


COOPER ENERGY

Sole gas project equity raising investor presentation

29 March 2017

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This investor presentation ("Presentation") is issued by Cooper Energy Limited ABN 93 096 170 295 ("Cooper Energy" or "COE").

This Presentation has been issued by Cooper Energy in relation to:

- the Sole gas project and its approval as ready to proceed by the Company's board of directors.
- A fully underwritten offer of new fully paid ordinary shares in Cooper Energy ("New Shares") comprising a placement of New Shares to sophisticated investors pursuant to ASX Listing Rule 7.1 and 7.1A (Institutional Placement) and accelerated non-renounceable entitlement offer which comprises an accelerated institutional entitlement offer ("Institutional Entitlement Offer") and a retail entitlement offer ("Retail Entitlement Offer") (together, the "Entitlement Offer") to be made under section 708AA of the Corporations Act 2001 (Cth) ("Corporations Act") as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84.

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Qualified petroleum reserve and resources evaluator: This Presentation 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 holding the position of General Manager, Exploration & Subsurface, 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.

Reserves and Contingent Resources estimates: The bases of the assessment of reserves and Contingent Resources are set out on slides 43 and 44.

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Content

1. Transaction overview

Introduction

Sole financing underway. Imminent FID to catalyse transformation and value uplift

- **Cooper Energy's board of directors have approved the Sole gas project as ready to proceed**
  The project satisfies technical, commercial, economic and risk management hurdles and the board has firm conviction that satisfactory financing is available for the project.

- **Finalisation of financing for the project's $355 million capital cost has commenced**
  Engagement with potential financiers has given firm conviction that sufficient debt finance will be available for the project.

- **Cooper Energy has launched a capital raising to fund the equity contribution**
  Capital raising will fund medium term expenditures and assist in securing the optimal financing package. Reinvestment of free cashflow and/or asset level transactions provide additional flexibility.

- **Sole is transformational for Cooper Energy with immediate and medium term value uplift**
  Finalisation of project funding and FID will trigger a 43 million barrels of oil equivalent uplift to Cooper Energy 2P reserves. Sole is forecast to increase Cooper Energy total production by more than 5 times FY17 guidance in its first full year.

Transaction summary

Fully underwritten equity raising of approximately $151 million to part fund the Sole gas project

- **Fully underwritten equity raising of approximately $151 million, comprising:**
  - An institutional placement to raise approximately $47 million; plus
  - A 1-for-2 Accelerated Non-Renounceable Entitlement Offer to raise approximately $104 million. The Entitlement Offer comprises:
    - an accelerated institutional entitlement offer ("Institutional Entitlement Offer"); and
    - a retail entitlement offer ("Retail Entitlement Offer")

- **Offer price of $0.315 per New Share under both the Institutional Placement and Entitlement Offer**
  - Represents a 12.9% discount to TERP of $0.362 based on closing price of $0.385 on 28 March 2017[1]
  - Represents an 18.2% discount to the closing price of $0.385 on 28 March 2017

- **Proceeds to be used to part fund the Sole gas project**

  Further detail in relation to the Equity Raising is contained in Section 3 of this presentation

[1] TERP is calculated by adjusting for the bonus-element of the Entitlement Offer only

Investment highlights

Transformational growth from the leading position for new gas supply to south-east Australia

Transformational event

- Sole gas project FID will trigger 370% reserves uplift
- Cooper Energy repositioned as leading mid-cap conventional gas producer
- Foundation for 6 year growth profile[1] from existing assets and equities

Robust project in favourable market

- Strong long term cash generation capacity
- Low position on cost curve with access to markets
- Blue chip customer sales locked in, + HoA with APA Group for processing & onshore plant
- Market supply/demand and price forecasts favourable

Equity in growing company with assets and resource

- Equity offering will fund project that generates long term stable surplus cash
- Production, reserves growth and portfolio support repositioning Cooper Energy as the leading small to mid-cap gas exposure to east coast Australia domestic gas thematic

Proven management & strategy

- Prescient strategy, executed patiently to acquire prime assets, supply contract portfolio and position Cooper Energy for long term value creation
- Gas contracting capability & strong customer relationships
- Management experienced in gas exploration, development, commercialisation & operations

Unmatched exposure to value of uncontracted gas in south-east Australia

- 227 PJ of uncontracted gas close to existing infrastructure and south-east Australia markets
- Gas available for supply under new contracts from March 2018 onwards
- Return focussed strategy

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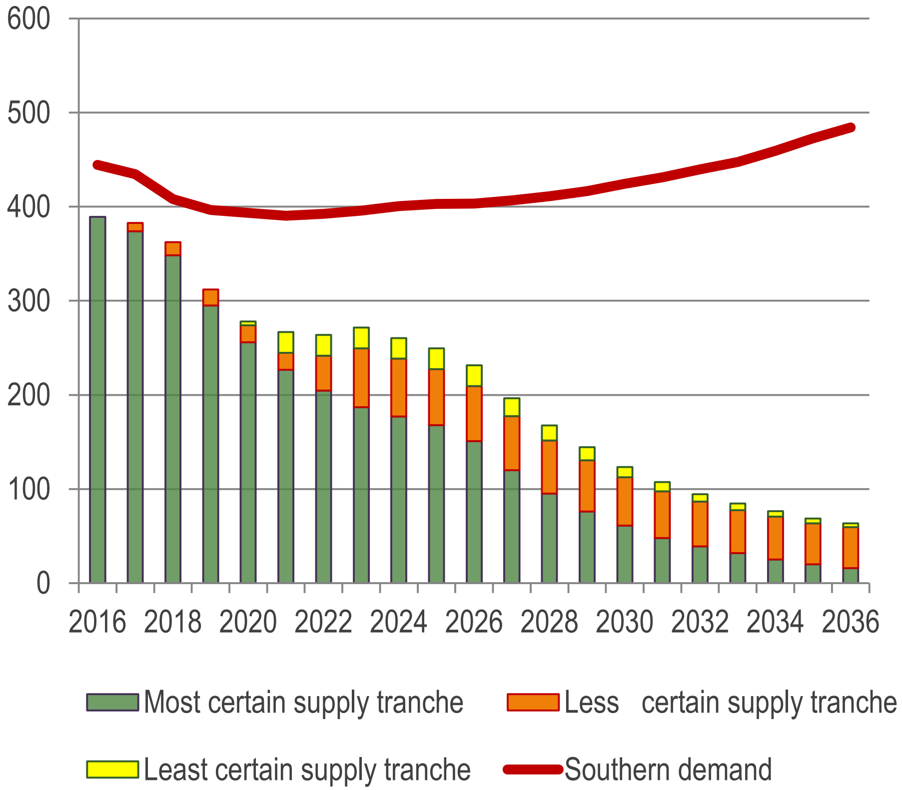
[1] Excludes exploration or acquisitions`

2. Sole gas project

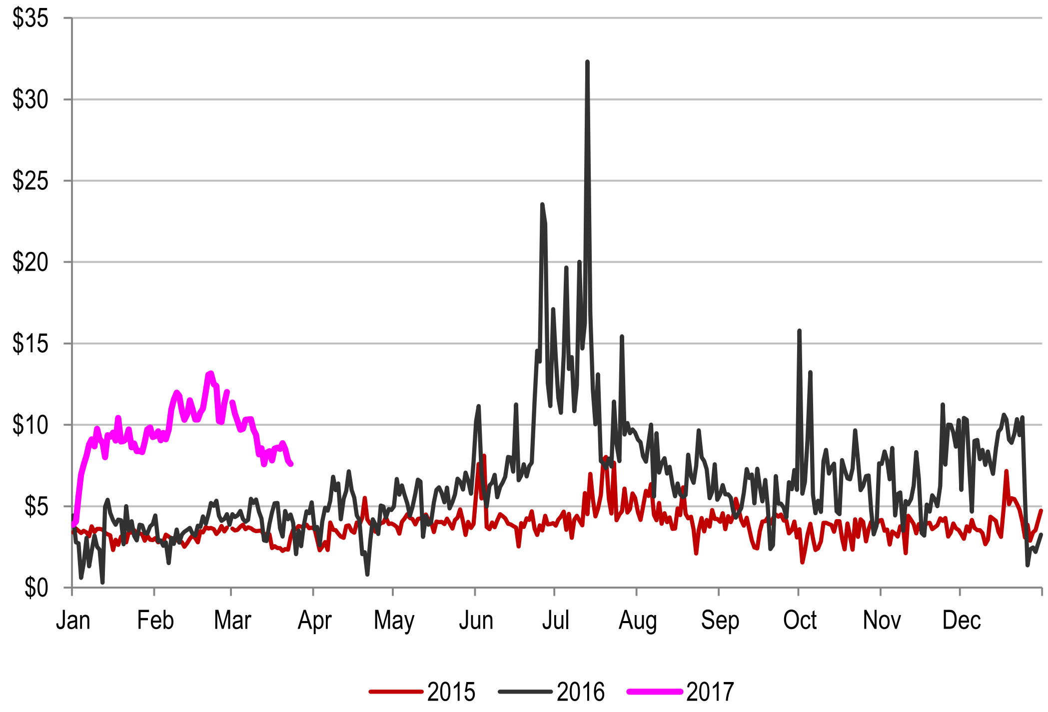
South-east Australia gas market

Forecasts and spot pricing illustrate market need for new gas projects and increasing prices

Forecast[1] south-east Australia gas demand and production
PJ pa



Victorian Average Daily Wholesale Gas Price
$GJ



Note: Chart developed by Cooper Energy using data published by the Australian Energy Market Operator (AEMO)

* South-east Australia comprises NSW, VIC, SA and Tasmania

[1] EnergyQuest Energy Quarterly March 2017

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Sole gas project

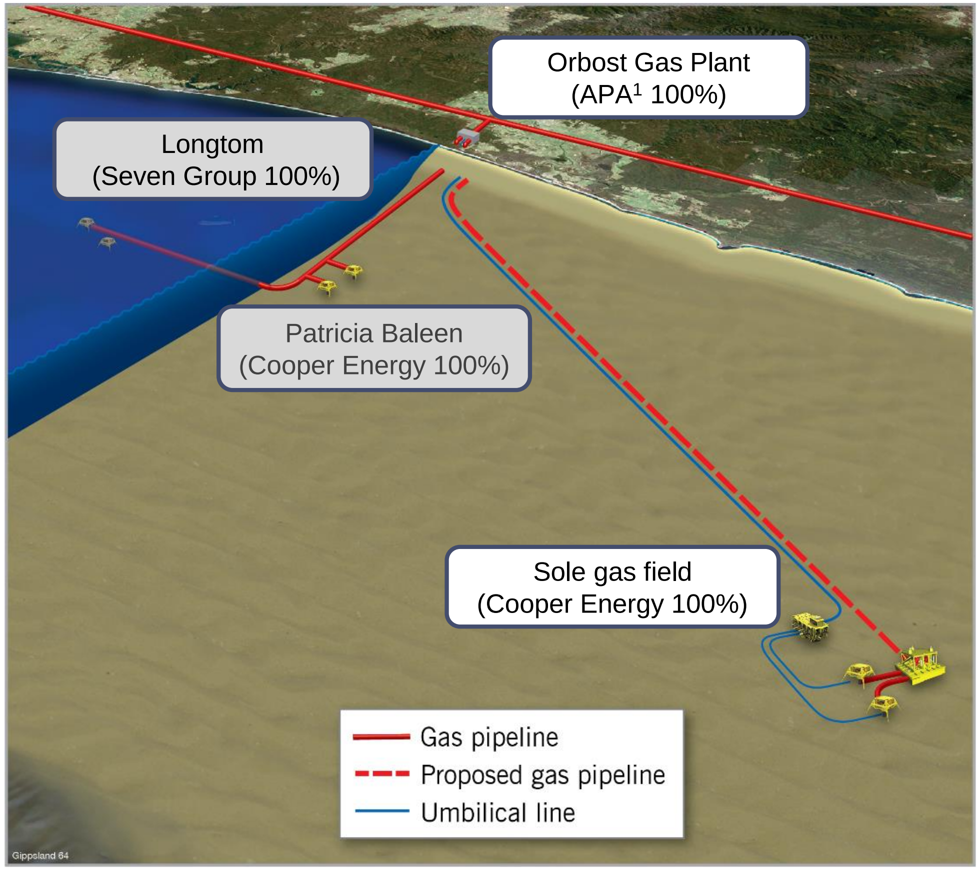
New gas supply for south-east Australia with contracted sales, blue chip customers & uncontracted gas

Midstream:

HoA[1] with APA Group for proposed transaction under which APA:

- Acquires existing Orbost Gas Plant
- Undertakes $250 million plant upgrade to process Sole gas
- Operates Orbost Gas Plant to process gas under agreed toll for supply to Cooper Energy customers and others

[1]APA and Cooper Energy announced a non-binding HoA on 27 February 2017 for exclusive negotiation of a transaction under which APA Group would acquire upgrade and operate the Orbost Gas Plant. APA Group and Cooper Energy are in advanced negotiations to conclude the legal and commercial terms of these arrangements.



