	kbbl	121.1	115.0	5%	121.1	123.8	-2%
Sales revenue <sup>4</sup>	\$ million	7.6	9.4	-19%	7.6	14.2	-46%
Average oil price <sup>4</sup>	A\$/bbl	62.74	81.75	-23%	62.74	114.71	-45%
<b>Capital Expenditure</b>							
Exploration and Appraisal	\$ million	6.4	7.8	-18%	6.4	4.0	60%
Development and Fixed Assets	\$ million	3.7	3.2	16%	3.7	2.4	54%
Total Capital Expenditure		10.1	11.0	-8%	10.1	6.4	58%
<b>Financial Assets</b>							
Cash and term deposits	\$ million	36.1	39.4	-8%	36.1	47.0	-23%
Investments <sup>3</sup>	\$ million	1.8	1.9	-5%	1.8	23.9	-92%
Total Financial Assets		37.9	41.3	-8%	37.9	70.9	-47%
<b>Capital</b>							
Issued shares	million	332.1	331.9	0.1%	332.1	329.2	0.9%
Performance Rights	million	17.0	17.3	-2%	17.0	14.7	16%

### Notes:

- (1) Current quarter includes preliminary production figures for PEL 92 and PEL 93 in the Cooper Basin
- (2) Prior periods have been updated for final reconciled production figures
- (3) Investments shown at fair value at the reporting date shown
- (4) Includes realised hedge gains of \$0.3 million for the September quarter and end of period oil price adjustments on oil delivered for sale but not invoiced

## Australia

### Production – Cooper Basin

The Company's share of oil production from its Cooper Basin tenements for the September quarter was 87 kbbl (average 944 bopd) compared to 91 kbbl (average 999 bopd) in the preceding quarter and 113 kbbl in the previous corresponding period.

The Callawonga-10 and Callawonga-11 oil development wells drilled in PPL 220 in the June quarter, were completed, connected and commenced producing in late September. The wells were drilled to accelerate production and to appraise the flanks of the Callawonga Field.

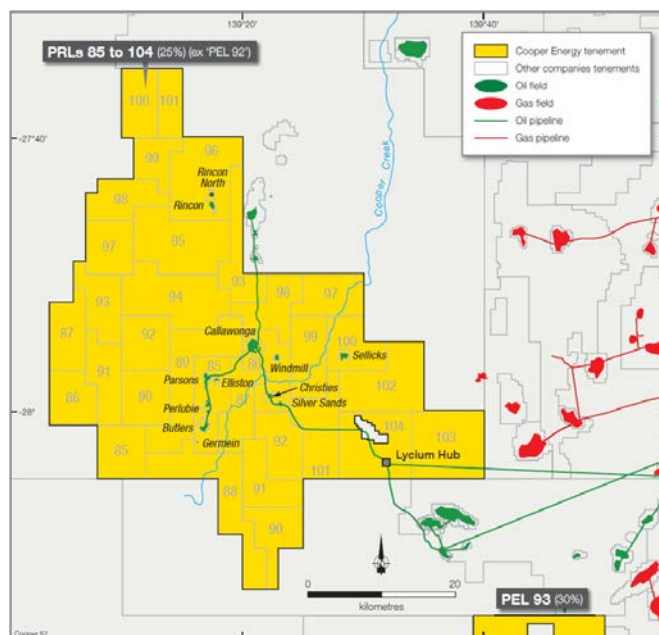
### Exploration and Development – Cooper Basin

In PRLs 85 – 104 (PEL 92 Joint Venture, COE interest 25%), interpretation of the reprocessed Neritus, Modiolus and Calpurnus 3D seismic data is continuing. Interpretation of the seismic data is primarily focused on identifying new exploration prospects at reservoir levels deeper than the Namur Sandstone level, such as the Birkhead, Hutton and Patchawarra formations.

