The Sole Gas Project

COOPER ENERGY

Project update: 8 September 2016

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- Was prepared with due care and attention and is current at the date of the presentation.

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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 reserves and 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.

Currency

All financial information is expressed in Australian dollars unless otherwise specified

The Sole Gas Project is the first phase of a new source of gas for south eastern Australia from the Gippsland Basin offshore Victoria. The second phase is the proposed commercialisation of the Manta gas resources.

Gas from Sole will be processed at the existing Orbost Gas Plant, which will be upgraded and returned to operation providing local employment.

Sole will produce 25 PJ per annum gross, some of which is already contracted, with its uncommitted gas being keenly sought by gas buyers looking to secure supply.

Sole Interest holders:

Santos	50% & Operator
Cooper Energy	50%

Sole Gas Resource:

100% 2C Resource[1]	241 PJ
Production (gross)	25 PJ pa

Sole Key Dates

Final investment decision	Dec Qtr 2016
First gas	March Qtr 2019

[1] 2C Contingent Resources 100% joint venture volume. Refer notes on resource calculation included in the appendices to this document.

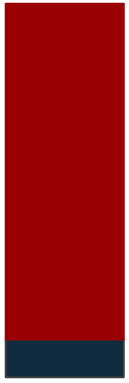
Gippsland basin gas projects and Cooper Energy

Sole delivers transformational change, Phase 2: Manta provides a further step up

FY16
0.5 million boe

Oil production 0.5 MMbbls

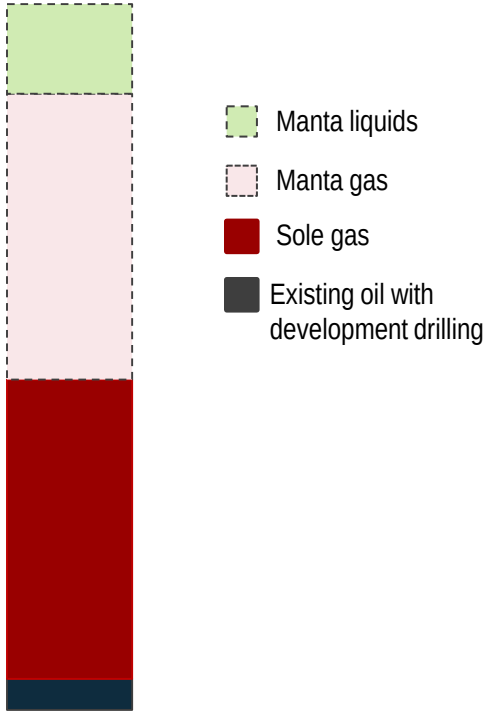
FY20:
Phase 1: Sole gas project
over 2 million boe pa



Gas production 12.4 PJ

Oil production: 0.24 MMbbls

FY22:
Phase 2: Sole + Manta gas and liquids (subject to appraisal)
~ 5 million boe pa



Gas production 27.8 PJ

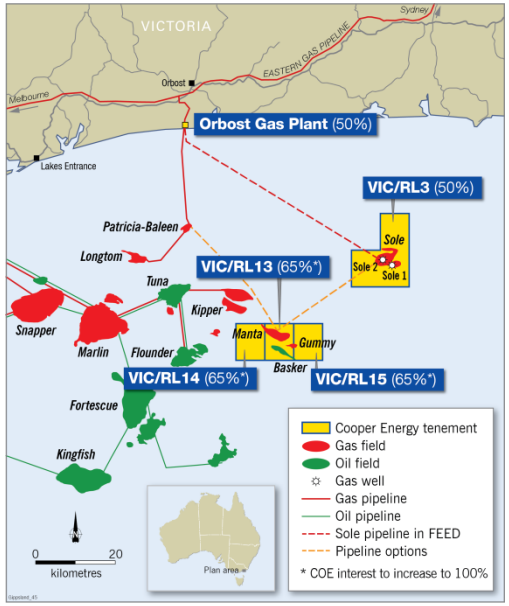
Liquids production: 0.6 MMbbls

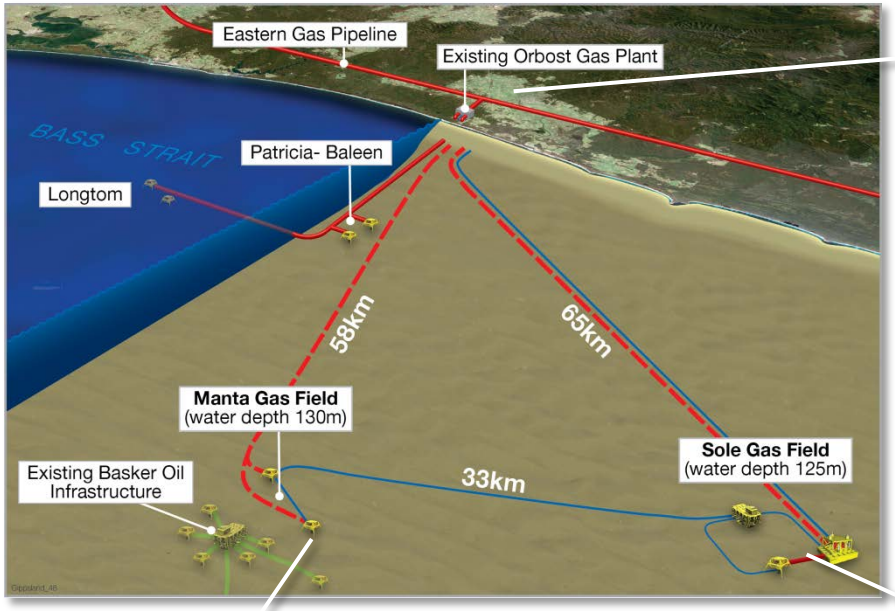
Oil production: 0.2 MMbbls

Based on existing equities and asset base but with Manta at indicative 65% and no exploration success

Gippsland Basin gas projects

Existing resources and plant connected to pipeline linking Melbourne and Sydney





Illustrative graphic only – actual development plan may differ

Orbost Gas Plant

- Existing plant connected to Eastern Gas Pipeline
- Capacity 90 TJ/day
- Modifications to process Sole gas
- COE: 50%, STO 50% (Operator)

Phase 3: Other

- Exploration potential in deeper reservoirs is significant e.g. Manta
- Other gas resources

Phase 2: Manta

- 106 PJ gas + 2.6 MMbbls liquids 2C Contingent Resource[1]
- Appraisal required: 1 well (also appraises Manta Deep)
- Production of 23 PJ pa from 2022
- COE: 100%[2]

Phase 1: Sole

- 241 PJ gas 2C Contingent Resource[1]
- Production of 25 PJ pa from 2019
- FEED complete for FID within 2016
- Cost competitive
- COE 50%, STO 50% (Operator)

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[1] 2C Contingent Resources 100% joint venture volume. Manta liquids resource of 2.6 MM bbls refers to condensate only. Refer notes on resource calculation included in the appendices to this document.