Upstream:

- 2C Contingent Resource[2]: 249 PJ
- Ready to proceed: March '17
- Sole gas into plant: March '19
- Output: ~25 PJ pa
- Cooper Energy equity: 100%

[2] Cooper Energy announced Sole Contingent Resources on 27 February 2017. 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 announcement continues to apply. See notes on page 44 for information on reserves and resources calculation.

Enabling customers

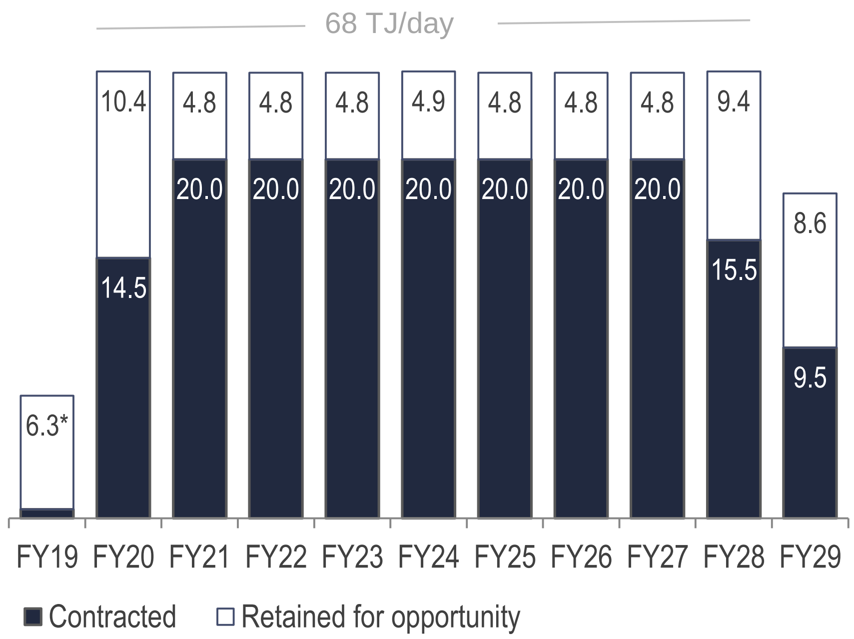
AGL Energy in action · O-I · EnergyAustralia · alintaenergy

Sole gas marketing

Gas contracts in place to support financing
Increased production profile with more gas and exposure to upside in shorter term market

- Take or pay contracts in place sufficient for financing: 20 PJ pa[1] (55 TJ/day) with blue chip customers:
  - AGL: 12 PJ pa
  - EnergyAustralia: 5 PJ pa
  - Alinta: 2 PJ pa
  - O-I Australia: 1 PJ pa
- Offtake contracts support anticipated finance requirements
- Uncontracted gas retained for shorter term, higher value sales in tight market
- Additional 8 PJ anticipated from 2 well development plan also to be retained
  - further upside value opportunity
- Options to accelerate production to be assessed

Sole gas production: contracted and uncontracted
PJ pa – based on current onshore plant capacity[2]



[1] Total contracted is 180 PJ assuming extension options from 2024

[2] Current onshore plant capacity is 68 TJ/day (25 PJ pa); Development plan delivers reservoir production capability of 74 TJ/day

* Start-up timing is dependent upon Orbost Gas Plant start-up timing

Sole project sanction

Project has satisfied all hurdles and assurance; ready to go

Project

- ✓ Sole development plan finalised
- ✓ Project team transition
- ✓ Production Licence awarded
- ✓ Regulatory approvals
- ✓ Subsea pipeline and umbilical contract with Subsea 7
- ✓ Rig contract signed

Assurance

- ✓ Independent resources review
- ✓ Independent technical review
- ✓ Independent financial model

Commercial

- ✓ Pre-sanction gas contract target achieved
- ✓ Fixed price contracts for 62% of capital cost[1]

Financing

- ✓ Debt process underway
- ✓ Advanced negotiations with APA on transaction proposed in HoA[2]
- ✓ Confidence in access to debt funding for upstream
- ✓ Underwritten equity raising[3]

Sole gas project approved as "ready to proceed"

[1] 62% of upstream cost
[2] refer joint APA Group and Cooper Energy announcement 27 February 2017 and page 10 of this document
[3] Equity raising announced 29 March 2017 as detailed in this presentation

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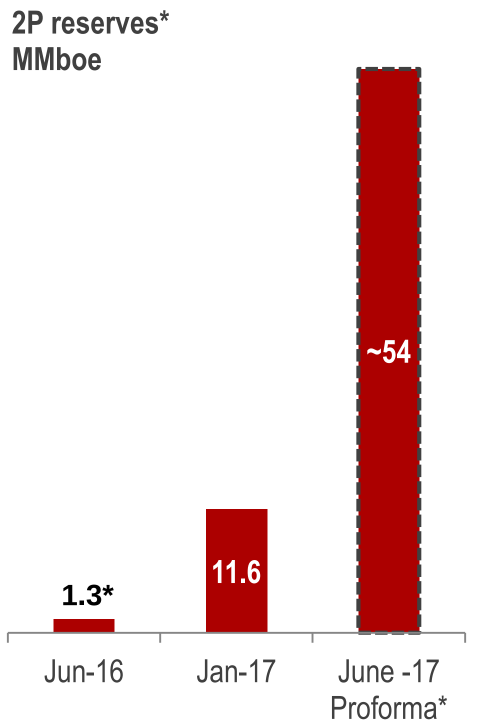
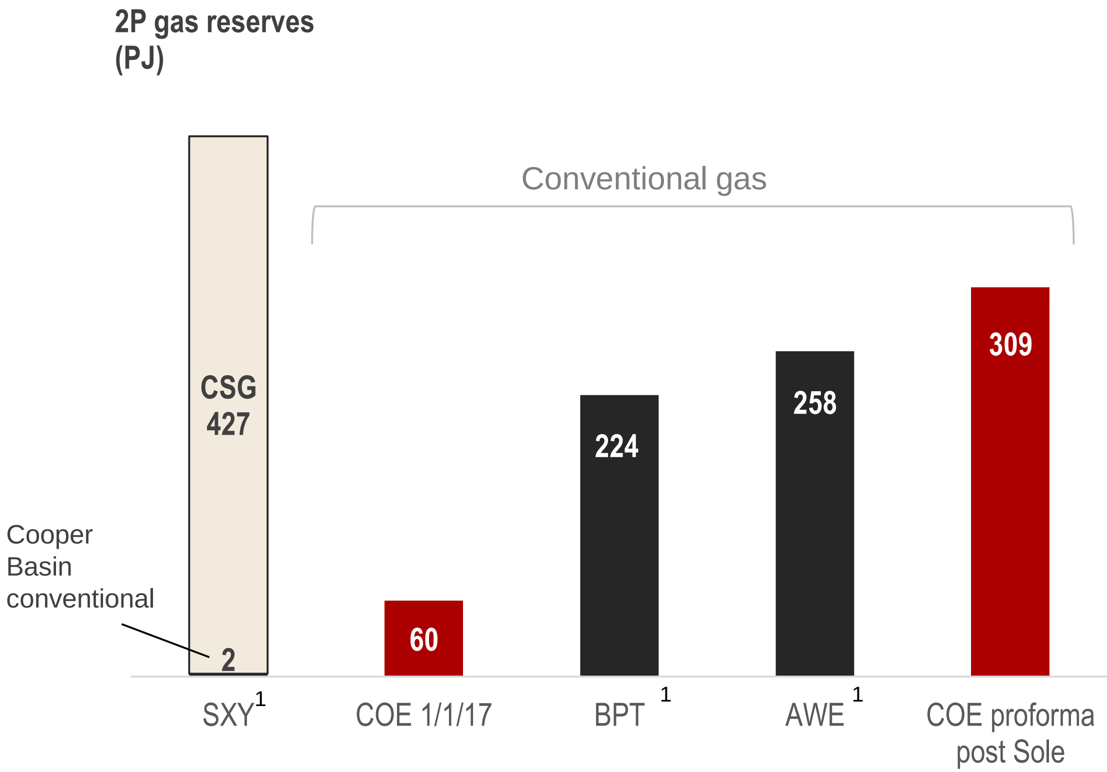
Transformational impact of Sole: gas reserves

Finalisation of project funding and FID trigger 370% uplift to 2P gas reserves
Repositions Cooper Energy within sector



- 249 PJ 2C contingent resource[2] reclassified as 2P reserves
- Provides 43 million boe uplift to 2P reserves

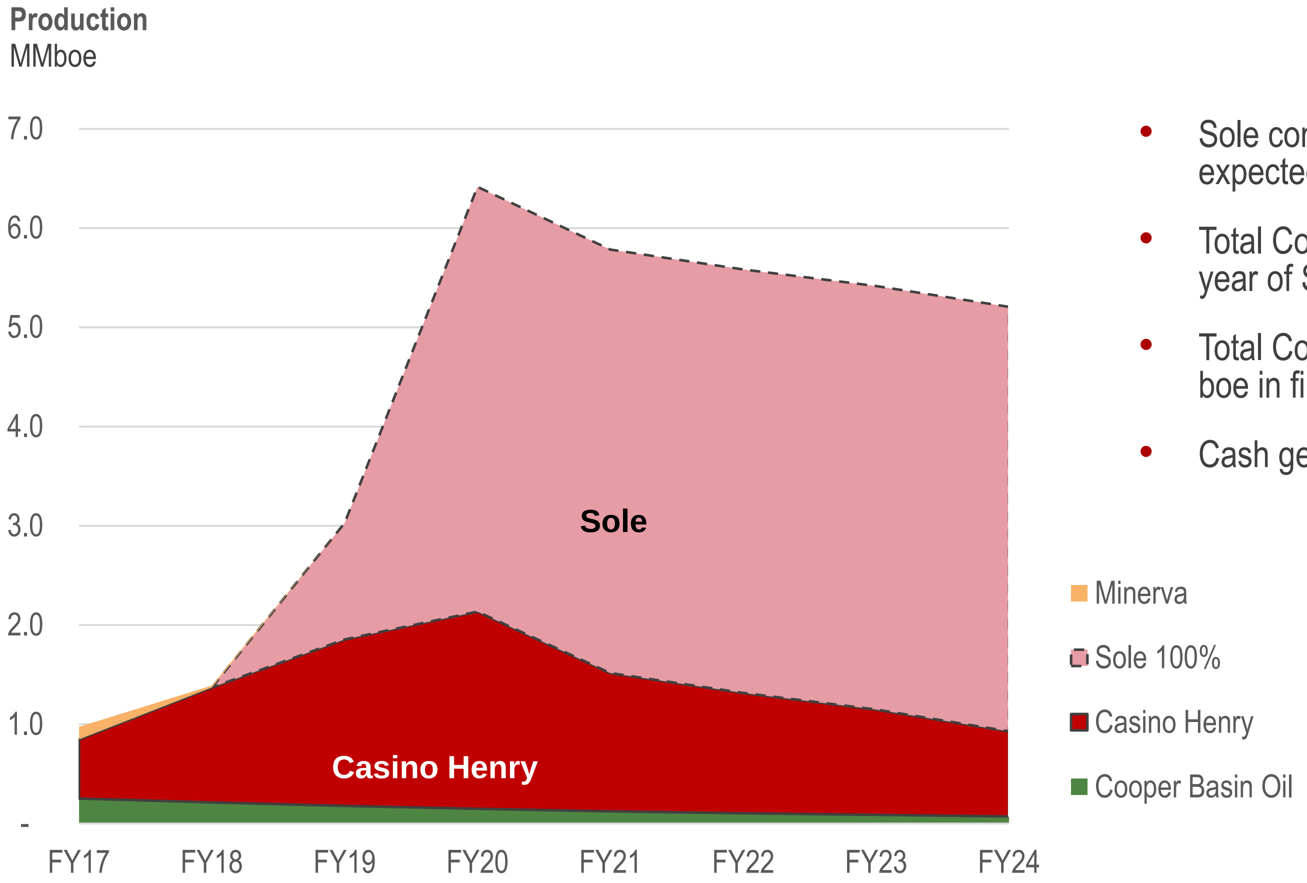


- Cooper Energy 2P gas 100% south-east Australia
- 121 PJ of 2P gas reserves post Sole FID are uncontracted
- Gas available to contract for sale from Otway from 2018 and from Sole in 2019

