ASX Announcement / Media Release

12 November 2015

AGM addresses by the Chairman and Managing Director

Cooper Energy Limited (ASX: COE) releases the addresses to be presented by the Chairman and Managing Director at the Company's Annual General Meeting today at PwC, Level 11, 70 Franklin Street, Adelaide from 10:30 am (ACDST).

Further comment and information	
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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. www.cooperenergy.com.au

Address by the Chairman, John Conde AO
Cooper Energy Limited 2015 Annual General Meeting,
Thursday November 12, 2015

Good morning, and welcome to the 2015 Annual General Meeting of Cooper Energy Limited.

In addressing this meeting, one cannot help but reflect on the change in circumstances since we last met. In my comments last year, I noted Cooper Energy had just reported its best financial results yet and was planning its largest annual drilling program in 2015.

The severe and sustained fall in oil prices in the months that followed impacted profit, balance sheet and share market valuations and activity levels across our industry. While we have a strong balance sheet and prospects, your company has not been immune to the effects.

In Cooper Energy's case, impairments to the carrying value of oil exploration acreage and assets were the principal factor in the loss of $(63.5) million reported for the twelve months to 30 June 2015.

Oil prices are, of course, not within the control of your company. On matters within the company's influence, Cooper Energy generally recorded good results:

- Proved and Probable Reserves were increased 53% to 3.1 million barrels, the highest in the company's history. This outcome is largely attributable to the year's successful drilling in the Cooper Basin and Indonesia. The reserves added amounted to more than 3 times the year's production.
- Contingent Resources (2C) were increased 66% to 58.4 million barrels of oil equivalent (boe). Importantly, 90% of the 23 million boe increase was through the addition of resources in Australia.
- Production of 475,000 barrels of oil, broadly in line with our historical average.
- Our gas strategy made significant progress, moving from the resource identification and acquisition phase of the preceding two years to project development and planning commercialisation.

  The trigger was the acquisition of a 50% interest in the Sole Gas Field and Orbost Gas Plant in the Gippsland Basin in December. Development of the Sole Gas Field is now the subject of Front End Engineering and Design.
- We responded to lower oil prices with measures to protect revenue and cash reserves. General administration costs and capital expenditure were pared

back from original guidance by 17% and 32% respectively. Hedging positions were taken to mitigate the impact of further downside in oil prices.

A strong balance sheet was maintained, with cash and investments of $41.3 million at 30 June. This, together with cash flow generated by our low cost oil operations, is forecast to be sufficient to fund our capital expenditure plans for the current financial year.

- Disappointingly, safety performance did not improve with a lost time injury incurred in Indonesia. Four incidents were registered under the broader safety measure of Total Recordable Cases. We are committed to achieving and sustaining improved safety performance with a zero injury/zero incident record being our objective.

So, in summary, while financial performance was affected by oil prices, Cooper Energy concluded the year with strong operational results and the gas reserves and resources that can underwrite the development of a significant and value creating gas business in the coming two to three years.

This position is, with the exception of oil price movements and impacts, consistent with our expectations at the start of the year, and on schedule with the strategy followed since 2012. Moreover, price and demand and supply trends within eastern Australian gas markets are consistent with our forecasts. Our developing gas business and the gas markets we aim to serve are tracking in line with our strategy.

What does this mean for shareholders? As pleasing as it is to report plans proceeding on-track, record reserves and positive cash balance, the core issue is how, and when, the progress made and project potential will translate into value-accretive returns for shareholders.

This is the matter to which I would like to devote the bulk of my remaining comments today, and in particular to brief you on what I see are the three key questions:

1) How is Cooper Energy going to build a gas business from the progress made to date?

2) What does it offer shareholders? and

3) What are Cooper Energy's plans for funding these projects?

First, how we are building the gas business? In 2012, your company identified a future business opportunity for the sale of cost-competitive gas to Eastern Australia from 2016. Cooper Energy foresaw the supply shortfall emerging for the region as existing contracts ran down and expired and additional demand introduced by the commencement of LNG production in Queensland.

Cooper Energy acquired interests in the offshore Gippsland Basin gas fields, Sole and Manta, which are assessed to contain gross 2C Contingent Resources of 317 petajoules of gas, as well as an interest in the Orbost Gas Plant which, with some modification, can process the gas. Our initial focus is on the Sole field. Our plans to commercialise this field have been affirmed by the interest of potential gas buyers, and it is pleasing to note that demand levels and prices are consistent with our expectations and project requirements.

In July we announced the signing of the first heads of agreement with an industrial gas buyer, O-I Australia, and are currently engaged in negotiations with other buyers. It is our firm expectation that these negotiations will secure the sales commitments necessary for our Final Investment Decision on the Sole project development.

Front end engineering and design (or FEED as it is commonly known) for the Sole project is progressing on schedule and within budget, for the Final Investment Decision on development in the September quarter of 2016. Based on current schedules, this means Cooper Energy will generate revenue from the supply of gas from Sole from the January quarter of 2019.

These are long-dated schedules in comparison with our oil developments in the Cooper Basin and Indonesia. However, they are typical for gas commercialisation, and lead to a business offering relatively stable, long term cash flows much greater than the company has recorded. In fact, commercialisation of Sole is transformational for Cooper Energy, offering revenue of between $630 million and $950 million over a life exceeding 8 years at current equity levels and forecast gas prices.

Manta is a development currently planned to follow Sole and is already attracting interest from gas buyers. Again, on current forecast prices and equities, we estimate that Cooper Energy’s 65% share of Manta could generate between $530 million and $740 million from gas alone, with first production from 2021.

Sole and Manta represent substantial company-changing prizes. Development of these fields would, on current equity levels, transform Cooper Energy from a producer of approximately half a million barrels of oil equivalent per annum to approximately 2.5 million barrels of oil per annum within four years and then step-change again to over 5 million barrels within 6 years.

The value of these projects is clearly not recognised in the company’s current share price which, like others in the sector, continues to reflect uncertainty concerning oil prices. It is our expectation that Cooper Energy share prices should better reflect the value of our gas business as the Gippsland Gas project milestones are met and the confidence of commercialisation increases.

Before I proceed to address funding, I would like to note one other point of significance for shareholders. Our emerging gas business is offering substantial, medium term growth at a time when growth prospects for the broader industry are weakening with reduced exploration and development spending. Your company has won a good position with good prospects and it has done so through rigorous technical and commercial analysis and disciplined strategic execution over the past three years.

Recent weeks have seen an increase in corporate activity within our sector. This is to be expected when prices, industry investment and growth options are low. This, as I have just observed, is not the case with Cooper Energy whose existing asset portfolio offers strong growth prospects in its own right. I can assure you the focus of your board is on executing the strategy designed to translate this position into value for shareholders This is the context within which I would like to address the third matter I raised earlier: the question of how Cooper Energy proposes to fund its share of the expenditure required to bring these transformational projects into operation.

I can assure this meeting that the rigorous analysis, patience and discipline applied by Cooper Energy to secure its Gippsland assets is now being applied to the question of identifying the funding structure that will deliver the best outcome for Cooper Energy shareholders.

A comprehensive funding analysis and strategy has been prepared with the assistance of external advisors. The analysis has identified appropriate structures and is guiding the Board and management as we prepare for the Sole Final Investment Decision.

The robust cash flows and economics anticipated from the Sole project are conducive to a number of funding sources. It is expected that the negotiation of gas sales agreements in the coming months will provide the foundation for bank finance for a substantial proportion of the funding requirement. This, together with other options available to the company, is expected to enable the most value accretive funding of the Sole project.

