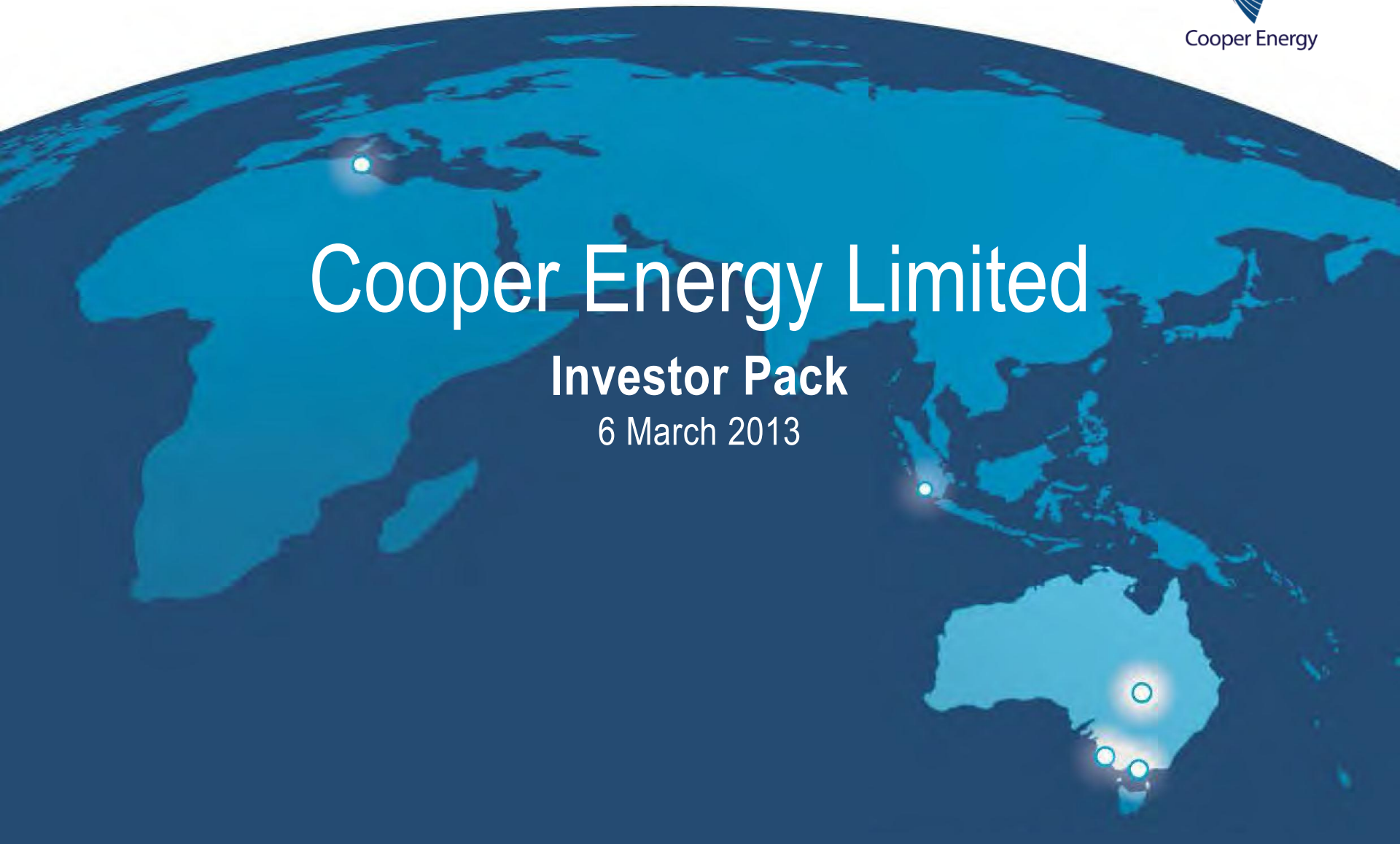


# Cooper Energy Limited

## Investor Pack

6 March 2013

# Important Notice – Disclaimer

The information in this presentation:

- 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 presentation.
- Actual results may materially vary from any forecasts (where applicable) in this presentation.
- 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.

## Competent Person

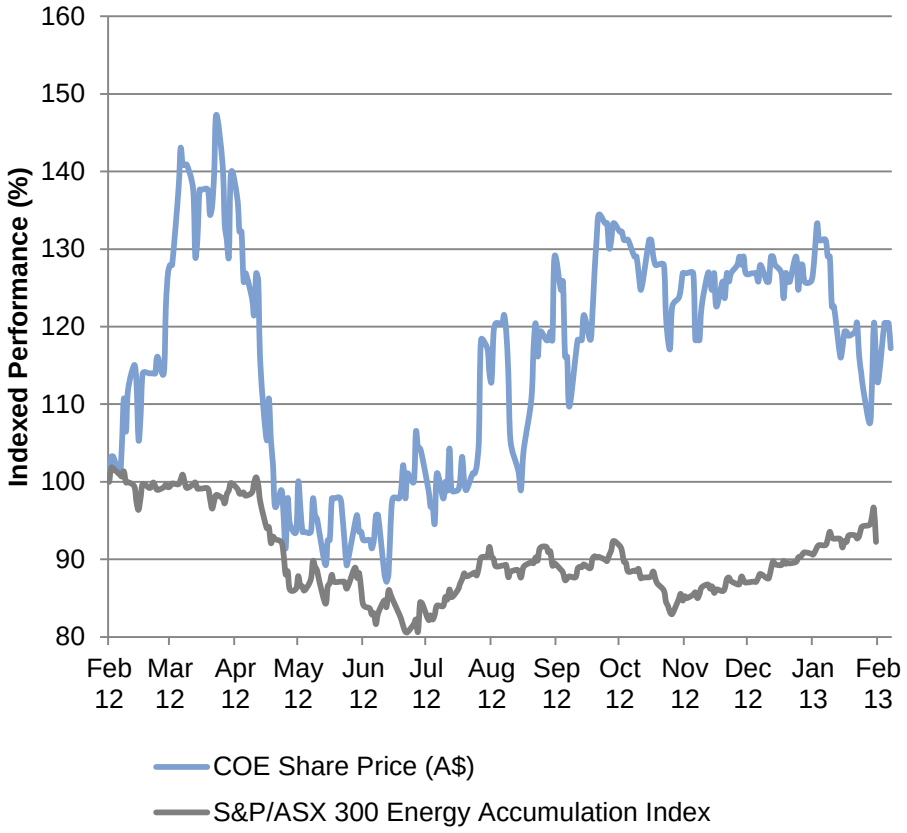
- This report contains information on Cooper Energy's petroleum resources which has been reviewed by Mr Hector Gordon who is a full time employee of Cooper Energy, holds a Bachelor of Science (Hons), is a member of the American Association of Petroleum Geologists and the Society of Petroleum Engineers and is qualified in accordance with ASX listing rule 5.11 and has consented to the inclusion of this information in the form and context in which it appears.