* Australia only. Assumes commitment of Sole gas project, which provides uplift of ~43 million boe on FID
[1] Published 2P gas reserves as at 30 June 2016
[2] Cooper Energy announced Sole Contingent Resources on 27 February 2017. 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 announcement continues to apply. See notes on page 44 for information on reserves and resources calculation

Transformational impact of Sole gas project: production

Sole production uplift takes Cooper Energy production to > 6 times current year guidance



- Sole commencement in FY19 provides further uplift to growth expected from Casino Henry
- Total Cooper Energy gas production of 36 PJ pa in first full year of Sole operation, based on existing assets & equities
- Total Cooper Energy production forecast to exceed 6 million boe in first full year of operation from Sole
- Cash generated from Sole for funding of Phase 2: Manta

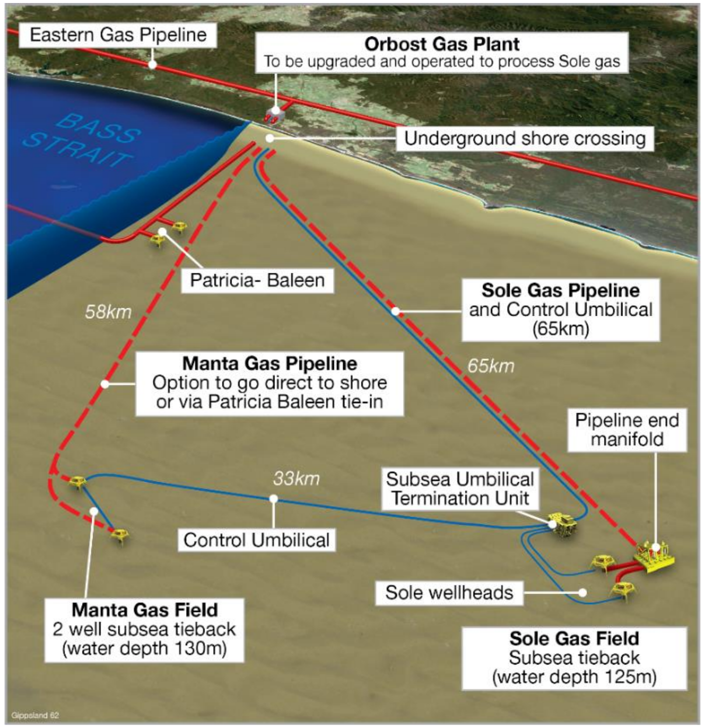
Assumes:

- Current equities. Cooper Energy may divest some Gippsland equity post Sole sanction
- Sole ready to proceed March 2017. Sole gas to plant 2019. Start-up timing is dependent upon Orbost Gas Plant start-up timing
- Development well required for Casino Henry FY18/19
- No new exploration success

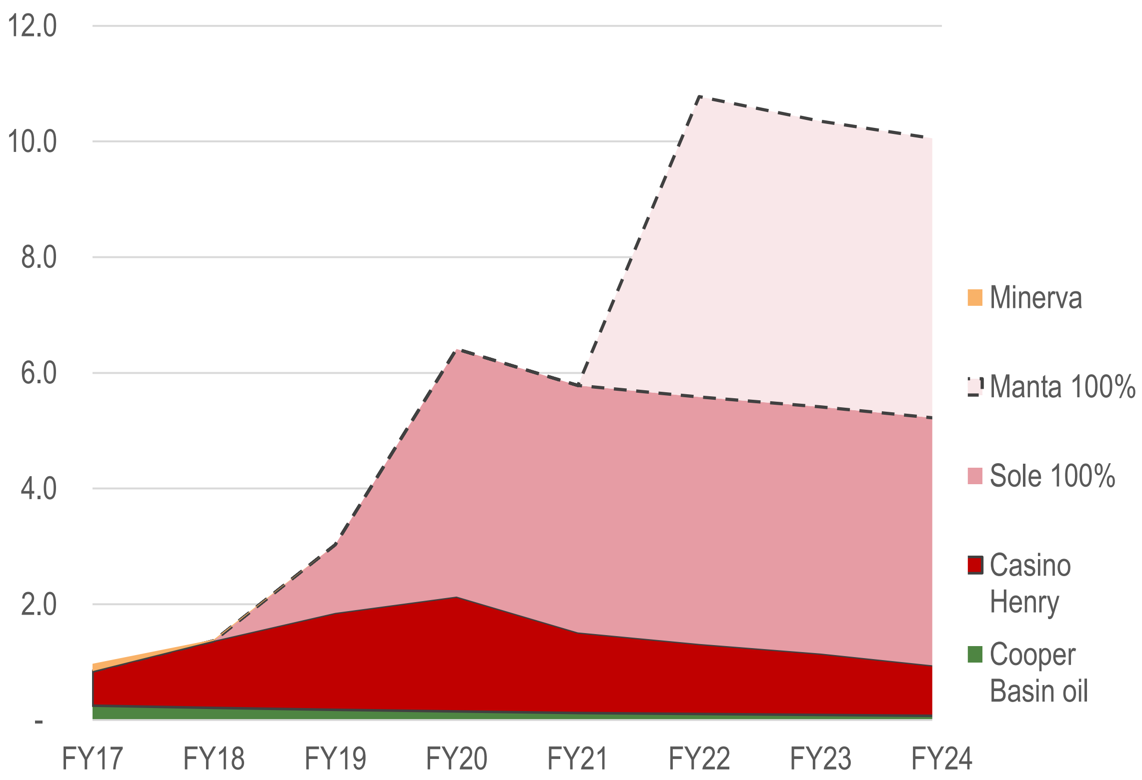
Sole is first phase and cash generator for longer term growth

Sole is the foundation for greater and longer term production growth

Phase 1 and 2 Development of Gippsland Basin Gas Projects, Sole and Manta



Production



Assumes:

- Current equities. Cooper Energy may divest some Gippsland post Sole sanction
- Sole ready to proceed March 2017 Sole gas to plant 2019. Start-up timing is dependent upon Orbost Gas Plant start-up timing
- Manta 3 appraisal well
- Development well required for Casino Henry FY18/19
- No new exploration success

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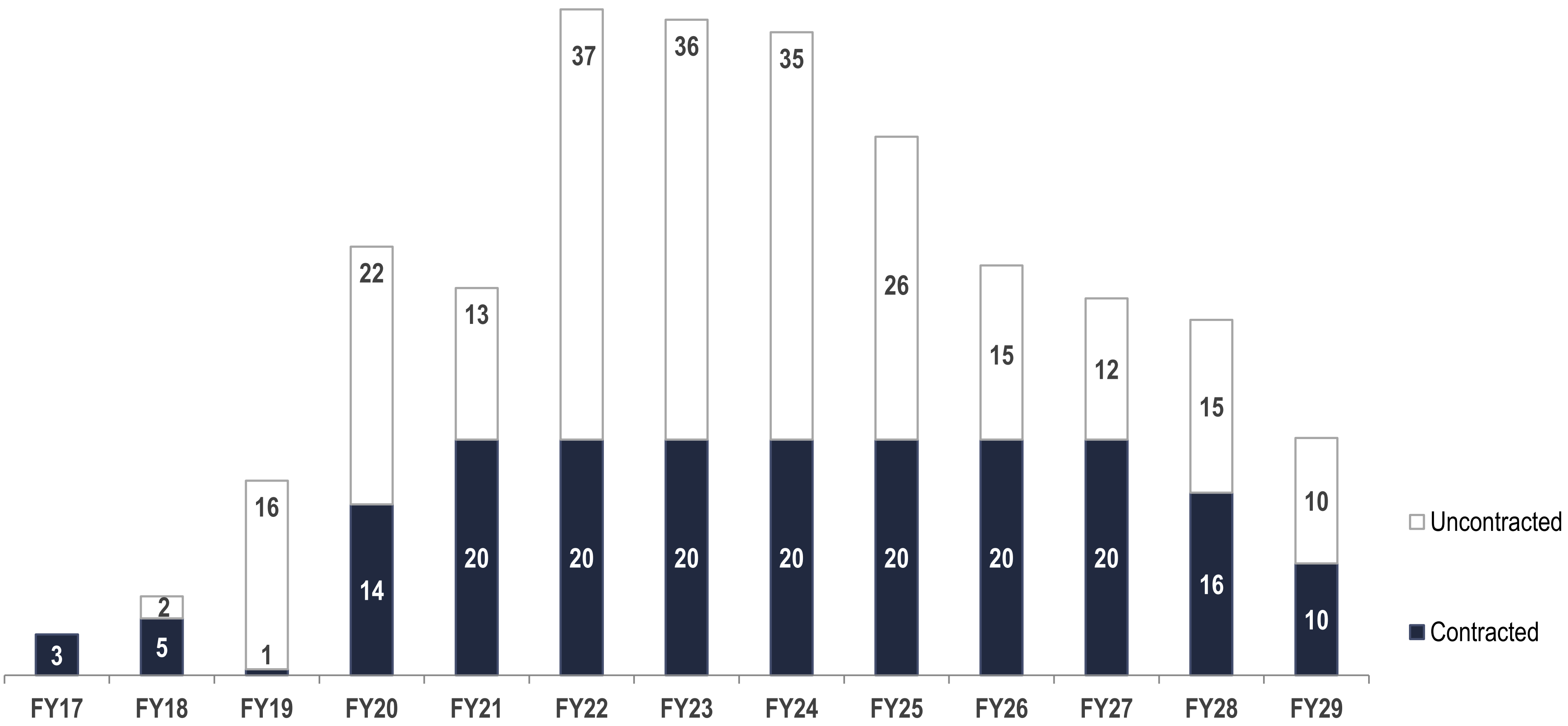
Cooper Energy contracted and uncontracted gas

227* PJ uncommitted in Casino Henry, Sole and Manta for contracting into south-east Australia from 2018

Gas production[1] from current assets: contracted & uncontracted
PJ pa



* 227 PJ comprises 52 PJ 2P Casino Henry gas and 175 PJ 2C contingent resource uncontracted gas from Sole and Manta. Profile illustrated includes additional 10 PJ Risked Prospective resource anticipated from Manta. Cooper Energy announced Sole Contingent Resources on 27 February 2017 and Manta Contingent and Prospective Resource 16 July 2015. 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 announcement continues to apply. See notes on page 44 for information on reserves and resources calculation.

[1]**Note:**
- Sole start-up timing is dependent upon Orbost Gas Plant start-up timing
- Assumes Manta 3 appraisal well
- Development well required for Casino Henry FY18/19
- Details on page 38

Rounding: all figures rounded and as a result addition of figures displayed may not equal totals displayed.