Tunisia

The divestment of our Tunisian assets remains unresolved despite our best efforts. The decline in oil prices and industry confidence, coupled with geopolitical events, has extinguished interest in the purchase of offshore exploration portfolios in the North African region for the foreseeable future.

Our strategy has been to defer and limit capital expenditure and, where possible, achieve exit from our 3 permits. The Nabeul Joint Venture is in discussions with the Tunisian Government on terms of exit from the permit. In the Bargou Joint Venture, our objective is also to exit at the least cost. In the meantime, the company is discussing the most appropriate work program given market conditions and current work commitments. In the final permit, Hammamet, Cooper Energy has notified the joint venture of its intention to not participate in the extension of tenure and is in the process of withdrawing from the joint venture. The terms of that withdrawal and the question of any residual liability for work obligations remain to be determined.

Current year trading results and recent developments

I will now update the meeting on operational results and developments since the publication of the company's annual report.

The company recently released its first quarterly report for the 2016 financial year. Production for the quarter was consistent with our expectations and our guidance of annual output of 450,000 barrels to 550,000 barrels of oil. Our direct operating costs of A$33.16 per barrel were 3% lower than the previous quarter's A$34.04 per barrel and well below our average oil price of A$62.74 per barrel.

We have stepped up cost reduction initiatives. Our aim is to reset costs again, to levels appropriate for prices lower than the current market or forecast, while still retaining the capability necessary for the timely delivery of our gas growth projects.

General and administration costs are being managed tightly to deliver a reduction on FY15 levels, through an emphasis on frugality, and further trimming of expenditure including staff and contractor headcount and hours.

I would like to acknowledge the leadership of our Managing Director, David Maxwell, and compliment him, the executive team and all staff for the excellent way that everyone has responded to the changing market conditions.

There is a keen sense of anticipation within the company about its prospects and the transformational nature of the projects we are developing. Board and management remain focussed to realise this potential in a manner that will provide the best value for Cooper Energy shareholders.

Address by the Managing Director, Mr David Maxwell

Cooper Energy 2015 Annual General Meeting

12 November 2015

Slide: Cooper Energy now much more than Cooper Basin oil

It is salutary to consider what Cooper Energy is today, for, as this slide shows, we have had a transformation in the company's reserve and resource base.

Just three years ago, the company's reserves and resources were primarily in the Cooper Basin. The large majority of its 2P Reserves of 2.1 million barrels were Cooper Basin oil, and there were no Contingent Resources of significance in Australia.

Today, 2P Reserves have increased to 3.1 million barrels of oil, and the Gippsland Basin predominates our Contingent Resources. Our 2C Contingent Resources in the Gippsland Basin amount to approximately 39 million boe, the overwhelming majority of which is conventional gas we are commercialising into the Eastern Australia domestic gas market.

Slide: Potential reserve additions from Gippsland Basin gas projects

Affirmative development decisions for our Sole and Manta projects in the Gippsland Basin will, at current equity levels, crystallise the booking of 2P Reserves of some 32 million barrels of oil equivalent to Cooper Energy. This is approximately ten times our current reserves.

These gas resources are already identified, assessed and subject to either front end engineering and design (FEED) in the case of Sole, or feasibility studies as with Manta.

Slide: Indicative Cooper Energy production from existing assets & equity levels

As the Chairman observed, the production anticipated from these reserves is transformational. This slide illustrates the step changes in production, at current equity levels, from the current and long-held levels of approximately half a million boe, (mostly from the Cooper Basin) to approximately 2.5 million boe after Sole commences in 2019 and then again to approximately 5 million boe in 2021 when Manta is planned to commence production.

It's important to note that these offshore gas projects are low risk, with conventional reservoirs, which is something few other new competing supply sources can offer.

Slide: Delivery of the transformation

How do we plan to deliver shareholder value from these assets? In my address today I concentrate on the two key drivers for our business:

1) cash generating low cost Cooper Basin oil production;
2) best practice value accretive gas commercialisation;

and how we see our plans for 2016 setting up Cooper Energy for delivery of the transformation.

Slide: Cash generating Cooper Basin oil production from the PEL 92 Joint Venture

The Western Flank of the Cooper Basin has been the cash generation engine for Cooper Energy over the life of the company.

We expect the operations in the region will continue to be strong cash generators for the foreseeable future, and are being proactive in ensuring financial returns from the Cooper Basin are optimised whilst addressing the significant remaining potential.

Our acreage and the operations conducted by the PEL92 Joint Venture (which is operated by Beach Energy) rank among the very best in Australia for production costs and drilling success rates.

Production costs are low, approximately A$35 per barrel and cash generating at current oil prices of around A$70per barrel. Long established fields such as Callawonga and Butlers continue to perform above expectations. This, combined with the results of successful appraisal drilling, saw reserves added in PEL 92 equivalent to 120% of last year's production.

That these incremental reserves were sourced from fields that have been in production for nine years evidences potential previously unrecognised, and we believe there is more to come.

We are expecting production of 300,000 to 350,000 barrels of oil from the PEL 92 Joint Venture this year and are planning to maintain this next year through a combination of appraisal drilling, facilities optimisation and exploration.

Last year's successful appraisal of the eastern flank of the Callawonga field will be followed up this year with an appraisal of the northern flank starting with Callawonga 12.

The Joint Venture has identified additional production gains that can be realised through rudimentary, low cost facilities optimisation to remove production bottlenecks. This work is to be initiated in early 2016 and has relevance for Butlers, another major producing field.

The acreage in PRL's 85 – 104 (formerly PEL 92) remains relatively lightly explored. It's worthwhile remembering we are talking about a large acreage area of approximately 1,900 square kilometres. While recent drilling has focussed on Namur plays on the west side of the acreage, we have identified additional play types such as Sellicks and Christies analogues inside the Permian edges of the basin with subtle structural or stratigraphic traps.

Exploration analysis and studies in our other Cooper Basin and Otway Basin permits is ongoing. We are taking a prudent approach in the current low oil price environment and have no plans to drill wells in these other permits in the current financial year. We will also continue to analyse other exploration opportunities which are consistent with our capabilities and strategy and have low up- front costs.

Slide: Best practice, value accretive, gas commercialisation

The second key value driver is best practice, value accretive, gas commercialisation.

What do we mean by this? Translating gas resources into shareholder wealth demands a lot more than simply selling as much as you can at the best price on offer at the time. It includes all the aspects of ensuring one can minimise costs of developing and delivering the gas to the customers.

The Eastern Australia gas supply shortage is creating opportunities for new gas contracts – and best practice, value accretive commercialisation will be the distinguishing feature of those companies that turn the opportunity into the best returns for their shareholders.

Slide: Value accretive gas commercialisation: Step 1: The right resources

The all-important base ingredient is having the right resources or reserves. The simple facts are that the gas with the lowest cost to market will always be the most competitive option for the buyer and give the best returns to the seller.

Those who have followed our gas strategy over the last three years will recall the over-riding priority we have placed on understanding the cost curve and ensuring any assets we develop or purchase are soundly entrenched at the lower end of the curve. This necessitated consideration of a number of factors including: cost of production; transportation cost; and development cost.

Our Gippsland Basin permits are clear winners in this respect. Conventional reservoirs, access to existing plant and pipeline infrastructure and proximity to markets mean that gas from Sole, and Manta, rank among the most cost competitive new sources of gas for South Eastern Australia.

Industry and our own analysis suggests Sole gas is a more competitive option for South Eastern Australian gas users than gas from Central Australia, Northern Territory, Queensland or Cooper Basin unconventional and tight gas.

Slide: Value accretive gas commercialisation: Step 2: the right development plan

Gas supply is a long term business in terms of both project development and the production period. Therefore, it is important to identify and implement a development concept which is efficient, technically robust and will generate attractive long term cash flow and earnings.