[2] COE interest increased to 100% after BPT assigned its interest. BPT will retain a 35% participating interest until the effective date of withdrawal, being 27 October 2016. Beach are contractually obliged to perform certain obligations under the JOA in respect of their participating interest (35%) until 27 October. COE 100% equity is expected to be sold down in due course.

Sole project and south east Australian gas update

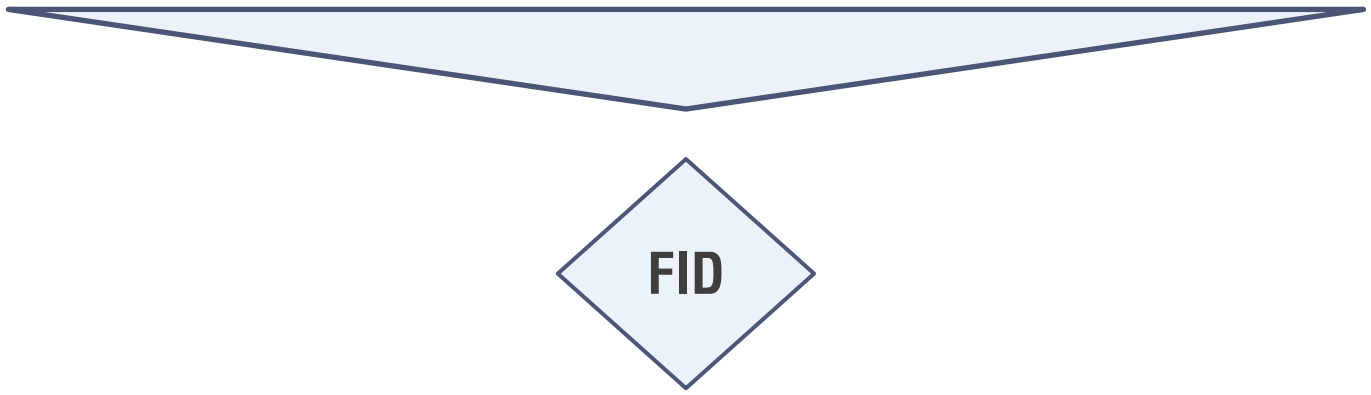
Project moving towards FID, strong gas market fundamentals

What's happened recently?

- ☑ Sole FEED completed
- ☑ Sole CAPEX scope defined
- ☑ Gas supply has continued to tighten
- ☑ Moratorium on Victoria onshore gas drilling extended

Current and next work streams

- ☐ Completion of Assurance
- ☐ Financing
- ☐ FID Proposal



Final Investment Decision
December quarter 2016

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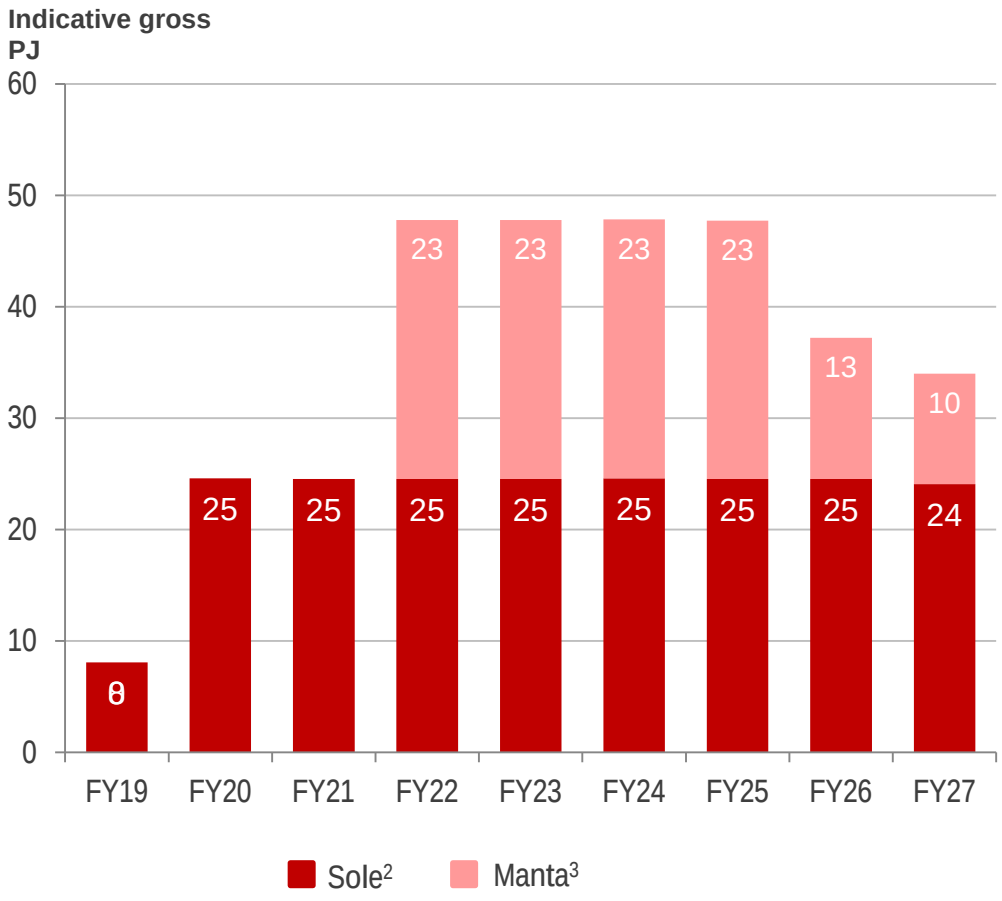
Sole and Manta gas production profile[1]: 100% Joint Venture volume

Solid production profile peaking with opportunity to increase and extend



- Gippsland gas projects can produce approximately 320 PJ (gross) from current projects
- Peak production close to 50 PJ p.a and plateaus for 4-5 years from FY22
- Additional revenue from liquids production
- Near field exploration and third party agreements can increase and extend the plateau