## Hydrocarbon Reporting Standard

- Cooper Energy reports hydrocarbons in accordance with the SPE Petroleum Resources Management System 2007 (SPE-PRMS).

# Company snapshot

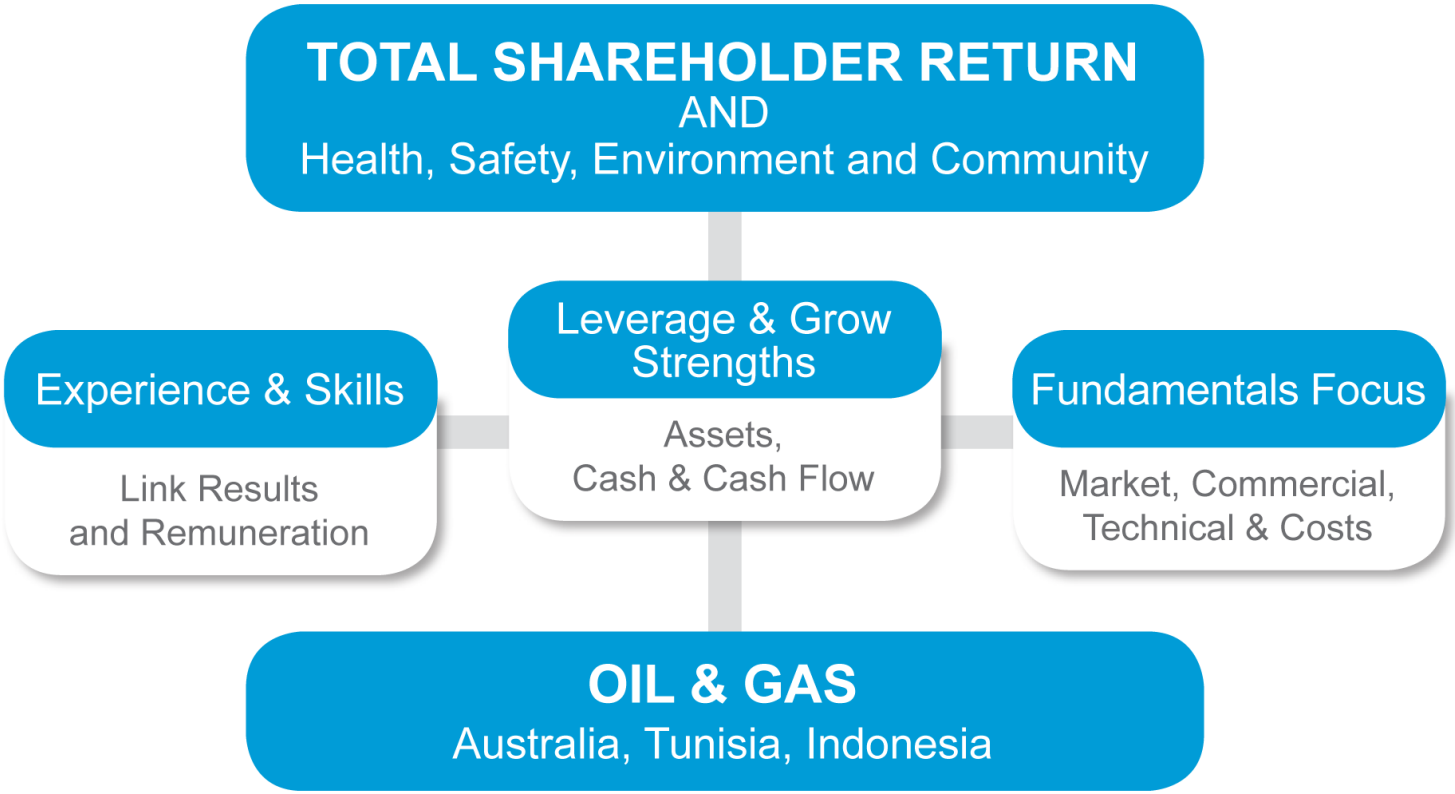
| Capital structure | |
|---|---|
| **Share price**<br>range,12 months to 1 March 2013 | **$0.40 - $0.69** |
| **Shares on issue** | **329.0 mill** |
| **Market capitalisation**<br>54c on 1 March 2013 | **$177.7 mill** |
| **Cash, term deposits & investments**<br>at 31 December 2012 | **$77.9 mill** |
| **Debt** | **Nil** |
| **Shareholders**<br>on 1 March 2013 | **Top 20 ~64%**<br>**Funds/Corp ~67%** |