The development plan and cost for our projects will be defined by the front end engineering and design (or FEED) process.

The virtue of simple, conventional reservoirs is that they enable simple, low risk development with proven technologies. Sole will be a simple, capital efficient, low risk development with low operating costs. The outcome is a cost structure that will enable competitive gas supply for customers and good cash flow and margin for our shareholders.

The development plans don’t require construction of platforms, floating facilities or approvals for a totally new gas processing plant. It is planned that Sole will be developed with a single well, sub-sea installation as indicatively illustrated on this slide and a 62 km pipeline to the existing onshore gas plant at Orbost (now owned 50% by Cooper Energy).

The development design is incorporating lessons from other offshore Gippsland and Otway Basin installations and is being executed by a team experienced and proven through other successful offshore projects.

Slide: Value accretive gas commercialisation Step 3: Valuable customers & gas contracts

The third ingredient for value accretive gas commercialisation is good customers and gas contracts.

We are in the midst of contracting Sole gas and the outlook is very encouraging.

The forecasts of a shortfall of contracted gas for domestic Eastern Australian supply and the location and characteristics of our gas projects have certainly attracted the interest of customers.

However, we believe the real strength of Cooper Energy's positon is the demand-side approach we have adopted from the start, rather than the supply side perspective typically followed by the gas industry.

Our approach is to build a portfolio of gas customers and gas demand and then match that to supply. We commenced engagement with gas buyers two years before we acquired our first Australian gas resources and nearly three years before we acquired Sole. We set about understanding the market, the individual customer needs and issues and the intricacies of transportation.

We were delighted to announce O-I Australia (the largest glass packaging producer in Australia) as the first customer for Sole gas earlier this year. We are well advanced in negotiations for further agreements and expect to reach our desired level of pre-FID gas sales commitment in the coming months.

That's the process – but how are we adding value to the project with our contracting?

1) First, we haven't succumbed to offers that undervalue our shareholder's resource. We could have sold all of our gas from Sole two or more times over by now if we wanted. But we are taking the time to identify the customers and gas sales terms that will give the best sustained results for both our customers and our shareholders.

2) Second, quality gas contracts with quality customers enhance the bank finance available for the project. I will speak more about financing soon. Different gas contracts can present a world of difference in risk, free cash flow and bankability and we are building our gas business so we can get the best value financing.

Slide: Value accretive gas commercialisation: Step 4: capital management

The fourth element of value accretive gas commercialisation is capital management. I reiterate the Chairman's comments on our shareholder value focus in addressing the capital management aspects of the Gippsland gas projects and the careful investment we have made in building our understanding and funding strategy. We have identified the options and pathways for capital management, and optimising shareholder returns will be key when making our final selection on finance.

Strong, low risk projects, supported by solid contractual commitments from quality customers, attract the lowest cost finance. We are very mindful of the balance to be struck between debt and equity funding if shareholder value is to be optimised.

Our current equity levels are 50% in the Sole Project and Orbost Gas Plant and 65% in the Manta Project. These high equity levels have been strategically advantageous for Cooper Energy in the early phases of project development, whilst we are adding value without spending much capital. We are now reviewing what is the appropriate equity for the company and being mindful of optimising the project funding for our shareholders.

With the gas marketing and contracting proceeding well, and an increased appreciation of the value of well-located conventional gas, it may be opportune to realise some value from the work done thus far and reduce capital demands if this is the optimum scenario for our shareholders.

Accordingly, we are planning to open a data room in the coming weeks for parties interested in joining with Cooper Energy in holding interests across both projects by acquiring a share of the equity we currently hold. Our preferred outcome will be that which maximises overall project value and value for our shareholders.

This approach should also advance alignment of commercial interests across the Sole, Manta and Orbost gas plant, which can add further value for all parties involved.

Slide: Value accretive gas commercialisation Step 5: the 'X' Factor

The final element is what I call the 'X-factor' which features in great gas projects.

History shows that the 'X' factor in great gas projects is the cost reduction and margin enhancement that comes from collaboration and sharing costs, planning development and operations across multiple projects.

Our base case costing for Sole has been conducted on a stand-alone basis and, on this basis, the project's economics are robust.

But a stand-alone development was never our ultimate objective with the project's proximity to the BMG permits and, in particular, the Manta gas field. Therefore, we are pursuing savings and the potential for higher returns through optimising and sharing costs where this makes sense.

Alignment of commercial interests across the Sole, Orbost and Manta projects is an opportunity for further value addition and this will be facilitated by the data room initiative I have announced this morning.

In the medium term, we believe the strategic and economic significance of the Orbost Gas Plant will grow. We foresee Orbost, as an established plant with access to the Eastern Gas Pipeline, attracting interest from projects other than Sole and Manta. We expect the value generated from our shareholding in Orbost to grow in line with the plant's significance as a growing gas hub for South Eastern Australia.

Slide: Indonesia

With respect to our Indonesia portfolio, we are reviewing our options. Our low risk, capital-light, development and appraisal drilling program in the Tangai-Sukananti KSO has been completed and proved an unqualified success in adding production and reserves.

Over the past two years the company's Indonesian reserves have been lifted from 0.35 million barrels of oil to 1.7 million barrels of oil. Gross joint venture production (of which we have a 55% share) has been increased 600% from 125 bopd in September 2012 to 754 bopd in the last quarter. The current facilities capacity is being increased so gross production can be further increased to some 1,000 bopd. A full field development will further increase production to some 2,500 bopd. However, our commitment of capital for this project will, for shareholder value reasons, rank behind the anticipated demands of our Gippsland gas projects.

Over the course of the coming months we expect to determine the most value accretive option for the Indonesian production and exploration portfolio including possible divestment. In the meantime, our Indonesian operations are expected to continue to perform strongly with annual production of approximately 175,000 barrels anticipated for the financial year, up 133% on last year's level of 75,000 barrels.