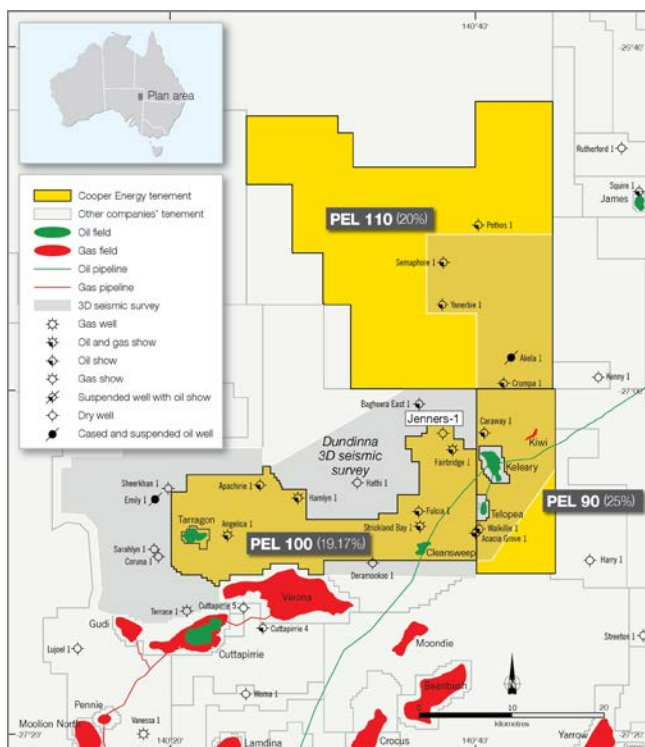
No wells were drilled during the September quarter by the joint venture. It is expected that drilling will recommence in the March quarter when 2-3 development and exploration wells are scheduled to be drilled.

The successful drilling results at Callawonga in the June quarter highlighted further opportunities for development and appraisal drilling. It is expected that at least one additional well will be drilled in the Callawonga field in early 2016. As well as providing the opportunity to accelerate production, the proposed location of this well offers the possibility of reserves additions.

In PPL 207, (COE interest 30%), the extended production test of Worrior-8 is continuing. Analysis of the test data has enhanced understanding of the extent, connectivity, oil production potential and gas content of the Patchawarra Formation.



In PELs 90K, 100 and 110 (COE interest 25%, 19.17% and 20%, respectively) a seismic survey inversion project of 595 km<sup>2</sup> of the Dundinna 3D seismic survey is ongoing. Project completion is scheduled for the December Quarter and the results will assist in defining additional prospectivity in the permits, in particular in the Birkhead Formation that may be targeted by exploration drilling in 2016.

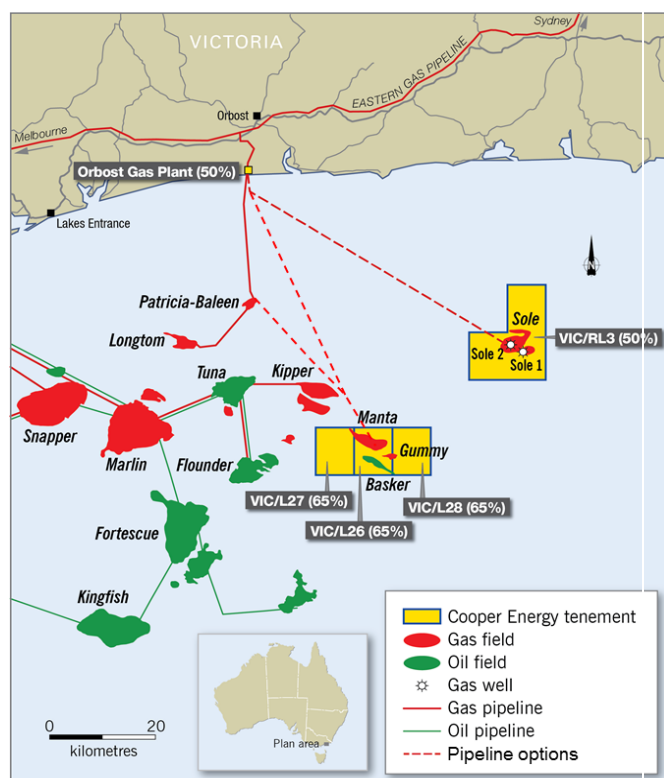


## Gippsland Basin

Cooper Energy's direct interests in the Gippsland Basin comprise:

- a 50% interest in VIC/RL-3 which holds the Sole gas field assessed<sup>1</sup> to contain Contingent Resources (2C)<sup>1</sup> of 211 PJ of sales gas;
- a 65% interest and Operatorship of VIC/L26, /L27 and /L28 "BMG Joint Venture") which contains the Manta gas and liquids resource. As reported in the June 2015 quarterly report, a business case study has confirmed the technical feasibility of a development of the Manta gas field, and that there is an economic opportunity for development of the field. Manta is assessed to contain Contingent Resources (2C)<sup>1</sup> of 106PJ of sales gas and 3.2 million barrels of oil and condensate.
- a 50% interest in the Orbost gas plant, located onshore Victoria. The plant is currently in care and maintenance.

Activities and outcomes in respect of these interests for the quarter are reported below.