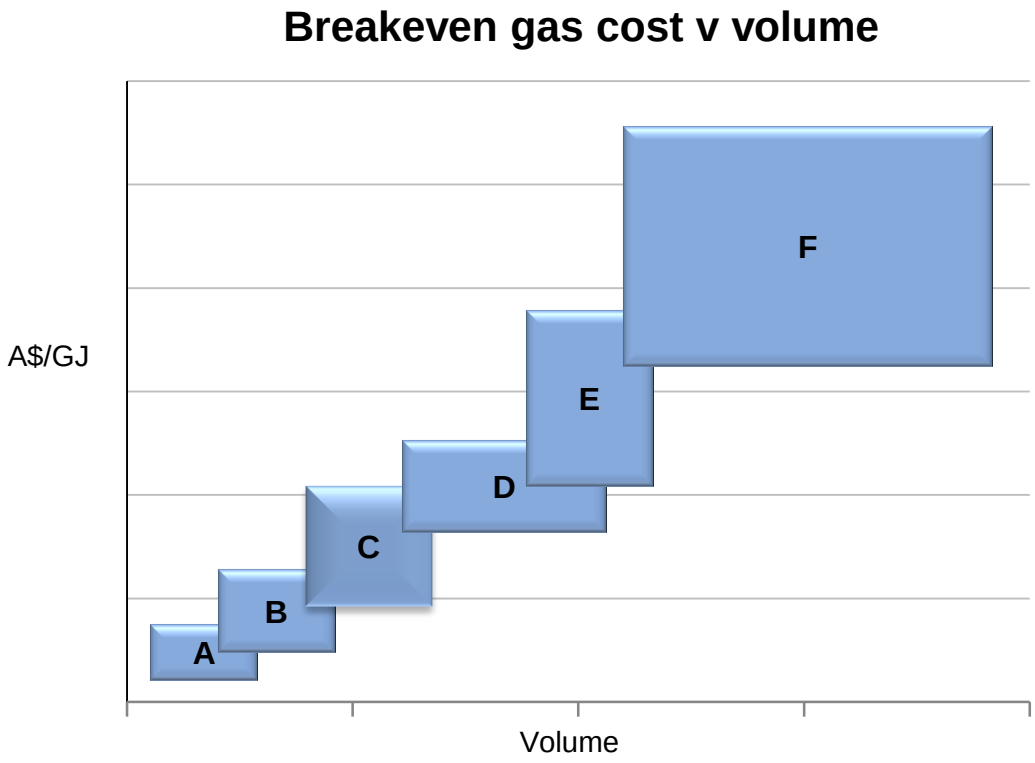

***Outperforming ASX 300 Energy Index***

# Our strategy and business



# Strategy implementation – Australia gas

- **Leverage strengths**
  - capability and experience
  - cash and cash flow
  - relationships
- **Assess market options**
- **Focus on lowest cost**
  - upstream and pipeline cost
  - varies by market
- **Pursue best opportunities**






***Low cost and market driven***

# Strategy implementation – international assets

- **How to unlock best value for Cooper Energy shareholders?**
  - investment market
  - ownership
  - management
- **Factors influencing include:**
  - capital
  - risk
  - fit with core competencies
- **Pursue best return options**

***Pursue best Cooper Energy return***

# Delivered the changes

| | March 2012 | March 2013 | One year ahead |
|---|---|---|---|
| **Strategy** | ▪ Focus on<br>– fundamentals<br>– TSR<br>– leverage strengths | ▪ Implementing as planned | ▪ Implementing |
| **Activities** | ▪ Monetise non-core<br>▪ Grow core | ▪ Exited Romania and Poland (5)<br>▪ Somerton/Otway acquisition<br>▪ Australia exploration success | ▪ Australia growth<br>▪ Indonesia growth<br>▪ Opportunity pipeline<br>– gas opportunities and demand |
| **Production** | 517 kbbls (1) | 500 – 550 kbbls (2) | ▪ Growing |
| **People** | Perth head office | ▪ Adelaide head office<br>▪ New chairman - succession<br>▪ New management team<br>– Australia focussed<br>▪ Right people/right job | ▪ Right people/right job |
| **Financials**<br>– market cap<br>– financial assets | <br>$154 million<br>$69 million(3) | <br>$177.7 million<br>$77.9 million(4) | <br>??<br>?? |

(1) FY2012 production (2) FY 2013 guidance (3) At 31 March 2012 (4) As at 31 Dec 2012- cash + investments (5) Exited 4 permits & exiting remaining 2 soon.