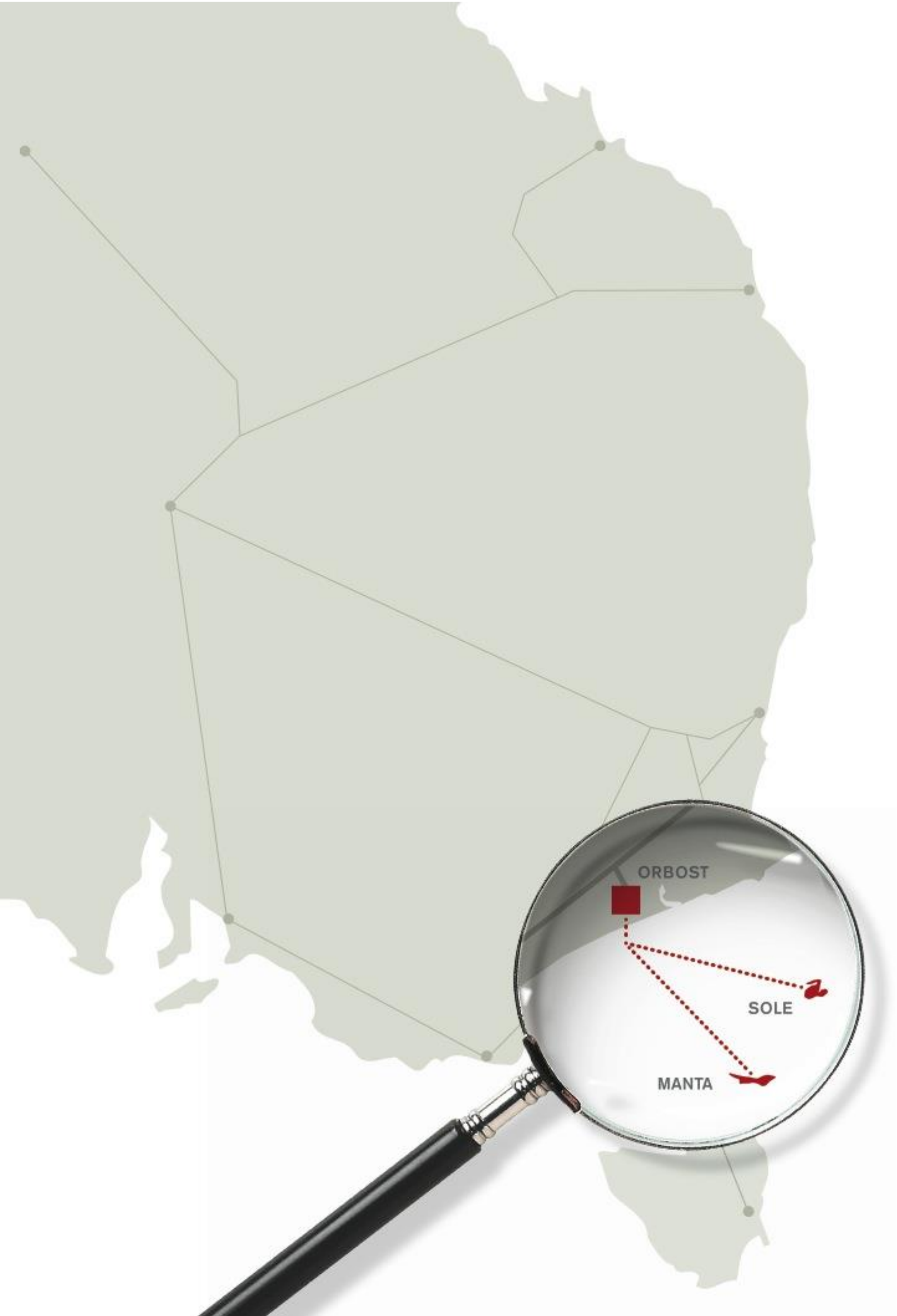
Slide: Summing up 2016

As the Chairman and I have outlined, the Gippsland gas projects have your company positioned for a substantial increase in revenue and cash generation in the coming years. In this context, 2016 is shaping as a value adding year for your company.

The work done thus far, and planned for the remainder of the 2016 financial year is designed to have Cooper Energy set up for entering the 2017 financial year with:

- increased Cooper Basin oil production;
- the large majority of our Sole gas contracted;
- moved closer to commercial alignment of Gippsland gas project interests; and
- on the cusp of an FID decision on Sole which will transform our reserve base and the future long term cash flow outlook.

We are in the midst of a very busy year and, with the quality assets and opportunities within our portfolio, I and our small team of experienced, capable staff are looking forward to delivering on these projects for our fellow shareholders.



2015 Annual General Meeting

Address by the Managing Director

Mr David Maxwell

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.

Qualified petroleum reserves and resources evaluator

This report contains information on petroleum resources which is based on and fairly represents information and supporting documentation reviewed by Mr Andrew Thomas who is a full time employee of Cooper Energy Limited holding the position of Exploration Manager, 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 5.41 and has consented to the inclusion of this information in the form and context in which it appears.

Rounding

All 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.

Reserves and resources calculation

Information on the company's reserves and resources and their calculation are provided in the appendices to this presentation.

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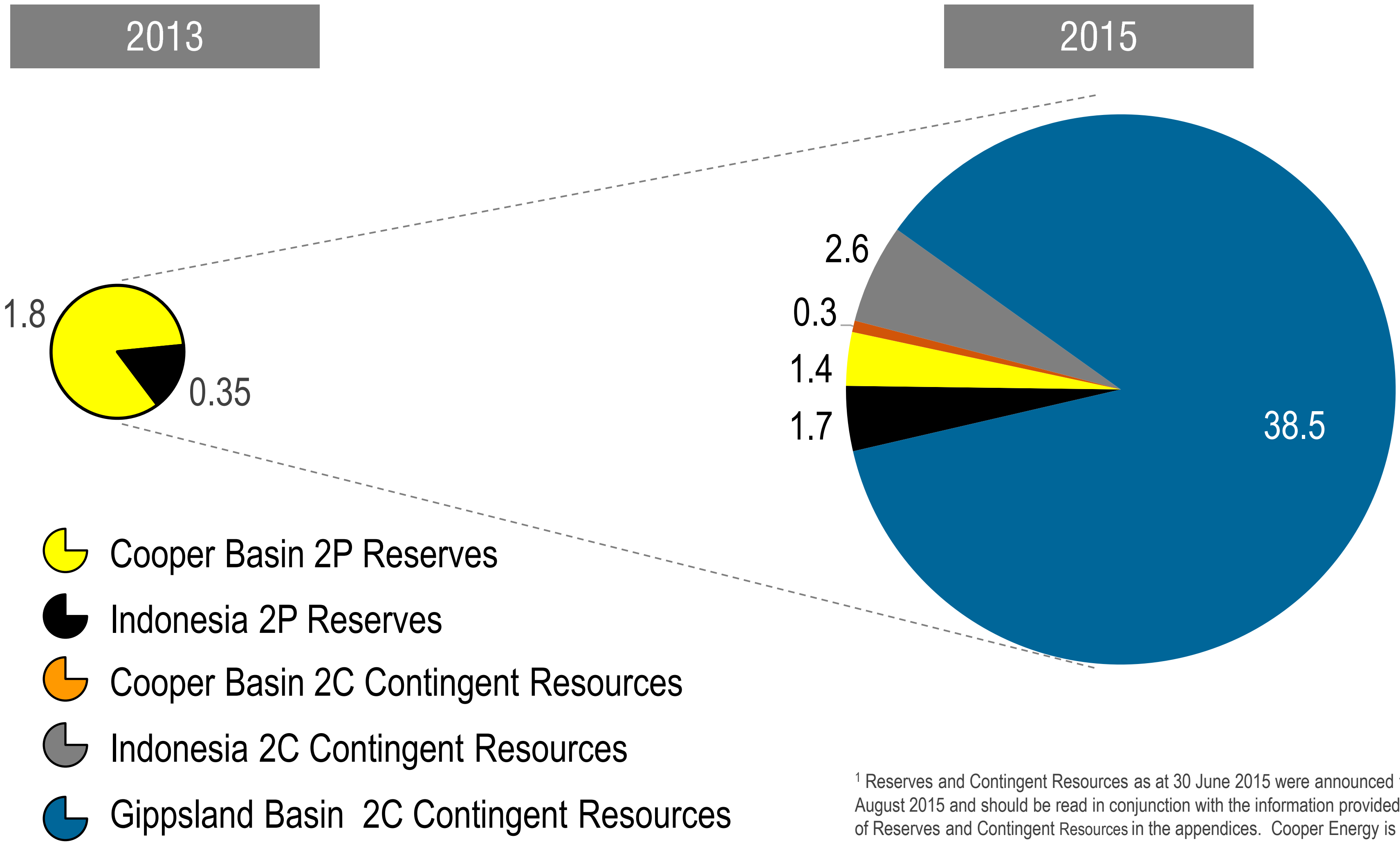
Cooper Energy now much more than Cooper Basin oil

