

2016 first half

Results and outlook
25 February 2016



FY 16 First Half Conference call and webcast details

9:00 am AEDT Thursday 25 February

Webcast: The webcast can be accessed via the company's website (cooperenergy.com.au) or through: <http://webcast.openbriefing.com/2671/>

Conference call: Conference ID number: 4743 2559

Australia: Toll free: 1800 123 296

International dial- in: Toll: +61 2 8038 5221 (can be used if dialing from international location)

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1855 5616 766

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1800 3010 6141

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0120 477 087

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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.

Dollars

Unless otherwise specified, all dollar amounts are expressed in Australian dollars.

Reserves and resources calculation

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

Key messages: FY16 first half results

- 1 On track for transformation**
First half progress has Cooper Energy on the cusp of delivering the strategic vision - an Australia-only oil and gas company with particular focus on east coast gas. Gippsland gas projects resources upgraded; FEED advancing better than budget; and gas sales negotiations progressing well.
- 2 Low oil price impact being effectively managed**
The low oil price environment is being managed with hedging, reset of expenditure and reduced costs, staffing and contractor hours; without compromising project delivery.
- 3 Set for busy 6 months as key milestones approach**
Activity and announcements are expected in the coming 6 months as we move from project definition to commitment and development of Sole gas project.

FY16 first half at a glance

Strategy advancing as planned, oil price being managed effectively

Gippsland Basin Gas Projects: moving ahead, contracting gas, resource estimates upgraded

- Sole FEED on schedule and under budget; 44% complete
- Sole Contingent Resource¹ upgraded 14% to 241 PJ (gross; COE share 121 PJ)
- Initial HOA for sale of Cooper Energy equity gas from Sole, further agreements in progress
- Manta gas prospectivity upgraded with targets below existing gas bearing reservoirs
- Data room process initiated to optimise funding and commercial alignment across projects

Strategy execution: Australia-only business now in sight

- Divestment of Indonesian exploration acreage, process ongoing for production assets
- Progressive withdrawal from Tunisia

Financial results: effective management in the current price environment

- Revenue of \$14.6 million, down 37% on lower oil prices and volumes
- Statutory net loss after tax \$(34.1) million vs H1 15 net loss of \$(58.0) million
- Underlying net loss after tax of \$(1.3) million, down from \$(0.4) million
- Cash and investments of \$30.2 million. Net proceeds of ~\$10 million from sale of Indonesian exploration assets anticipated
- Operating cash cost reduced 20%, general admin cash expenditure cut 10% annualised, capex forecast cut 20%, now \$30 - 32 million
- Solid hedge book provides price floor that averages A\$68.50/bbl for 50% of second half production at zero cost

Key financial results

Oil price decline impacting results; operating cash flow positive

<i>\$ million unless otherwise indicated</i>	H1 16	H1 15	change	
Production MMbbl	0.25	0.25	=	-
Sales volume MMbbl	0.24	0.24	=	-
Oil price average A\$/bbl	60.58	97.46	▼	- 38%
Sales revenue	14.6	23.0	▼	- 37%
Operating cash costs average A\$/bbl	30.78	38.63	▼	- 20%
Gross profit	5.0	9.5	▼	- 47%
Gross profit/Sales revenue %	34.2%	41.3%	▼	- 7.1%
Net profit/(loss) after tax	(34.1)	(58.0)	▲	+ 41%
Underlying NPAT	(1.3)	(0.4)	▼	- 225 %
Underlying EBITDA	1.3	6.9	▼	- 81%
Cash flow from operations	2.6	(2.0)	▲	+ 230%
Total cash and investments	30.2 ¹	41.3 ^{1,2}	▼	- 27%

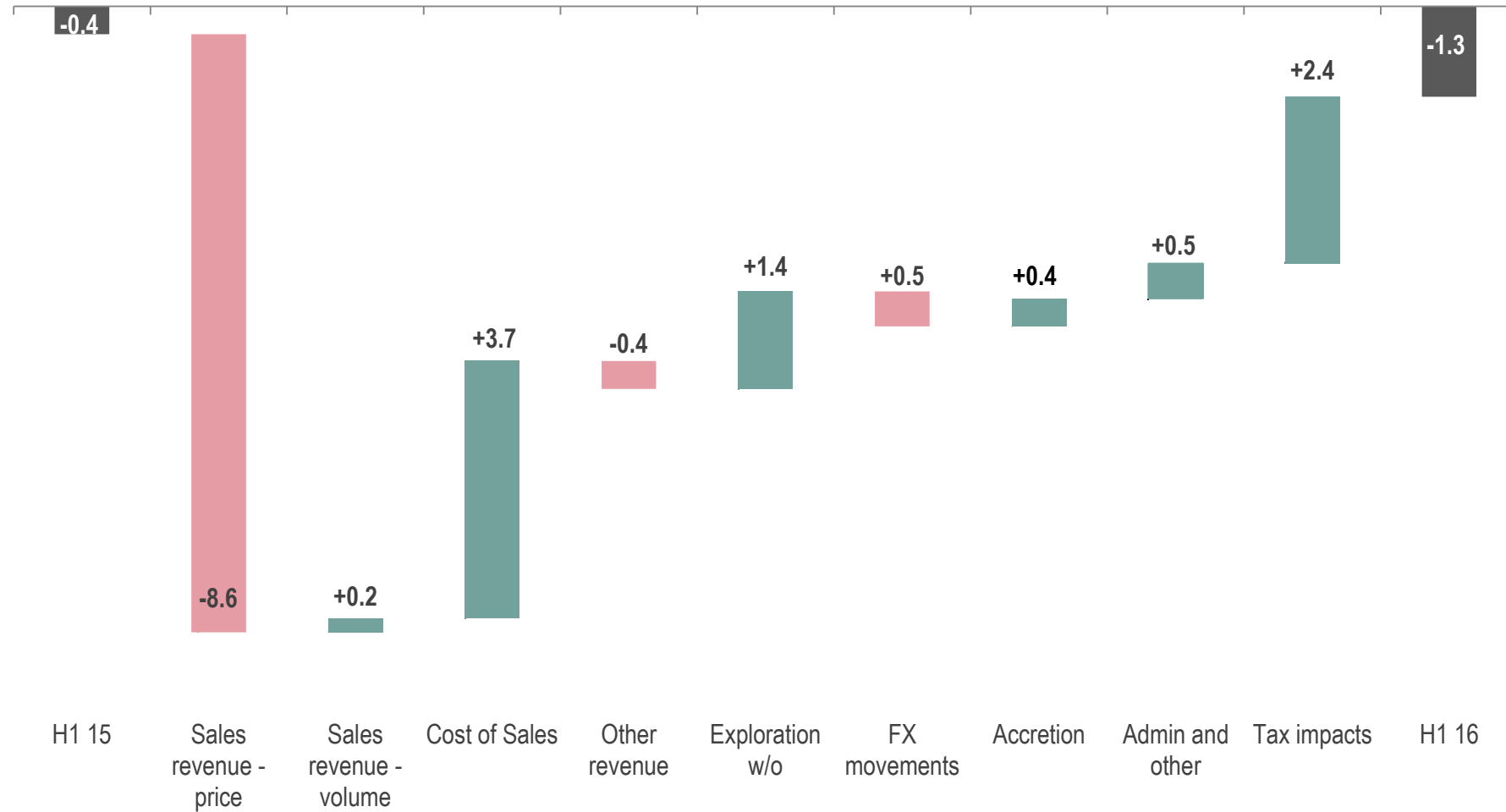
¹ Investments at fair value at balance date

² as at 30 June 2015

First half underlying NPAT movement

Oil price the driver in year-on-year movement. All costs and expenses improved.