Current contracting

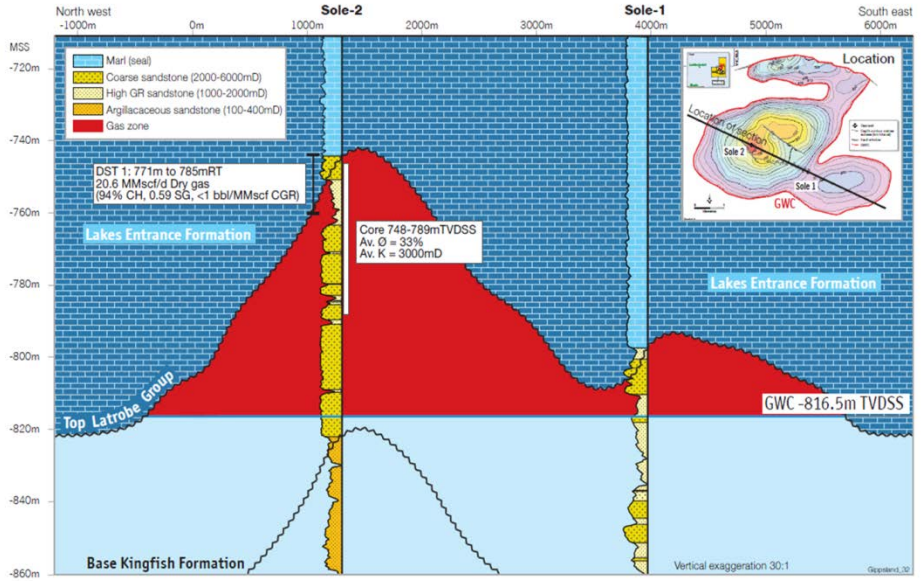
- COE has secured Heads of Agreement for 7.6 PJ pa of its 12.5 PJ pa equity gas from Sole
  - O-I Australia; 1 PJ pa
  - AGL; 6.6 PJ pa
- AGL includes option to take 4 PJ pa from Manta
- Optimise remaining sales

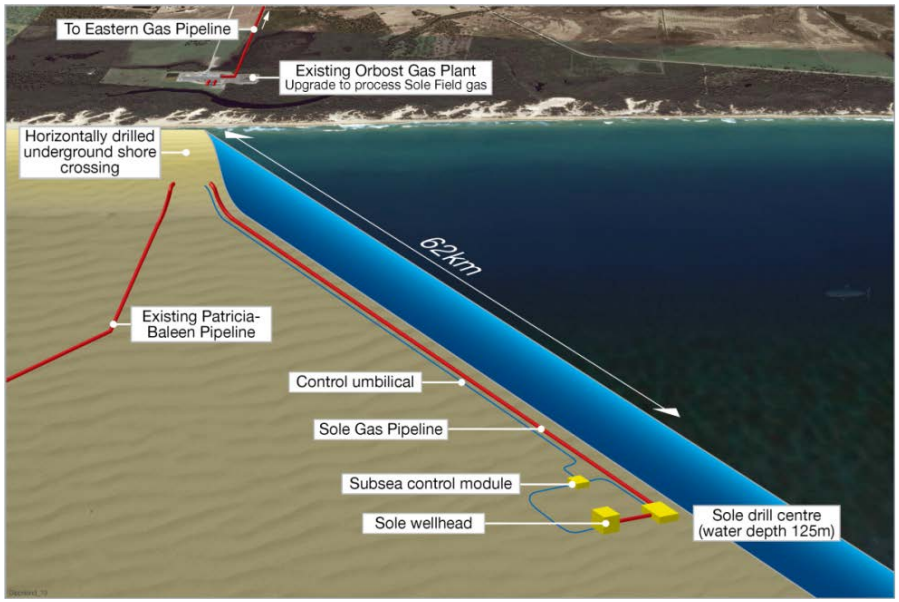
[1]Indicative only and subject to key milestone achievement and joint venture decision
[2] Sole joint venture: Cooper Energy 50%; Santos 50%
[3] Manta joint venture Cooper Energy 100%

Sole Gas Project development plan

Simple development plan, using existing onshore plant with subsea and shore crossing as used in other Victorian gas projects

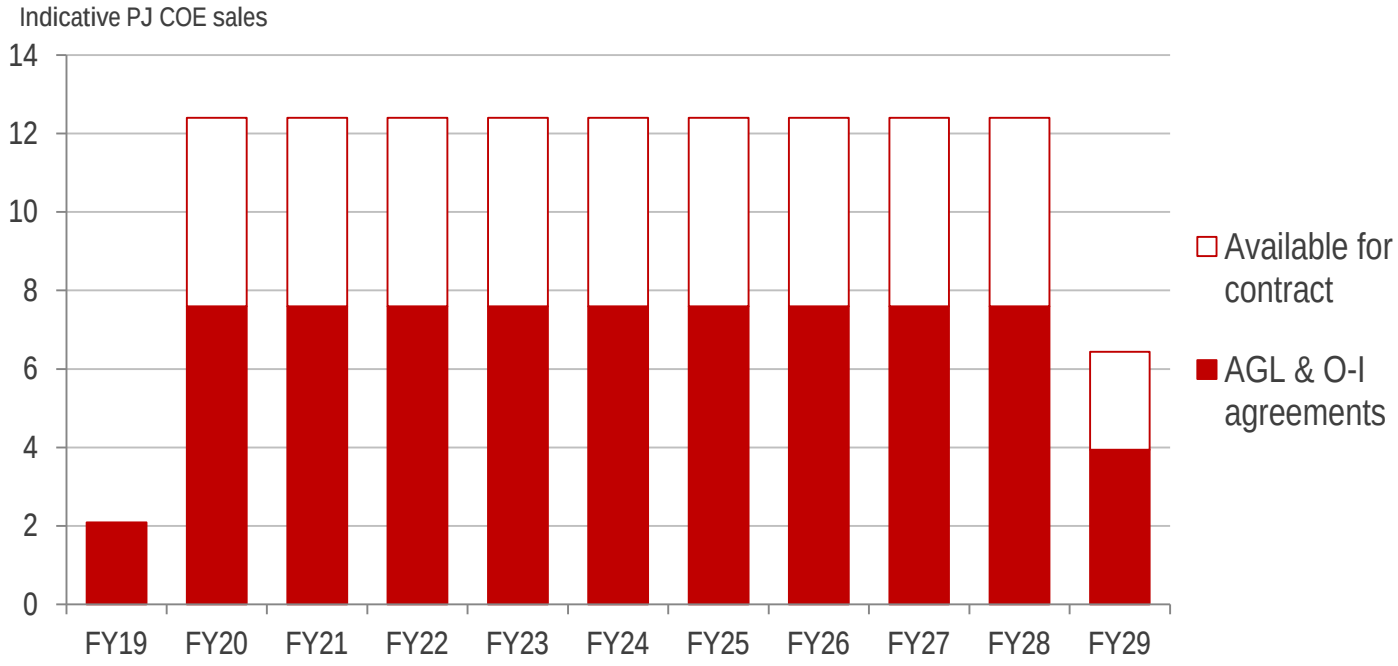
- Simple reservoir structure
- Conventional recovery
- Dry gas, pipeline spec CO_2
- Simple development concept
  - single near horizontal subsea well for good reservoir access
  - dedicated pipelines and umbilicals to existing Orbost plant
- H_2S present, to be managed by proven technology onshore plant
- Current project cost estimate is $552 million:
  - *exclusive of* identified savings opportunities (eg further rig sharing, detailed negotiations on some packages, schedule and contingency optimisation)
  - *inclusive of:* base cost plus allowances, contingencies and commissioning
- Independent Expert to review cost, schedule and technical robustness