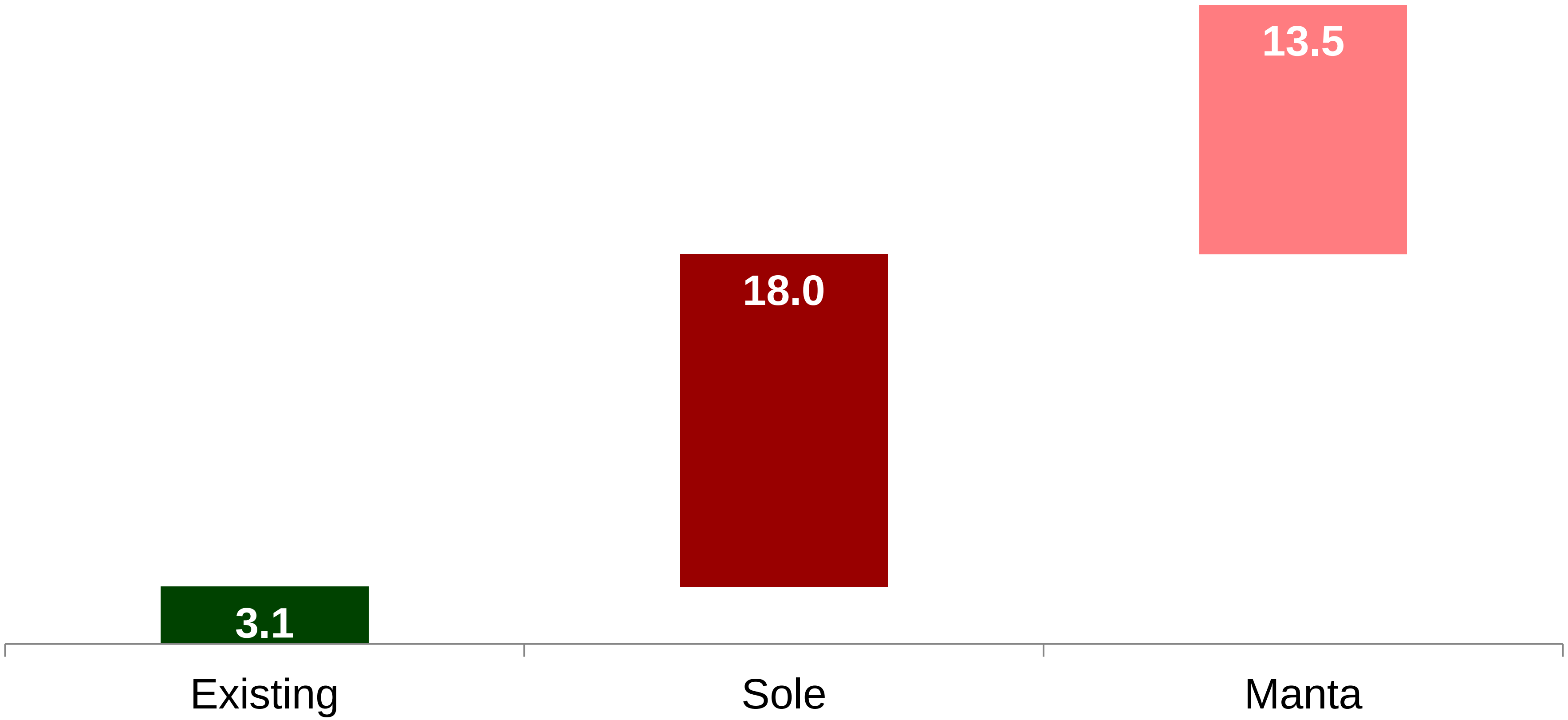
2P Reserves and 2C Contingent Resources 2013 vs 2015 mmboe, Australia and Indonesia



[1] Reserves and Contingent Resources as at 30 June 2015 were announced to the ASX on 17 August 2015 and should be read in conjunction with the information provided on the calculation of Reserves and Contingent Resources in the appendices. 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 announcements continues to apply.

Potential reserve additions from Gippsland Basin Gas Projects

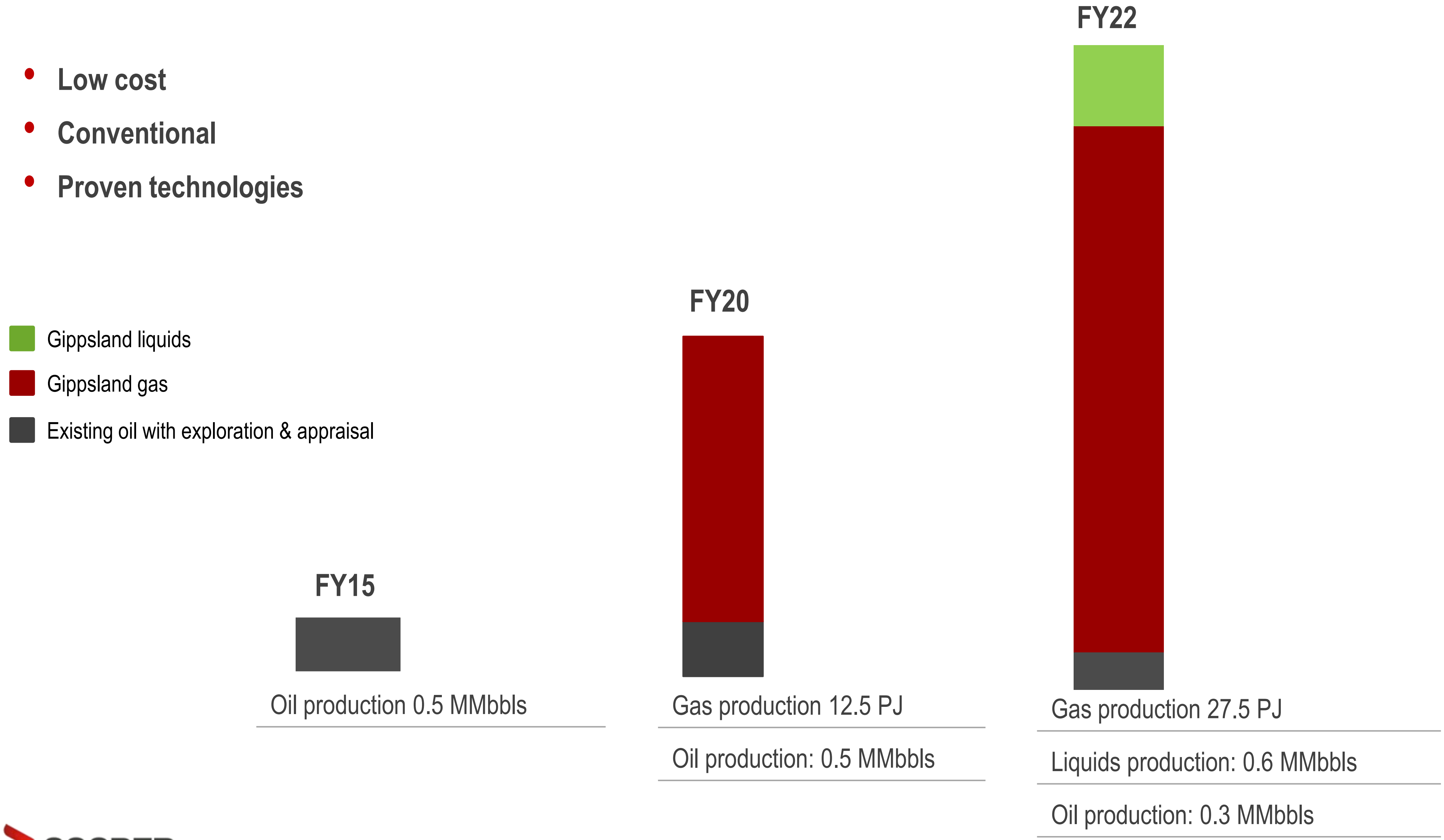
2P Reserves to COE anticipated from affirmative FID of projects (mmboe) at current equity levels