\$ million contribution to NPAT vs pcp



Profit contribution from oil business

Profitable oil business being leveraged to build gas business

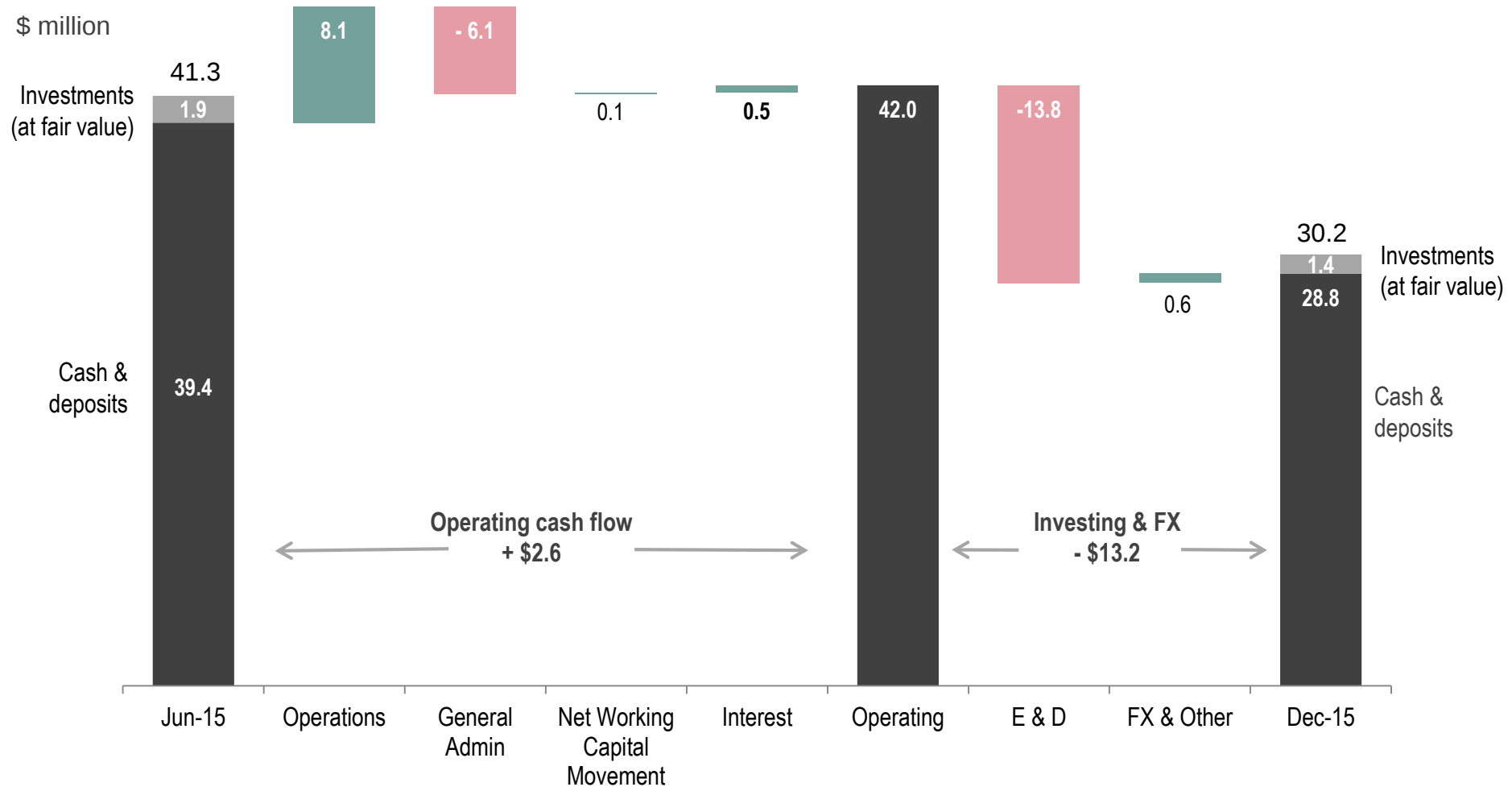
H1 16 \$ million

Oil	
Sales revenue	14.6
Gross profit	5.0
Gross profit / Sales revenue	34%
Exploration expense	-0.2
General Admin ¹	1.6
Underlying EBITDA	5.7
Underlying PBT	3.2
Income tax	(1.0)
Oil Underlying NPAT	2.2
Gas¹ and Corporate¹ Underlying NPAT/(loss)	(3.6)
Cooper Energy total Underlying NPAT/(loss)	(1.3)

¹ General administration costs allocated 27% to Oil; 35% to Gas and 38% to Corporate

Movement in cash and investments

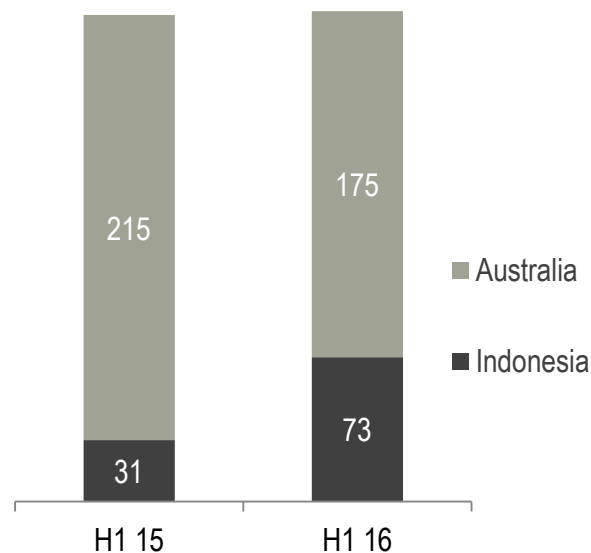
Positive cash flow from operations and application of cash to growth projects



Production and costs

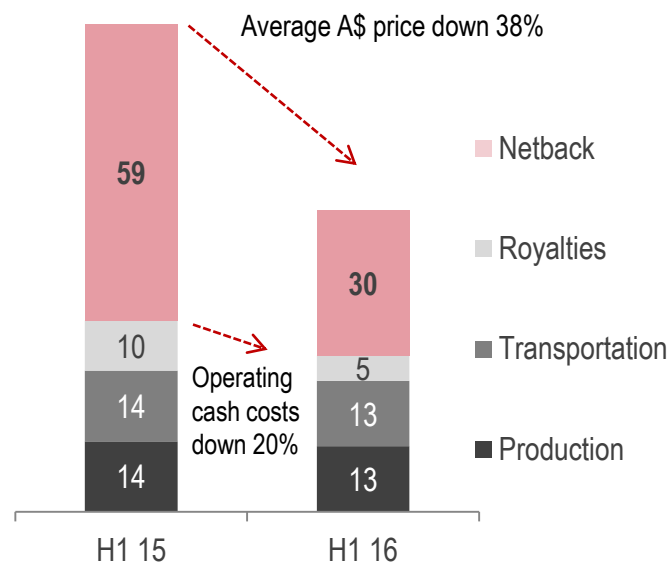
Reduced direct and indirect costs

Production
'000 bbls



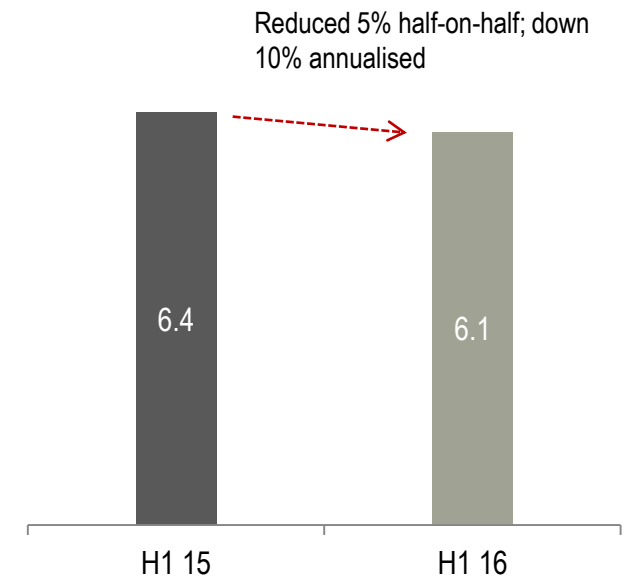
- Total production maintained
- Indonesian development program

Operating cash costs and netback
A\$/bbl



- Operating cash costs of A\$30.78/bbl vs A\$38.63/bbl
- H1 16 price and netback includes hedge benefit of A\$3.32/bbl

General admin cash expenditure
\$ million



- Tight focus on cash expenditure
- Annualised run rate reduced 10%
- Resourcing maintained for growth projects
- Staff FTE, headcount and contractor reductions

Capital expenditure; incurred and outlook

First half increase driven by Gippsland Basin Gas

	Capex vs PCP \$ million				Revised capex guidance ¹ \$ million			y.o.y ³ . change
	15 H1	16 H1	Change		FY 15	FY16H2	FY16F	
Cooper Basin	4.3	0.8	- 3.5	Cooper Basin	8	2	3	-4
Otway Basin	0.7	0.1	-0.6	Otway Basin	1	~0 ²	~0 ²	-1
Gippsland Basin	1.6	8.6	+7.0	Gippsland Basin	9	13	22	+13
Indonesia	3.7	3.9	+0.2	Indonesia	8	1	5	-3
Tunisia	0.3	0.4	+0.1	Tunisia	1	1	2	1
Total	10.6	13.8	+3.2	Total	27	17	30-32	+3-5

¹ Guidance numbers are approximate and rounded, as a result some totals and subtotals may not equal addition of numbers displayed

² Figures rounded to zero, expenditure anticipated to be less than \$0.5 million

³ Year on year

Sole Gas Project update (Cooper Energy 50%)

Moving towards FID in September quarter 2016

Sub-surface UPGRADED

- Contingent Resource upgraded 14% to 241 PJ gas (gross); COE share 121 PJ

FEED ON PLAN, UNDER BUDGET

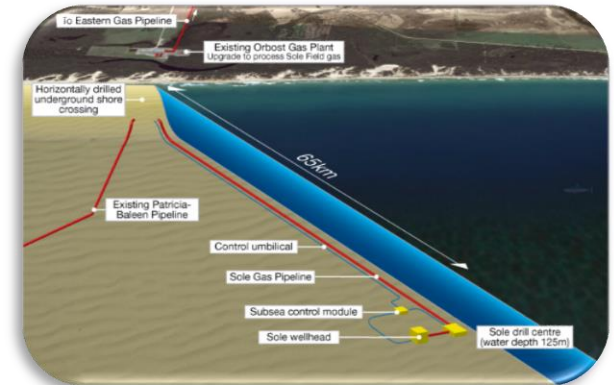
- 44% complete, in line with schedule (end Jan)
- Ahead on costs, 79% of budgeted spend to date (end Jan)
- On track for completion in September Quarter

Gas marketing ON TRACK

- Heads of Agreement with O-I Australia
- Ongoing & advanced negotiations with other gas buyers
- Target 10 PJ pa contracted for FID and bank finance

Joint Venture OPTIMISING

- Gippsland Basin Gas Hub data room process underway
- Objective is to facilitate optimal funding



