

First sales agreement for Sole Gas Project

3 August 2015

- **Heads of Agreement agreed with O-I Australia**
- **Negotiations with other gas buyers underway**

Cooper Energy (ASX:COE) announces the signing of a Heads of Agreement (HoA) with O-I Australia defining the key terms for the sale of gas from the Sole gas field. The HoA is the first agreement for the supply of gas from Sole, which is currently in Front End Engineering and Design (FEED) in preparation for the Final Investment Decision (FID).

The HoA sets out the key commercial terms for the supply of gas of one petajoule (PJ) per annum for the lesser of eight years, or the life of the field, from Cooper Energy's share of Sole production. The volume contracted represents eight per cent of the company's share of the field's anticipated production. Cooper Energy holds a 50 per cent interest in Sole and the Orbost Gas Plant, from which the gas will be supplied to O-I Australia, with the balance being held by Santos Limited.

The terms set out in the HoA will form the basis of a fully termed gas sales agreement which will be subject to an affirmative FID for development of the field. It is expected the FID will be made by September 2016, and that first supply from Sole to O-I Australia would commence in January 2019.

O-I Australia's parent company Owens-Illinois, Inc. (O-I) is the world's leading glass container manufacturer and operates four manufacturing plants in Australia.

David Maxwell, Managing Director of Cooper Energy, said the HoA marked another important milestone in the development of the Sole gas field to help meet Eastern Australia's gas demand.

"Gas projects require the support of customers, and we are delighted to have a buyer of the calibre of O-I Australia commit to be our first customer for Sole" he said.

O-I Asia Pacific President, Timothy Connors welcomed the opportunity to partner with Cooper Energy for long-term gas supply to O-I Australia.

"We are pleased to be working with Cooper Energy to source supply from the Sole gas field. The HoA is an important first step in the process and we look forward to the support this supply will provide to our local operations in the years ahead," Mr Connors said.

Mr Maxwell said that keen interest is being shown by industrial gas users and utilities in securing supply from Sole.

"We expect to secure further agreements for the sale of gas from Sole over the remainder of the current calendar year, which will underwrite development of the field.

It is expected that Sole will commence supplying gas from January 2019 and the field development will include a single vertical subsea well and pipeline to the Orbost Gas Plant which is connected to the Eastern Gas Pipeline (see Figure 1 following).

The Sole gas field is located in VIC/RL3, offshore Victoria approximately 62 kilometres from the Orbost Gas Plant, onshore Victoria (refer Figure 2 following). The field has been assessed by Cooper Energy as containing a 2C contingent gas resource of 211 PJ¹ (100 per cent joint venture volume) of which Cooper Energy's share is 105.5 PJ.

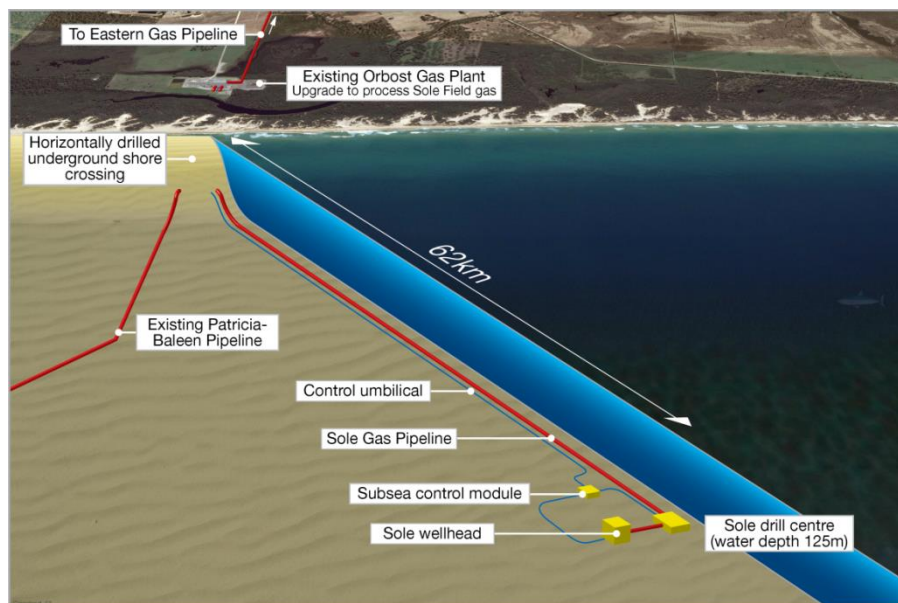
Mr Maxwell said the commercialisation of Sole was expected to be part of a broader escalation in the contracting and development of Gippsland Basin gas to meet Eastern Australian gas requirements.