# Australia focus

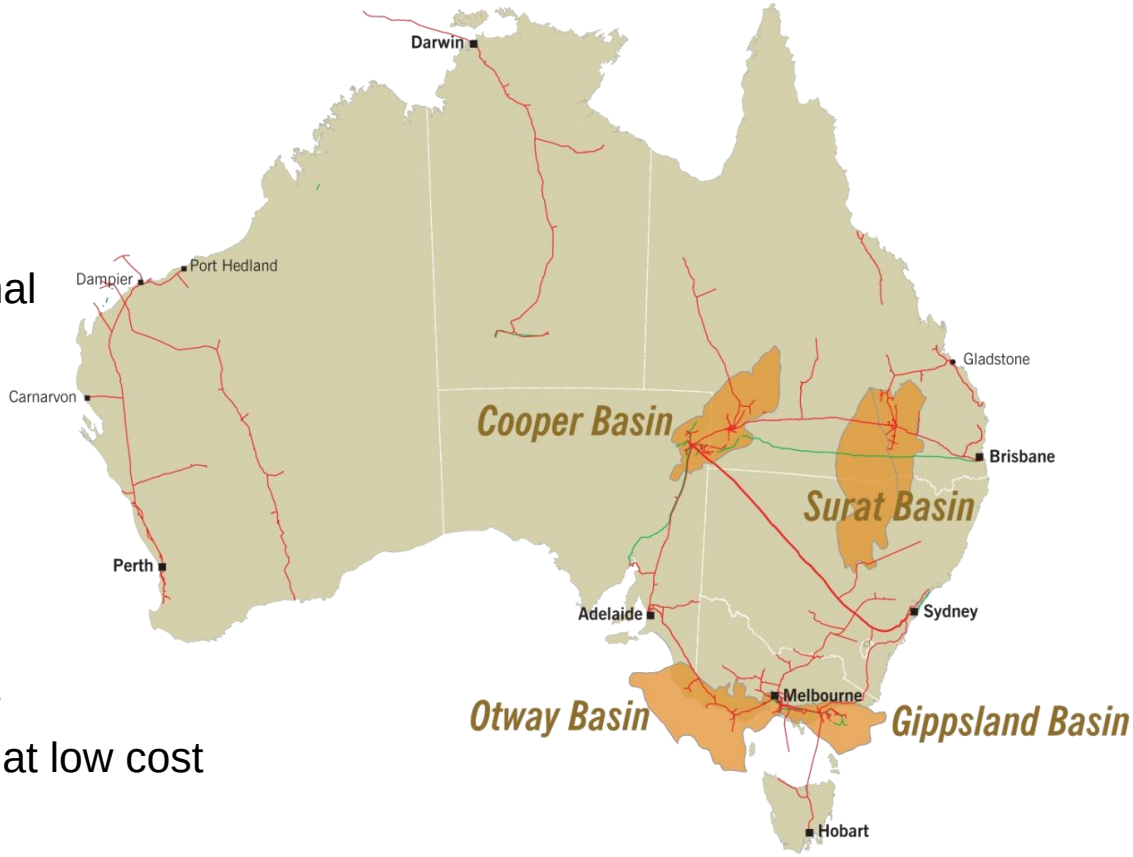
## Cooper, Otway and Gippsland Basins

### Cooper Basin
- Western flank oil
- Gas potential

### Otway Basin
- Conventional and unconventional
  - oil and gas plays

### Gippsland Basin
- Gas resources