Sole field development

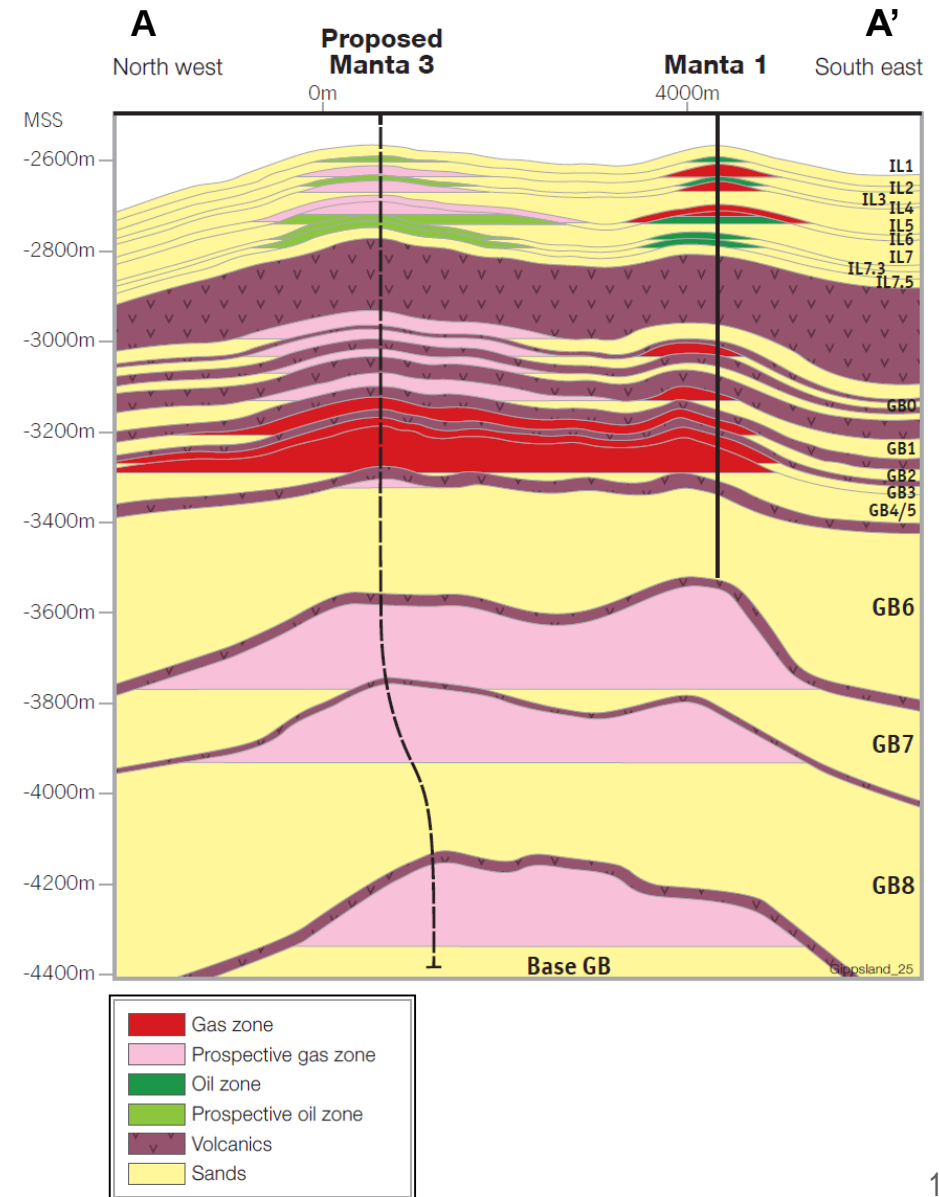
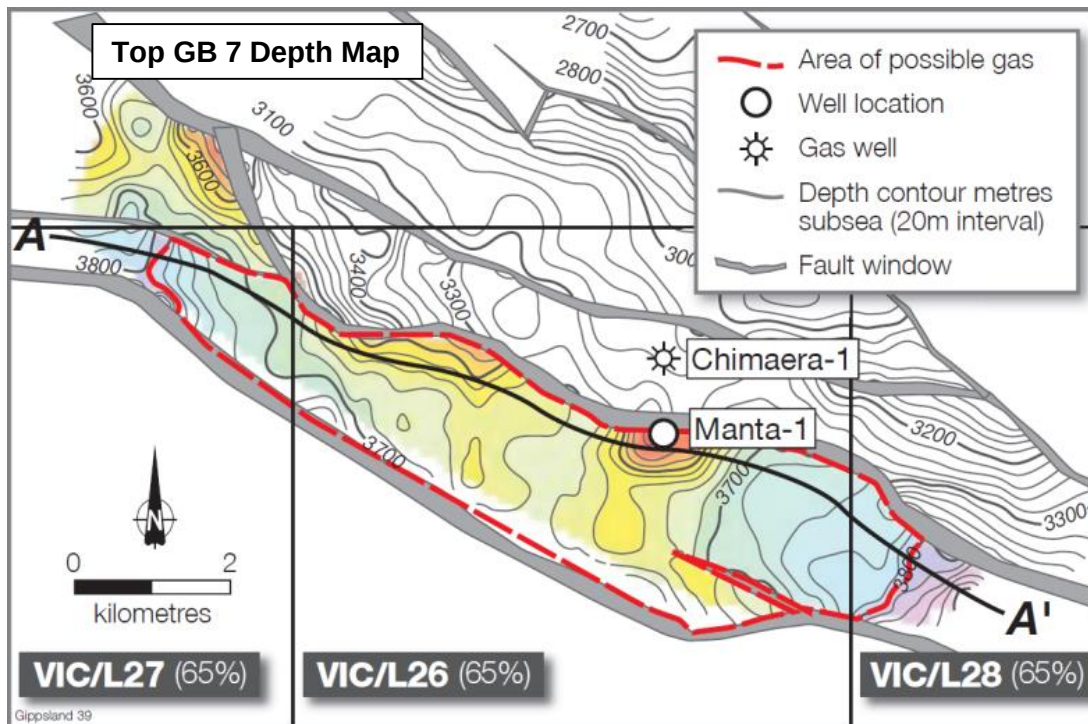


Orbest Gas Plant

Manta gas potential (Cooper Energy 65% & Operator)

Gas potential in exploration targets below Manta gas field

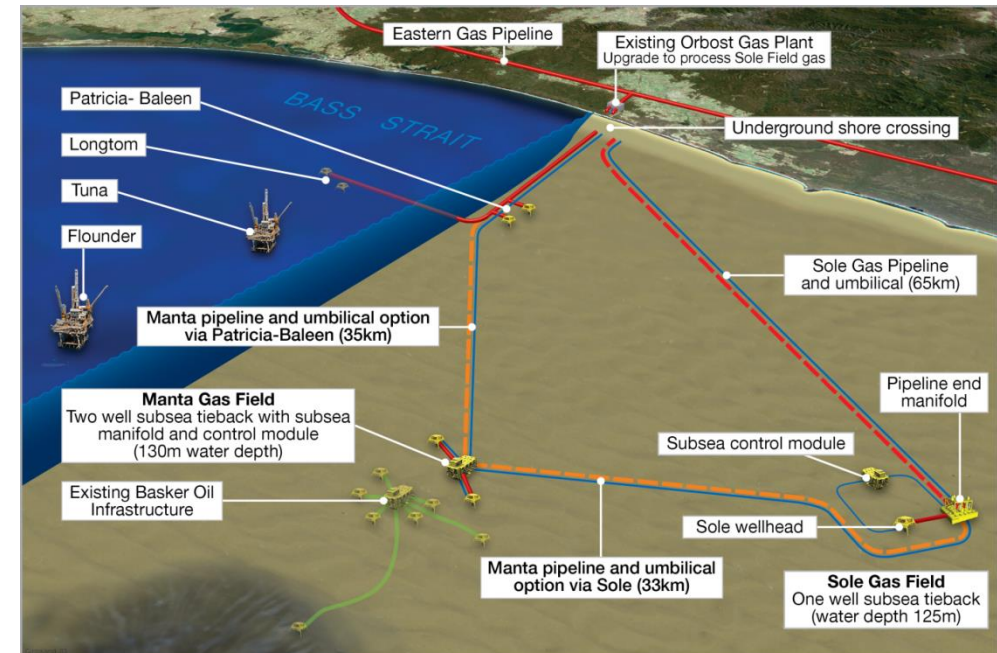
- Untested Golden Beach reservoirs are identified within the same structure below proven gas in the Manta field
- Potential to evaluate multiple additional reservoir sections by drilling Manta-3 another 1,000 metres deeper than Manta-1



Gippsland Basin Gas Hub concept

Staged development utilising existing Orbost Gas Plant

- Opportunity for capital efficient development through use of existing infrastructure and coordinated development
- Gippsland Gas Hub centred around Orbost Gas Plant for Sole, Manta and the other gas resources in the region
- Potential substantial savings and value increase if Manta developed¹
- Gippsland Basin Gas Hub data room initiated late November 15 to facilitate commercial alignment across projects and optimal funding for Cooper Energy



Current interests in Gippsland Basin Gas interests

	Orbost Gas Plant	Sole Gas Field	Manta Gas Field
Cooper Energy	50%	50%	65%
Santos	50%	50%	-
Beach Energy	-	-	35%

