



## **RETAIL OFFER BOOKLET**

**Cooper Energy Limited**  
**ACN 096 170 295**

1-for-2 accelerated non-renounceable pro rata entitlement offer of fully paid ordinary shares  
at \$0.315 per New Share

**The Entitlement Offer is fully underwritten**

The Retail Entitlement Offer closes at 5.00pm (Sydney time) on 21 April 2017.

### **NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

This is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both documents should be read in their entirety.

If you have any questions please contact your professional advisor or the Cooper Energy Shareholder Information Line on 1300 655 248 (within Australia) or +61 3 9415 4887 (outside Australia) from 8.30am to 5.00pm (Sydney time) Monday to Friday (excluding public holidays) during the Retail Entitlement Offer Period.

## IMPORTANT NOTICES

This Retail Offer Booklet has been prepared by Cooper Energy Limited ABN 93 096 170 295 and is dated 31 March 2017. Capitalised terms in this section have the meaning given to them in this Retail Offer Booklet.

The Retail Entitlement Offer is made in accordance with section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84). This Retail Offer Booklet does not contain all of the information which an investor may require to make an informed investment decision. The information in this Retail Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Retail Offer Booklet should be read in its entirety before you decide to participate in the Retail Entitlement Offer. This Retail Offer Booklet is not a prospectus or other disclosure document under the Corporations Act and has not been lodged with ASIC.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPay® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Retail Offer Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Retail Offer Booklet.

### No overseas offering

This Retail Offer Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Retail Offer Booklet does not constitute an offer to Ineligible Retail Shareholders and may not be distributed in the United States and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States.

This Retail Offer Booklet is not to be distributed in, and no offer of New Shares is to be made, in countries other than Australia and New Zealand.

No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Retail Offer Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. If you come into possession of the information in this booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares is subject to all requisite authorities and clearances being obtained for Cooper Energy to lawfully receive your Application Monies.

## New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of Cooper Energy with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

### United States disclaimer

None of the information in this Retail Offer Booklet or the Entitlement and Acceptance Form that will accompany this booklet when it is despatched to Eligible Retail Shareholders constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this booklet (or any part of it), the accompanying ASX announcements nor the Entitlement and Acceptance Form when that is to be made available, may be released or distributed directly or indirectly, to persons in the United States.

The New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States or by persons (including nominees or custodians) who are acting for the account or benefit of a person in the United States, and the New Shares may not be offered, sold or resold in the United States or to, or for the account or benefit of, a person in the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction in the United States.

### Definitions and time

Defined terms used in this Retail Offer Booklet are contained in Section 8. All references to time are to the time in Sydney (Australia), unless otherwise indicated.

### Foreign exchange

All references to '\$' are AUD unless otherwise noted.

### Taxation

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Shares. Section 7 provides for a general guide to the Australian income tax, GST and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders. The guide does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice.

Cooper Energy recommends that you consult your professional tax advisor in connection with the Retail Entitlement Offer.

### **Privacy**

Cooper Energy collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in Cooper Energy.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to Cooper Energy (directly or through the Share Registry). Cooper Energy collects, holds and will use that information to assess your Application. Cooper Energy collects your personal information to process and administer your shareholding in Cooper Energy and to provide related services to you. Cooper Energy may disclose your personal information for purposes related to your shareholding in Cooper Energy, including to the Share Registry, Cooper Energy's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisors, and to ASX and regulatory bodies. You can obtain access to personal information that Cooper Energy holds about you. To make a request for access to your personal information held by (or on behalf of) Cooper Energy, please contact Cooper Energy through the Share Registry.

### **Governing law**

This Retail Offer Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the law of South Australia, Australia.

### **No representations**

No person is authorised to give any information or to make any representation in connection with the Retail Entitlement Offer which is not contained in this Retail Offer Booklet. Any information or representation in connection with the Retail Entitlement Offer not contained in the Retail Offer Booklet may not be relied upon as having been authorised by Cooper Energy or any of its officers.

### **Past performance**

Investors should note that Cooper Energy's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) Cooper Energy's future performance including Cooper Energy's future financial position or share price performance.

### **Future performance**

This Retail Offer Booklet contains certain forward-looking statements with respect to the financial condition, results of operations, projects and business of Cooper Energy and certain plans and objectives of the management of Cooper Energy. These forward-looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither Cooper Energy, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, such forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of Cooper Energy. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. Applicants should consider the forward looking statements contained in this Retail Offer Booklet in light of those disclosures. Except as required by law or regulation (including ASX Listing Rules), Cooper Energy undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

### **Risks**

Refer to the Appendices section of the Investor Presentation included in Section 5 of this Retail Offer Booklet for a summary of general and specific risk factors that may affect Cooper Energy.

### **Trading New Shares**

Cooper Energy will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Cooper Energy or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt, as to these matters you should first consult with your stockbroker, solicitor, accountant or other professional advisor.

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## 1 Key dates for the Retail Entitlement Offer

| Event                                                                                                          | Date                                        |
|----------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| Announcement of the Placement and Entitlement Offer                                                            | Wednesday, 29 March 2017                    |
| Record Date for the Retail Entitlement Offer                                                                   | 7.00pm (Sydney time) Friday, 31 March 2017  |
| Retail Entitlement Offer opens                                                                                 | Wednesday, 5 April 2017                     |
| Settlement of Shares issued under the Placement and Institutional Entitlement Offer                            | Friday, 7 April 2017                        |
| Allotment and commencement of trading of Shares issued under the Placement and Institutional Entitlement Offer | Monday, 10 April 2017                       |
| Retail Entitlement Offer closes ( <b>Retail Closing Date</b> )                                                 | 5.00 pm (Sydney time) Friday, 21 April 2017 |
| Allotment of New Shares under the Retail Entitlement Offer                                                     | Monday, 1 May 2017                          |
| New Shares issued under the Retail Entitlement Offer commence trading on ASX                                   | Tuesday, 2 May 2017                         |
| Despatch to Shareholders of holding statements under the Retail Entitlement Offer                              | Wednesday, 3 May 2017                       |

This timetable is indicative only and subject to change without notice.

The commencement of quotation of New Shares is subject to confirmation from ASX.

Subject to the requirements of the Corporations Act, ASX Listing Rules and any other applicable laws, Cooper Energy, reserves the right to amend this timetable at any time, including extending the Retail Entitlement Offer Period or accepting late applications, either generally or in particular cases, and to withdraw the Retail Entitlement Offer, without notice. Any extension of the Retail Closing Date will have a consequential effect on the allotment date of New Shares.

Cooper Energy also reserves the right not to proceed with the Retail Entitlement Offer in whole or in part at any time prior to allotment and issue of the New Shares. In that event, the relevant Application Monies will be returned in full to Applicants (without interest).

### Enquiries

If you have any questions, please call the Cooper Energy Shareholder Information Line on 1300 655 248 (within Australia) or +61 3 9415 4887 (outside Australia) from 8.30am to 5.00pm (Sydney time) Monday to Friday (excluding public holidays) during the Retail Entitlement Offer Period. Alternatively, you can access information about the Retail Entitlement Offer online at [www.cooperenergy.com.au](http://www.cooperenergy.com.au) or [www.asx.com.au](http://www.asx.com.au).

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## 2 Letter from the Chairman

31 March 2017

Dear Shareholder,

On 29 March 2017, Cooper Energy announced its Board has approved the Sole gas project as ready to proceed, subject to the finalisation of financing for the project.