### Opportunities
- Reviewing and screening
- Growing foundation assets plus
- 1 or 2 game changers per year at low cost

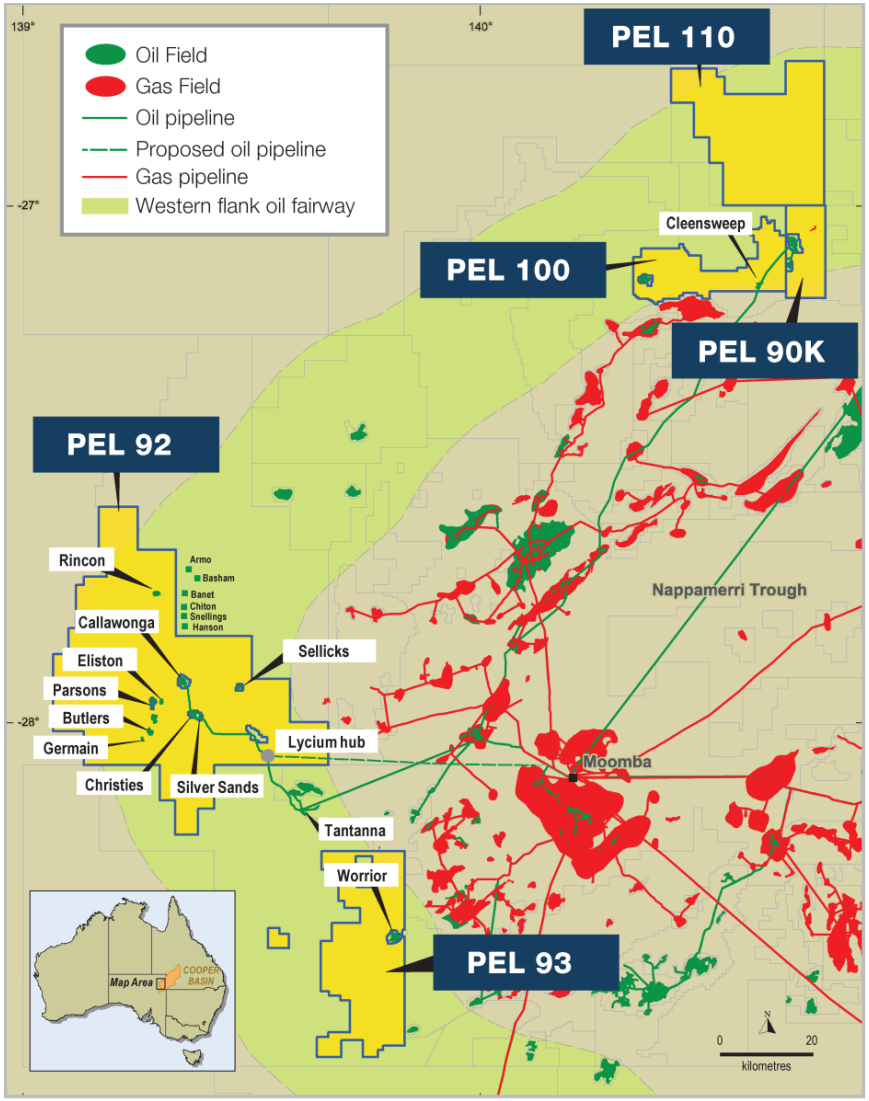





*Nearby infrastructure and low cost*

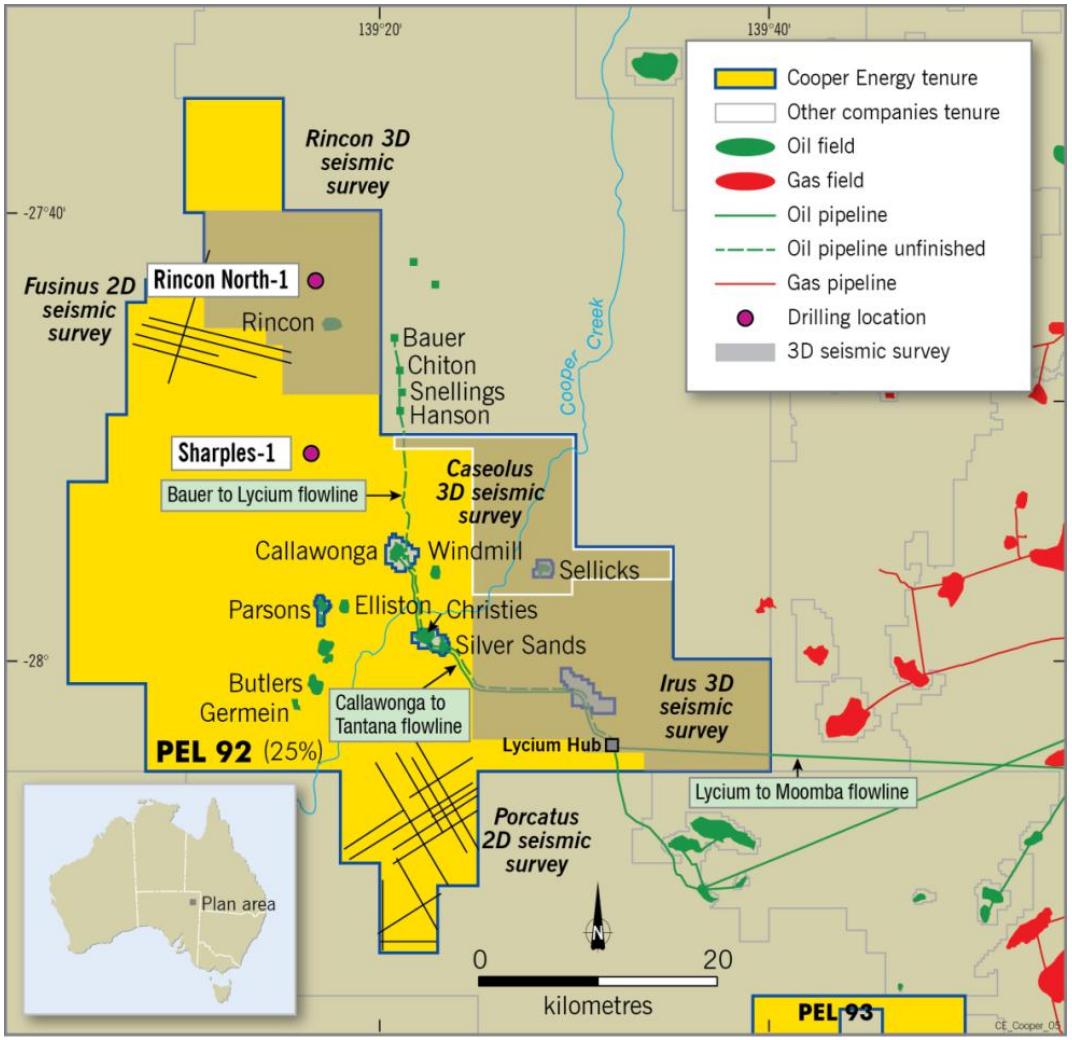
# Cooper Basin (COE 19.16 – 30%)