Sole gas production[1] and contract profile: COE share

Contracting strategy retains exposure to gas price upside whilst supporting financing

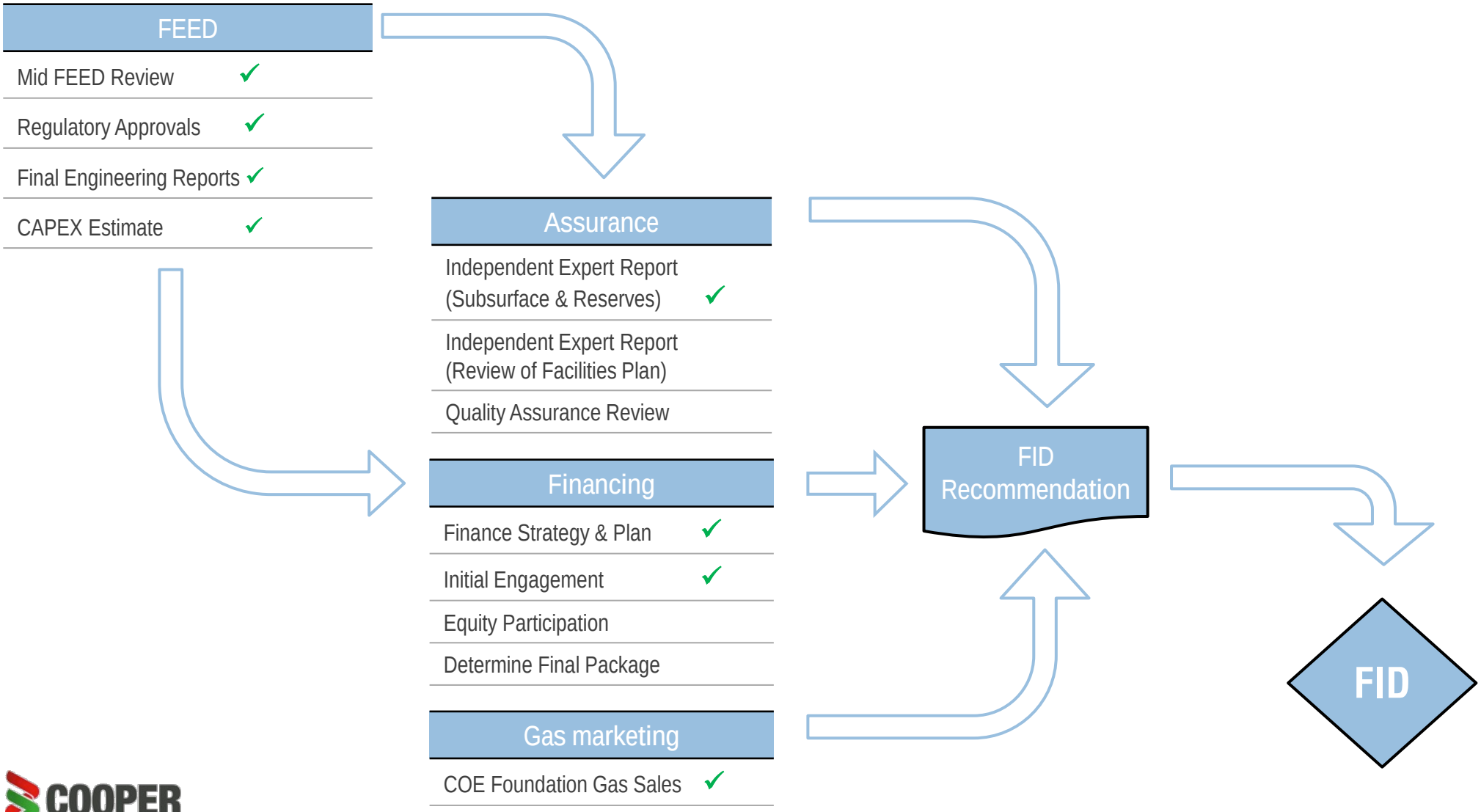


- Foundation Heads of Agreement for 7.6 PJ pa with AGL and O-I Australia = 61% of Cooper Energy equity gas from Sole
- Gas prices increasing as availability tightens; further tightening expected
- Contract strategy balances project development with upside exposure:
  - mixture of long term contracts for prudent project development and retained gas for exposure to increasing prices in medium term
  - customer portfolio balances industrial, utility and other
  - long term and short term contracts and spot sales