"There is a clear need for additional sources of gas for Eastern Australia. Interest levels, prices and terms continue to reinforce the case for the development of conventional gas reservoirs close to infrastructure such as Sole and the adjacent fields like Manta," he said.

Development of Manta to supply gas to Eastern Australia has been identified as a commercial opportunity by the BMG (Basker Manta Gummy) Business Case study completed recently by Cooper Energy. Manta is located offshore Victoria approximately 57 kilometres from the Orbost Gas Plant, The field is assessed to have gross Contingent Resources (2C) of 106 PJ of sales gas and 2.6 million barrels of condensate². The Business Case outlined a commercialisation opportunity for Manta based around the supply of 23 PJ per annum from mid-2021.

Cooper Energy holds a 65 per cent interest and is Operator of VIC/L26, VIC/L27 & VIC/L28 which contains the Basker Manta Gummy gas and liquids resource.

Figure 1: Indicative Schematic Overview of Sole Gas Field Development

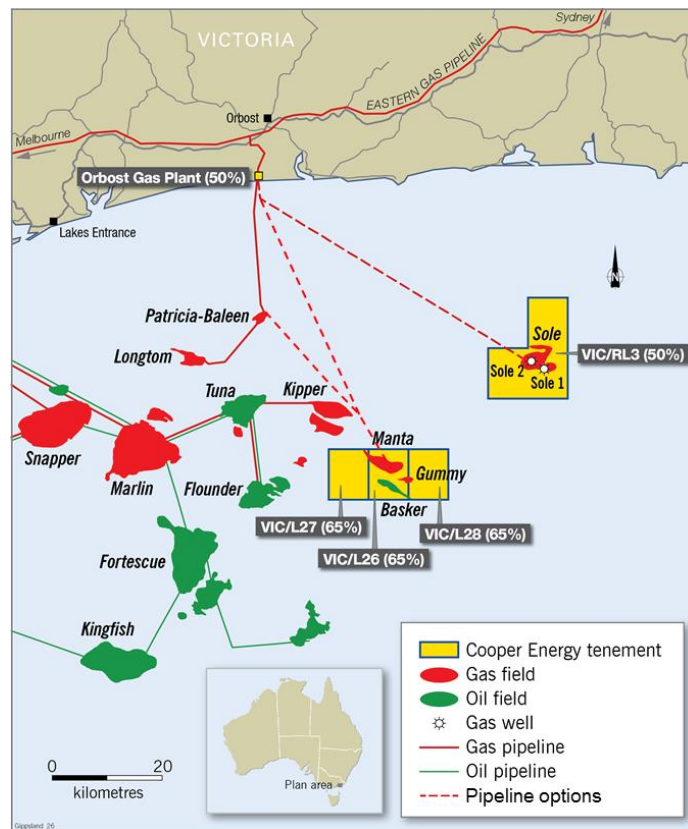


¹ As announced to the ASX on 25 May 2015.

² As announced to the ASX on 16 July 2015.

Cooper Energy is unaware of any new information that materially affects the information provided in the announcements of 25 May 2015 and 16 July 2015 and all material assumptions and technical parameters underpinning the estimates provided in the releases continue to apply and have not changed.

Figure 2: Location of Sole and Manta Gas fields and COE interests



Further comment and information

David Maxwell, Managing Director	+61 8 8100 4900
Don Murchland, Investor Relations	+61 439 300 932

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 building its gas portfolio to address emerging supply opportunities in Eastern Australia. The company has a strong balance sheet, enjoys strong cash flow and is executing a clear strategy driven by shareholder return.