- Discovered 5.4 mill bbls (net) to date
- Produced 3.6 mill bbls (net) to date
- Current oil production rate ~1,450 to 1,500 bopd (net)
- Very high margins
- Significant remaining potential
- 2012/13 activity:
  - up to 11 wells
  - 1,048 km$^2$ 3D seismic
  - build prospects & leads inventory
  - grow production



# Cooper Basin – PEL 92 (COE 25%)

- **Production**
  - record production in FY12
  - new pipeline commenced Dec' 2012
  - 5 new wells awaiting tie-in
  - production expected to build in 2H FY13
  - development drilling & facilities upgrades planned for 2013
- **Significant remaining potential**
  - current EUR ~15 mill bbls (gross)
  - further growth from exploration and existing fields
  - gas potential in east
- **3D over most of prospective area by end 2013**

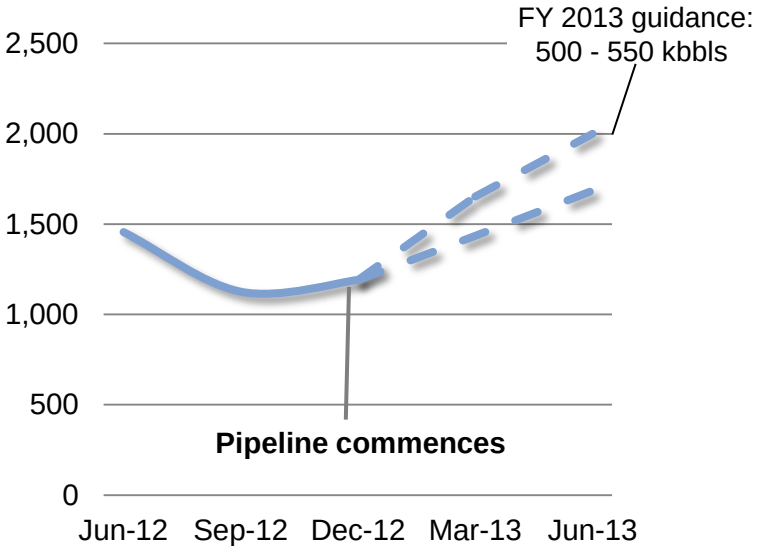




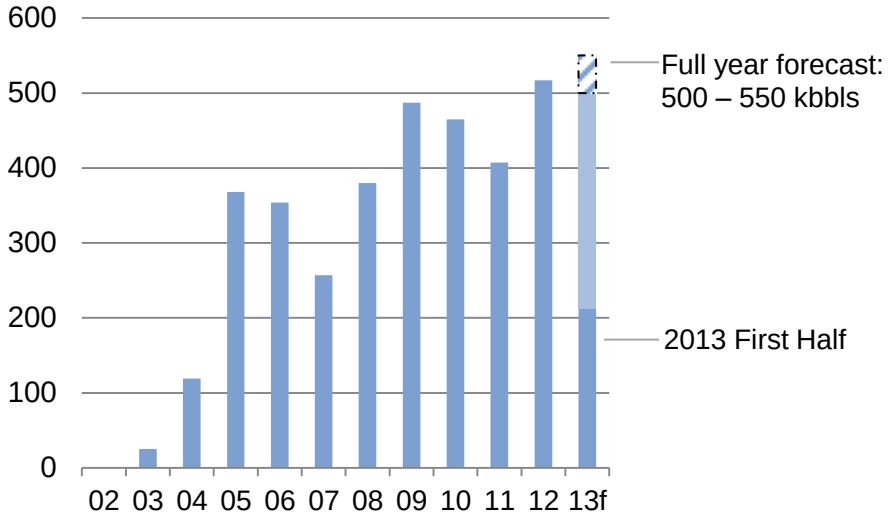

***Solid production profile with material upside***

# Oil Production - historical and 2013 forecast

**2013 Production by quarter**
(average BOPD)




**2013 Production forecast and prior periods**
(Kbbls, financial year)

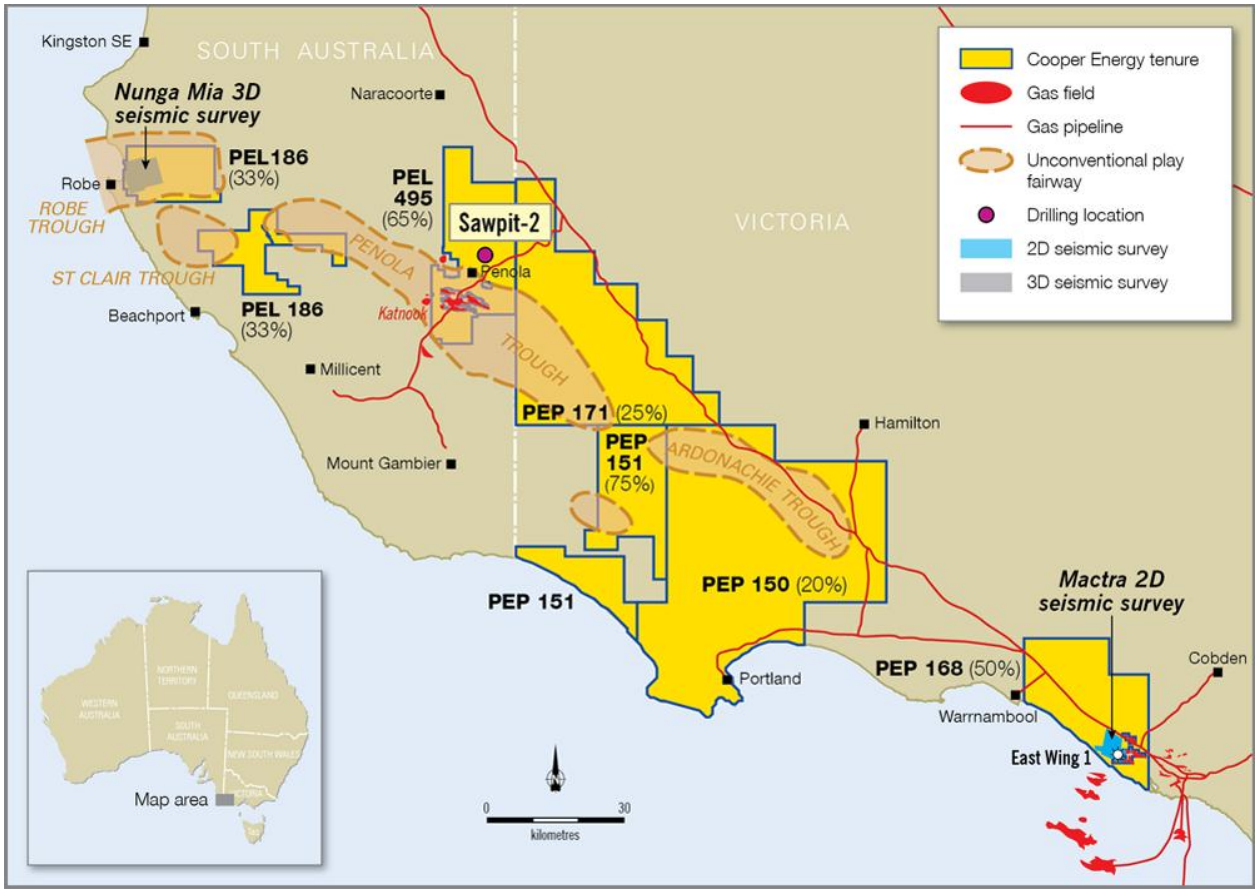





***Trending to highest levels***

# Otway Basin (COE 20 – 65%)

- Proven basin for conventional plays
- Liquids prone Jurassic source rocks
- Close to infrastructure
- Close to oil and gas markets
- Strong regional position