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3. Equity raising offer details

Transaction funding and terms

Offer Structure

- Fully underwritten equity raising of approximately $151 million, comprising:
  - An institutional placement to raise approximately $47 million; plus
  - An Accelerated Non-Renounceable Entitlement Offer to raise approximately $104 million
- Under the Entitlement Offer, eligible shareholders are entitled to 1 New Share for every 2 existing ordinary shares held on the record date

Offer Price

- Offer price of $0.315 per New Share under both the Institutional Placement and Entitlement Offer
- Represents a 12.9% discount to TERP of $0.362 based on closing price of $0.385 on 28 March 2017[1]
- Represents an 18.2% discount to the closing price of $0.385 on 28 March 2017

Institutional Offer

- The Institutional Offer comprises both the Institutional Placement and the Institutional Entitlement Offer
- The Institutional Offer will be conducted from Wednesday, 29 March 2017 to Thursday, 30 March 2017
- Entitlements not taken up in the Institutional Entitlement Offer will be offered to eligible institutional investors concurrently with the Institutional Offer

Retail Entitlement Offer

- Retail Entitlement Offer opens on Wednesday, 5 April 2017 and scheduled to close on Friday, 21 April 2017
- Retail Entitlement Offer will include a top up facility under which Eligible Retail Shareholders who take up their Entitlement in full may also apply for additional shares in the Retail Entitlement Offer that were not taken up by other Eligible Retail Shareholders (subject to the top-up cap of 200% of each Eligible Retail Shareholder's existing shareholding)

Ranking

- New Shares issued will rank equally with existing ordinary shares in all respects from allotment

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[1] TERP is calculated by adjusting for the bonus-element of the Entitlement Offer only

Use of proceeds

- The equity raising proceeds will be used to fund capital expenditure and other costs in relation to the Sole gas project and will substantially cover the expected equity funding requirement for the project
- Cooper Energy is highly confident of securing debt finance for the remaining funding requirement of the Sole gas project during the June quarter FY17
  - APA expected to assume responsibility for all midstream capital expenditure pursuant to the previously announced HoA[1]
  - Project and/or corporate level debt financing to provide additional funding for upstream capital expenditure
- Cooper Energy will retain flexibility to consider further investments, including the Henry-3 well and additional Manta drilling, during the Sole construction period through reinvestment of free cashflow and/or asset level transactions including a potential partial sell-down of Gippsland acreage

Sources	
Underwritten Institutional Placement	$47 million
Underwritten Entitlement Offer	$104 million
Debt finance and/or other sources	$234 million
Total sources	**$385 million**

Uses	
Sole gas project capital expenditure	$355 million
Payment to Santos[2]	$20 million
Equity raising costs	$10 million
Total uses	**$385 million**

[1] Refer page 10 for information on the HoA and status of the proposed transaction
[2] Payable upon the earlier of Sole FID or the receipt of cash consideration from the sell-down by Cooper Energy of any interest in any of the assets acquired from Santos pursuant to the transaction announced on 24 October 2016.

Equity raising timetable

Trading Halt and announcement of the Equity Raising	Wednesday, 29 March 2017
Institutional Offer opens	Wednesday, 29 March 2017
Institutional Offer closes	Thursday, 30 March 2017
Trading Halt lifted - shares commence trading on ASX on an ‘ex-entitlement’ basis	Friday, 31 March 2017
Record Date for determining entitlement to subscribe for New Shares	Friday, 31 March 2017
Retail Entitlement Offer opens	Wednesday, 5 April 2017
Retail Offer Booklet despatched	Wednesday, 5 April 2017
Settlement of New Shares under the Institutional Offer	Friday, 7 April 2017
Allotment and normal trading of New Shares issued under the Institutional Offer	Monday, 10 April 2017
Retail Entitlement Offer closes	Friday, 21 April 2017
Allotment of New Shares issued under the Retail Entitlement Offer	Monday, 1 May 2017
Normal trading of New Shares issued under the Retail Entitlement Offer	Tuesday, 2 May 2017
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Wednesday, 3 May 2017

Note: All dates and times are indicative only and subject to change without notice.

4. Key risks

Key Sole gas project risks

Risk	Description
Analysis of the Project	COE has undertaken financial, operational, business and other analysis in respect of the Sole gas project in order to determine its readiness to proceed from a technical, commercial and economic perspective. It is possible that the analysis undertaken by COE and the best estimates assumptions made by COE draw conclusions and forecasts which are inaccurate or which are not realised in due course (whether because of flawed methodology, misinterpretation of economic circumstances or otherwise). To the extent that the actual results achieved by the Sole gas project are weaker than those indicated by COE's analysis, there is a risk that this may have an adverse impact on the financial position, financial performance and/or share price of COE.
Technical	COE has undertaken technical assurance for the Sole gas project. It is considered that the project is technically mature and has robust estimates of cost and schedule and that there is sufficient definition for the Project to Proceed into the Implementation Phase. It is possible that despite the assurance work undertaken that circumstances may arise where technical failure will impact on the deliverability of the outcomes associated with the development of the Sole gas field. Circumstances that have been identified as high technical risk include gas well deliverability - lower than expected reservoir deliverability over the life of the field, well system failure during the production cycle and inlet pressure being below specification and unable to deliver at design rates for an extended period. The risk of well failure has been mitigated by the selection of a two-well development plan for the Sole field. To the extent that technical failure is not able to be successfully mitigated through planning and control practices, there is a risk that this may have an adverse impact on the financial position, financial performance and/or share price of COE.
Economic and Financial	COE has undertaken economic assurance in respect of the capital and operating costs associated with the development of the Sole Gas project. To the extent that the capital and operating costs are impacted by circumstances not covered by allowances and contingencies built into the project cost profile, there is a risk that the project incurs over runs that may have an adverse impact on the financial position, financial performance and/or share price of COE
Project Delivery	Project delivery is dependant on key milestones being met under the project schedule. To the extent that these milestones are not met and the overall schedule is delayed, there is a risk that failure to complete the work scope under the project could have an adverse impact on the ability to meet the gas sales contract commitments, the financial position, financial performance and/or share price of COE.
Community Relations	The Sole gas project has both offshore and onshore components that may draw the negative attention of community groups. COE has mitigated the risk associated with community action by engaging with local regulatory bodies and the local communities and addressing relevant concerns raised. To the extent that community objections are not able to be resolved (and maybe due to the nature of activities and activist sentiment towards the industry generally) in a timely manner, there is a risk that it may have an adverse impact on project delivery.
Regulatory	COE will apply to the regulatory authorities to transfer the operator role and responsibilities from Santos to COE after the acquisition of a number of Victorian assets completed in January 2017. There is a risk that this takes longer than expected and may negatively impact the conditions and/or commencement of other agreements such as finance agreements, or agreements with companies providing services to the Sole gas project. The operation of the Orbost Gas Plant will need to comply with relevant governmental approvals and regulations. To the extent that the plant does not comply with all necessary permits, authorisations, agreements or licences, there is a risk that costs will be incurred to remediate non-compliance, with the potential to damage community relations for the project participants.

Key Sole gas project risks (cont'd)

Risk	Description
Domestic Gas Market	COE has identified an opportunity to provide natural gas from the Sole gas project to the south-east Australia gas market. The market is subject to the fluctuations of supply and demand and price. To the extent that future actions of third parties contribute to demand destruction or there is an expansion of alternative supply sources, there is a risk that it may have an adverse impact on the financial position, financial performance and/or share price of COE.
Sole Gas Contracting	COE has entered into a number of Gas Sale Agreements for the supply of gas commencing from January 2020. Under these contracts, COE is liable for non-supply of gas and there is a risk that delays to the successful completion of the Sole gas project will impact COE's ability to meet commitments under these Agreements. These Agreements are long term take or pay contracts with indexed pricing. There is a risk to COE that at some time in the future customers will not be in a position to take the gas and/or the gas is sold at a lower price than ~~to~~ the contract prices.
Economic Inputs	At the time of this offer, some costs associated with the project are not yet finalised and some contracts are still to be awarded. Resource estimates and estimated gas prices used in the modelling significantly affect the economics of the project. To the extent that economic assumptions are used in the financial modelling, there is a risk that incorrect modelling could lead to material variability in the value associated with the project and the Company may need to fund additional capital expenditures.
Gas Processing Arrangements	COE has entered into a non binding Heads of Agreement with APA Group to acquire the Orbost Gas Plant. Commercial and legal terms for the transaction have yet to be finalised. To the extent that the transaction with APA Group is delayed, not finalised or finalised on terms different to those that have been assumed for financial modelling purposes, there is a risk that this could lead to material variability in the value associated with the project. In the event that the APA arrangements are not finalised, there could be a need for COE to put in place similar arrangements with another party or to directly fund the capital expenditure associated with the Orbost Gas Plant. The divestment of the Orbost Gas Plant to APA Group transfers the benefits, costs and risks associated with the development of the plant to take Sole field gas to APA Group. To the extent that the transfer of control of the gas processing to APA Group adversely affects the availability of the plant to process gas there is a risk that and this may have an adverse impact on the financial position, financial performance and/or share price of COE.
Funding	The Final Investment Decision (FID) for the Sole gas project is dependent on the successful funding of the capital requirements of the project. To the extent that funding is not secured that covers the cost of the project, there is a risk that this may adversely affect the Company's ability to achieve FID and deliver the completion of the project. Prior to FID, COE has awarded contracts for long lead items associated with the development of the Sole gas project. To the extent that funding covering the cost of the project is not secured in a timely manner, there is a risk that COE may need to pay material costs associated with the cancellation of these contracts.
Volatility of oil and gas prices	COE's future value, growth and financial condition are dependent upon the prevailing prices for oil and gas. Prices for oil and gas are subject to fluctuations and are affected by numerous factors beyond the control of COE. These factors include global consumer demand, national and international financial market conditions, uncertainty in commodity markets, political and economic conditions in oil producing countries, actions of the Organisation of the Petroleum Exporting Countries (OPEC) (or members thereof), government pricing regulations, taxation and availability of alternative and competing fuel sources. Lower oil and gas prices may not only decrease revenue, but also reduce the amount of oil and gas that can be economically produced. COE has policies and procedures for entering into hedging contracts to mitigate against the fluctuations in oil price and exchange rates. These policies are reviewed regularly. When reviewing the strategy for gas sales contracts, COE considers the gas price and gas price indexation terms having regard to the market, risk and a range of other relevant factors.

Business risks

Risk	Description
Exploration and production	The future profitability of COE and the value of its shares are directly related to the results of exploration, development and production activities as well as costs and prices as noted above. Oil and gas exploration and production however involves significant risk. Exploration is a speculative endeavour with an associated risk of discovery to find any oil and gas in commercial quantities and a risk of development. No assurances can be given that funds spent on exploration will result in discoveries that will be commercially viable. Future exploration activities, including drilling and seismic acquisition, may result in changes in current prospectivity perceptions of individual prospects, leads and permits. It may even lead to a relinquishment of the permit, or a portion of the permit. Development and production of oil and gas projects may be exposed to low side reserve outcomes, cost overruns, production decrease or stoppage, which may be the result of facility shut-downs, mechanical or technical failure and other unforeseen events. A significant poor development outcome or failure to maintain production could result in COE lowering reserve and production forecasts, loss of revenue and additional operating costs to restore production. In some instances, a loss of production may incur significant capital expenditure, which could require COE to seek additional funding.
Drilling	Oil and gas drilling activities are subject to numerous risks, many of which are beyond COE's direct control. Drilling activities may be curtailed, delayed or cancelled as a result of weather conditions, unexpected drilling conditions, mechanical difficulties, delays in government or regulatory approvals, availability of the necessary technical equipment and appropriately skilled and experienced technicians. Drilling may result in wells that, whilst encountering oil and gas, may not achieve commercially viable results.
Operating	Industry operating risks include fire, explosions, blow outs, pipe failures, abnormally pressured formations and environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures, or discharge of toxic gases. The occurrence of any of these risks could result in substantial losses to COE due to injury or loss of life; damage to or destruction of property, natural resources, or equipment; pollution or other environmental damage; clean-up responsibilities; regulatory investigation and penalties or suspension of operations. Damages occurring to third parties as a result of such risks may give rise to claims against COE.
Facility operator	As Operator of offshore facilities, COE has front line responsibility for the integrity of the facilities, health and safety of personnel and care of the environment. In the event of an incident, COE may face prosecution and/or claims for compensation. In the event of non-compliance with COE's accepted regulatory submissions, production may be curtailed.
Reliance on key personnel and advisers	The ability of COE to achieve its objectives depends on the engagement of key employees, directors and external contractors that provide management and technical expertise. If COE cannot secure external technical expertise (for example to carry out drilling) or if the services of the present management or technical team cease to be available to COE, this may affect COE's ability to achieve its objectives either fully or within the timeframes and the budget COE has decided upon. Additionally, industrial disruptions, work stoppages and accidents in the course of operations may adversely affect COE's performance.
Joint Ventures	COE is currently, and may in the future become a party to joint venture or joint operating agreements for the licences, leases and permits in which it holds interests. Under these agreements, COE may be voted into programs and budgets which it does not necessarily agree with or have the cash resources to fund. It may also be required to contribute to any increases in capital expenditure requirements and/or operating costs. Furthermore, the situation could arise where any or all of the joint venture parties are unable to fund their pro rata contributions to expenditure, in which case COE may have to make increased contributions to ensure that the program proceeds. Other companies may from time to time become operators under joint venture operating agreements and, to the extent that COE is a minority joint venture partner, COE will be dependent to a degree on the efficient and effective management of those operating companies as managers. The objectives and strategy of these operating companies may not always be consistent with the objectives and strategy of COE, however, the operators must act in accordance with the directions of the relevant majority of the joint venturers. COE's joint venture partners may have economic or other business interests or goals that are inconsistent with the business interest or goals of COE and may be in a position to take actions contrary to COE's objectives or interests. COE will be required under joint operating agreements to pay its percentage interest share of all costs and liabilities incurred by the joint venture in connection with joint venture activities. In common with other joint venture parties, if COE fails to pay its share of any costs and liabilities, subject to the terms of each particular joint venture agreement, it may be deemed to have withdrawn from the joint venture and may have to transfer its interest in the exploration permits and the joint venture operating agreements to the other joint venturers.