¹ Note: Manta development includes appraisal well

Eastern Australian gas market

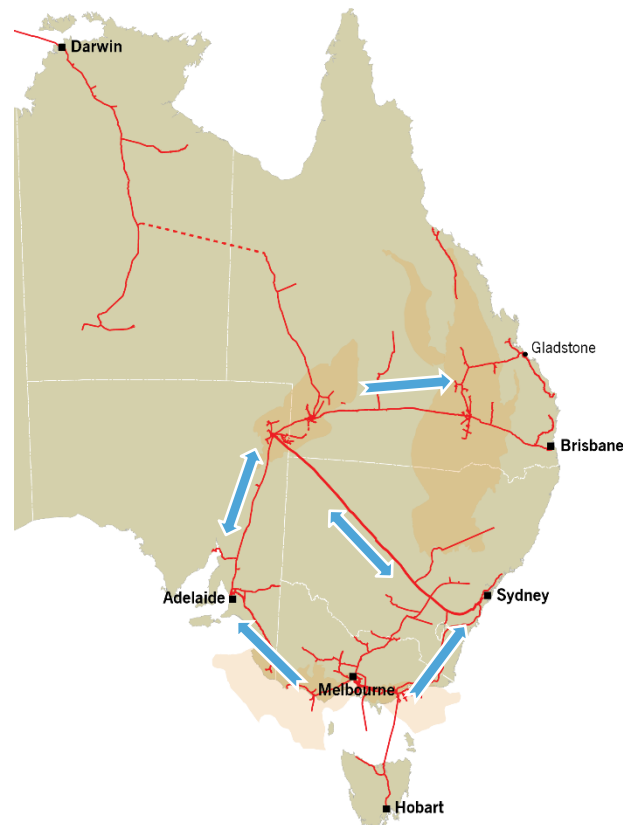
Gas buyer activity increasing as gas availability tightening

Demand-side

- Eastern Australia: new contracts needed from 2018
- Gladstone taking gas from sources previously focussed on SE Australia
- Gas customers increasingly active, seeking medium and long term supply
- Customers uneasy with exposure to price volatility

= gas buyers facing, and responding to, uncertainty

Gladstone drawing gas from Eastern Australia



Supply-side

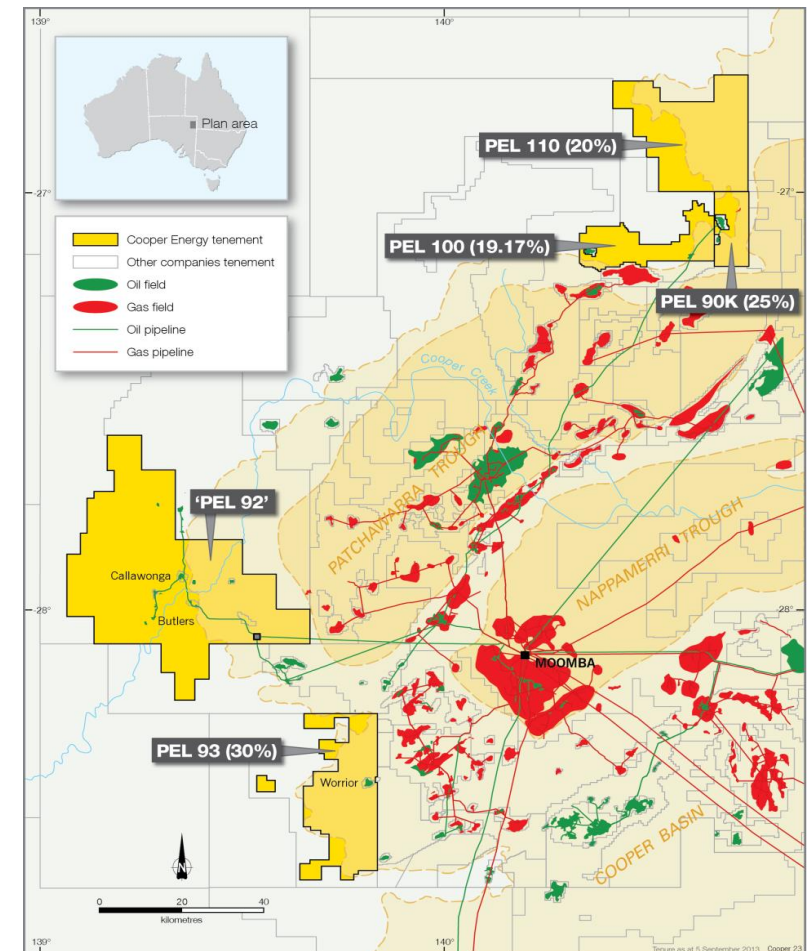
- Existing producing fields in decline
- Queensland and Cooper Basin commitments to Gladstone LNG
- Gas is flowing from Victoria to Queensland
- CSG expected to be 78% of eastern Australian supply 2016 - 2025¹
- CSG uncertainty outside Queensland
- Lower oil price impacting gas reserves and exploration
- NEGI directing NT gas to Queensland

= positive climate for best-placed gas in Eastern Australia

Cooper Basin - first half results

Low cost cash generating production; capex scaled back

- H1 FY16 oil production of 175 kbbls, inline with estimates
- Operating cash cost of A\$32.50/bbl (FY16) including transport and royalties
- Connection of Callawonga 10 & 11 in Sept-Oct
- All drilling deferred into FY17
- Callawonga facilities expansion project studies ongoing, production capacity projects deferred into FY17
- Seismic inversion studies and prospect interpretation ongoing
- Plan to 'refresh and upgrade' prospect portfolio during drilling hiatus



Indonesia

Realising value to concentrate resources on Australian opportunities

Data room

- Initiated December quarter

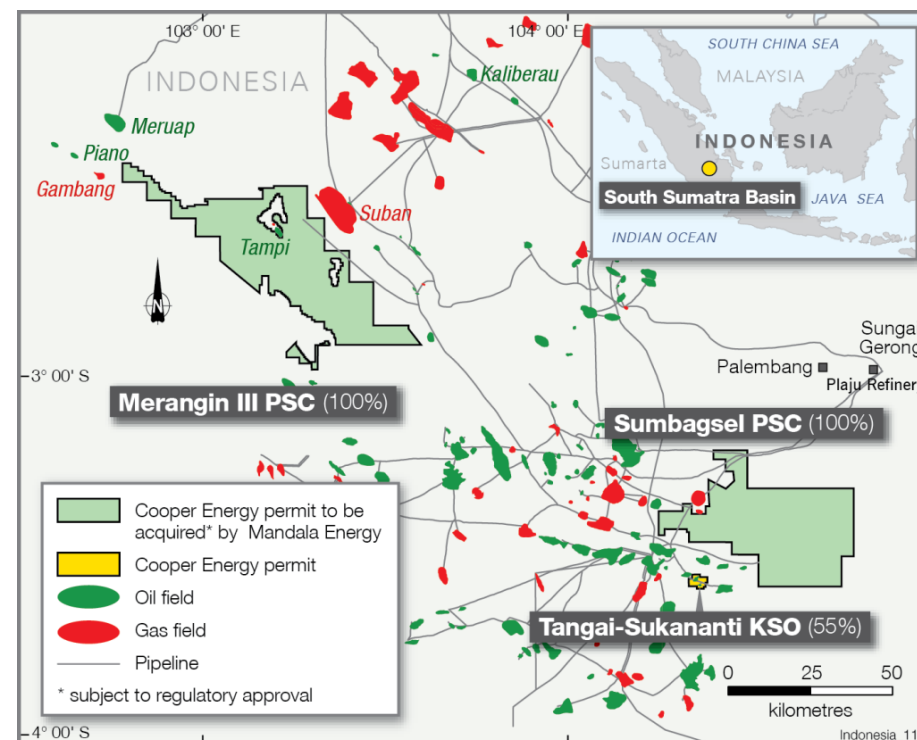
Exploration acreage: Sumbagsel and Merangin III PSCs (COE 100%)

- Agreed sale to Mandala Energy for US\$8.25 million¹
 - subject to Indonesian Government approval
- Expect transaction to complete within FY16
- Removes licence commitments for 2 wells plus seismic

Production acreage: Tangai-Sukananti KSO (COE 55%)

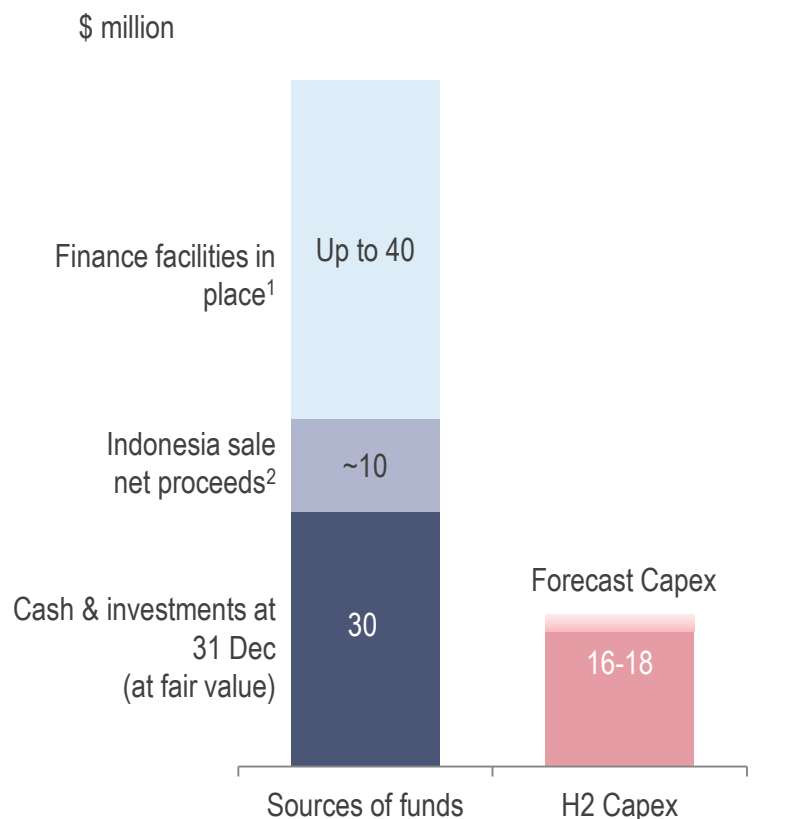
- Sales process ongoing with good interest levels
- Producing at 800 bopd (100% basis), with opportunity to increase to 2,000 bopd
- Operating cash cost of A\$35/bbl (FY16)