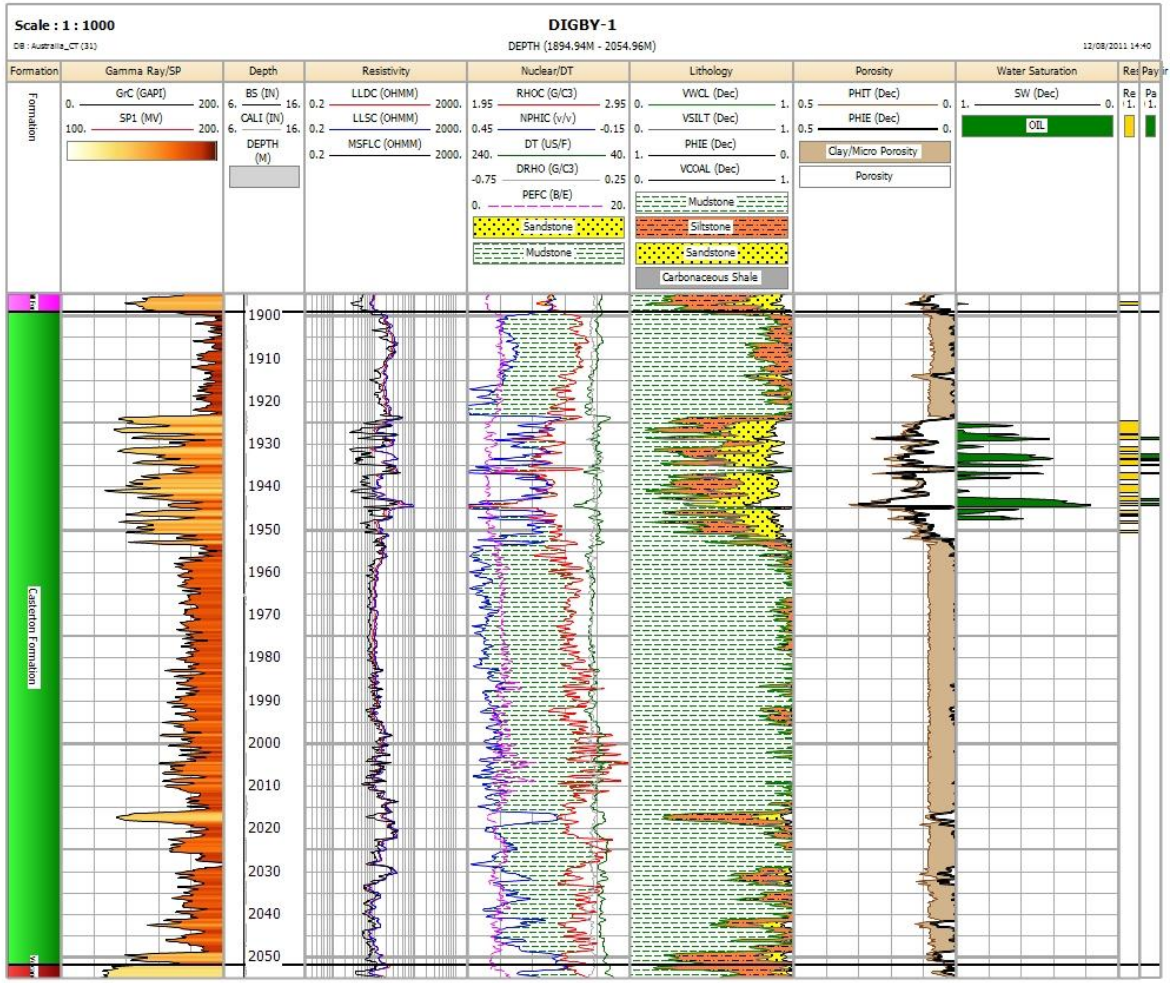





*Key ingredients in place*

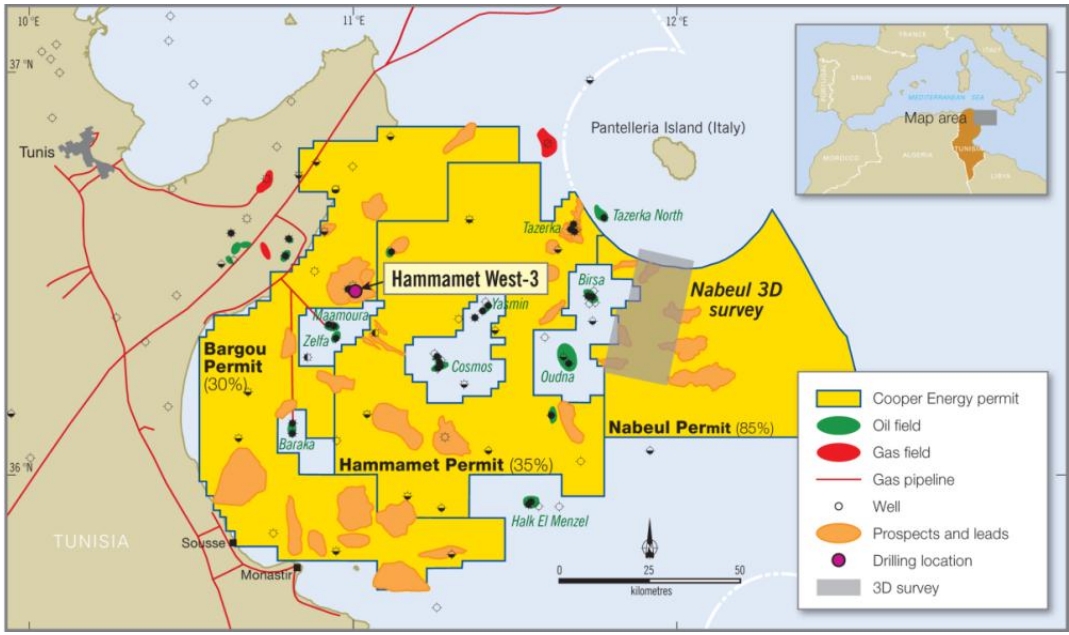
# Casterton Formation – unconventional oil and gas

- Late Jurassic- early Cretaceous rift fill
  - lacustrine/fluvial rift fill sediments
  - some sands, coals and tuffs
  - penetrated in 10 wells
  - deepest penetration ~2,500m
- Key source rock for Penola Trough
  - gas, gas liquids & oil
  - TOC 2–20%
- Thick and aerially extensive
  - up to 300m thick in troughs
  - play fairway >2,000km$^2$
- Mature/over-mature
  - overpressure below 2,600m
- Example: Digby-1 (PEP 150, COE 20%)
  - 150m good-excellent oil source
  - TOC 2.3-8.9%
  - oil bearing interbedded sandstone