Business risks (cont'd)

Risk	Description
Counterparties	The ability of COE to achieve its stated objectives will depend on the performance of the counterparties under the various agreements it has entered into. If any counterparties do not meet their obligations under the respective agreements, this may impact on COE's operations, business and financial condition. Legal action in response to non-performance by a counterparty can be uncertain and costly. There is a risk that COE cannot seek the legal redress that it could expect against a defaulting counterparty, or that a legal remedy will not be granted on satisfactory terms.
Land access and Native Title	COE's immediate and continuing access to tenements cannot in all cases be guaranteed. COE is required to obtain consent of owners and occupiers of land within COE's licence areas. Compensation may be required to be paid by COE to owners and occupiers of land in order for COE to carry out exploration and production activities. COE operates in a number of areas within Australia that are or may become subject to claims or applications for native title determinations. Although COE has experience in dealing with native title claims in Australia, native title claims have the potential to delay the granting of exploration and drilling permits and other licences, and consequently, may affect the timing and cost of exploration, development and production.
Reliance on third party infrastructure	It is common in the oil and gas sector for industry participants to share transportation and operating infrastructure (such as gas processing facilities and gas pipelines). COE relies on access to properly maintained operating infrastructure and shared facilities that, in some circumstances, may not be directly controlled by COE in order to deliver its production to the market. Any delay or failure to access or properly maintain operating infrastructure or shared facilities may have a material adverse effect on COE.
Ability to exploit successful discoveries	It may not always be possible for COE to participate in the exploitation of successful discoveries made in any areas in which COE has an interest. Such exploitation will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as COE. Such further work may require COE to meet or commit to financing obligations for which it may not have planned.
Reserve and contingent resource estimates	Oil and gas reserves estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly or become uncertain when new information becomes available on the oil and gas reservoirs through additional drilling or reservoir engineering tests over the life of a field. In addition, reserve and contingent resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove inaccurate. The actual Reserves or Contingent Resources may differ from those estimated which may result in COE altering its plans which could have either a positive or negative effect on COE's operations.
Environmental	COE's exploration, development and production activities are subject to state, national and international environmental laws and regulations. Oil and gas exploration, development and production can be potentially environmentally hazardous giving rise to substantial costs for environmental rehabilitation, damage control, and losses. COE's operations will be subject to environmental controls relating to hazardous operations and for those projects offshore, the discharge of waste into the sea. The legal framework governing this area is complex and constantly developing. There is a risk that the environmental regulations may become more onerous, making COE's operations more expensive or causing delays.
Legislative changes, government policy and approvals	Changes in government, monetary policies, taxation and other laws in Australia or internationally may impact COE's operations and the value of its shares. For example, an amendment to petroleum tax legislation in Australia may impact on COE's existing financial position or its expected financial returns.

Business risks (cont'd)

Risk	Description
Government actions	COE requires government regulatory approvals for its operations. The impact of actions, including delays and inactions, by governments in Australia or internationally may affect COE's activities including such matters as access to lands and infrastructure, compliance with environmental regulations, production and exploration activities. This may from time to time affect timing and scope of work to be undertaken. No guarantee can be given that all necessary permits, authorisations, agreements or licences will be provided to COE by government bodies, or if they are, that they will be renewed, or that COE will be in a position to comply with all conditions that are imposed.
Commercialisation	Even if COE recovers commercial quantities of oil and gas, there maybe no guarantee that COE will be able to successfully transport the oil or gas to commercially viable markets or sell the oil or gas to customers to achieve a commercial return.
Compulsory work obligations	Permits in which COE has an interest are subject to compulsory work or expenditure obligations for each permit year which must be met in order to keep the permit in good standing. It is possible for these commitments to be varied by deferment and combination with later year requirements on application of the holders but any such variation is at the discretion of the relevant Minister administering the relevant legislation. If no variation is approved by the relevant Minister then a failure to meet compulsory obligation could lead to forfeiture of the permit.
Access to capital markets	COE's business and, in particular, development of large scale projects, relies on access to debt and equity funding. There can be no assurance that sufficient debt or equity funding will be available to COE on favourable terms or at all. Any additional equity financing may dilute existing shareholdings.
Insurance	Insurance of all risks associated with oil and gas exploration and production is not always available and, where available, the cost can be high. COE maintains insurance within a coverage range that it considers to be consistent with industry practice and appropriate for its needs. The occurrence of an event that is uninsurable, not covered or only partially covered by insurance could have a material adverse effect on the Company's business and financial position.
Occupational health and safety	Exploration and production of oil and gas may expose COE's staff and contractors to potentially dangerous working environments. Occupational health and safety legislation and regulations differ in each jurisdiction. If any of COE's employees or contractors suffered injury or death, compensation payments or fines may be payable and such circumstances could result in the loss of a licence or permit required to carry on the business. Such an incident may also have an adverse effect on COE's business and reputation.
Competition	Some of COE's competitors, including major oil companies, will have greater financial and other resources than COE and, as a result, may be in a better position to compete for future business opportunities. Many of COE's competitors not only explore for, and produce oil and gas, but also carry out refining operations and market petroleum and other products on a worldwide basis. There can be no assurance that COE can compete effectively with these companies.

General risks

Risk	Description
General market and share price	There are general risks associated with investments in equity capital such as COE shares. The trading price of COE shares may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the Offer price. Generally applicable factors which may affect the market price of shares include: • General movements in Australian and international stock markets; • Investor sentiment; • Australian and international economic conditions and outlook; • Changes in interest rates and the rate of inflation; • Changes in government legislation and policies, in particular taxation laws; • Announcement of new technologies; and • Geo-political instability, including international hostilities and acts of terrorism. Further, the effect of these conditions on COE's ability to refinance its debt obligations, and the terms on which any such refinancing can be obtained, is uncertain. If these conditions result in COE being unable to refinance its debt obligations, or to do so on reasonable terms, this may have an adverse impact on COE's financial position, financial performance and/or share price. The operational and financial performance and position of COE's share price may be adversely affected by a worsening of international economic and market conditions and related factors. It is also possible new risks might emerge as a result of Australian or global markets experiencing extreme stress or existing risks may manifest themselves in ways that are not currently foreseeable.
Other	The above risks should not be taken as a complete list of the risks associated with an investment in COE. The risks outlined above, and other risks not specifically referred to, may in the future materially adversely affect the value of COE shares and their performance. No assurances can be given that the New Shares will trade at or above the Offer Price. None of COE, its directors or any other person guarantees the market performance of the New Shares.

Share and Entitlement Offer risks

Risk	Description
Underwriting	COE has entered into an Underwriting Agreement with Euroz and Canaccord Genuity (together, the "Underwriters") under which the Underwriters have agreed to fully underwrite the Equity Raising (the "Underwriting Agreement"), subject to the terms and conditions of the Underwriting Agreement. The Underwriters' obligations to underwrite the Equity Raising are conditional on certain customary matters, including (but not limited to) COE delivering certain confirmation certificates, due diligence documentation and shortfall certificates. Further, if certain events occur, the Underwriters may terminate the Underwriting Agreement. Termination of the Underwriting Agreement may have an adverse impact on COE's ability to pay committed expenditure or secure satisfactory financing for the Sole gas project. Termination of the Underwriting Agreement could materially and adversely affect COE's business, cash flow, financial performance, financial condition and share price. The Underwriters may terminate the Underwriting Agreement and be released from their obligation to underwrite the Equity Raising on the happening of certain events (in certain circumstances, having regard to the materiality of the relevant event), including (but not limited to) where: • ASX approval for the official quotation of the New Shares is refused, modified or withdrawn; • COE ceases to be admitted to the official list of ASX or its shares are delisted or suspended from quotation; • COE or a material subsidiary of COE is or becomes insolvent; • COE withdraws all or any part of the Equity Raising; • the documentation for the Equity Raising (or any due diligence documentation prepared in connection with the Equity Raising and supplied to the Underwriters) omits any material information required by the Corporations Act or any other applicable law, contains a statement that is misleading or deceptive, or does not comply with the Corporations Act; • ASIC makes an application for an order, or commences an investigation or hearing, or announces an intention to commence any investigation or hearing, in connection with the Equity Raising; • there is a general moratorium on commercial banking activities in Australia, the United Kingdom or the United States; • there is a material disruption in commercial banking or securities settlement or clearance services within Australia, the United Kingdom or the United States; • there is an adverse change or disruption to the financial markets of Australia, the United States of America, Japan or the United Kingdom or the international financial markets, the effect of which makes its impractical to proceed with the Offer (in the Underwriters' reasonable opinion); • the Underwriting Agreement is breached by COE; • there is an outbreak or major escalation of hostilities involving one or more of Australia, New Zealand, the United States, the People's Republic of China, Russia, Japan, the United Kingdom or any member state of the European Union; • there is an adverse change in the financial position, results, operations or prospects of COE; • a representation or warranty under the Underwriting Agreement proves to be, has been or becomes untrue or incorrect or misleading or deceptive; and • there is a delay in the timetable for the Equity Raising without the prior approval of the Underwriters.
Dilution	If shareholders do not take up all of their entitlements under the Entitlement Offer and/or are unable to participate in the Institutional Placement, then their percentage holding in COE may be diluted by not participating to the full extent in the Equity Raising.

5. Offer jurisdictions

Offer jurisdictions

International Offer Restrictions
This document does not constitute an offer of New Shares of COE in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Canada (British Columbia, Ontario and Quebec provinces)
This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – *Prospectus and Registration Exemptions*, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.
No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

COE as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon COE or its directors or officers. All or a substantial portion of the assets of COE and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against COE or such persons in Canada or to enforce a judgment obtained in Canadian courts against COE or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission
Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against COE if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against COE. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against COE, provided that (a) COE will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, COE is not liable for all or any portion of the damages that COE proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the Transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the Transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the Transaction, holding or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

Offer jurisdictions (cont'd)

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of COE with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of COE's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Offer jurisdictions (cont'd)

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations.

Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).
This document is personal to the recipient only and not for general circulation in Switzerland.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to COE.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

Appendices

Business overview

Cash generation from oil base and gas assets, major upside in projects

Gas production & sales

Otway Basin: Casino Henry & Minerva[1]
Sales of ~7- 8 PJ pa to EnergyAustralia
Minerva[1] gas plant
Production of 1.2 MMboe pa

Oil exploration & production

Cooper Basin Western Flank
240,000 – 280,000 bbl pa
Operating cost: <A$30/bbl
High margin + exploration upside

Gas projects & contracting

Gippsland and Otway Basins
Sole, Manta projects, Otway uncontracted gas
>400 PJ gas to be developed or uncontracted
Production up to 9.5 MMboe[2] pa as projects come online

COOPER ENERGY

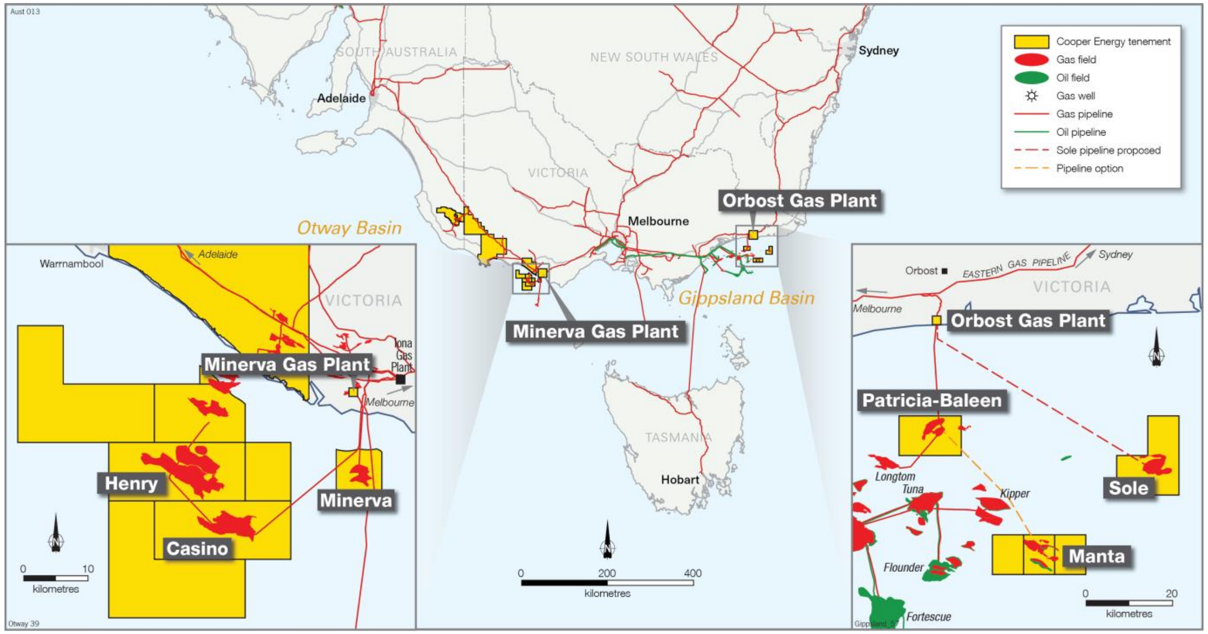
[1] Acquisition of 10% interest in Minerva and Minerva gas plant to be completed
[2] Based on current equity participation levels

Gas business portfolio

Multi-basin gas portfolio for optimal marketing, cost competitive gas for south-east Australia

Production

- ~ 7 PJ pa from Casino Henry & Minerva[1]
- Gas sold to EnergyAustralia
- Gas available to contract from March 18
- Field life to 2025 (Casino Henry)



Gas contracts

- 188 PJ contracted from 2017
- EnergyAustralia (Otway & Sole)
- AGL Energy (Sole)
- Alinta Energy (Sole)
- O-I Australia (Sole)

Plant & infrastructure

- **Orbost Gas Plant;** connected to EGP (subject to APA HoA [2])
- **Minerva[1] gas plant (10%):** connected to SEA Gas pipeline
- **Patricia Baleen:** connected to Orbost and Longtom

New gas projects

- Phase 1: Sole: from 2019
  - Ready to proceed March '17 for March '19 first gas ready to deliver to plant
- Phase 2: Manta
  - appraisal well and resource upside
  - from FY22
- VIC P44: exploration prospects

Uncontracted gas

Total of 227 PJ uncontracted in:

- **Otway:**
  - 52 PJ 2P Casino Henry reserves from March 2018
- **Gippsland**
  - Sole: 69 PJ 2C contingent resource uncontracted
  - Manta: 106 PJ 2C contingent resource

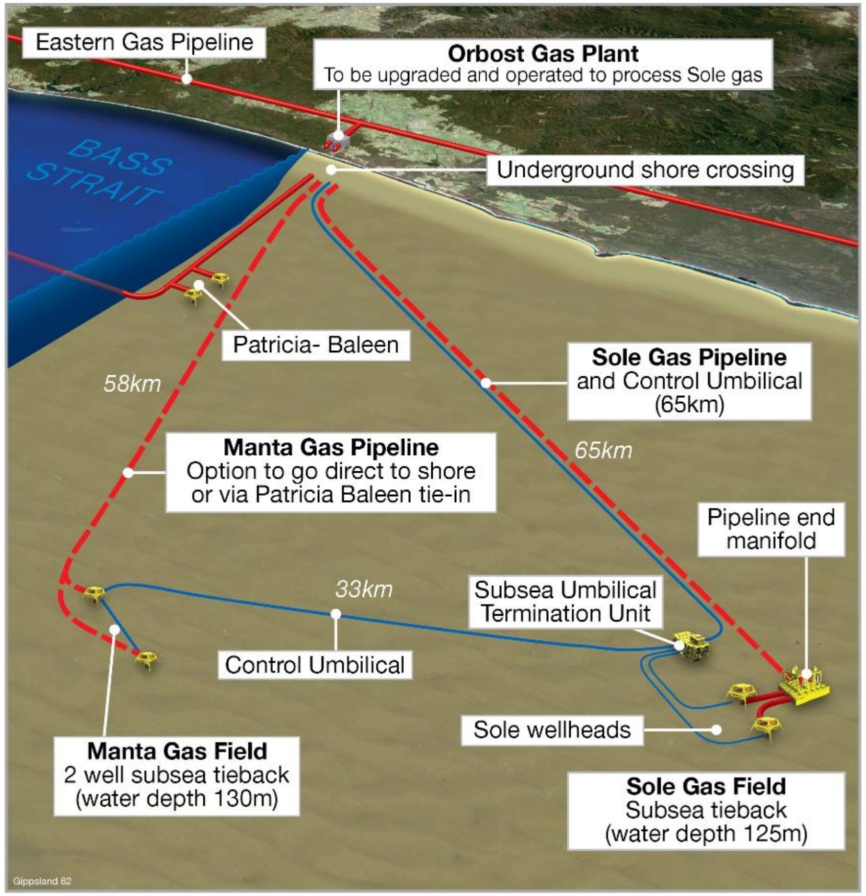
COOPER ENERGY

[1] Acquisition of 10% interest in Minerva and Minerva gas plant to be completed.
[2] Refer announcement of 27 February and page 10 of this presentation.

Sole development plan

Finalised around 2 horizontal wells, reduced technical risk, more gas

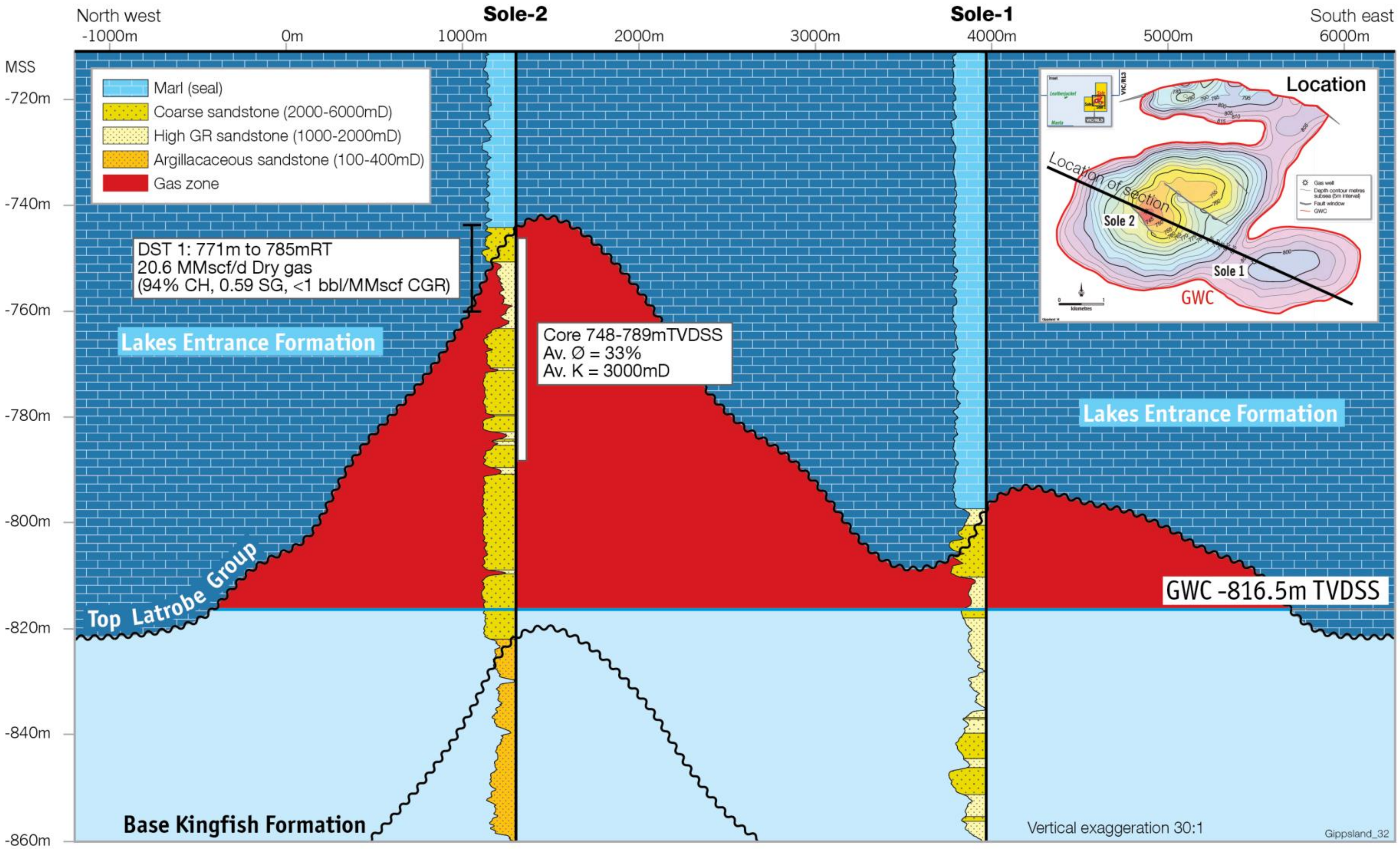
- **Development plan finalised with 2 horizontal wells**
  - encouraged by lower drilling costs
- **2 well development plan enhances project**
  - lower technical risk, improved redundancy
  - 2C Contingent Resources[1] upgrade to 249 PJ
  - supports financing
  - field supply capability increased from 68 TJ/day to 74 TJ/day (subject to onshore plant, capacity currently 68 TJ/day)
- **Upstream project cost estimate $355 million**
- **Fixed price contracts for 62% of project upstream CAPEX cost**



COOPER ENERGY

[1] Cooper Energy announced Sole Contingent Resources on 27 February 2017. 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 announcement continues to apply. See notes on page 44 for information on reserves and resources calculation.