¹ Announced 10 February 2016



Funding & capital management

Fully funded, cash & investments exceeding capex, plus finance facilities



¹ Comprises reserve based lending up to \$35 million and \$5 million for bank guarantees

² Subject to regulatory approval

³ Details of hedging in place is provided in the appendices

Fully funded for FY16

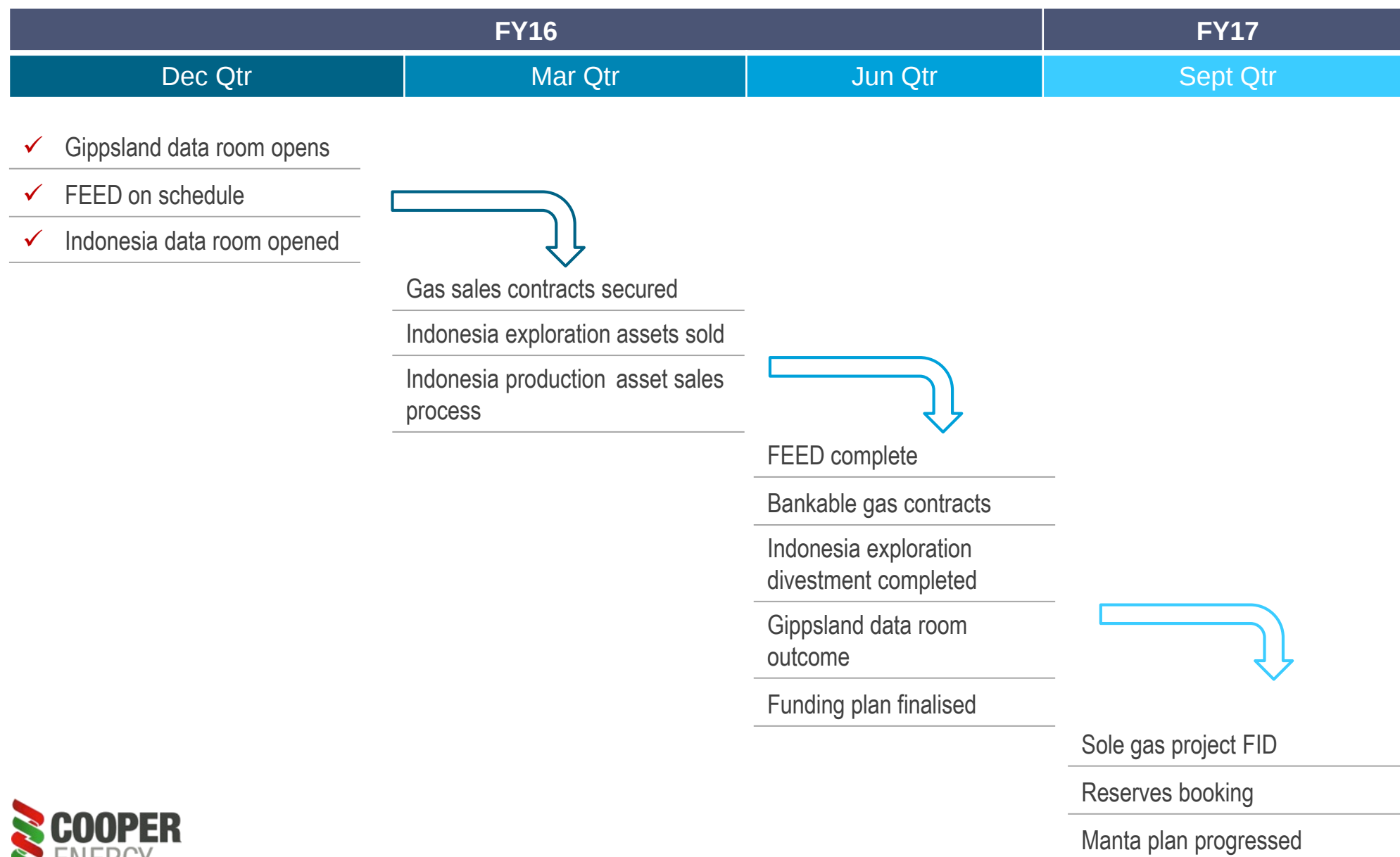
- Financial assets in place at 31 Dec 15 of \$30 million plus:
 - ~A\$10 million net proceeds from Indonesian exploration acreage divestment
 - finance facilities
 - cash flow from production
- Hedging in place; 50% of FY16 H2 production hedged at an average floor price of A\$68.50/bbl³

Project funding strategy

- Data room initiative to align commercial interests and facilitate optimal funding
- Project finance for majority of capex on securing of threshold bankable contracts + FID
- Multiple funding options possible, including:
 - proceeds from equity alignment/interest sell down, other asset sales
 - project finance at joint venture level and/or corporate level
 - equity / equity-like funding

Near term events

Near term catalysts and milestones: contracts; costings; funding; and project commitment



Near term plan: ~9 month look-ahead

With execution of current work program how will Cooper Energy look within 9 months?

~ 95 PJ Contracted gas

- Firm gas sales agreements for 95 PJ that are expected to generate revenue between \$660 million to \$760 million (COE current share) at gas prices of \$7/GJ to \$8/GJ over 8-10 years

~ 90 PJ Uncommitted gas

- Gas available for contracting to Eastern Australian customers in a tight market
- Remaining Sole gas and Manta project gas

2 Gas projects advancing

- Sole project into development following FID
- Manta commercialisation pathway identified

Australian 2P Reserves of over 20 MMboe

- Reserves increased from 3 MMboe at 30 June 2015 to over 20 MMboe through uplift from Sole (COE current share)

Solid low cost oil production

- Cooper Basin oil production ~ 320,000 barrels in FY16 with operating cash cost of A\$32.50/bbl
FY16 production guidance 450k – 500k bbls (in line with FY15)

Portfolio aligned

- Gippsland interests commercially aligned to optimise returns from development
- Acreage, portfolio and capital management aligned around competitive Australian gas + low cost Australian oil

Summary

**Solid first half result, operations and balance sheet notwithstanding the low price environment.
Next 9 months: completion of milestones for transformation.**

- First half results show impact of oil prices, reduced costs, positive cash flow
- Operating cash costs for oil production are A\$32.50¹/bbl, with revenue supported by hedging
- Strong cash position to be reinforced by proceeds from Indonesian exploration acreage
- Eastern Australian gas market outlook and Cooper Energy gas projects aligning
- Next 9 months' plans feature critical milestones and value catalysts:
 - gas sales contracts
 - commitment to Sole development (including funding)
 - gas reserve uplift
 - Indonesian divestment
- Execution will transform Cooper Energy:
 - production uplift from 0.5 MMboe to 2.5² MMboe from FY19 on Sole alone
 - from Cooper Basin oil focus to broader Australian energy player underpinned by stable revenue from long term gas contracts

¹ COE Cooper Basin FY16. Indonesia cost is A\$35/bbl

² Based on current equity levels



Appendices

Reconciliation of statutory and underlying profit

6 months ending 31 December 2015:

\$ million

Net profit (loss) after tax

(34.1)

Adjusted for:

Impairment of exploration & evaluation

20.8

Impairment of discontinued operations (Indonesia)

8.3

Provision

3.7

Underlying net profit (loss) after tax

(1.3)

Hedging

Approximately 50% of second half production is hedged at an average floor price of A\$68.50/bbl

Hedge arrangements as at 31 December (bbl remaining):	H2 FY16	H1 FY17	H2 FY17	Total
A\$80.00 – 90.57 zero cost collar options	60,000			60,000
A\$57.00 – A\$69.70 zero cost collar options	60,000	60,000	30,000	150,000
Total	120,000	60,000	30,000	210,000

The company is actively looking at opportunities to top up and extend its hedge profile to further protect against downside oil price scenarios while retaining exposure to higher oil prices.

