

15 April 2016

Beach Energy exit from BMG Joint Venture

Cooper Energy Limited (ASX:COE) advises that Beach Energy Limited (ASX: BPT, “Beach”) and Cooper Energy have accepted an offer from the National Offshore Petroleum Titles Administrator (“NOPTA”) to convert the Basker, Manta and Gummy gas field permits VIC/L 26, 27 and 28 (“BMG joint venture”) in the offshore Gippsland Basin into Retention Leases.

Beach has also advised Cooper Energy of its intention to withdraw from the BMG joint venture, with effect from the end of the current permit year. The withdrawal will be undertaken in accordance with the joint operating agreement. Beach’s 35% non-operated interest in the permits will be assigned to Cooper Energy for nil consideration, increasing Cooper Energy’s stake to 100%.

The VIC/L 26, 27 and 28 permits are located (refer Figure 1 following) nearby the Sole gas field (VIC/RL3; COE interest: 50%) which is currently the subject of development plans for production via the Orbost Gas Plant (COE interest: 50%). Analysis conducted by Cooper Energy has identified an economic development opportunity for the Manta gas field using the Orbost Gas Plant. Cooper Energy is offering the opportunity to others to participate in its plans to develop the Sole and Manta gas fields to meet supply opportunities in eastern Australia.

Beach has advised the decision to exit the permits is consistent with its ongoing focus on portfolio optimisation and prioritising capital allocation in the current lower oil price environment, and consequently a desire not to participate in the probable appraisal of the Manta gas field. Subject to NOPTA approval and registration, Beach’s withdrawal from the permits and assignment of its interest to Cooper Energy will have an effective date of 27 October 2016.

Beach will retain liability for its joint venture share of existing abandonment liabilities until October 2021, being 5 years from the effective date of withdrawal.

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 in the Cooper Basin and gas resources and infrastructure in the Gippsland basin it is working to develop to Eastern Australia’s emerging supply needs. The company has a management and Board team with a proven track record in building resource companies, a strong balance sheet and is executing a clear shareholder-return driven strategy to create value from opportunities in the Australian energy market. www.cooperenergy.com.au

Figure 1: Gippsland Basin Gas interests including Vic/L26, L27, L28; Sole gas field and Orbost Gas Plant