Indicative Cooper Energy production from existing assets & equity levels

Current projects have capacity to take production from 0.5 pa to 5 million boe pa

- Low cost
- Conventional
- Proven technologies



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Delivery of the transformation

2 key elements in delivery of the transformation

1. Cash generating Cooper Basin oil production
2. Best practice, value accretive, gas commercialisation

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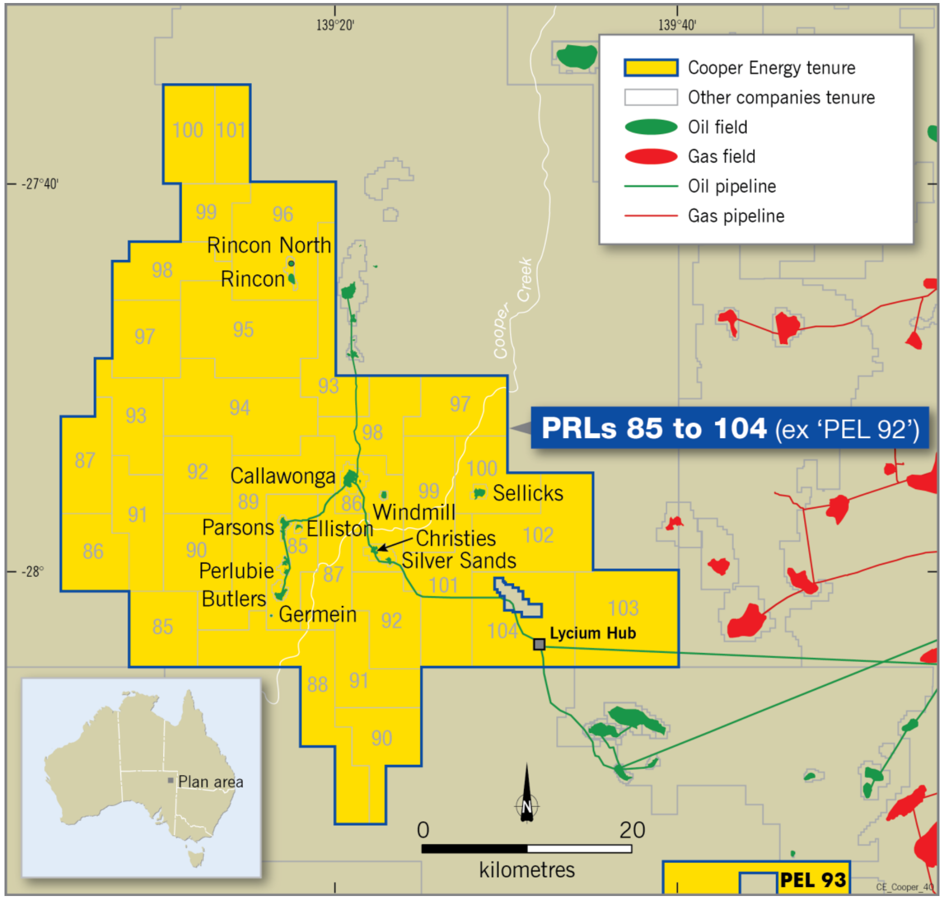
Cash generating Cooper Basin Oil production from PEL 92 Joint Venture

Cash generator with low production cost. Working in FY16 to maintain production

- Direct operating costs of A$35/bbl vs sale price of ~A$70/bbl
- FY15 reserves replacement 120%
- Field performance & appraisal continues to add reserves
- FY16 program expected to maintain production and reserves
  - Callawonga appraisal
  - low cost facilities optimisation removing bottlenecks
- Target to maintain production from existing fields
- Further exploration potential, eg Sellicks analogues



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Best practice, value accretive gas commercialisation:

1. .. demands more than selling as much gas as you can at best price on offer at the time

2. …will be **the distinguishing feature** of those that turn the gas opportunity into the best returns for their shareholders

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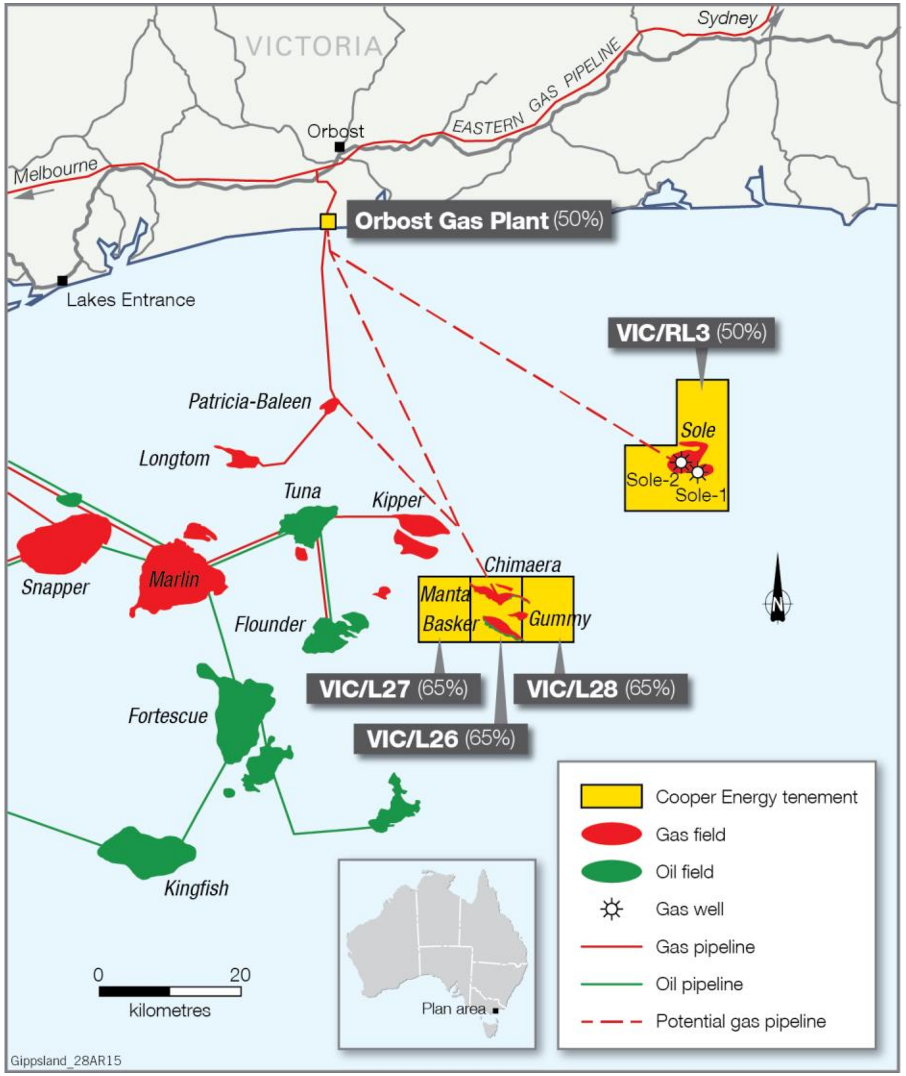
Value accretive gas commercialisation
Step 1: the right resources

Gippsland Basin gas projects have the base ingredients for value generation at low risk

- ☑ Conventional reservoirs
- ☑ Access to existing infrastructure
- ☑ Proximity to markets
- ☑ Superior competitive position as new supply
- ☑ Competitive supply source for gas users
- ☑ Opportunity to value add with adjoining projects