Cooper Energy is proposing to fund the Sole gas project partially by way of a 1 for 2 accelerated non-renounceable pro rata entitlement offer of new fully paid ordinary shares in Cooper Energy (**New Shares**) at an offer price of \$0.315 per New Share (**Offer Price**). The offer comprises an accelerated institutional entitlement offer (**Institutional Entitlement Offer**) and a retail entitlement offer (**Retail Entitlement Offer**) (together, the **Entitlement Offer**).

The Entitlement Offer was announced on 29 March 2017 in conjunction with a share placement to Institutional Investors (**Placement**) (the Placement and the Entitlement Offer are collectively the **Equity Raising**).

The Equity Raising is fully underwritten by Euroz Securities Limited and Canaccord Genuity (Australia) Limited.

Taylor Collison is acting as Co-manager to the Equity Raising.

On behalf of the Directors of Cooper Energy I invite you to participate in the Retail Entitlement Offer.

### Details of the Sole gas project

The Sole gas project will develop the Sole gas field located in VIC/L32 in the Gippsland Basin, offshore Victoria, to supply 25 PJ per annum to gas users in south-east Australia. Cooper Energy is the 100% interest holder in the Sole gas field.

Gas produced from the field will be piped to the Orbost Gas Plant (formerly known as Patricia Baleen gas plant), from where the gas will be supplied to customers through the Eastern Gas Pipeline. Cooper Energy has secured long term gas sales contracts with a portfolio of customers (including AGL, EnergyAustralia, Alinta Energy and O-I Australia) to support development of the field while retaining a significant share of annual output for availability to supply shorter term sales.

The Sole gas project has been assessed to satisfy Cooper Energy's technical, commercial, economic and risk management hurdles. The Final Investment Decision is now subject only to securing satisfactory funding for the project.

First gas from the Sole gas project is planned to be delivered to the Orbost Gas Plant in the March quarter of 2019, which is unchanged from previous indications.

Further information about the Sole gas project is set out in the ASX Announcement and the Investor Presentation lodged with ASX on 29 March 2017. The ASX Announcement and the Investor Presentation are included in this Retail Offer Booklet in Section 5.

### Details of the Entitlement Offer

On 29 March 2017, Cooper Energy announced its intention to raise approximately \$151 million through the Equity Raising. Subject only to settlement, the Placement and the Institutional Entitlement Offer have been completed with approximately \$116 million to be raised. Approximately \$35 million is expected to be raised through the Retail Entitlement Offer to which this Retail Offer Booklet relates. The Retail Entitlement Offer is fully underwritten on the terms described in section 6.5.

As noted in the second paragraph of this letter, the proceeds of the Equity Raising (being the Placement, the Institutional Entitlement Offer plus the Retail Entitlement Offer) will be used to fund, partially, the Sole gas project.

The \$0.315 Offer Price for the Retail Entitlement Offer represents a 12.9% discount to TERP<sup>1</sup> based on the closing price of Cooper Energy shares on 28 March 2017 (the last trading day before the Equity Raising was announced) and is the same price at which New Shares will be issued to Institutional Investors under the Institutional Entitlement Offer and the Placement. The Offer Price also represents a 18.2% discount to the closing price (\$0.385) of Cooper Energy shares on 28 March 2017.

If you take up your full Entitlement, you may also apply for additional New Shares in excess of your Entitlement, at the Offer Price up to a maximum of the number of additional New Shares equal to 200% of the number of Shares you held on the Record Date (**Record Date Shareholding**) (**Top Up Facility**).

By way of example, if your Record Date Shareholding is 1,000 Shares, then:

- your entitlement to subscribe for New Shares under the Retail Entitlement Offer is 500 New Shares; and
- the maximum number of additional New Shares you may apply for under the Top Up Facility is 2,000 additional New Shares.

Accordingly, in this example, if you take up your full Entitlement and apply for the maximum number of additional New Shares you are able to apply for under the Top Up Facility, you could apply for up to 2,500 New Shares.

Additional New Shares will only be available where there is a shortfall between Applications received from Eligible Retail Shareholders and the number of New Shares proposed to be issued under the Retail Entitlement Offer. Cooper Energy also retains the flexibility to scale back Applications for additional New Shares at its discretion (refer to Section 4 of this Retail Offer Booklet for more information). In accordance with ASX Listing Rules, any participating Directors will not be applying for any additional New Shares under the Top Up Facility.

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on ASX or otherwise transferable.

### **Other information**

This Retail Offer Booklet contains important information, including:

- ASX announcements relating to the Equity Raising and the Sole gas project, including the ASX Announcement and the Investor Presentation, which provides information on Cooper Energy, the Sole gas project, the Equity Raising and key risks for you to consider;
- instructions on how to participate in the Retail Entitlement Offer if you choose to do so, and a timetable of key dates;

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<sup>1</sup> The Theoretical Ex-Rights Price (**TERP**) is the theoretical price at which Cooper Energy shares should trade after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Cooper Energy shares trade immediately after the ex-date of the Entitlement Offer will depend on many factors and may not be equal to TERP.

- information regarding the personalised Entitlement and Acceptance Form that will accompany this Retail Offer Booklet when it is despatched to Eligible Retail Shareholders (and which will detail your Entitlement) to be completed in accordance with the instructions in this Retail Offer Booklet and your personalised Entitlement and Acceptance Form; and
- instructions on how to take up all or part of your Entitlement via BPay® or by cheque.

**The Retail Entitlement Offer closes at 5.00pm (Sydney time) on 21 April 2017**

You should read this Retail Offer Booklet carefully in its entirety before making your investment decision. In particular, you should read and consider the risks in the Appendices of the Investor Presentation included in Section 5 of this Retail Offer Booklet, which summarise some of the key risks associated with an investment in Cooper Energy. If you are uncertain about taking up your Entitlement you should consult your stockbroker, solicitor, accountant or other professional advisor to evaluate whether or not to participate in the Retail Entitlement Offer.

If you do not wish to take up any of your Entitlement, you do not have to take any action.

If you decide to take this opportunity to increase your investment in Cooper Energy please ensure that, before 5.00pm (Sydney time) on 21 April 2017, you have paid your Application Monies, preferably via BPay® pursuant to the instructions that are set out in the personalised Entitlement and Acceptance Form that will accompany this Retail Offer Booklet when it is despatched to you, or otherwise that your completed Entitlement and Acceptance Form and your Application Monies are received in cleared funds by the Share Registry

For further information on the Retail Entitlement Offer you can call the Cooper Energy Shareholder Information Line on 1300 655 248 (within Australia) or +61 3 9415 4887 (outside Australia) from 8.30am to 5.00pm (Sydney time) Monday to Friday (excluding public holidays) during the Retail Entitlement Offer Period.

On behalf of the board of Cooper Energy, I invite you to consider this investment opportunity carefully. Your Board believes that the Sole gas project will deliver a transformational uplift for Cooper Energy shareholders and the Retail Entitlement Offer is an opportunity for existing shareholders to participate in the financing of this project.

Thank you for your ongoing support of Cooper Energy.