Company snapshot

ASX listed, strong balance sheet and stable share register

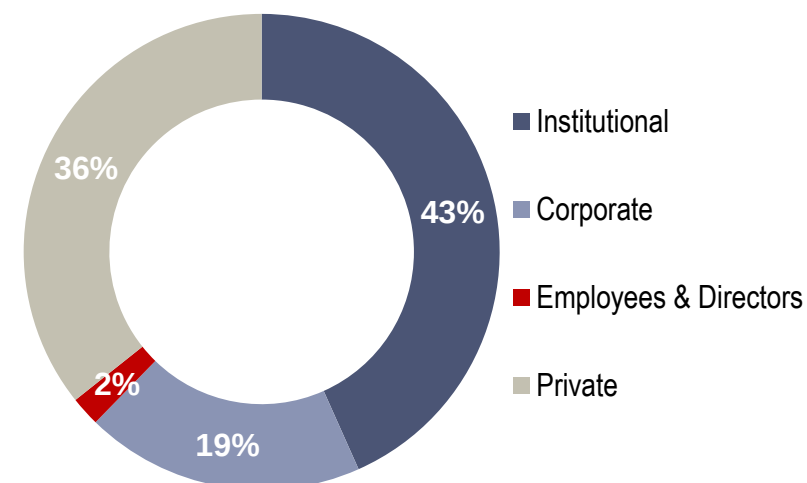
Cooper Energy is an independent Australian exploration and production company

- Cash generating from production of approx. 450,000 - 500,000 barrels of oil per annum
- Strong balance sheet, zero debt
- 190PJ of 2C Contingent Resources¹ (net to COE) being developed for Eastern Australian gas opportunity
- Management team and Board experienced in growing resource companies
- Incorporated in 2002, history of profitable operations and successful exploration and development

Key figures

Shares on issue	333.7 mill
Shareholders	5,009
Market capitalisation ²	~\$50 mill
Cash & investments ³	\$30 mill
Debt	Nil
Employees (FTE Australia)	21

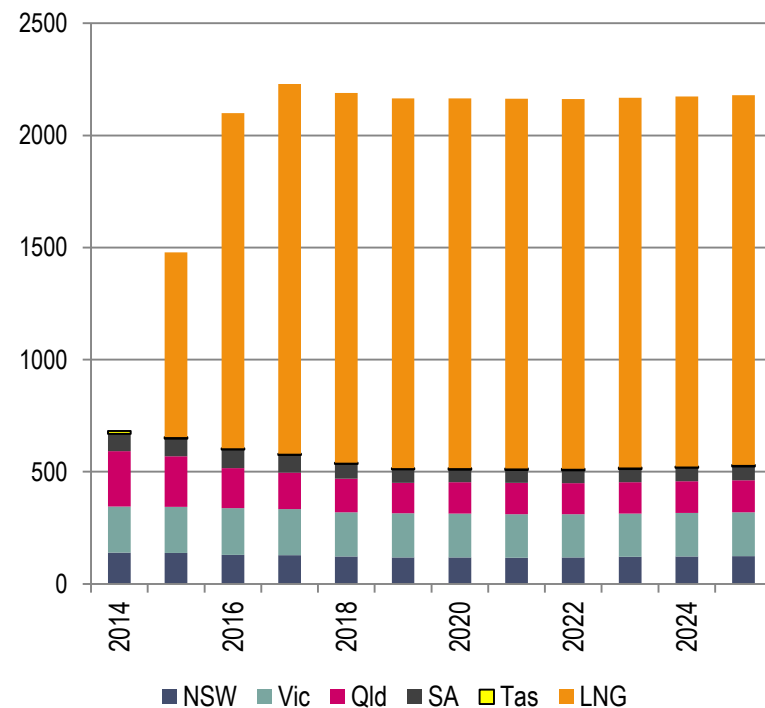
Cooper Energy share register



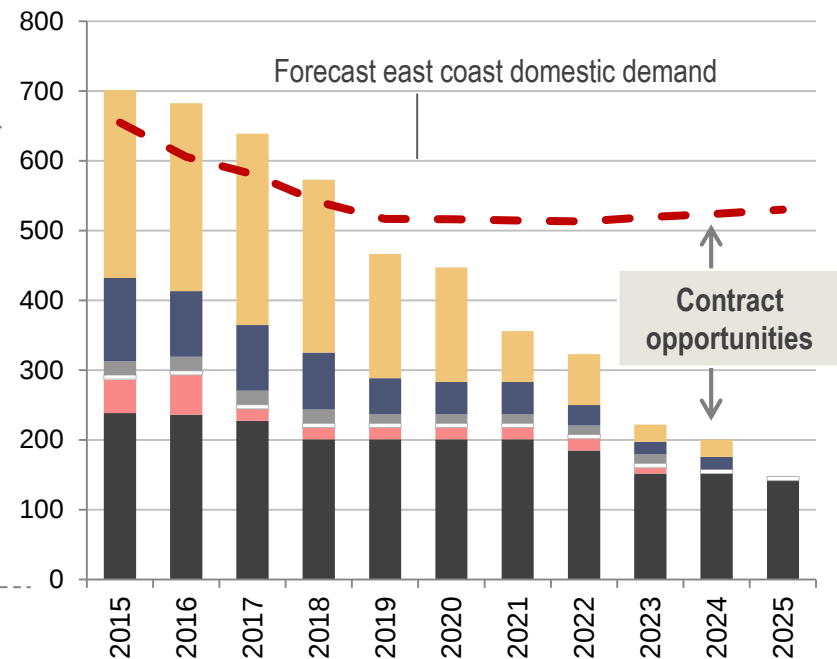
Eastern Australian gas demand vs contracted supply

COE identified opportunities in the growing shortfall between forecast demand and existing contracts

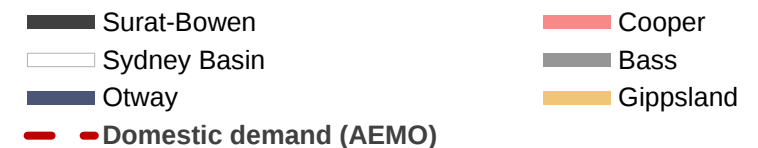
Forecast Eastern Australian gas demand (PJ)



Eastern Australia domestic demand and contracted supply (PJ)



Contracted supply from:



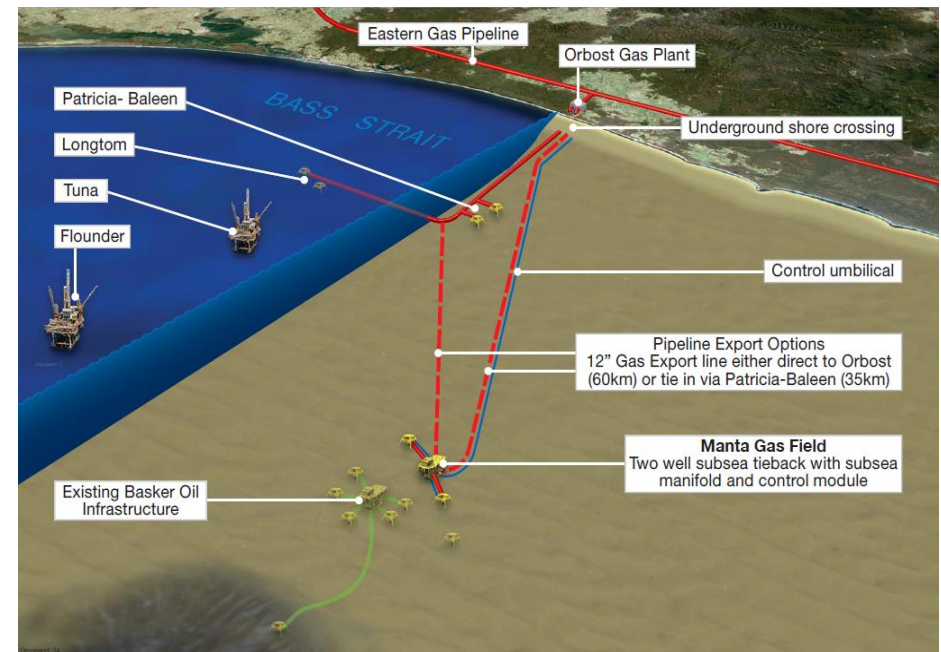
Source: AEMO: National Gas Forecasting Report Dec 2015

Source: EnergyQuest, AEMO

Manta Gas Project

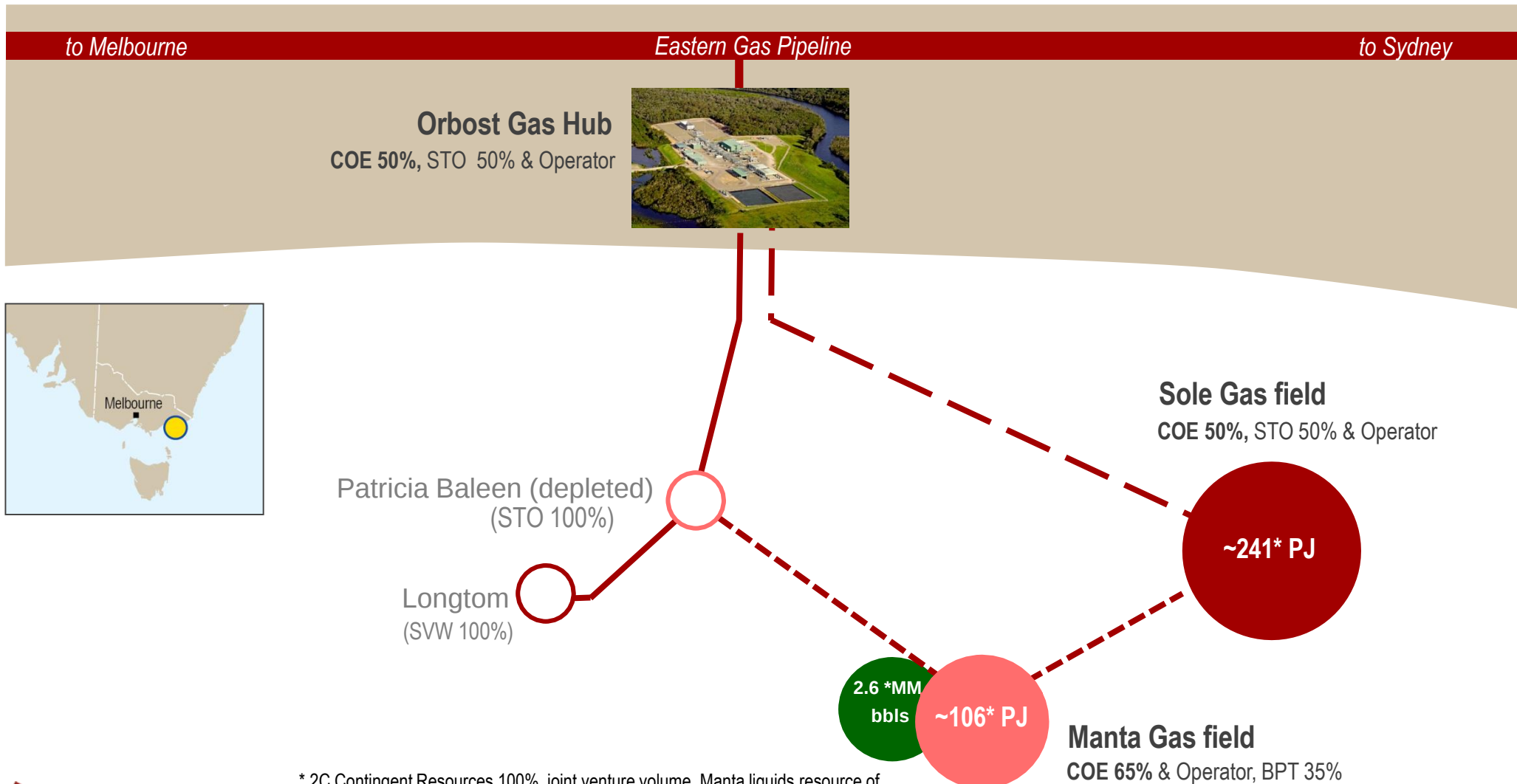
65% interest and Operator of gas project offering commercial opportunity and synergies with Sole