<sup>1</sup> Contingent Resources assessed for the Sole and Manta fields were announced to the ASX on 25 May and 16 July 2015 respectively. Cooper Energy is not aware of any new information or data that materially affects the information provided in those releases and all material assumptions and technical parameters underpinning the assessment provided in the announcement continues to apply

### Sole gas project and Orbost gas plant

As previously reported, development of the Sole gas field is the subject of Front End Engineering and Design (FEED) study for a Final Investment Decision (FID) scheduled for the September quarter 2016. The FEED process is proceeding to schedule.

Commitments to purchase gas produced from the Sole field is a critical prerequisite for FID and during the quarter the company announced signing of the first Heads of Agreement concerning supply of gas from Sole. The Heads of Agreement sets out terms for leading glass bottle manufacturer O-I Australia to purchase 1 PJ per annum of gas from Cooper Energy for 8 years or the life of the field. This represents 8% of Cooper Energy's share of the field's anticipated production. Negotiations for additional contracts are in progress with other gas buyers and expected to result in the announcement of further commitments in the coming months.

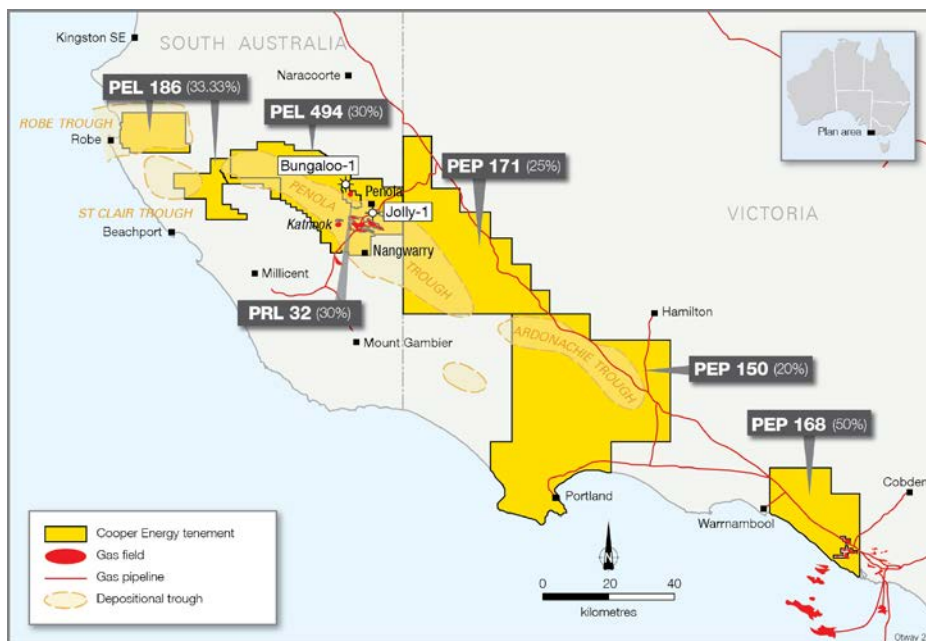
### Manta Gas Project

Having completed the BMG Business Case study and identified the opportunity for an economic development based on developing the Manta field and processing the gas at the Orbost Gas Plant, work is underway to identify the optimum development plan and timeline.

### Otway Basin

Analysis of well and core data obtained from Jolly-1 and Bungaloo-1 in the Penola Trough, onshore Otway Basin, South Australia (Cooper Energy 30%) was ongoing during the quarter. The results of the core analysis are being used to review the potential prospectivity of the deeper Penola Trough.

The consolidation of PELs 494 and 495 into a single licence, denoted as PEL 494, was completed. The combined permit was renewed for a 5 year term commencing March 2015 and accompanied by a compulsory relinquishment of 50% of the combined licence area. The work program obligations of the renewed tenement include a commitment to drill a well in the year commencing March 2016.