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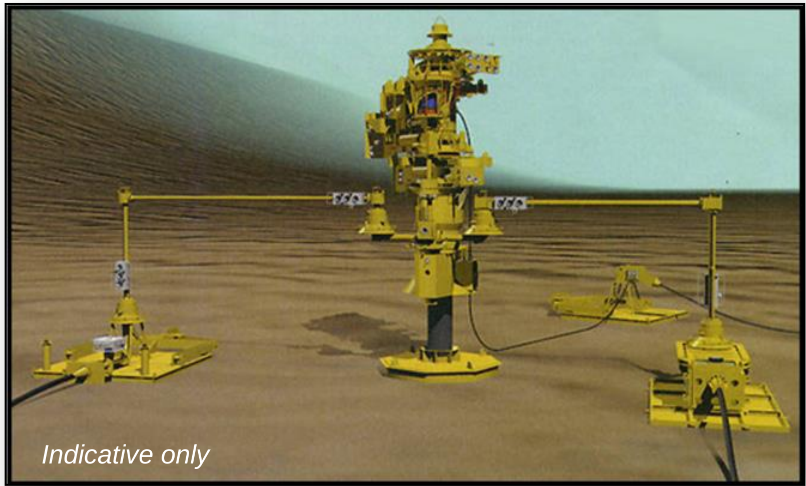
Value accretive gas commercialisation
Step 2: the right development plan

Simple stand alone field development utilising existing plant

- ☑ Conventional reservoir
- ☑ Sub-sea installation: no platform, no FPSO
- ☑ Low capital and operating cost
- ☑ Utilises existing plant

Simple Sub-sea installation



Utilising existing Orbost Gas Plant

Value accretive gas commercialisation

Step 3: valuable customers & gas contracts

Cooper Energy has been building its understanding and relationships in East Australian gas for 3 years

- Demand side focus directed to building a portfolio of demand
- Focus on quality customers and contracts that enhance financing
- Completed:
  - ☑ Built understanding of East Australian gas market
  - ☑ Established relationships with key gas customers, understand their needs and issues
  - ☑ Initial Heads of Agreement for Sole gas with O-I Australia on supply for life of field
- Current:
  - ☐ Advancing further agreements for supply of gas from Sole from 2019
  - ☐ Engaging with gas buyers keen to secure gas from Manta
- Expectation
  - ☐ Contracts for ~ 80% of Cooper Energy share of Sole gas by conclusion March quarter 16

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Value accretive gas commercialisation
Step 4: capital management

Shareholder value the key consideration and objective in detailed funding preparation

- Funding strategy completed with input from external advisors
- Key drivers for project and shareholder value identified
- Anticipate bank finance available on strength of pre-FID gas contracts & resources
- Appropriate balance between debt finance and other sources which maximises shareholder value
- Data room to be opened for Sole, Orbost and BMG (Manta)
  - objective is outcome that maximises overall project value and value to COE shareholders
  - target commercial interest across all projects
- Capital management plan to be in place prior to FID in September quarter
- Shareholder value optimisation the over-riding priority

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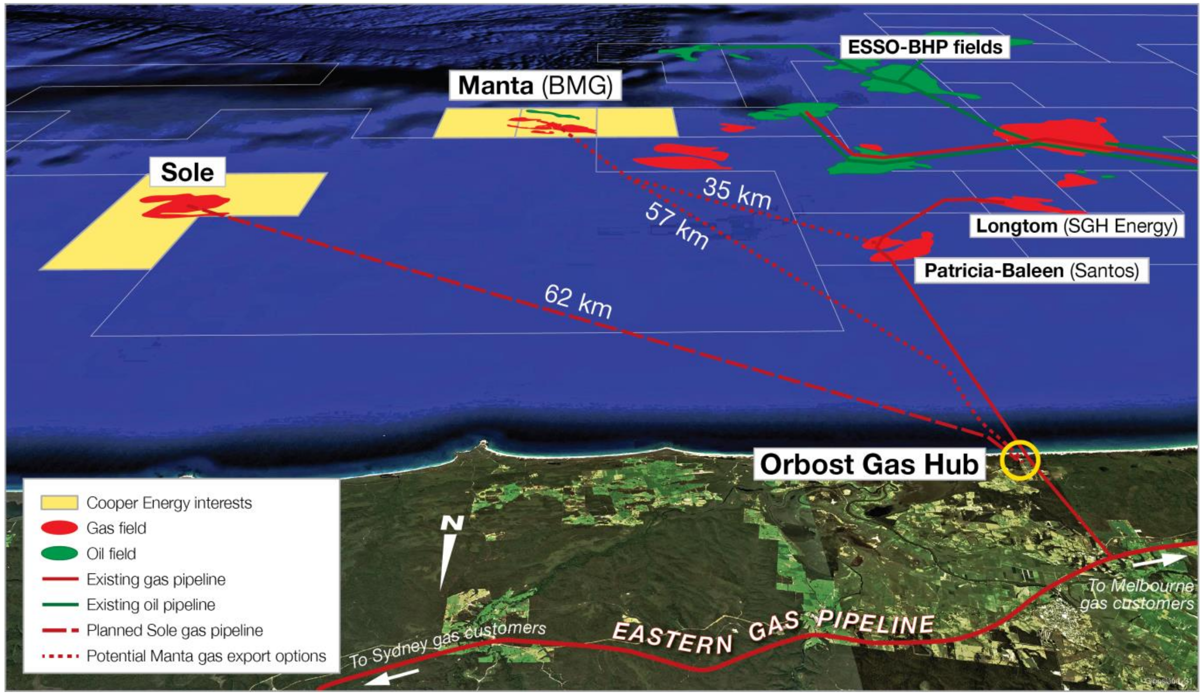
Value accretive gas commercialisation
Step 5: the ‘X’ Factor

Location enables costs reduction and margins enhancement through collaboration and value-add



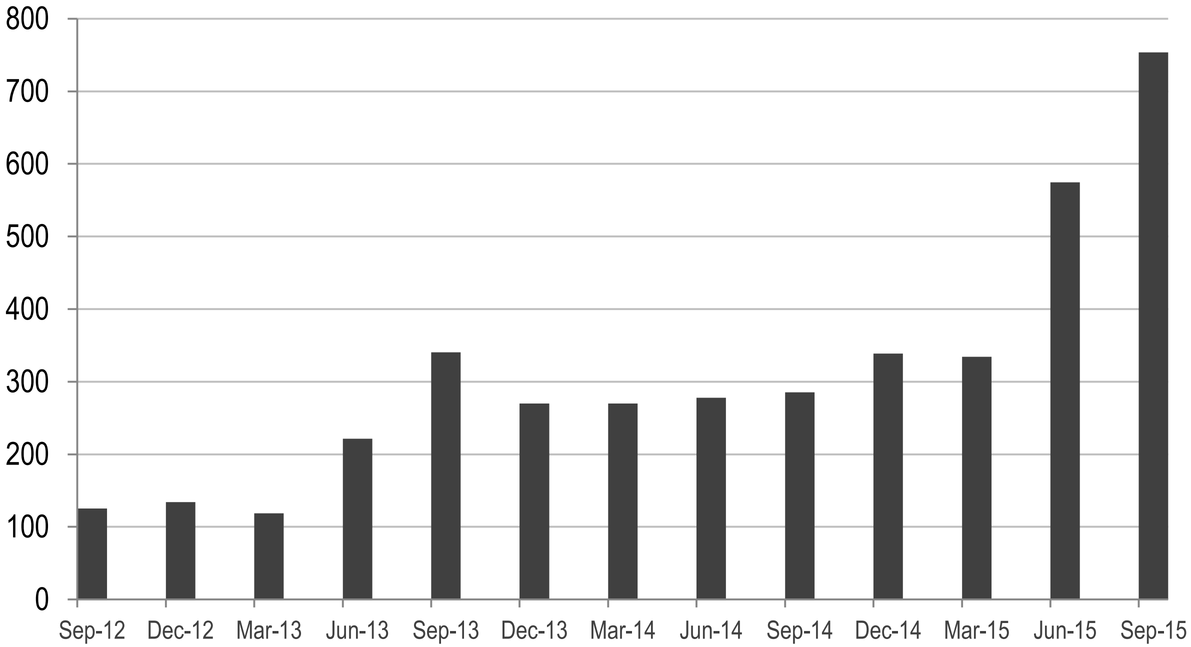
- ☑ Alignment opportunities
- ☑ Sole and Manta synergies, cost sharing eg:
  - rig share
  - pipe laying
  - redundancy sharing
  - operations
- ☑ Development of Orbost Gas Plant as regional hub for processing & access to Eastern Gas Pipeline
- ☑ Adjacent exploration and production joint ventures additional potential opportunities