Yours sincerely



John C Conde AO  
Chairman  
Cooper Energy Limited

### 3 Summary of options available to you

If you are an Eligible Retail Shareholder, you may take one of the following actions:

- take up all of your Entitlement and also apply for additional New Shares under the Top Up Facility;
- take up all of your Entitlement but not apply for any additional New Shares under the Top Up Facility;
- take up part of your Entitlement and allow the balance to lapse, in which case you will receive no value for those lapsed Entitlements; or
- do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

If you are a retail shareholder that is not an Eligible Retail Shareholder, you are an “**Ineligible Retail Shareholder**”. Ineligible Retail Shareholders are not entitled to participate in the Entitlement Offer.

| Options available to you                                                                                          | Key considerations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Take up all of your Entitlement                                                                                   | You may elect to purchase New Shares at the Offer Price (see Section 4 for instructions on how to take up your Entitlement). If you take up all of your Entitlement, you may also apply for additional New Shares under the Top Up Facility up to a maximum of the number of additional New Shares equal to a further 200% of your Record Date Shareholding. There is no guarantee that you will be allocated any additional New Shares under the Top Up Facility.                                                 |
| Take up part of your Entitlement                                                                                  | <p>If you only take up part of your Entitlement, the part not taken up will lapse. You will not be entitled to apply for additional New Shares under the Top Up Facility.</p> <p>If you do not take up your Entitlement in full you will not receive any payment or value for those Entitlements not taken up.</p> <p>If you do not take up your Entitlement in full, you will have your percentage holding in Cooper Energy reduced as a result of dilution by the shares issued under the Entitlement Offer.</p> |
| Do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements | If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlements will lapse. Your Entitlements to participate in the Retail Entitlement Offer are non-renounceable, which means they are non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can they be privately transferred.                                                                                                                                                                       |

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## 4 How to apply

### 4.1 Overview of Placement and Entitlement Offer

Cooper Energy proposes to raise up to approximately \$104 million under the Entitlement Offer. Under the Entitlement Offer, Cooper Energy is offering Eligible Shareholders the opportunity to subscribe for 1 New Share for every 2 Existing Shares held at 7.00pm (Sydney time) on 31 March 2017, at the Offer Price of \$0.315 per New Share.

Approximately \$47 million will be raised under the Placement.

The Entitlement Offer comprises two parts:

- **The Institutional Entitlement Offer** – under which Eligible Institutional Shareholders were invited to take up all or part of their Entitlement and a process to sell Entitlements not taken up by Eligible Institutional Shareholders as well as Entitlements of Ineligible Institutional Shareholders to certain Institutional Investors was carried out.
- **The Retail Entitlement Offer** – under which Eligible Retail Shareholders are being sent this Retail Offer Booklet, together with a personalised Entitlement and Acceptance Form, and are being invited to take up all or part of their Entitlement. In addition, Eligible Retail Shareholders who take up their full Entitlement may also participate in the Top Up Facility by applying for additional New Shares in excess of their Entitlement, at the Offer Price.

Both the Institutional Entitlement Offer and the Retail Entitlement Offer are non-renounceable.

The Entitlement Offer and the Placement are fully underwritten by the Underwriters on the terms and conditions of the Underwriting Agreement (see Section 6.5 for more details).

Please refer to the ASX Announcement and the Investor Presentation set out in Section 5 for information on the purpose of the Equity Raising, the application of the proceeds of the Equity Raising and for information on Cooper Energy's business, performance and strategy. You should also consider other publicly available information about Cooper Energy, including information available at [www.asx.com.au](http://www.asx.com.au) and [www.cooperenergy.com.au](http://www.cooperenergy.com.au).

### 4.2 Institutional Entitlement Offer and Placement

The Institutional Entitlement Offer was conducted between 29 March 2017 and 30 March 2017 (inclusive), and settlement of the Institutional Entitlement Offer is expected to occur on 7 April 2017.

The Institutional Entitlement Offer will (once settlement occurs) raise approximately \$69 million through the issue of approximately 219 million New Shares.

The Placement was conducted between, and the settlement of the Placement is expected to occur on, the same dates as the Institutional Entitlement Offer.

The Placement will (once settlement occurs) raise approximately \$47 million through the issue of approximately 150 million shares.

### 4.3 Retail Entitlement Offer

The Retail Entitlement Offer constitutes an offer to Eligible Retail Shareholders, who are invited to apply for 1 New Share for every 2 Existing Shares held on the Record Date. The Offer Price of \$0.315 per New Share represents a discount of 12.9% to TERP. The Offer Price also represents a discount of 18.2% to the closing price of Cooper Energy shares on 28 March 2017, being \$0.385.

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on ASX, nor can they be sold, transferred or otherwise disposed of.

The Retail Entitlement Offer opens on 5 April 2017. The Retail Offer Booklet will be despatched on 5 April 2017, along with a personalised Entitlement and Acceptance Form, to Eligible Retail Shareholders. The Retail Entitlement Offer is expected to close at 5.00pm (Sydney time) on 21 April 2017.

The Retail Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) which allows entitlement offers to be made without a prospectus, provided certain conditions are satisfied.

As a result, this offer is not being made under a prospectus and it is important for Eligible Retail Shareholders to read and understand the information on Cooper Energy and the Retail Entitlement Offer made publicly available by Cooper Energy, prior to taking up all or part of their Entitlement. In particular, please refer to the materials enclosed in Section 5, Cooper Energy's interim and annual reports and other announcements made available at [www.asx.com.au](http://www.asx.com.au) (including Cooper Energy's annual report for the financial year ended 30 June 2016 released to ASX on 11 October 2016 and half yearly financial report for the half financial year ended 31 December 2016 released to ASX on 27 February 2017) and all other parts of this Retail Offer Booklet carefully before making any decisions in relation to your Entitlement.

#### **4.4 Your Entitlement**

An Entitlement and Acceptance Form setting out your Entitlement (calculated as 1 New Share for every 2 Existing Shares held on the Record Date with fractional entitlements rounded up to the nearest whole number of New Shares) will accompany this Retail Offer Booklet when it is despatched to Eligible Retail Shareholders. Eligible Retail Shareholders may subscribe for all or part of their Entitlement. If you have more than one registered holding of Shares, you will be sent an Entitlement and Acceptance Form for each separate registered holding, and you will have separate Entitlements for each separate registered holding.

Any New Shares not taken up by the Retail Closing Date may be made available to those Eligible Retail Shareholders who took up their full Entitlement and applied for additional New Shares under the Top Up Facility. Eligible Retail Shareholders may apply for additional New Shares equal in number to up to a maximum of 200% of their Record Date Shareholding. There is no guarantee that such Shareholders will receive the number of additional New Shares applied for under the Top Up Facility, or any. Additional New Shares will only be allocated to Eligible Retail Shareholders under the Top Up Facility if available and then only if and to the extent that Cooper Energy so determines, in its absolute discretion. Any scale-back will be applied by Cooper Energy in its absolute discretion.

#### **4.5 Options available to you**

The number of New Shares to which Eligible Retail Shareholders are entitled is shown on the Entitlement and Acceptance Form that will accompany this Retail Offer Booklet when it is despatched to you.

Eligible Retail Shareholders may:

- (a) take up their Entitlement in full and, if they do so, they may apply for additional New Shares under the Top Up Facility (refer to Section 4.6);
- (b) take up part of their Entitlement, in which case the balance of the Entitlement would lapse (refer to Section 4.7); or
- (c) allow their Entitlement to lapse (refer to Section 4.8).

Cooper Energy reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Retail Closing Date.

The Retail Closing Date for acceptance of the Retail Entitlement Offer is 5.00pm (Sydney time) on 21 April 2017 (however, that date may be varied by Cooper Energy, in accordance with ASX Listing Rules and the Underwriting Agreement).