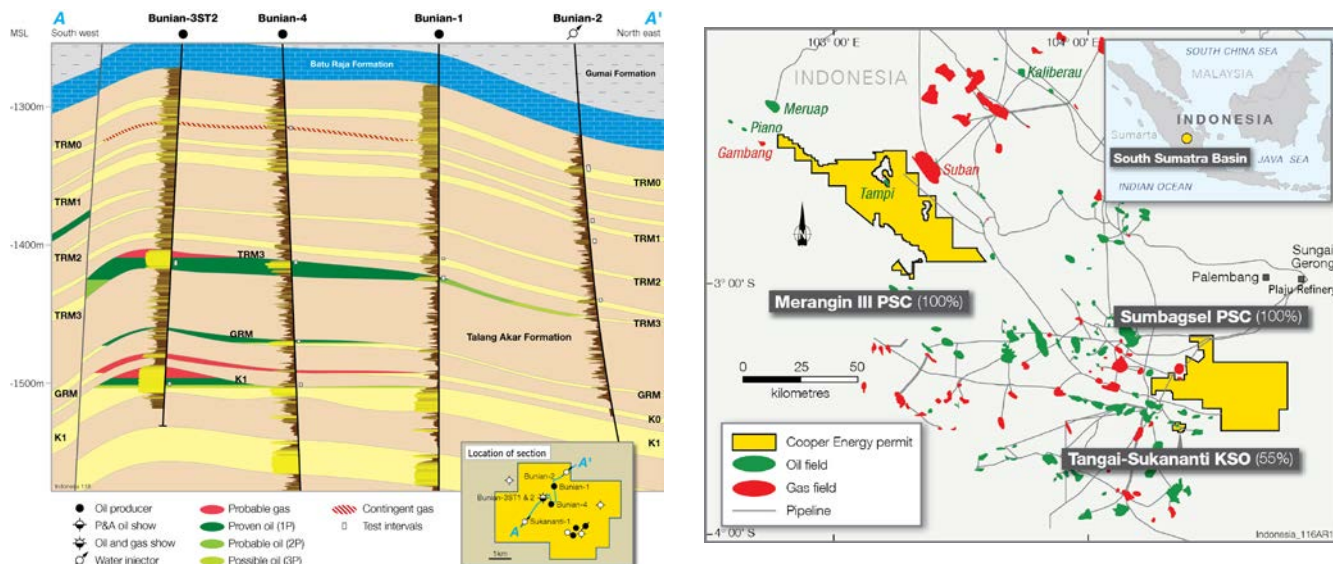


Applications to suspend and extend PEPs 150, 168 and 171 for a further 12 months due to the ongoing moratorium on gas production were submitted to the Victorian regulatory authority and are under review.

## Indonesia

### Production

Cooper Energy's share of oil production from the Tangai-Sukananti KSO (Cooper Energy 55%) during the September quarter was 38.2 kbbl (415 bopd). This represents a new quarterly record for Cooper Energy's tenure and is 24% higher than the previous record achieved in the June quarter 2015.



Bunian-4, an appraisal/development well in the Tangai-Sukananti KSO was completed during the quarter. The results of the well were excellent, with the main target horizons at the TRM3 Sandstone and the K1 Sandstone encountered high to prognosis and a new oil bearing reservoir (the GRM Sandstone) was discovered.

The results of Bunian-4 will likely have a positive impact on the Bunian reserves estimates which is being evaluated.

Bunian-4 has been completed as an oil producer in the TRM3 and GRM sandstones and production is expected to commence early in the December Quarter.

### Exploration

Seismic survey planning is progressing in the Sumbagsel PSC (Cooper Energy 100%). Scouting of the proposed location of seismic to be acquired in 2016 was completed during the quarter.

Geologic studies in the Merangin III PSC (Cooper Energy 100%) are ongoing and will high-grade areas of the permit for future seismic acquisition.

## Tunisia

As previously announced, Cooper Energy planned to divest its Tunisian portfolio in order to concentrate its resources on assets consistent with its strategy. The divestment process has yet to generate acceptable offers. The current market conditions mean that an exit through a portfolio divestment transaction is not presently foreseeable.

Cooper Energy has been seeking to defer and limit further capital expenditure where feasible. Consistent with this, the Nabeul permit joint venture did not extend or renew the Nabeul permit and is currently in discussions with the Tunisian Government to settle the terms of exit from this permit.

Cooper Energy is discussing with the Bargou joint venture parties the most appropriate ongoing work program having regard to prospectivity and existing permit commitments. In parallel Cooper Energy is evaluating opportunities to divest the Bargou permit.

In relation to the Hammamet permit, Cooper Energy has notified the joint venture of its intention not to participate in the most recent extension of the permit and is in the process of withdrawing from the Hammamet

joint venture. Cooper Energy is currently in discussions with the remaining joint venture parties regarding the terms of its withdrawal, in particular, its liability (if any) for certain work obligations connected with the permit.

## Terms and abbreviations

Cooper Energy reports uses terms and abbreviations common to the petroleum industry and the financial sector.