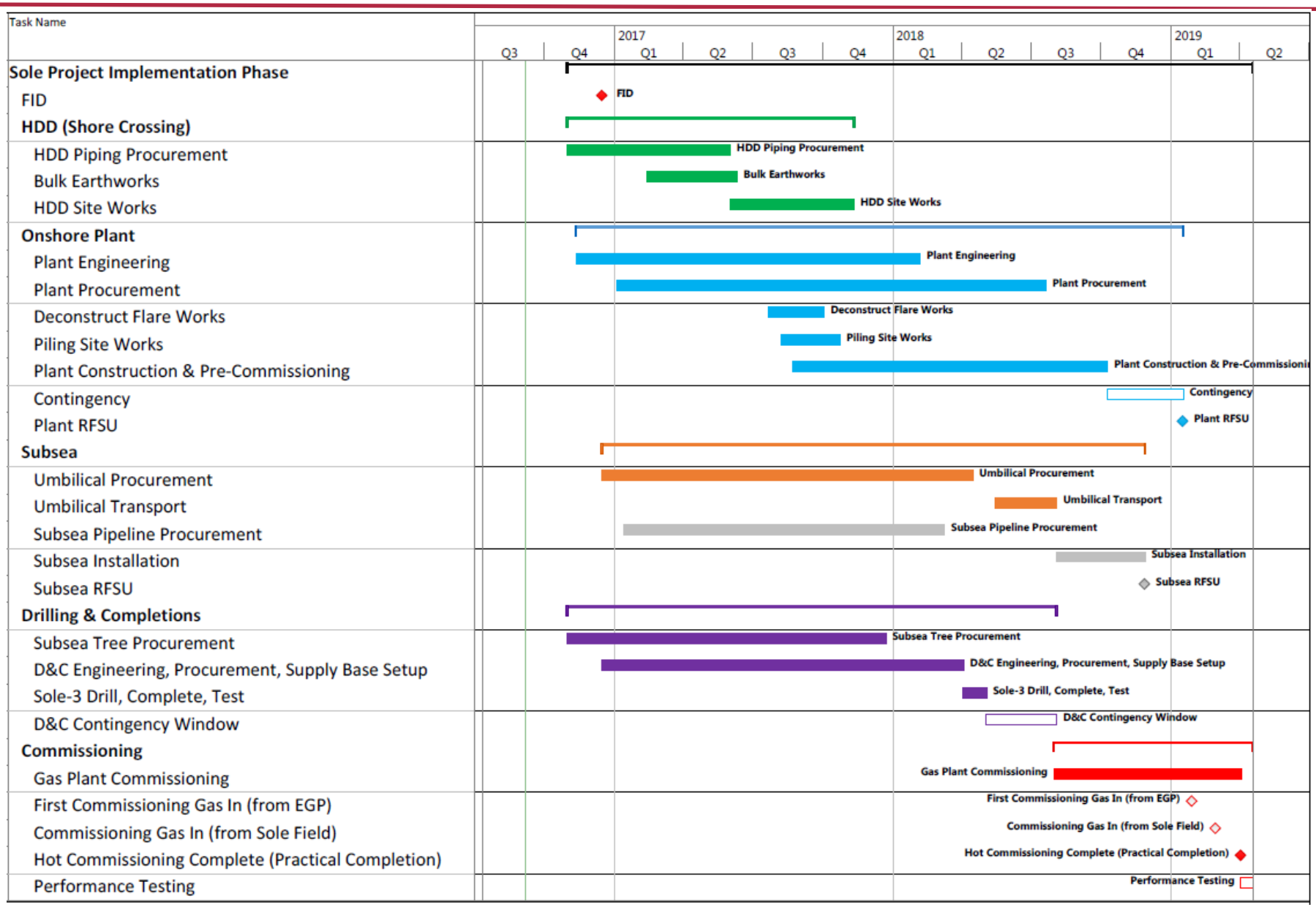
[1]Indicative based on current equities and resource and subject to key milestones achievement

Sole gas project status and forward plan

FEED now finalised, completing other inputs ready for FID in December quarter



Project Schedule – Implementation Phase



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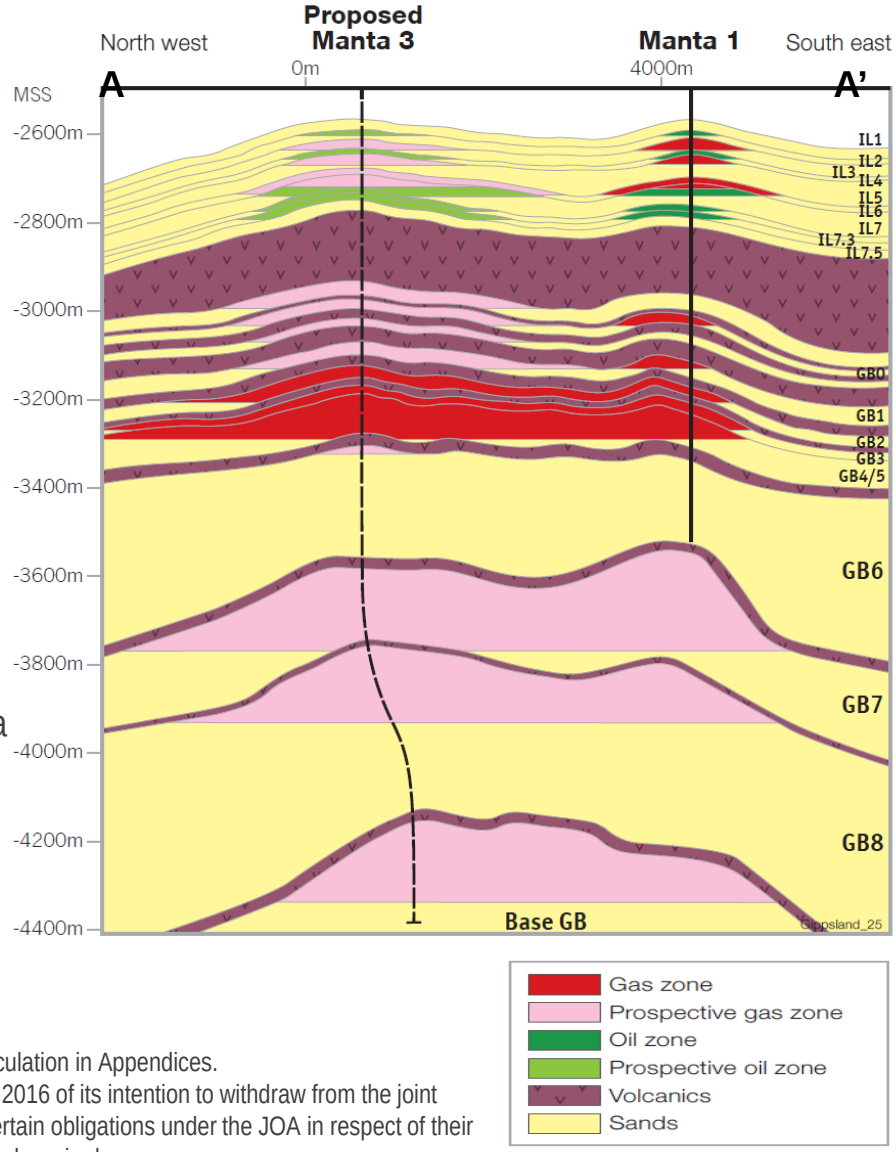
Manta gas