#### **4.6 Taking up all of your Entitlement or taking up all of your Entitlement and participating in the Top Up Facility**

If you wish to take up all or part of your Entitlement, payment must be made by following the instructions set out on the personalised Entitlement and Acceptance Form. Payment must be received by no later than 5.00pm (Sydney time) on 21 April 2017. If you apply to take up all of your Entitlement, you may also apply for additional New Shares under the Top Up Facility. Eligible Retail Shareholders may apply for additional New Shares equal in number to up to a maximum of 200% of their Record Date Shareholding. If you apply for additional New Shares under the Top Up Facility, your Application Monies must include payment for as many additional New Shares as you are applying for.

Application Monies received by Cooper Energy in excess of the amount in respect of your Entitlement (**Excess Amount**) may be treated as an application to apply for as many additional New Shares as your Excess Amount will pay for in full, subject to the maximum number of additional New Shares Eligible Retail Shareholders may apply for under the Top Up Facility described above and any scale-back Cooper Energy may determine to implement, in its absolute discretion, in respect of additional New Shares. Cooper Energy's decision on the number of additional New Shares to be allocated to you will be final.

If you apply for additional New Shares under the Top Up Facility and if your Application is successful (in whole or in part), your additional New Shares will be issued to you at the same time that other New Shares are issued under the Retail Entitlement Offer. Additional New Shares will only be allocated to Eligible Retail Shareholders if available. If you apply for additional New Shares, there is no guarantee that you will be allocated any additional New Shares. If your Application Monies includes an Excess Amount for additional New Shares which you are not ultimately allocated, you will be refunded in respect of those additional New Shares that you included payment for but were not allocated.

Refund amounts, if any, will be paid in Australian dollars by cheque sent by ordinary post to your address as recorded on the share register.

#### **4.7 Taking up part of your Entitlement and allowing the balance to lapse**

If you wish to take up part of your Entitlement, payment for the number of New Shares you wish to be allocated must be made by following the instructions set out on the personalised Entitlement and Acceptance Form. If Cooper Energy receives an amount that is less than the Offer Price multiplied by your Entitlement, your payment will be treated as an Application for as many New Shares as your Application Monies will pay for in full and any excess will be refunded to you (without interest). Alternatively your application may not be accepted.

If you do not take up your Entitlement in full, any part of your Entitlement which you do not take up will lapse and you will not receive any New Shares under the Retail Entitlement Offer in respect of that part of your Entitlement.

#### **4.8 Allowing your full Entitlement to lapse**

If you do not wish to accept any of your Entitlement, do not take any further action and your full Entitlement will lapse.

#### **4.9 Consequences of not accepting all or part of your Entitlement**

If you do not accept all or part of your Entitlement in accordance with the instructions set out above, those New Shares for which you would have otherwise been entitled under the Retail Entitlement Offer (including New Shares that relate to the portion of your Entitlement that has not been accepted) will be acquired by Eligible Retail Shareholders under the Top Up Facility or by the Underwriter(s) or any sub-underwriters or Institutional Investors for whom the

Underwriters or any sub-underwriters procure subscriptions for New Shares not subscribed for by Eligible Retail Shareholders under the Retail Entitlement Offer. The Directors also reserve the right to place any shares not subscribed for by Eligible Retail Shareholders at their discretion within three months of the Retail Closing Date.

By allowing part or all of your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement in full and you will not receive any value for any part of your Entitlement which lapses. Your interest in Cooper Energy will also be diluted.

#### **4.10 Payment**

Payment should be made using BPay® if possible. New Zealand shareholders who do not have an Australian bank account will be able to pay by cheque, bank draft or money order (see below at Section 4.12).

Cash payments will not be accepted. Receipts for payment will not be issued.

Cooper Energy will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement.

Any Excess Amount received by Cooper Energy may be treated as an application to apply for as many Additional Shares as your Excess Amount will pay for in full, subject to the maximum number of additional New Shares Eligible Retail Shareholders may apply for under the Top Up Facility described in section 4.6 above and any scale-back Cooper Energy may determine to implement, in its absolute discretion, in respect of additional New Shares. Cooper Energy's decision on the number of additional New Shares to be allocated to you will be final.

Any refunds in respect of Application Monies will be made as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

#### **4.11 Payment by BPay®**

For payment by BPay®, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make payment via BPay® if you are the holder of an account with an Australian financial institution that supports BPay® transactions.

If you are paying by BPay®, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on the back of your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you inadvertently use the same CRN for more than one of your Entitlements, you will be deemed to have applied only for New Shares on the Entitlement to which the CRN applies.

Please note that by paying by BPay®:

- (a) you do not need to submit your personalised Entitlement and Acceptance Form but are taken to have made the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 4.13 and
- (b) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of as many New Shares as your Application Monies will pay for in full.

It is your responsibility to ensure that your BPay® payment is received by the Share Registry by no later than 5.00pm (Sydney time) on 21 April 2017. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

#### **4.12 If you are unable to pay by BPay®**

Cooper Energy encourages payments by BPay® if possible.

To pay by cheque, bank draft or money order you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to 'Cooper Energy Retail Entitlement Offer' and crossed 'Not Negotiable'.

It is your responsibility to ensure that your payment by cheque is received by the Share Registry by no later than 5.00pm (Sydney time) on 21 April 2017. You must ensure cleared funds are held in your account as your cheque will be banked as soon as practicable after it is received. Please note that you should consider postal and cheque clearance timeframes in meeting this deadline.

Your cheque, bank draft or money order must be:

- (a) for an amount equal to \$0.315 multiplied by the number of New Shares that you are applying for; and
- (b) in Australian dollars drawn on an Australian branch of a financial institution. Payment cannot be made in New Zealand dollars. New Zealand resident shareholders must arrange for payment to be made in Australian dollars.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheque will be processed as soon as it is received. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your application may not be accepted.

If you make payment via cheque, you should mail your completed personalised Entitlement and Acceptance Form together with the cheque to:

Computershare Investor Services Pty Limited  
GPO Box 2987  
Adelaide, South Australia 5001  
Australia

Personalised Entitlement and Acceptance Forms and Application Monies will not be accepted at Cooper Energy's registered or corporate offices or other offices of the Share Registry.

#### **4.13 Entitlement and Acceptance form is binding**

A payment made through BPay® or a completed and lodged Entitlement and Acceptance Form together with the payment of requisite Application Monies constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Retail Offer Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. Cooper Energy's decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By making a payment by BPay® or by completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you have read and understand this Retail Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- (b) you agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Offer Booklet, and Cooper Energy's constitution;
- (c) you authorise Cooper Energy to register you as the holder(s) of New Shares allotted to you;
- (d) you declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- (e) you declare you are over 18 years of age (if you are a natural person) and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- (f) once Cooper Energy receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPay®, you may not withdraw your application or funds provided except as allowed by law;
- (g) you agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPay®, at the Offer Price per New Share;
- (h) you authorise Cooper Energy, the Underwriters, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- (i) you acknowledge and agree that:
  - (i) determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer was determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Cooper Energy and/or the Underwriters; and
  - (ii) each of Cooper Energy and the Underwriters, and each of their respective affiliates, disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- (j) you declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (k) the information contained in this Retail Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (l) this Retail Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Cooper Energy and is given in the context of Cooper Energy's past and ongoing continuous disclosure announcements to ASX;
- (m) you have read and understand the statement of risks in the Appendices section of the Investor Presentation included in Section 5 of this Retail Offer Booklet, and that investments in Cooper Energy are subject to risk;

- (n) none of Cooper Energy, the Underwriters, nor their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisors, warrants or guarantees the future performance of Cooper Energy, nor do they guarantee any return on any investment made pursuant to the Entitlement Offer;
- (o) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- (p) you authorise Cooper Energy to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (q) you represent and warrant (for the benefit of Cooper Energy, the Underwriters and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- (r) you represent and warrant that the law of any place does not prohibit you from being given this Retail Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- (s) you represent and warrant (for the benefit of Cooper Energy, the Underwriters and their respective related bodies corporate and affiliates) that you are an Eligible Retail Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Retail Entitlement Offer;
- (t) the New Shares have not been, and will not be, registered under the U.S. Securities Act or under the laws of any other jurisdiction outside Australia;
- (u) you have not and will not send any materials relating to the Retail Entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States; and
- (v) you agree that if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in transactions where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or who is acting for the account or benefit of a person in the United States.