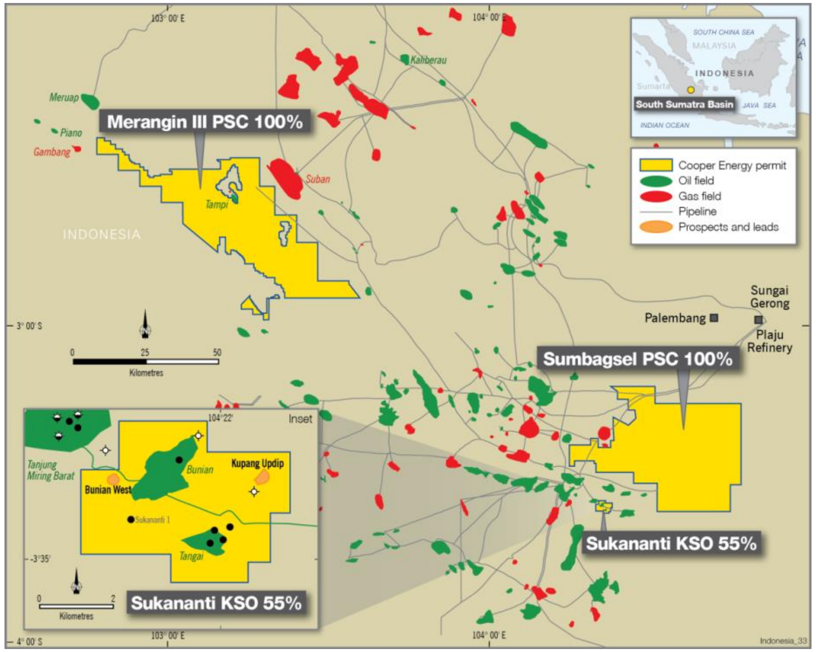
COOPER ENERGY

Indonesia

Production and reserves growth

Tangai-Sukananti KSO production
barrels of oil per day, gross (COE share:55%)





- Low risk – low capital program has been successful
- Reserves up from 0.35 MMbbls to 1.7 MMbbls 2013 to 2015
- COE production share up from 109 bopd to 410 bopd June 2013 – Sept 2015
- Opportunities and development plan in place to address potential to lift production further
- Position and capital commitments to be reviewed in context of Gippsland capital requirements

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Summing up 2016

2016 is expected to be a busy, value creating year that sets up 2017

FY16	FY17
Cooper Basin facilities optimisation Callawonga appraisal New PEL 92 exploration plays	Maintain Cooper Basin oil production PEL 92 New oil opportunities
Completion of Sole FEED Sole gas sales agreements Manta : progress feasibility studies Open Gippsland gas projects data room Finalise Sole funding plan	Sole FID Book Sole Reserves Implement Sole funding plan Commence Sole development Manta Pre-FEED
Indonesia: production uplift Indonesia: position and outlook	

Appendices

Notes on calculation of Reserves and Resources

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). The resource 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 and probabilistic summation. Aggregated 1P or 1C may be a conservative estimate and aggregated 3P and 3C may be an optimistic estimate due to the effects of arithmetic summation. Totals may not exactly reflect arithmetic addition due to rounding.

Reserves

The Cooper Basin totals comprise the probabilistically aggregated PEL 92 project fields and the arithmetic summation of the Worrior project reserves. Total includes 0.05 MMbbl oil reserves used for field fuel. The Indonesia totals include removal of non-shareable oil (NSO) and comprise the probabilistically aggregated Tangai-Sukananti KSO project fields. Totals are derived by arithmetic summation.

Contingent Resources

The Contingent Resource assessment includes resources in the Gippsland Basin, in PRL's 84-104 and PEL 90k in the Cooper Basin, the Tangai-Sukananti KSO, Indonesia and in the Hammamet West in the Bargou Permit and Tazerka field in the Hammamet Permit, offshore Tunisia. The following assessments have been released to the ASX: Basker field on 18 August 2014, Manta field on16 July 2015, Sole field on 25 May 2015 and Hammamet West field on 28 April 2014. 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 estimates provided in the releases continue to apply.

Contingent Resource in the Sole field in VIC/RL3, Gippsland Basin, offshore Victoria, have been assessed by Santos Limited as Operator and documented in the Operator's Preliminary Field Development Plan (2013) and refreshed in May 2015 as part of the pre-FEED process. The Contingent Resources have been assessed using probabilistic simulation modelling for the Kingfish Formation at the Sole Field. The conversion factor of 1 PJ = 0.172 MMboe has been used to convert from Sales Gas (PJ) to Oil Equivalent (MMboe).

Contingent Resources in the Basker Field in VIC/L26, VIC/L27 and VIC/L28, Gippsland Basin, offshore Victoria, have been assessed using deterministic simulation modelling for the Intra-Latrobe Group. Contingent Resources for the Basker Field reservoirs have been aggregated by probabilistic summation. The conversion factor of 1 PJ = 0.172 MMboe has been used to convert from Sales Gas (PJ) to Oil Equivalent (MMboe).

Contingent Resources in the Manta field in VIC/L26 and VIC/L27, Gippsland Basin, offshore Victoria, have been assessed using deterministic simulation modelling and probabilistic resource estimation for the Intra-Latrobe and Golden Beach Sub-Group. Contingent Resources for the Manta Field reservoirs have been aggregated by probabilistic summation. The conversion factor of 1 PJ = 0.172 MMboe has been used to convert from Sales Gas (PJ) to Oil Equivalent (MMboe).

Contingent Resources in Hammamet West field in the Bargou permit, offshore Tunisia, have been assessed using probabilistic Monte Carlo statistical methods. Conversion factors for the Hammamet West field are 1 Boe = 5,620 scf.

Qualified reserves and resources evaluator Statement

The information on Cooper Energy's petroleum reserves and resources assessment is based on and fairly represents information and supporting documentation reviewed by Mr Andrew Thomas who is a full-time employee of Cooper Energy Limited holding the position of Exploration Manager, 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 5.41 and has consented to the inclusion of this information in the form and context in which it appears.

Abbreviations

bbls	barrels of oil
boe	barrel of oil equivalent
bopd	barrel of oil per day
EBITDA	earnings before interest, tax, depreciation and amortisation
kbbls	thousand barrels
LTIFR	Lost Time Injury Frequency Rate. Lost Time Incidents per million man hours worked
MMbbl	million barrels of oil
MMboe	million barrels of oil equivalent
NPAT	net profit after tax
PEL 92	SA Cooper Basin acreage held by the PEL 92 joint venture now encompassed by Petroleum Retention Licences 85 – 104 (refer slide 26)
TSR	total shareholder return
1P reserves	Proved reserves
2P reserves	Proved and Probable reserves
3P reserves	Proved, Probable and Possible reserves
1C, 2C, 3C	high, medium and low estimates of contingent resources

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