Gas resource with substantial potential in exploration targets below Manta gas field

- COE business case identified economic opportunity for Manta development
- Manta gas attracting enquiries from gas buyers
- Untested Golden Beach reservoirs identified within the same structure below proven gas in the Manta field
- Gas resource of 106 PJ 2C Contingent and Risked Prospective Resource of 10 PJ[1] (Cooper Energy 100%[2])
- Re-assessed Best Estimate Net Prospective Resource[3] in Manta and Chimaera is 97.5 MMboe consisting of 491 PJ gas and 13.1 MMbbls oil and gas liquid (Cooper Energy 100% net share)
- The estimated quantities of petroleum that may be potentially recovered by the application of future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.
- Opportunity to evaluate multiple additional reservoir sections by drilling Manta-3 another 1,000 metres deeper than Manta



[1] As announced to ASX on 16 July 2015. Refer to notes on Reserve and Resource calculation in Appendices.
[2] COE hold 100% title following advice from 35% interest holder Beach Energy in May 2016 of its intention to withdraw from the joint venture, effective from 27 October 2016. Beach are contractually obliged to perform certain obligations under the JOA in respect of their participating interest (35%) until 27 October. COE expects its 100% equity will be sold down in due course.
[3] As announced to ASX on 4 May 2016. Cooper Energy confirms that it is not aware of any new information or data that materially affects the information included in the announcements of 16 July 2015 and 4 May 2016 and that all the material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed.

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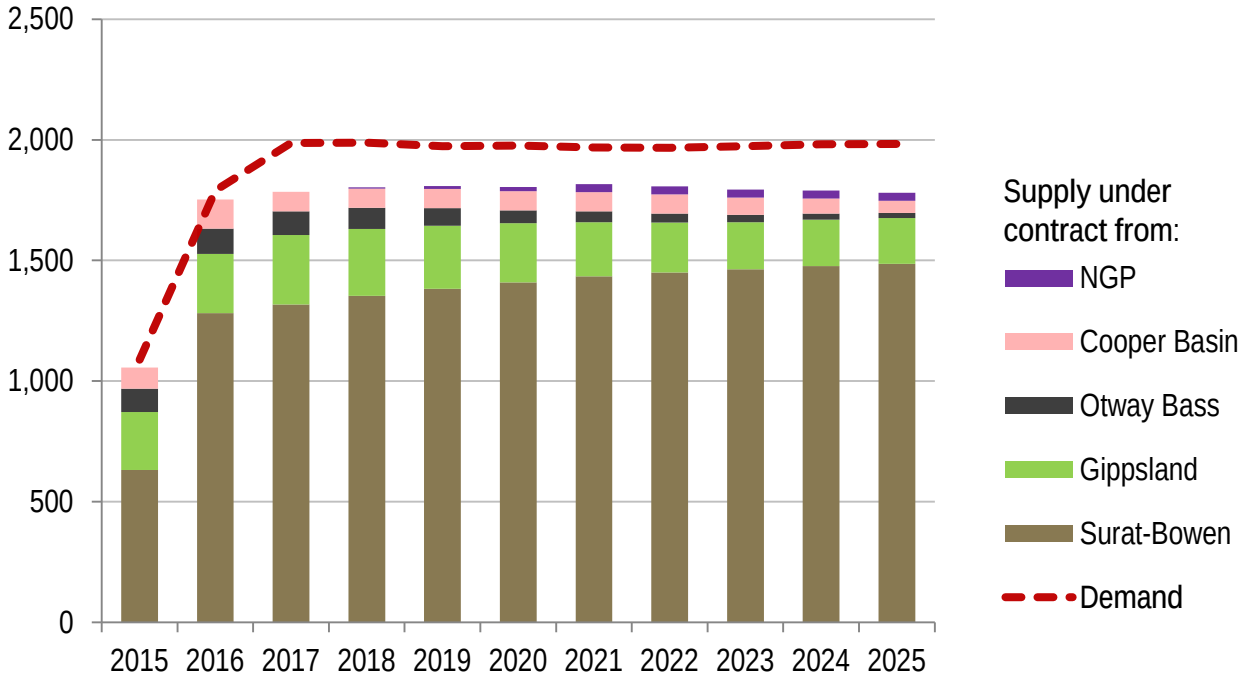
Gas demand & supply outlook for eastern Australia[1]

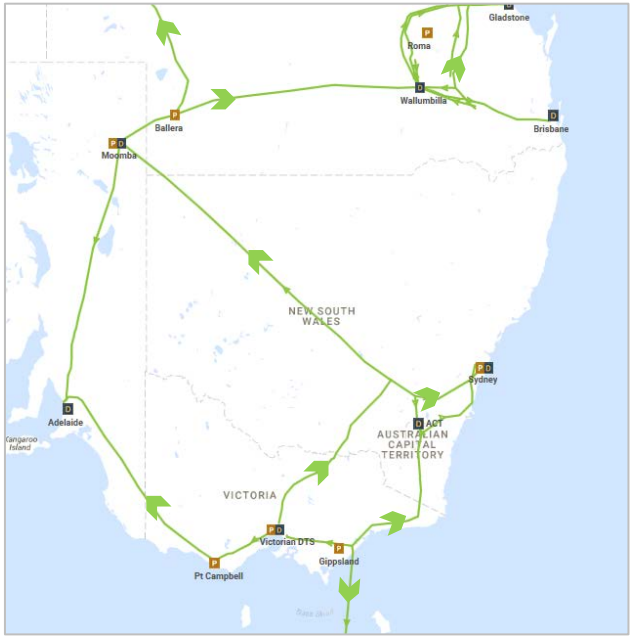
LNG demand is impacting gas flows and contributing to looming gas supply issues

Eastern Australia demand and contracted supply
PJ



Source: EnergyQuest EnergyQuarterly May 2016

Net gas flow 5 September 2016
AEMO Gas Bulletin board



Source: http://gbb.aemo.com.au/)