Sole gas field schematic



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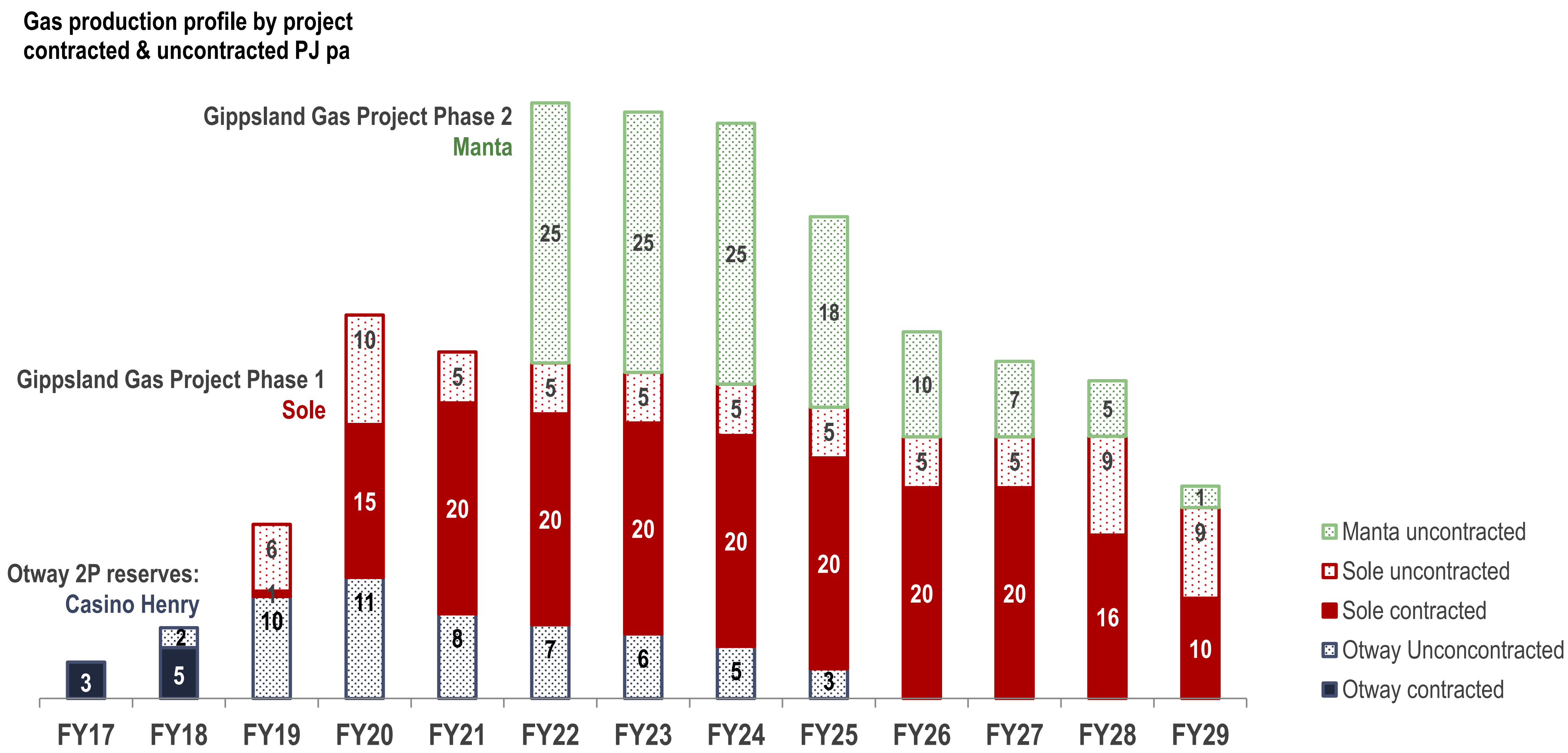
Profile of contracted and uncontracted gas by project (PJ)

Existing assets & projects offer growth over 6 years before exploration opportunities considered



Assumes:

- All contract options in respect of Sole field are exercised and Sole start-up timing is dependent upon Orbost Gas Plant start-up timing
- Manta subject to Manta 3 appraisal well, Manta profile illustrates all Manta gas as uncontracted (including 4 PJ pa option held by AGL). Manta profile includes 106 PJ 2C resource and additional 10 PJ Risked Prospective resource
- Development well required for Casino Henry FY18/19
- No exploration success

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Gippsland Basin

Cost competitive resource, existing plant and production planned for FY19

Sole gas project (VIC L/32, COE:100%, Operator[1])

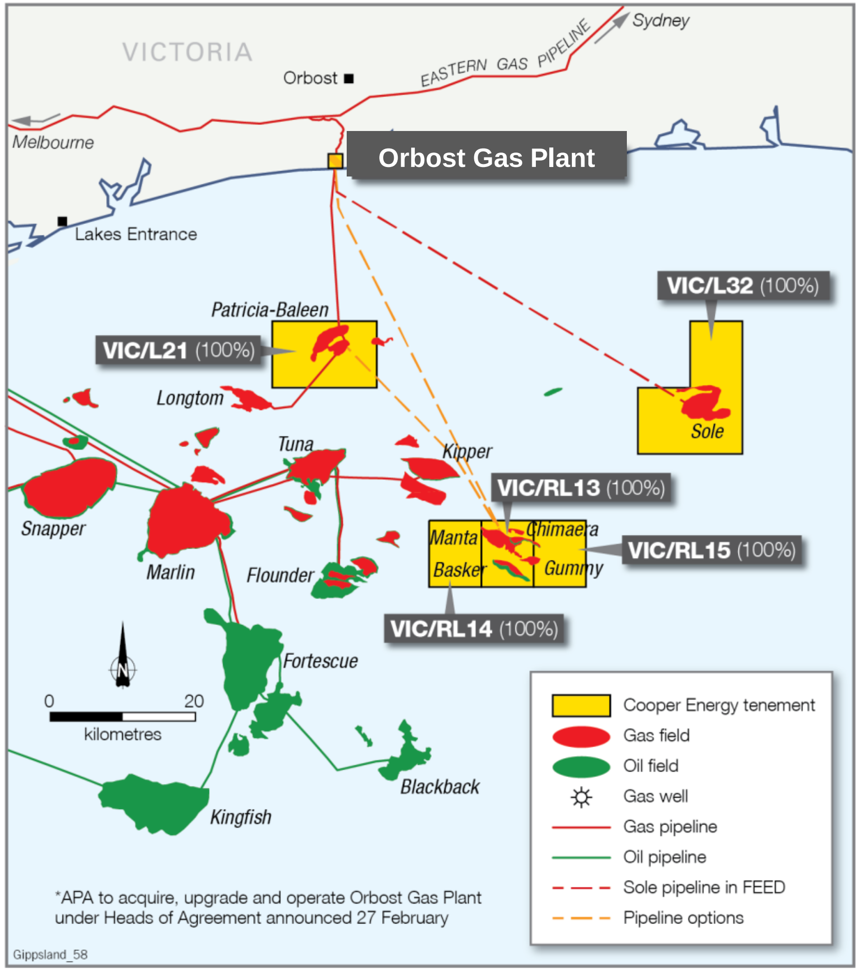
- 249 PJ 2C Contingent Resource[2]

Manta (VIC RL/13,14,15; COE 100%, Operator)

- 106 PJ 2C Contingent Resource plus 3 million barrels liquids[2]
- Economic business case identified, subject to appraisal
- Prospective resource upside to be tested & appraisal well expected 2018

Patricia Baleen (VIC/L21: COE 100%, Operator[1])

- Non-operating field, shut in
- Strategic significance as access point for Orbost Gas Plant for other fields



[1] Operatorship will transfer to Cooper Energy once regulatory approvals are received.
[2] Reserves and Contingent Resources at 1 January 2017 were announced to the ASX on 27 February 2017 and an announcement on Manta Contingent and Prospective Resource was announced on 16 July 2015. The resources information displayed should be read in conjunction with the information provided on the calculation of Reserves and Contingent Resources provided on page 44. 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 announcement continues to apply.

Otway Basin

Cash generating gas production with value add opportunities in marketing, development & exploration

Key Assets

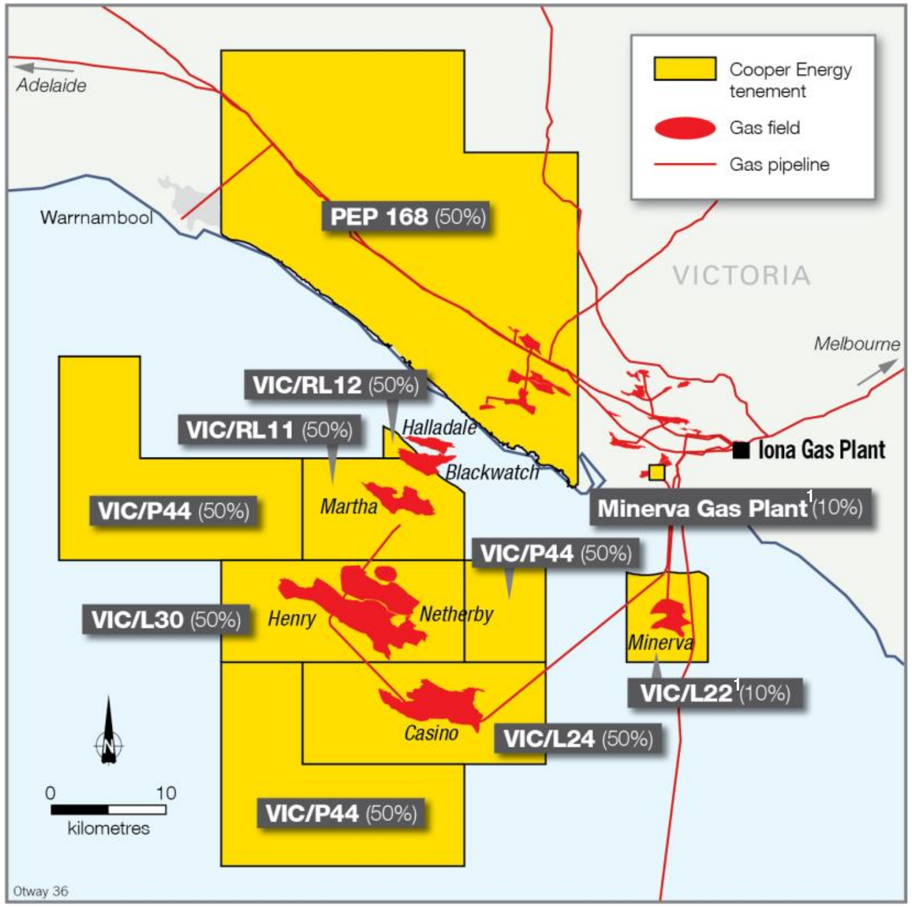
- Casino Henry gas project (50%)
- Minerva gas field and plant (10% interest)[1]
- VIC/P44 exploration permit

Production (COE share, effective from 1 January 2017)

- Casino Henry (VIC/RL11 & 12): 7 PJ pa, supplied to EnergyAustralia under contract expiring March 2018
- Minerva (VIC/L22):~ 1 PJ pa (expected to deplete by mid 2017)

Plans

- Preparation for operatorship transfer, planned for June 2017
- Marketing of uncontracted gas available for sale from March 2018
- Currently negotiating Casino Henry processing from March 2018
- Casino Henry development well



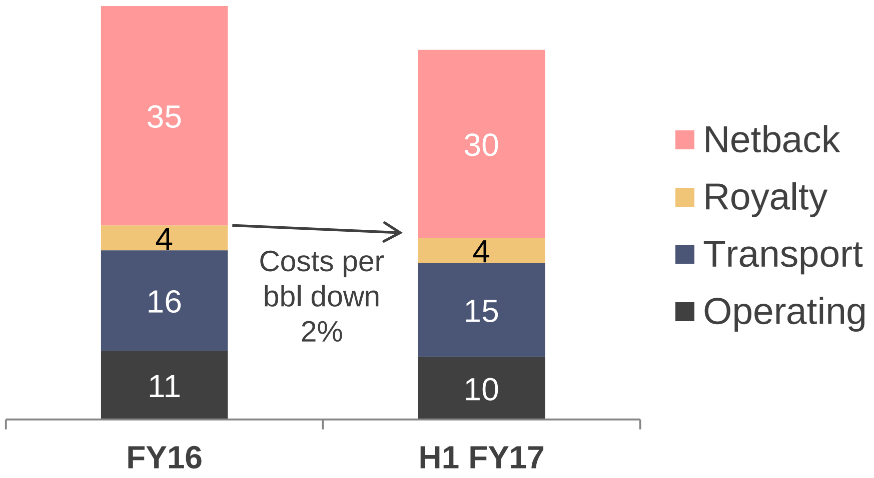
[1] Acquisition of 10% interest in Minerva agreed with Santos Ltd is subject to completion.