- Gas resource of 106 PJ 2C Contingent and Risked Prospective Resource of 10 PJ¹
- Focus on Golden Beach reservoir, not Intra Latrobe accessed by BMG oil project
- COE Business case identified economic opportunity for Manta development
- Manta gas attracting enquiries from gas buyers
- Vic /L26 , L27 and L28 Joint Venture
 - Cooper Energy 65% and Operator
 - Beach Energy 35%
- Technical analysis has identified additional potential in sandstone reservoirs underlying total depth of Manta-1



Gippsland Gas Projects and Orbost Gas Hub

Marketable gas volumes, existing plant and pipeline access

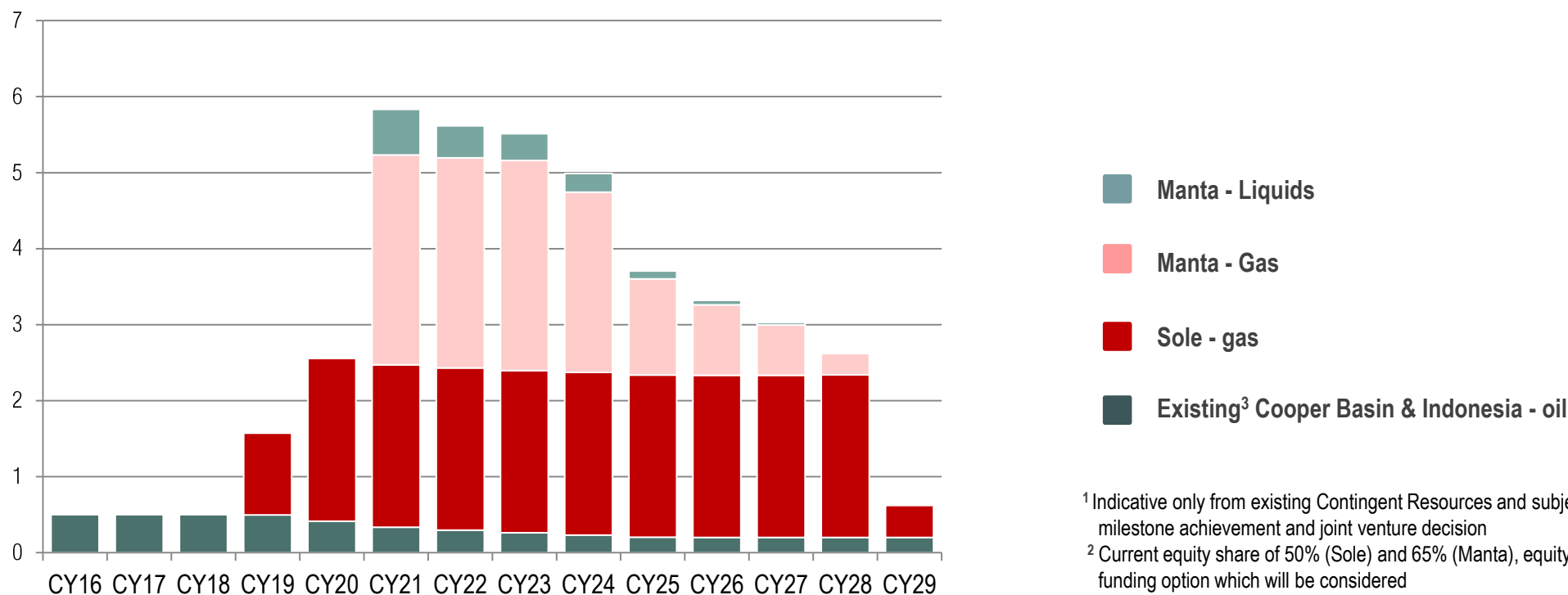


* 2C Contingent Resources 100% joint venture volume. Manta liquids resource of 2.6MM bbls refers to condensate only. Refer notes on resource calculation included in the appendices to this document.

Cooper Energy production outlook¹

Gas projects deliver transformational growth to 2.5 million boe² then to ~ 5 million boe² pa

Indicative net production (mmboe)



¹ Indicative only from existing Contingent Resources and subject to key milestone achievement and joint venture decision

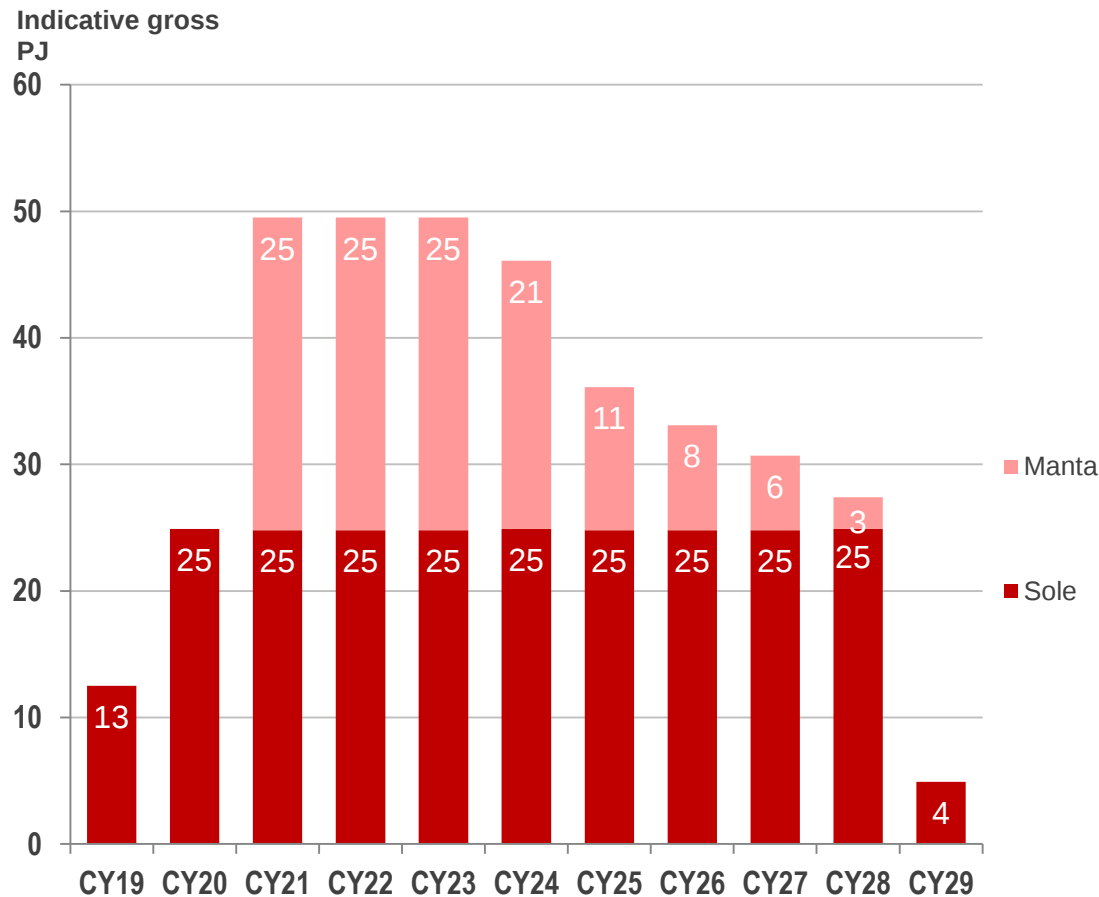
² Current equity share of 50% (Sole) and 65% (Manta), equity selldown is a funding option which will be considered

³ Existing production and appraisal and development

- Cash generation from existing production
- Step changes in production¹ in CY19 and again in CY21 as Sole then Manta commence supply

Sole and Manta gas production profile¹: 100% Joint Venture volume

Solid production profile peaking at 50 PJ pa and opportunity to extend production profile