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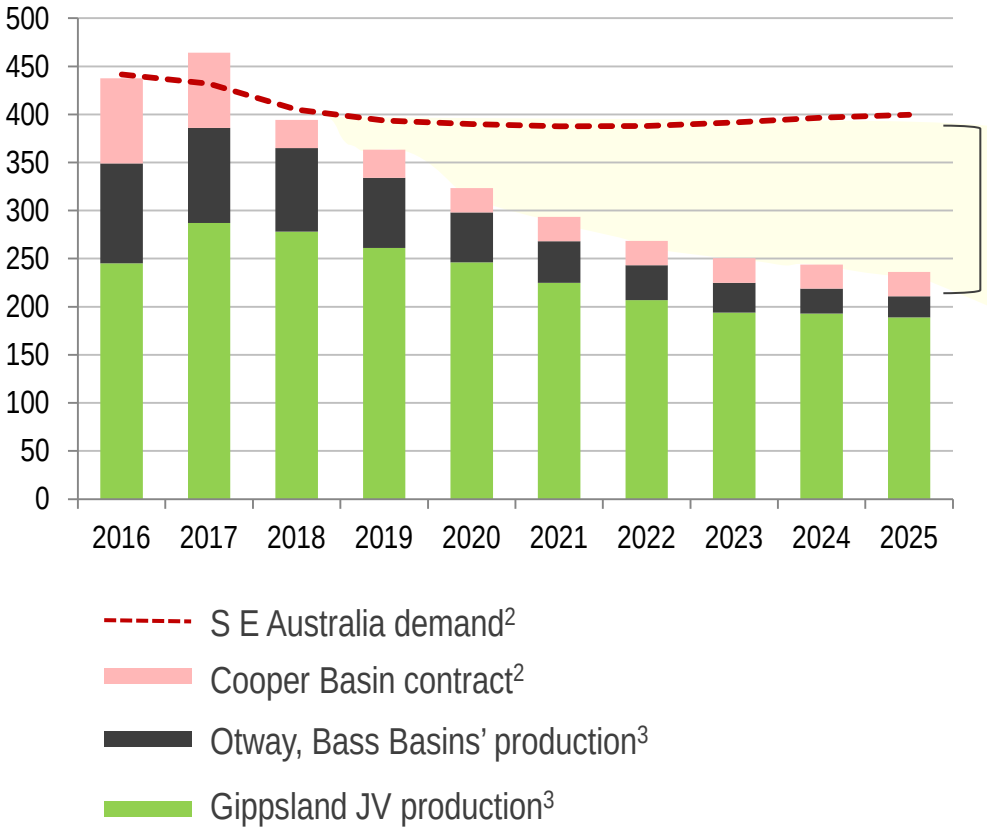
[1] Eastern Australia comprises Qld domestic and LNG, NSW, Vic, SA & Tasmania.
[2] South east Australia comprises NSW, VIC, SA and Tasmania

The opportunity in gas supply to south east Australia[1]

Declining supply and growing shortfall from 2018 = tight market

Gas demand vs production/contract from existing suppliers for south east Australia

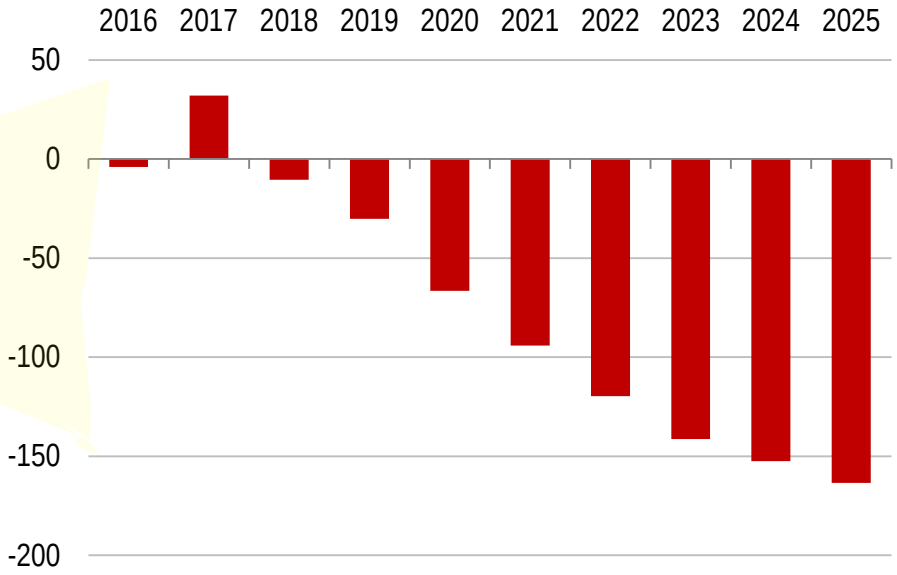
PJ pa



= supply/ demand balance →

Forecast south east Australia gas demand and supply balance

PJ pa



[1] South east Australia comprises NSW, VIC, SA and Tas.

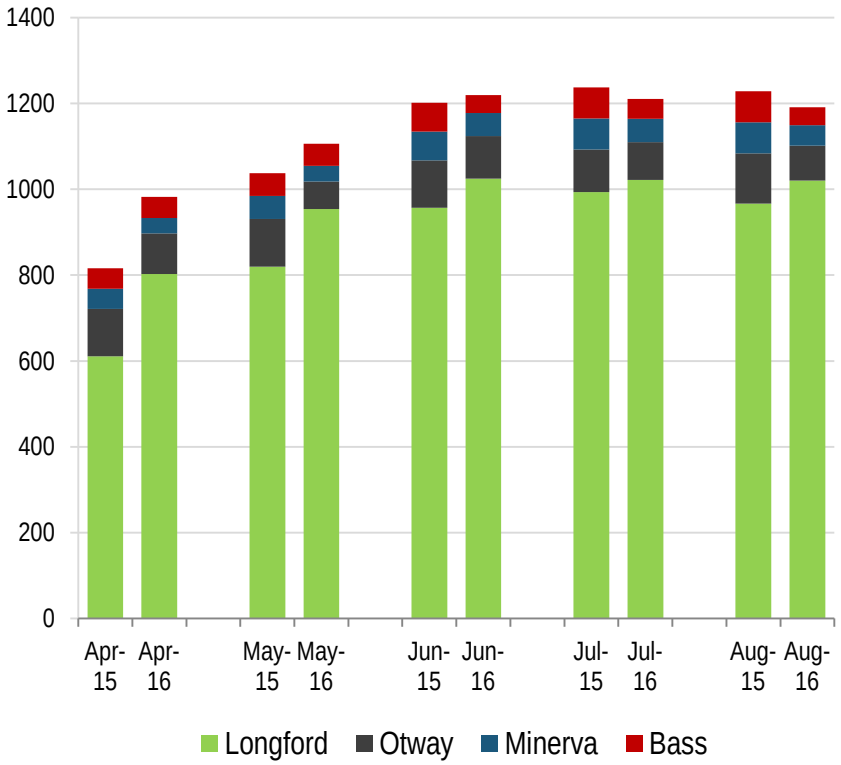
[2] AEMO GSOO March 2016

[3] EnergyQuest EnergyQuarterly May 2016 (includes Sole)