Terms used include:

- 2D, 3D: two dimensional, three dimensional (with respect to seismic surveys)
- bbl: barrels
- Bcf: Billion cubic feet (of gas)
- bopd: barrels of oil per day
- FEED: Front End Engineering and Design
- FID: Final Investment Decision
- Financial year: 12 months ending 30 June
- FY14: financial year ending 30 June 2014
- FY15: financial year ending 30 June 2015
- JV: Joint Venture
- kbbl: thousand barrels
- KSO: Kerja Sama Operasi (joint venture, Indonesia)
- m: metres
- mMDRT: measured depth in metres below the rotary table or drilling floor
- MM: million
- MMboe: Million barrels of oil equivalent
- pcp: prior corresponding period
- PEL: Petroleum Exploration Licence
- PEP: Petroleum Exploration Permit
- PRL: Petroleum Retention Licence
- PPL: Petroleum Production Licence
- PSC: Production Sharing Contract
- scf: Standard cubic feet (of gas)
- SPE: Society of Petroleum Engineers



## Major Exploration and Development activities December quarter to June quarter 2016

Location	License	Operator	Dec Qtr	March Qtr	June Qtr	
Cooper	PEL 92	Beach		● ● ●	○ ○	2-3 development and exploration wells, 2 contingent wells, seismic processing
	PEL 90, 100,110	Senex	■	○ ○		2 contingent wells & seismic processing
	PPL 207, PEL 93	Senex		○		1 contingent well
Otway	PEL494, PRL 32	Beach	■	○		3D re-processing and 1 contingent well
Gippsland	Vic/L26/L27/L28	Cooper Energy	■			Manta-3 appraisal well planning
	Vic/RL-3	Cooper Energy	■			FEED studies
Indonesia	Sukananti KSO	Cooper Energy	■			Production optimisation activities
	Sumbagsel PSC	Cooper Energy	■			3D seismic survey planning and G&G studies ongoing
	Merangin III PSC	Cooper Energy	■			3D seismic survey planning and G&G studies ongoing
Tunisia	Bargou, Hammamet, Nabeul PSC's	Cooper Energy				Nabeul exit and Bargou and Hammamet divestment ongoing

- Firm exploration or appraisal well
- Contingent exploration/appraisal well
- Firm development well
- Contingent development well
- Seismic
- G & G activities

## Disclaimer

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.
- Does not take into account the individual investment objectives or the financial situation of investors.
- Was prepared with due care and attention and is current at the date of the report.
- Actual results may materially vary from any forecasts (where applicable).
- Before making or varying any investment in shares of Cooper Energy Limited, 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 Petroleum Resources Management System 2007 (SPE-PRMS).

### Calculation of reserves and resources

The approach for all reserve and resource calculations is consistent with the definitions and guidelines in the Society of Petroleum Engineers (SPE) 2007 Petroleum Resources Management System (PRMS). Field totals are aggregated by arithmetic summation. Aggregated 1P or 1C may be a very conservative estimate and aggregated 3P and 3C may be a very optimistic estimate due to the effects of this process on probabilistic estimates.

### Sole gas field

In the Sole gas field, VIC/RL3 in the Gippsland Basin, offshore Victoria, Contingent Resources have been assessed using probabilistic simulation modelling for the Kingfish Formation at the Sole Field. This methodology incorporates a range of uncertainty relating to each of the key reservoir input parameters to predict the likely range of outcomes.

The date of the Sole Contingent Resource Assessment is 25 May 2015. The conversion factor of 1 PJ = 0.171936 MMboe has been used to convert from Sales Gas (PJ) to Oil Equivalent (MMboe). Contingent Resources assessed for the Sole field were announced to the ASX on 25 May 2015.

### Manta gas and oil field

In the Manta gas field in VIC/L26 and VIC/L27 in the Gippsland Basin, offshore Victoria, Cooper Energy Limited has undertaken a Contingent and Prospective Resources assessment using deterministic simulation modelling and probabilistic resource estimation for the Intra-Latrobe and Golden Beach Sub-Group in the Manta field. This methodology incorporates a range of uncertainty relating to each of the key reservoir input parameters to predict the likely range of outcomes.

The date of the Manta Contingent Resource and Prospective Resource assessment is 16 July 2015. Contingent Resources for the Manta Fields have been aggregated by arithmetic summation. Conversion factors for the Manta fields are 1 Bcf = 1.125 PJ and 1 PJ = 0.172 MMboe. Contingent and Prospective Resources assessed for the Manta field were announced to the ASX on 16 July 2015.

### Bunian oil field

In the Bunian oil field, Tangai-Sukananti KSO, Indonesia, Reserves have been assessed using a methodology that consists of probabilistic estimation for both the TRM3 Sandstone and the K1 Sandstone reservoirs and incorporates a range of uncertainty relating to each of the key reservoir input parameters to predict the likely range of outcomes.

The date of the Bunian field reserves assessment is 18 May 2015. The Reserves assessed for the Bunian field incorporating the results of Bunian-3 were announced to the ASX on 18 May 2015.

### 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.