#### **4.14 Brokerage and stamp duty**

No brokerage fee is payable by Eligible Retail Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Retail Entitlement Offer or for additional New Shares under the Top Up Facility.

#### **4.15 Notice to Nominees and Custodians**

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold existing Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Nominees and custodians should note that the Retail Entitlement Offer is not available to:

- (a) beneficiaries on whose behalf they hold existing Shares who would not satisfy the criteria for an Eligible Retail Shareholder;
- (b) Eligible Institutional Shareholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);
- (c) Ineligible Institutional Shareholders who were ineligible to participate in the Institutional Entitlement Offer; or
- (d) shareholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

In particular, persons acting as nominees for other persons may not take up Entitlements on behalf of, or send any documents relating to the Retail Entitlement Offer to, any person in the United States.

Cooper Energy is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. Cooper Energy is not able to advise on foreign laws.

#### **4.16 Withdrawal of the Entitlement Offer**

Subject to applicable law, Cooper Energy reserves the right to withdraw the Entitlement Offer at any time before the issue of New Shares, in which case Cooper Energy will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to Applicants.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to Cooper Energy will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to Cooper Energy.

#### **4.17 Risks**

Eligible Retail Shareholders should be aware that an investment in Cooper Energy involves risks. The key risks identified by Cooper Energy are set out in the Appendices section of the Investor Presentation in Section 5.

#### **4.18 Further enquiries**

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions regarding the Entitlement Offer, please contact the Cooper Energy Shareholder Information Line on 1300 655 248 (within Australia) or +61 3 9415 4887 (outside Australia) from 8.30am to 5.00pm (Sydney time) Monday to Friday (excluding public holidays) during the Retail Entitlement Offer Period. If you have any further questions, you should contact your stockbroker, solicitor, accountant or other professional advisor.



**ASX Announcement / Media Release**

29 March 2017

**Sole gas project ready to proceed and equity raising**

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- Cooper Energy's Board of Directors has approved the Sole gas project as ready to proceed
- Finalisation of financing for the project has commenced
- Fully underwritten equity raising of approximately \$151 million to fund the equity contribution

Cooper Energy Limited (ASX: COE) ("COE" or "Cooper Energy" or "the Company") announces that the Sole gas project has been approved as ready to proceed by the Company's Board of Directors and that finalisation of financing has commenced with a fully underwritten equity raising of approximately \$151 million.

The project will develop the Sole gas field located in VIC/ L32 in the Gippsland Basin offshore Victoria (refer Figure 1 following) to supply 25 PJ per annum to gas users in south-east Australia. Cooper Energy is the 100% interest holder in the Sole gas field.

Gas produced from the field will be piped to the Orbost Gas Plant (formerly known as Patricia Baleen gas plant), from where the gas will be supplied to customers through the Eastern Gas Pipeline. Cooper Energy has secured long term gas sales contracts with a portfolio of customers (including AGL, EnergyAustralia, Alinta Energy and O-I Australia) to support development of the field whilst retaining a significant share of annual output for availability to supply shorter term sales.

Details of the project, its contracts and market opportunity are contained in an investor presentation to be lodged separately with the ASX today.

**Sole gas project – readiness to proceed**

The Sole gas project has been assessed to satisfy Cooper Energy's technical, commercial, economic and risk management hurdles. The Final Investment Decision ("FID") is now only subject to securing satisfactory funding for the project.

APA Group is expected to acquire and undertake all capital expenditure associated with the Orbost Gas Plant. Following on from APA Group and Cooper Energy executing a non-binding Heads of Agreement on 27 February 2017, the Company and APA Group are in advanced negotiations to conclude the arrangements pursuant to which APA Group will acquire, upgrade and operate the Orbost Gas Plant.

Cooper Energy will solely undertake the upstream development, which has an expected capital cost of \$355 million.

The fully underwritten equity raising of approximately \$151 million will substantially cover the expected equity funding requirement for the Sole gas project.

Cooper Energy is highly confident of securing debt finance for the remaining funding requirement of the Sole gas project during the June quarter 2017.

First gas from the Sole gas project is planned to be delivered to the Orbost Gas Plant in the March quarter of 2019, which is unchanged from previous indications.

#### Managing Director's comments

"Today's announcement is a milestone event in our gas strategy and long-standing efforts to generate value for our shareholders through securing and bringing new gas supply to south-east Australia.

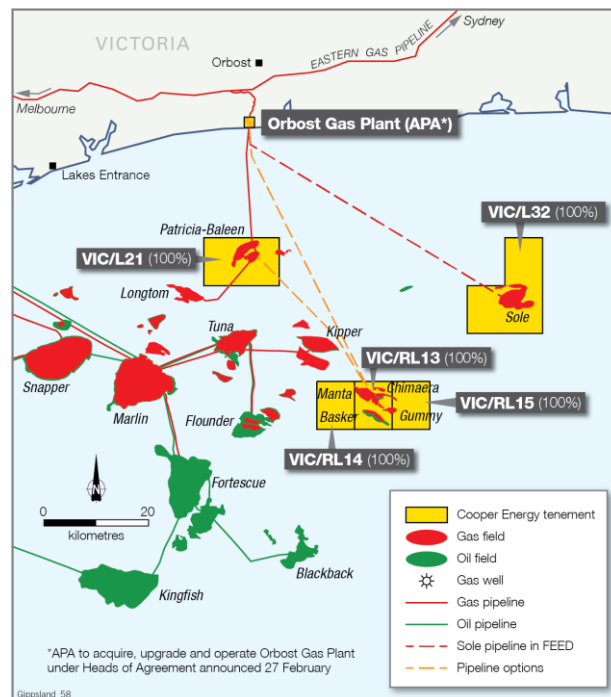
"Our technical, commercial and development plans for the Sole gas field have been subjected to independent and Board review and the project has cleared all hurdles necessary for final financing to be instigated.

"We have made substantial progress in finalising our arrangements with APA and, based on feedback from a range of financiers, we have firm conviction that attractive debt financing is available for the project.

"Our progress to this point is, to a large part, attributable to the support provided by our shareholders. The underwritten equity raising announced today will provide the opportunity for their participation in what will be a transformational event for their company." said Mr David Maxwell, Managing Director, Cooper Energy.