South-east gas production and prices

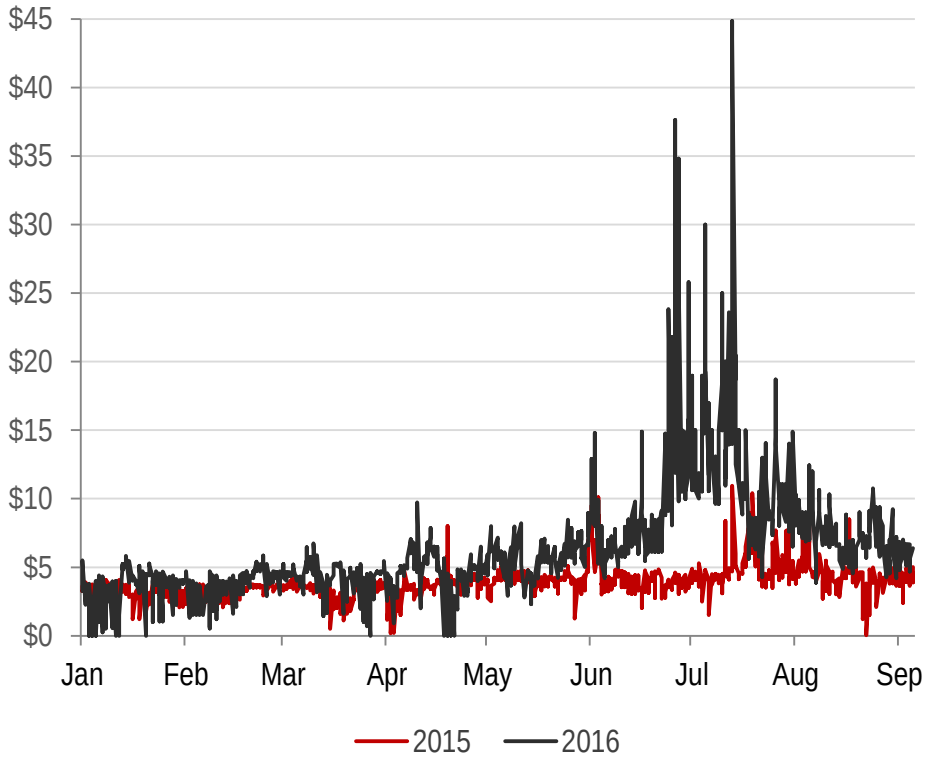
Gippsland production consistent, at capacity, decline from other S E Australian sources

Gas flows from south east Australian sources 2015 vs 2016
average Tj/day



Tightening supply evident in 2016 gas price and increased volatility

Victorian wholesale gas price 2015 vs 2016
$GJ



Source: AEMO

Appendices

Company snapshot

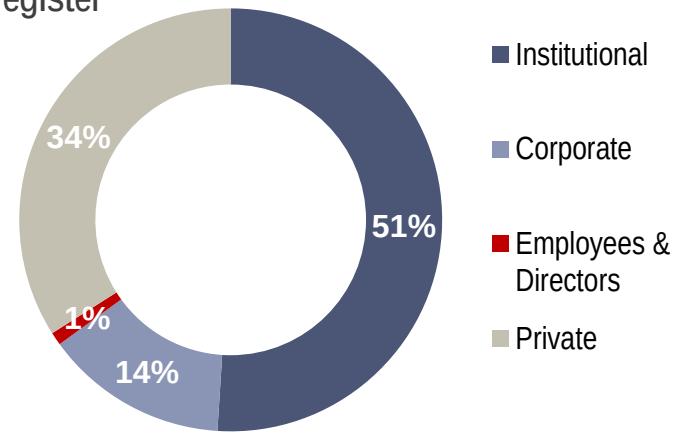
ASX listed, strong balance sheet and stable share register

Cooper Energy is an independent Australian exploration and production company

- Cash generating Cooper Basin oil production
- Strong balance sheet, zero debt
- 227 PJ of 2C Contingent Resources[1] (net to COE) being developed for gas opportunity in eastern Australia
- Management team and board experienced in growing resource companies
- Listed in 2002, history of profitable operations and successful exploration and development

Key figures	
Shares on issue[2]	435.2 mill
Shareholders[2]	4,828
Market capitalisation[2]	$137 mill
Cash & investments at 30 June	$51 mill
Debt	Nil
Employees (FTE Australia)	21

Share register



[1] Refer notes on Contingent Resources included in Appendices to this document
[2] As at 7 September 2016

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

Manta and Chimaera East
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. Cooper Energy Limited (COE) has undertaken a Prospective Resources assessment using probabilistic resource estimation for the Intra-Latrobe and Golden Beach Sub-Group in the Manta Field and Chimaera East prospects. This methodology incorporates a range of uncertainty relating to each of the key reservoir input parameters to predict the likely range of outcomes. This approach is consistent with the definitions and guidelines in the Society of Petroleum Engineers (SPE) 2007 Petroleum Resources Management System (PRMS). Analytical procedures used to assess Prospective Resources were: interpretation of reprocessed 3D seismic data; detailed time/depth conversion; and wireline log correlation and petrophysical analysis from the wells drilled in the adjacent fields. This prospective resource assessment is dated 3 May 2016 and released to the ASX 4 May 2016.

Abbreviations

$	Australian dollars unless specified otherwise
Bbl	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
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	Joint Venture conducting operations in Western Flank Cooper Basin Petroleum Retention Licences 85 – 104 previously encompassed by the PEL 92 exploration licence
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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