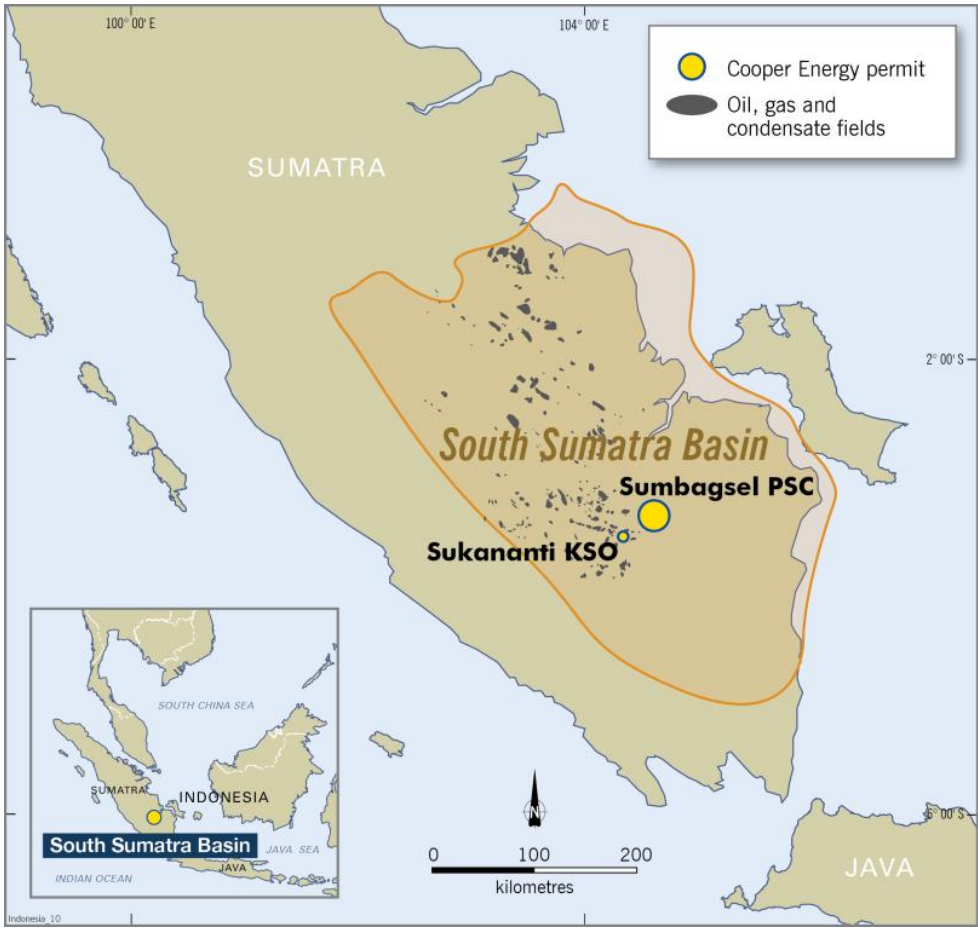
# Tunisia

- **Hammamet West-3 spud late March (COE 30%)**
  - fractured carbonate play
  - very large structure
  - proven oil charge
  - adjacent field produces same reservoir
  - shallow water / near shore
  - competitive fiscal terms
  - COE carried up to $27 million gross cost
- **Nabeul Permit (COE 85%)**
  - 3D delineated several Birsa Sandstone targets
  - adjacent fields in same reservoir
  - potential 50-100 mill bbls gross rec. oil
  - farm-out
  - drill 2014
- **Close to oil and gas markets**



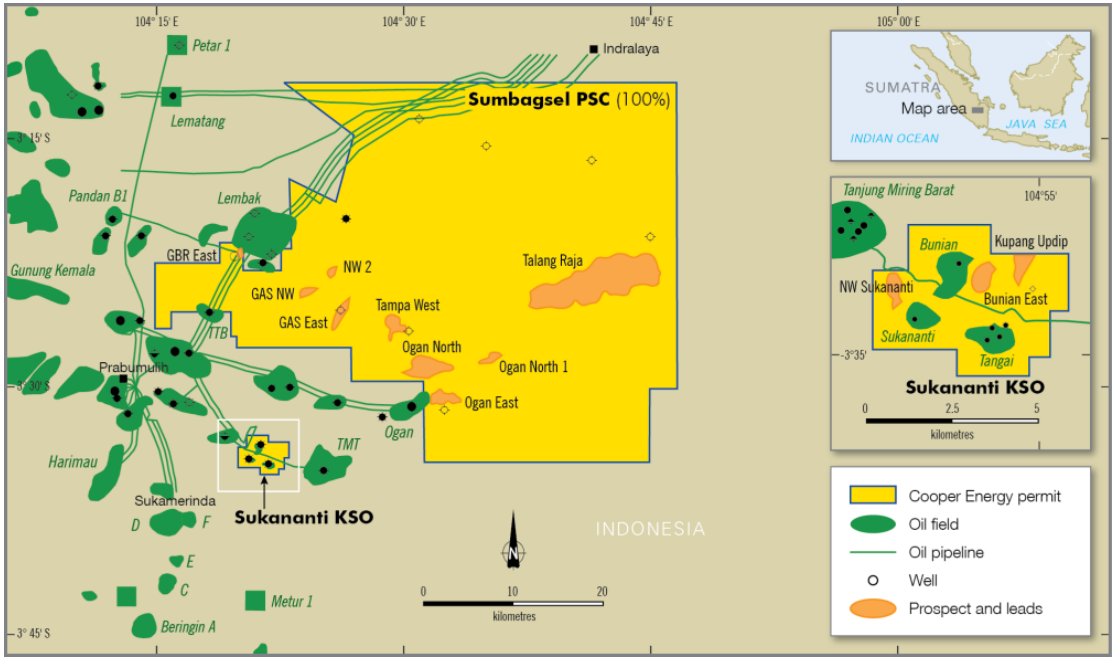
# Indonesia – increasing production and reserves

- **South Sumatra Basin**
  - prolific hydrocarbon province
- **Range of onshore opportunities to add value**
  - exploration & development
  - shallow oil
  - deep gas
  - CSG
  - shale plays
- **Low technical risk**
- **Competitive fiscal terms (gas & oil)**
- **Low cost game changing opportunities**
- **Local self-funding office**
  - competitive advantage



# South Sumatra Basin

- **Sukananti KSO (COE 55%)**
  - ex Pertamina fields ~50 bopd (gross)
  - acquired 2010
  - currently ~200 bopd (gross)
  - work-over and drilling in 2013
  - potential >1 mill bbls (net to COE)
  - contractor share 15% oil / 20% gas (after tax)
- **Sumbagsel PSC (COE 100%)**
  - granted 2011
  - shallow oil targets (1-5 mill bbls)
  - CSG
  - seismic 2013 / drilling 2014
  - farm-out planned
  - equity hydrocarbons share
    25% oil / 40% gas (after tax)
- **New opportunities increase value**
  - add reserves & production at low cost/risk
  - monetise when material



# 2013 Activity program

| Location | Licence | Operator | COE Equity | 2013 Mar Qtr / Jun Qtr / Sept Qtr / Dec Qtr | Comments / Total |
|---|---|---|---|---|---|
| Cooper Basin | PEL 92 | Beach | 25% | | 6 well program starts March, Caseolus 3D starts February. Further drilling likely later in 2013 |
| | PEL 90, 100, 110 | Senex | 19.2 - 25% | | Dundinna 3D starts April |
| Otway Basin | PEL 495 | Beach | 65% | | Sawpit- 2 February/March |
| Tunisia | Bargou Permit | Cooper | 30% | | Hammamet West-3 spud late March |
| Indonesia | Sukananti & Sumbagsel | Cooper | 55% & 100% | | Tangai-1 workover - March. Sukananti drilling & Sumbagsel seismic Q4 |

***Near term high activity level***

# Summary

✓ **Made the changes**

- head office moved, Chairman succession implemented, new team in place
- increased focus on Eastern Australia oil and gas & added good assets
- non-core assets – exit or maximising value and monetising

✓ **Production and reserves growth**

- Australia and Indonesia
- oil and gas
- screening opportunities and acquisitions

✓ **Significant 2013 activity level increase - including company changing opportunities**

- Cooper Basin exploration and development
- Tunisia and Otway drilling
- corporate activity

✓ **Clear focus on shareholder return – fully funded**

- building value and position in core areas consistent with capability and strengths
- Australia gas market opportunities
- remuneration closely linked to company performance



***Very strong foundation + value growth***