Finalisation of funding and FID of the Sole gas project will trigger a 43 million barrel of oil equivalent (boe) uplift to Cooper Energy 2P reserves, which represents an increment of nearly 400% to proved and probable reserves as at 1 January 2017 of 11.6 million boe. Based on current ownership levels, the first full year of operation from the Sole gas project is expected to lift Cooper Energy's annual production to more than 6 million boe, which compares to guidance for FY17 of 1 million boe.

**Figure 1: Location of Sole gas field, Gippsland Basin, Victoria**



## Equity raising

The fully underwritten equity raising of approximately \$151 million comprises the following:

- an institutional placement of 150 million new fully paid ordinary shares in Cooper Energy (“New Shares”) to raise approximately \$47 million (“Institutional Placement”); and
- a 1 for 2 accelerated non-renounceable entitlement offer of New Shares to raise approximately \$104 million (“Entitlement Offer” and together with the Institutional Placement the “Equity Raising”).

The Entitlement Offer is comprised of:

- an accelerated institutional component to be conducted today and tomorrow (“Institutional Entitlement Offer”); and
- a retail component which is anticipated to open on 5 April 2017 and close on 21 April 2017 (“Retail Entitlement Offer”).

Both the Institutional Placement and Entitlement Offer are priced at \$0.315 per New Share (“Offer Price”). The Offer Price represents a discount of:

- 18.2% to \$0.385, being the closing price of Cooper Energy shares on 28 March 2017; and
- 12.9% to the theoretical ex-rights price (“TERP”) of \$0.362<sup>1</sup>.

The record date under the Entitlement Offer is 7pm (AEST) on 31 March 2017 (“Record Date”). Entitlements to subscribe for New Shares under the Entitlement Offer (“Entitlements”) cannot be traded on the ASX.

The Equity Raising is fully underwritten by Euroz Securities Limited and Canaccord Genuity (Australia) Limited.

The New Shares to be issued will rank equally with existing Cooper Energy shares on issue at the time of allotment.

## Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer which opens today and closes on or before 30 March 2017.

Under the Institutional Entitlement Offer, eligible institutional shareholders can choose to take up all, part or none of their Entitlement. Entitlements not taken up under the Institutional Entitlement Offer, or Entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to eligible institutional investors at the Offer Price through a bookbuild process.

Cooper Energy shares have been placed in a trading halt while the Institutional Entitlement Offer is undertaken. It is expected that the trading halt will end at market open on 31 March 2017.

New Shares under the Institutional Entitlement Offer are expected to be issued on 10 April 2017. Cooper Energy will, upon issue of the New Shares under the Institutional Entitlement Offer, seek quotation of the New Shares on ASX.

## Retail Entitlement Offer

Eligible retail shareholders with a registered address in Australia or New Zealand as at the Record Date (“Eligible Retail Shareholders”) have the opportunity to take up their entitlement of New Shares at the Offer Price, on the terms and conditions outlined in the Retail Offer Booklet

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<sup>1</sup> TERP is calculated by adjusting for the bonus-element of the Entitlement Offer only based on the closing price of Cooper Energy shares on 28 March 2017

to be sent to Eligible Retail Shareholders on or around 5 April 2017. The Retail Entitlement Offer is anticipated to close on 21 April 2017.

Eligible Retail Shareholders can choose to take up all, part, or none of their Entitlements. Furthermore, the 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 New Shares in the Retail Entitlement Offer that were not taken up by other Eligible Retail Shareholders, subject to a maximum amount as detailed in the Retail Offer Booklet. There is no guarantee that applicants under the top-up facility will receive all or any of the additional New Shares for which they apply.

New Shares under the Retail Entitlement Offer are expected to be issued on 1 May 2017. Cooper Energy will, upon issue of the New Shares under the Retail Entitlement Offer, seek quotation of the New Shares on ASX.

Please note that shareholders with a registered address outside Australia or New Zealand on the Record Date are ineligible to participate in the Retail Entitlement Offer.

### **Retail investor enquiries**

For further information regarding the Retail Entitlement Offer, please contact the Cooper Energy Shareholder Information Line on 1300 655 248 (local call cost within Australia) or +61 3 9415 4887 (from outside Australia) at any time between 8.30am and 5.00pm (Sydney time), Monday to Friday.

Nothing contained in this announcement constitutes investment, legal tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.

### **Further Information**

Grant Samuel is acting as financial adviser to Cooper Energy, with Johnson Winter & Slattery acting as legal adviser.

Euroz Securities Limited and Canaccord Genuity (Australia) Limited are acting as Joint Lead Managers, Joint Bookrunners and Joint Underwriters to the Equity Raising. Taylor Collison is acting as Co-Manager to the Equity Raising.

Further details about the Sole gas project and the Equity Raising are contained in a separate investor presentation lodged with the ASX today.

| Further comment and information   |                 |
|-----------------------------------|-----------------|
| David Maxwell, Managing Director  | +61 8 8100 4900 |
| Don Murchland, Investor Relations | +61 439 300 932 |

## Key dates

| Event                                                                                                                   | Date                                           |
|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| Announcement of Equity Raising                                                                                          | Wednesday, 29 March 2017                       |
| Institutional Placement and Institutional Entitlement Offer opens                                                       | Wednesday, 29 March 2017                       |
| Institutional Placement and Institutional Entitlement Offer closes                                                      | Thursday, 30 March 2017                        |
| Shares recommence trading on ASX on an “ex-entitlement” basis                                                           | Friday, 31 March 2017                          |
| Record Date for the Entitlement Offer                                                                                   | 7.00pm (Sydney time)<br>Friday, 31 March 2017  |
| Retail Entitlement Offer opens                                                                                          | Wednesday, 5 April 2017                        |
| Retail Offer Booklet despatched                                                                                         | Wednesday, 5 April 2017                        |
| Settlement of New Shares issued under the Institutional Placement and Institutional Entitlement Offer                   | Friday, 7 April 2017                           |
| Allotment and normal trading of New Shares issued under the Institutional Placement and Institutional Entitlement Offer | Monday, 10 April 2017                          |
| Retail Entitlement Offer closes (Retail Closing Date)                                                                   | 5.00 pm (Sydney time)<br>Friday, 21 April 2017 |
| Allotment of New Shares under the Retail Entitlement Offer                                                              | Monday, 1 May 2017                             |
| New Shares issued under the Retail Entitlement Offer commence trading on ASX                                            | Tuesday, 2 May 2017                            |
| Despatch to Shareholders of holding statements under the Retail Entitlement Offer                                       | Wednesday, 3 May 2017                          |

All dates and times referred to are based on Sydney time and are subject to change. COE reserves the right to vary these dates or to withdraw the Entitlement Offer at any time.

## NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer of securities for sale in the United States or any other jurisdiction. Any securities described in this announcement may not be offered or sold in the United States absent registration under the US Securities Act of 1933 or an exemption from registration.

**ENDS**

## Conference Call

Mr David Maxwell, Managing Director of Cooper Energy will address a conference call on this announcement and speak to a presentation pack which has been lodged with the ASX separately.