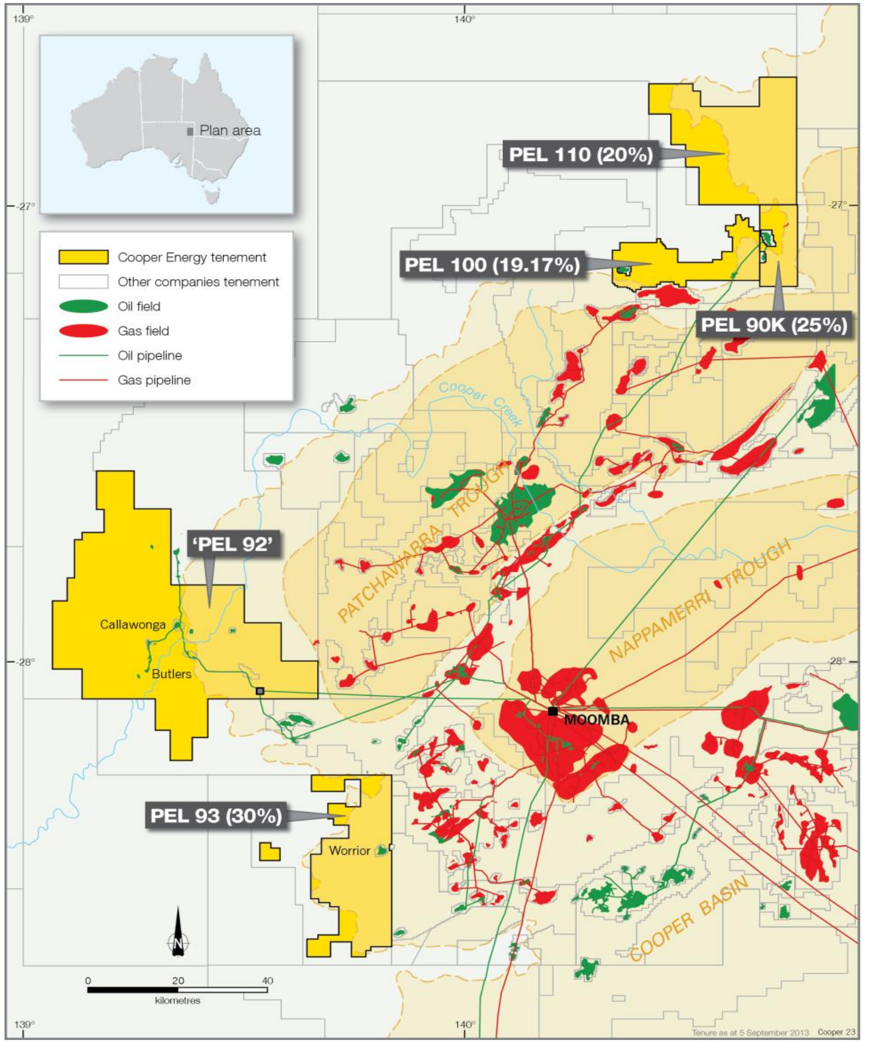
Cooper Basin

Low cost cash generating oil production

- First half production of 0.13 MMbbl vs 0.17 in H1 FY16
- Production impacted by suspension of drilling in low oil price FY16
- Operating costs reduced from A$29.92/bbl to A$29.28/bbl
- Drilling resumed in FY17 with 4 wells drilled; 2 successful, 2 P & A
- No further drilling approved for FY17
- Producing interests:
  - PEL 92: 25% interest (Beach Energy 75% & Operator)
  - PEL 93 30% interest (Senex Energy 70% & Operator)

Production costs & netback
Direct cost, A$ per barrel





Senior management

Managing Director
David Maxwell

David Maxwell has over 30 years' experience as a senior executive with companies such as BG Group, Woodside and Santos. As Senior Vice President at QGC, a BG Group business, he led BG's entry into Australia, its alliance with and subsequent takeover of QGC. Roles at Woodside included director of gas and marketing and membership of Woodside's executive committee.

Executive Director
Hector Gordon

Hector Gordon is a highly experienced geologist with over 35 years' experience in the petroleum industry. Previous roles include Managing Director, Somerton Energy and a number of senior management and technical roles at Beach Energy including Exploration Manager, Chief Operating Officer and ultimately Chief Executive Officer.

General Manager, Development
Duncan Clegg

Duncan Clegg has over 35 years' experience in upstream and midstream oil and gas development, including management positions at Shell and Woodside, leading oil and gas developments including FPSO, subsea and fixed platforms developments. At Woodside Duncan held several senior executive positions including Director of the Australian Business Unit, Director of the African Business Unit and CEO of the North West Shelf Venture.

General Manager, Operations
Iain MacDougall

Iain MacDougall has more than 25 years' experience in the upstream petroleum exploration and production sector including senior management roles within independent operators and international experience with Schlumberger. In Australia previous employment includes Stuart Petroleum as Production and Engineering Manager and then as acting CEO prior to the takeover of Stuart Petroleum by Senex Energy.

General Manager, Exploration & Subsurface
Andrew Thomas

Andrew Thomas is a successful geoscientist with over 28 years' experience in oil and gas exploration and development in companies including Geoscience Australia, Santos, Gulf Canada and Newfield Exploration. At Newfield he was SE Asia New Ventures Manager and Exploration Manager for offshore Sarawak.

Company Secretary and General Counsel
Alison Evans

Alison Evans is an experienced company secretary and corporate legal counsel with more than 20 years' experience in corporate and commercial law in the resources and energy sectors. Alison has held Company Secretary and Legal Counsel roles at a number of minerals and energy companies including Centrex Metals, GTL Energy and AGL. Ms Evans' public company experience is supported by her work at leading corporate law firms.

General Manager, Commercial & Business Development
Eddy Glavas

Eddy Glavas has more than 18 years' experience in business development, finance, commercial, portfolio management and strategy, including 14 years in the oil and gas sector. Prior to joining Cooper Energy, he was employed by Santos as Manager Corporate Development with responsibility for managing multi-disciplinary teams tasked with mergers, acquisitions, partnerships and divestitures.

Chief Financial Officer (Acting)
Virginia Suttell

Virginia Suttell is a chartered accountant with more than 20 years' experience, including 16 years in publicly listed entities, principally in group finance and company secretarial roles in the resources and media sectors. This has included the role of Chief Financial Officer and Company Secretary for Monax Mining Limited and Marmota Energy Limited from 2007 to 2016, and 2007 to 2015 respectively. Other previous appointments include Group Financial Controller at Austereo Group Limited.

Reserves and Contingent Resources

Reserves*		Proved (1P)			Proved & Probable (2P)			Proved, Probable & Possible (3P)		
		Cooper[1]	Otway[2]	Total	Cooper[1]	Otway[2]	Total	Cooper[1]	Otway[2]	Total
Developed										
Sales Gas	PJ	0.0	4.8	**4.8**	0.0	15.2	**15.2**	0.0	29.3	**29.3**
Oil + Condensate	MMbbl	0.5	0.0	**0.5**	0.9	0.0	**0.9**	1.6	0.0	**1.6**
Total developed	MMboe[2]	0.5	0.8	**1.3**	0.9	2.6	**3.5**	1.6	5.1	**6.7**
Undeveloped										
Sales Gas	PJ	0.0	34.4	**34.4**	0.0	45.1	**45.1**	0.0	62.7	**62.7**
Oil + Condensate	MMbbl	0.1	0.0	**0.2**	0.3	0.1	**0.3**	0.5	0.1	**0.5**
Total undeveloped	MMboe[2]	0.1	6.0	**6.1**	0.3	7.8	**8.1**	0.5	10.9	**11.3**
Total[1]	MMboe[2]	**0.7**	**6.8**	**7.4**	**1.1**	**10.4**	**11.6**	**2.1**	**15.9**	**18.0**

1 Totals may not reflect arithmetic addition due to rounding. The method of aggregation is by arithmetic sum by category. As a result, the 1P estimate may be conservative and the 3P estimate may be optimistic due to the effects of arithmetic summation. The conversion factor of 1 PJ = 0.172 MMboe has been used to convert from Sales Gas (PJ) to Oil Equivalent (MMboe). 2 The reserves revisions include Cooper Energy's share of future crude fuel usage in the Cooper Basin. The estimated fuel usage for PEL 92 is: 1P 0.02 MMbbl, 2P 0.03 MMbbl and 3P 0.06 MMbbl. The estimated fuel usage for the Worrior Field (PPL 207) is: 1P 0.01 MMbbl, 2P 0.02 MMbbl and 3P 0.03 MMbbl. 3 The Otway gas reserves for Casino, Henry and Netherby fields are net of fuel gas

Contingent Resources*	1C			2C			3C		
	Gas PJ	Oil MMbbl	Total[1] MMboe[2]	Gas PJ	Oil MMbbl	Total MMboe[2]	Gas PJ	Oil MMbbl	Total MMboe[2]
Gippsland	291.7	4.0	54.1	388.5	7.6	74.4	533.6	12.1	103.9
Cooper	0.2	0.0	0.03	0.3	0.0	0.1	0.6	0.0	0.1
Total [1]	**291.9**	**4.0**	**54.2**	**388.8**	**7.6**	**74.4**	**534.2**	**12.1**	**104.0**

1 Totals may not reflect arithmetic addition due to rounding. The method of aggregation is by arithmetic sum by category. As a result, the 1C estimate may be conservative and the 3C estimate may be optimistic due to the effects of arithmetic summation. 2 The conversion factor of 1 PJ = 0.172 MMboe has been used to convert from Sales Gas (PJ) to Oil Equivalent (MMboe).

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* Additional information on reserve and resource calculation is provided on the following page.

Notes on calculation of Reserves and Resources

Notes on Calculation of Reserves and Contingent 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. Cooper Energy has completed its own estimation of reserves and Contingent Resources based on information provided by the permit Operators Beach Energy Ltd, Senex Ltd and Santos Ltd, and in accordance with the definitions and guidelines in the Society of Petroleum Engineers (SPE) 2007 Petroleum Resources Management System (PRMS). Petroleum Reserves and Contingent Resources are prepared using deterministic and probabilistic methods. The method of aggregation for all Reserves and Contingent Resources tables is by arithmetic summation by category. Aggregated 1P and 1C estimates may be conservative and aggregated 3P and 3C estimates may be optimistic due to the effects of arithmetic summation. Totals may not exactly reflect arithmetic addition due to rounding.

Qualified Petroleum Reserves and Resources Evaluator Statement

The information contained in this report regarding the Cooper Energy reserves and Contingent Resources 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 General Manager Exploration & Subsurface, holds a Bachelor of Science (Hons), is a member of the American Association of Petroleum Geologists and the Society of Petroleum Engineers, 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.

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. Totals are derived by arithmetic summation. In the Otway Basin, reserves for the Casino, Henry and Netherby fields have been assessed by Cooper Energy. The Reserves have been assessed using deterministic and probabilistic methodologies for the Waarre Formation at the Casino, Henry and Netherby fields. This methodology incorporates a range of uncertainty relating to each of the key reservoir input parameters to predict the likely range of outcomes.
Cooper Energy undertook the following analytical procedures to estimate the Reserves: independent interpretation of 3D seismic data; analysis of historical production data to assess accessed gas volumes and future production forecasts; review of the Operator's reservoir and production simulation models to define raw gas recovery consistent with existing processing facilities; and independent probabilistic Monte Carlo statistical calculations to establish the range of recoverable gas. The Otway gas reserves for Casino, Henry and Netherby fields are net of fuel gas. The date of the Casino, Henry and Netherby Reserve Assessment is 24 February 2017 and the assessment was announced to the ASX on 27 February 2017.

Notes on calculation of Contingent Resources

Sole gas field

The contingent resource for the Sole field has been re-estimated assuming a two well subsea development plan. Advantages of a two well plan compared to the previous single well development include:
increased 2C estimate attributable to accessing previously undeveloped gas; and reduced technical risk and enhanced field redundancy providing increased security of supply to the gas processing and gas sales agreements. Contingent Resources for the Sole field were released to the ASX on 26 November 2015. Post-acquisition of the remaining 50% equity in the Sole gas field the following methodologies were used by Cooper Energy to re-calculate the Sole contingent resource estimate: probabilistic simulation modelling for the Kingfish Formation; incorporation of a range of uncertainty relating to each of the key reservoir input parameters to predict the likely range of outcomes; and review of the reservoir and simulation modelling assuming a two well subsea development. 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 24 February 2017 and the assessment was announced to the ASX on 27 February 2017.

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 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 Resources 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. These estimates have been adjusted for risk using the chance of discovery. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Abbreviations

$, A$	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
FID	Final Investment Decision
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
NOPSEMA	National Offshore Petroleum Safety & Environmental Management Authority
NOPTA	National Offshore Petroleum Titles Administrator
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	Proved Reserves
2P	Proved and Probable Reserves
3P	Proved, Probable and Possible Reserves
1C, 2C, 3C	high, medium and low estimates of Contingent Resources