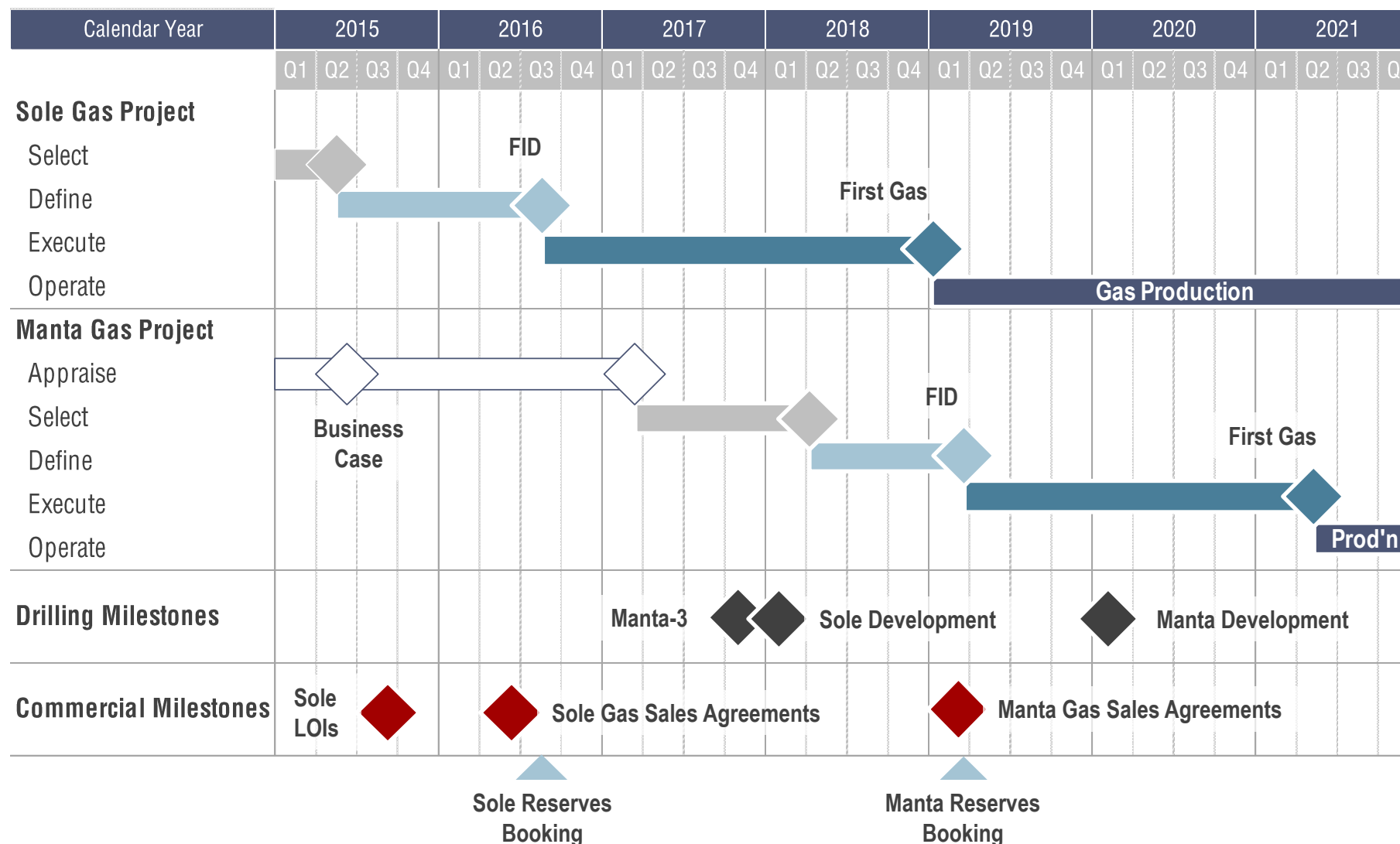


- Gippsland gas projects can produce more than 360 PJ (gross) from current projects
- Peak production ~50 PJ p.a.
- Strong stable cash flow anticipated
- Gas price of \$8/GJ generates ~\$400 million gas revenue per annum in the plateau period
- Cumulative gas revenue of \$2.5 – 2.9 billion at prices of \$7 to \$8/GJ
- Additional revenue from Manta liquids production
- Near field exploration and third party agreements will likely extend the production profile

¹Indicative only and subject to key milestone achievement and joint venture decision

Gippsland Gas Projects indicative¹ timeline

Key commercial and project milestones for value accretion

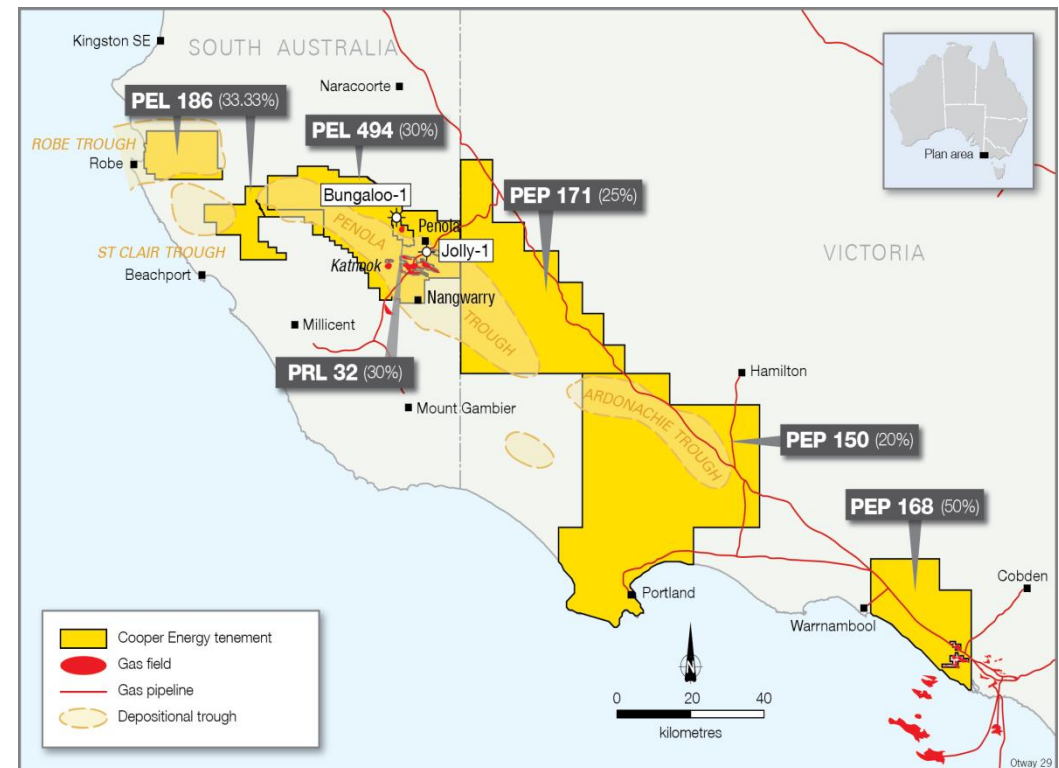


¹ Indicative only and subject to review at key milestones and joint venture decisions

Otway Basin

Drilling results and analysis confirm prospectivity for conventional gas and shale potential

- Analysis of Jolly-1 and Bungaloo-1 well data in PEL 495 and PRL 32 has confirmed:
 - a deep conventional gas play in Lower Sawpit Formation
 - Casterton Formation unconventional shale gas play
- Victorian acreage subject of application to suspend and extend due to moratorium on onshore gas production
- Proposed activities
 - may drill deep conventional play in PEL 494/495 in FY17
 - rationalise portfolio and focus on key prospective areas



Notes on 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.

Notes on calculation of Contingent Resources

Sole gas field

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 conversion factor of 1PJ = 0.172MMboe has been used to convert from Sales Gas (PJ) to Oil Equivalent (MMboe). The date of the Sole Contingent Resource Assessment is 26 November 2015 and the assessment was announced to the ASX on 26 November 2015. 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.

Manta gas and oil field

Contingent and Prospective Resources have been assessed 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 conversion factor of 1PJ = 0.172MMboe has been used to convert from Sales Gas (PJ) to Oil Equivalent (MMboe). Contingent Resources for the Manta Field have been aggregated by arithmetic summation. The date of the Manta Contingent Resource assessment is 16 July 2015 and the assessment was announced to the ASX on 16 July 2015. 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.

Basker gas and oil field.

Contingent and Resources have been assessed using deterministic simulation modelling and probabilistic resource estimation for the Intra-Latrobe Sub-Group in the Basker 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 conversion factor of 1PJ = 0.172MMboe has been used to convert from Sales Gas (PJ) to Oil Equivalent (MMboe). Contingent Resources for the Basker Field have been aggregated by arithmetic summation. The date of the Basker Contingent Resource assessment is 15 August 2014 and the assessment was announced to the ASX on 18 August 2014. 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.

Cautionary Prospective Resource Statement

These estimated quantities of petroleum that may be potentially recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation are required to confirm the existence of a significant quantity of potentially movable hydrocarbons.

Abbreviations

\$, A\$	Australian dollars unless specified otherwise
Bbls	barrels of oil
boe	barrel of oil equivalent
bopd	barrel of oil per day
EBITDA	earnings before interest, tax, depreciation and amortisation
FEED	Front end engineering and design
kbbbls	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 7)
TRCFR	Total Recordable Case Frequency Rate. Recordable cases per million hours worked
TSR	total shareholder return
1P reserves	Proved reserves
2P reserves	Proved and Probable reserves
3P	Proved, Probable and Possible reserves
1C, 2C, 3C	high, medium and low estimates of contingent resources