Details of the call are as follows:

**Time:** 11:00 am AEDT Wednesday 29 March 2017

**Conference ID:** 9680 2997

**Participant International Dial-In Number:** +61 2 8038 5221

**Participant Local Dial-In Numbers:**

Australia, Sydney 02 8038 5221

### **Participant International Toll Free Dial-In Numbers:**

Australia 1800 123 296

Hong Kong 800 908 865

New Zealand 0800 452 782

Singapore 800 616 2288

United Kingdom 0808 234 0757

United States 1855 293 1544

**About Cooper Energy Limited (ASX:COE)** is an ASX listed exploration and production company which generates revenue from gas supply to south-east Australia and low cost Cooper Basin oil production. The company is an emerging player in the south-east Australian energy sector holding a portfolio of gas supply contracts and one of the most extensive portfolios of gas-focussed acreage and assets, including well located reserves, resources and processing plant, in the Otway and Gippsland basins. The most significant resources, in the Gippsland Basin, are currently being commercialised to provide a new source of gas supply to south-east Australia from 2019.

The company enjoys strong cash flow and is executing a clear strategy driven by total shareholder return.



## Sole gas project equity raising investor presentation

29 March 2017

# Important Notice – Disclaimer

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.

**Summary information:** This Presentation contains summary information about Cooper Energy and its activities as at the date of this Presentation and should not be considered to be comprehensive or to comprise all the information which a shareholder or potential investor in Cooper Energy may require in order to determine whether to deal in Cooper Energy shares. The information in this Presentation is a general background and does not purport to be complete. It should be read in conjunction with Cooper Energy’s periodic reports and other continuous disclosure announcements released to the Australian Securities Exchange, which are available at [www.asx.com.au](http://www.asx.com.au).

**Not financial product advice:** This Presentation is for information purposes only and is not a prospectus under Australian law (and will not be lodged with the Australian Securities and Investments Commission) or financial product or investment advice or a recommendation to acquire Cooper Energy shares (nor does it or will it form any part of any contract to acquire Cooper Energy shares). It has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction. Cooper Energy is not licensed to provide financial product advice in respect of Cooper Energy shares. Cooling off rights do not apply to the acquisition of Cooper Energy shares.

**Past performance:** Past performance and pro forma historical financial information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. The historical information included in this Presentation is, or is based on, information that has previously been released to the market.

**Future performance:** This Presentation may contain certain statements and projections provided by or on behalf of Cooper Energy with respect to anticipated future undertakings. Forward looking words such as, “expect”, “should”, “could”, “may”, “predict”, “plan”, “will”, “believe”, “forecast”, “estimate”, “target” and other similar expressions are intended to identify forward-looking statements within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings, distributions and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements, including projections, forecasts, guidance on future earnings and estimates, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.

**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.

**Investment risk:** An investment in Cooper Energy shares is subject to investment and other known and unknown risks, some of which are beyond the control of Cooper Energy. None of Cooper Energy, any of its related bodies corporate or any other person or organisation guarantees any particular rate of return or the performance of Cooper Energy, nor do any of them guarantee the repayment of capital from Cooper Energy or any particular tax treatment.

**Not an offer:** This Presentation is not and should not be considered an offer or an invitation to acquire Cooper Energy shares or any other financial products and does not and will not form any part of any contract for the acquisition of Cooper Energy shares. This Presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any “U.S. person” (as defined in Regulation S under the US Securities Act of 1933, as amended (“Securities Act”)) (“U.S. Person”). Cooper Energy shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any U.S. Person absent registration except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable securities laws. This document may not be distributed or released in the United States or to any U.S. person.

# Content

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- 2 Sole gas project
- 3 Equity raising offer details
- 4 Key risks
- 5 Offer jurisdictions

## Appendices

# 1. Transaction overview



# Introduction

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## 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<sup>1</sup>
  - 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

# 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<sup>1</sup> 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

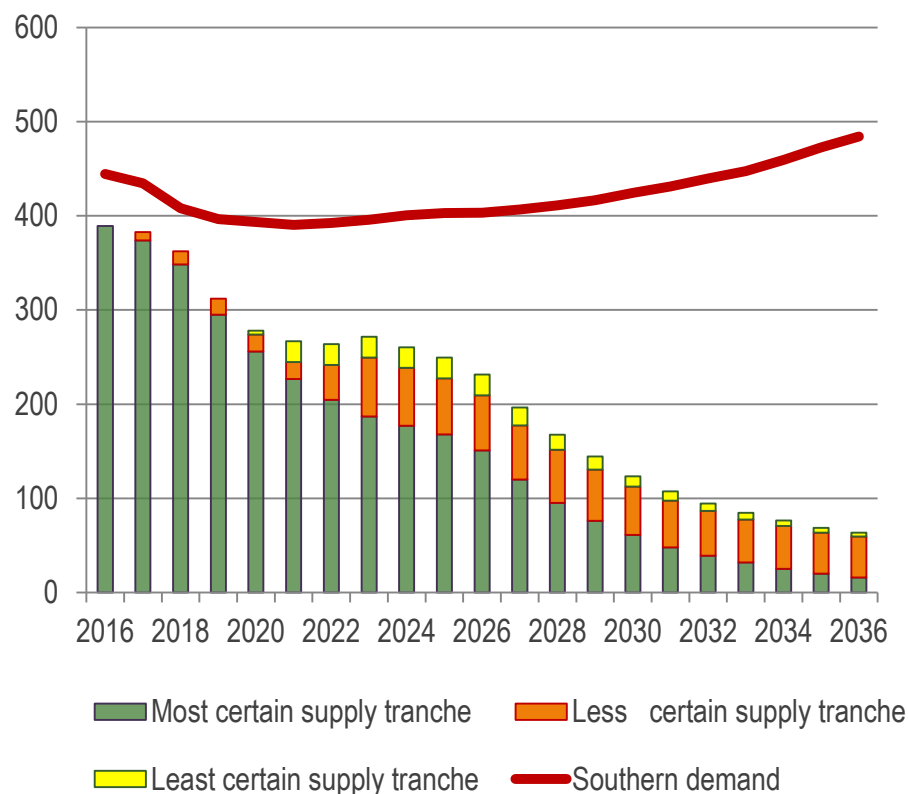
## 2. Sole gas project

# South-east Australia gas market

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

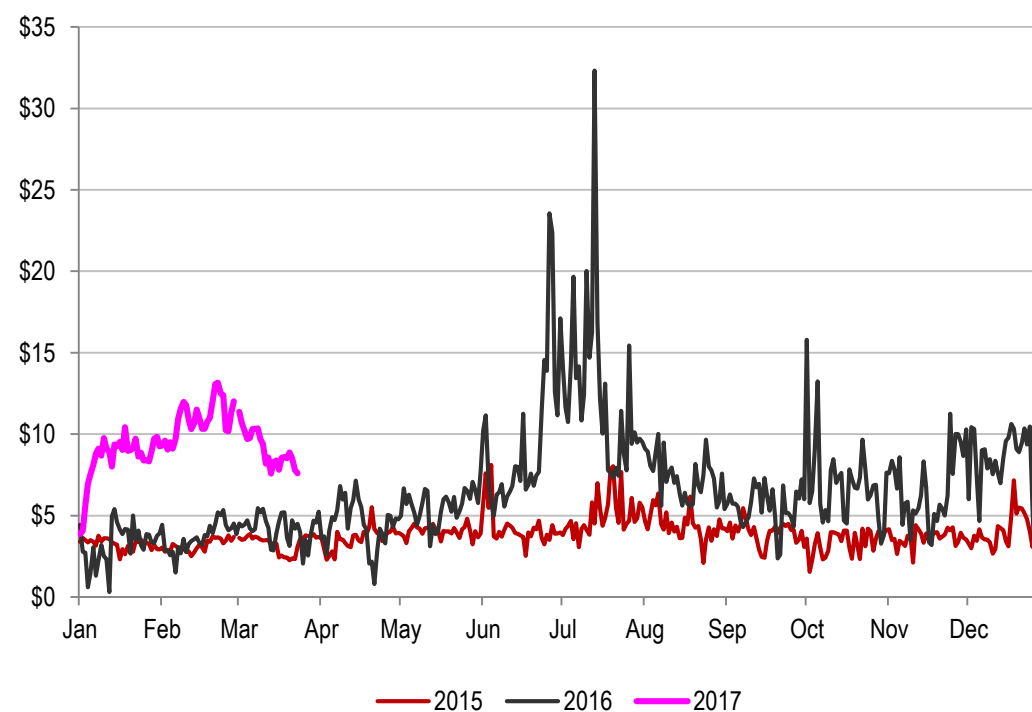
Forecast<sup>1</sup> south-east Australia gas demand and production

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

<sup>1</sup> EnergyQuest Energy Quarterly March 2017

# Sole gas project

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

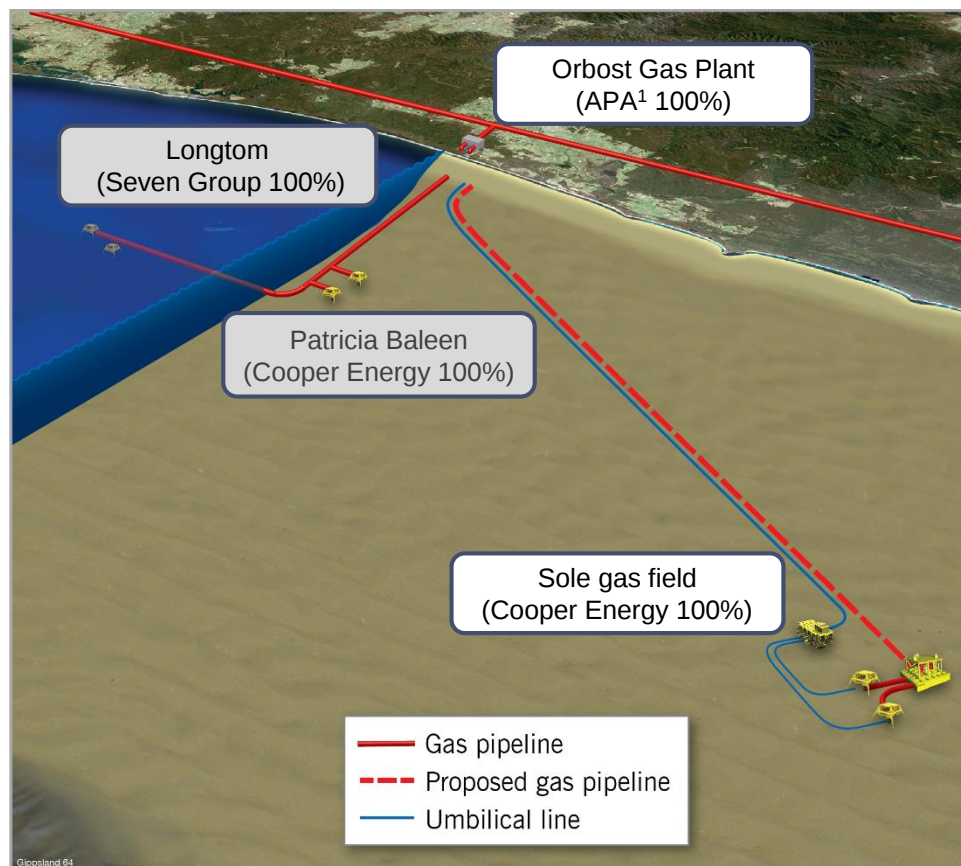
### Midstream:



HoA<sup>1</sup> with APA Group for proposed transaction under which APA:

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

<sup>1</sup>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 Orbest 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<sup>2</sup>: 249 PJ
- Ready to proceed: March '17
- Sole gas into plant: March '19
- Output: ~25 PJ pa
- Cooper Energy equity: 100%

<sup>2</sup> 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



EnergyAustralia



alintaenergy

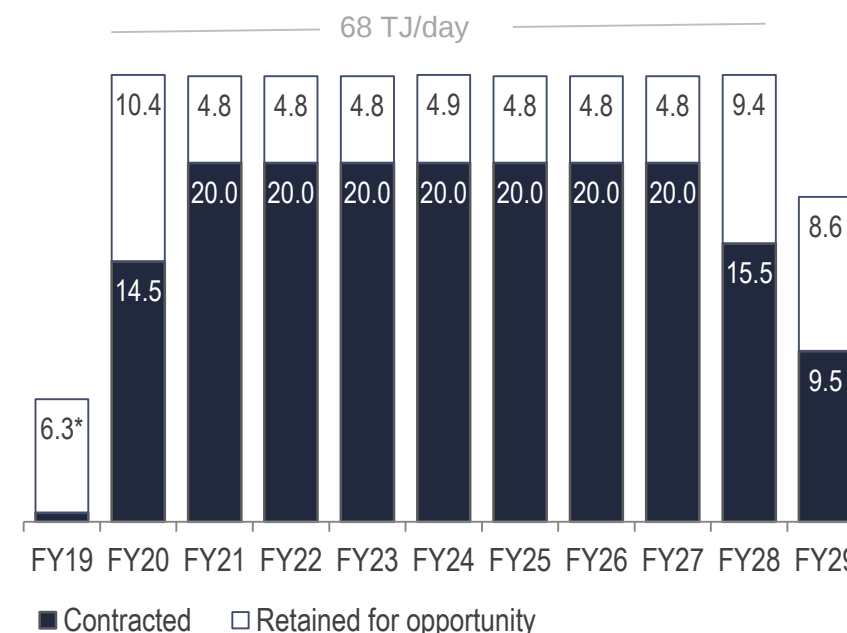
# Sole gas marketing

## 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<sup>1</sup> (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<sup>2</sup>**



<sup>1</sup> Total contracted is 180 PJ assuming extension options from 2024

<sup>2</sup> 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 Orbest Gas Plant start-up timing

# Sole project sanction

Project has satisfied all hurdles and assurance; ready to go

| Project                                                                                                                                                                                                                                                                              | Assurance                                                                                                                                                   | Commercial                                                                                                                                                      | Financing                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>✓ Sole development plan finalised</li><li>✓ Project team transition</li><li>✓ Production Licence awarded</li><li>✓ Regulatory approvals</li><li>✓ Subsea pipeline and umbilical contract with Subsea 7</li><li>✓ Rig contract signed</li></ul> | <ul style="list-style-type: none"><li>✓ Independent resources review</li><li>✓ Independent technical review</li><li>✓ Independent financial model</li></ul> | <ul style="list-style-type: none"><li>✓ Pre-sanction gas contract target achieved</li><li>✓ Fixed price contracts for 62% of capital cost<sup>1</sup></li></ul> | <ul style="list-style-type: none"><li>✓ Debt process underway</li><li>✓ Advanced negotiations with APA on transaction proposed in HoA<sup>2</sup></li><li>✓ Confidence in access to debt funding for upstream</li><li>✓ Underwritten equity raising<sup>3</sup></li></ul> |

<sup>1</sup> 62% of upstream cost

<sup>2</sup> refer joint APA Group and Cooper Energy announcement 27 February 2017 and page 10 of this document

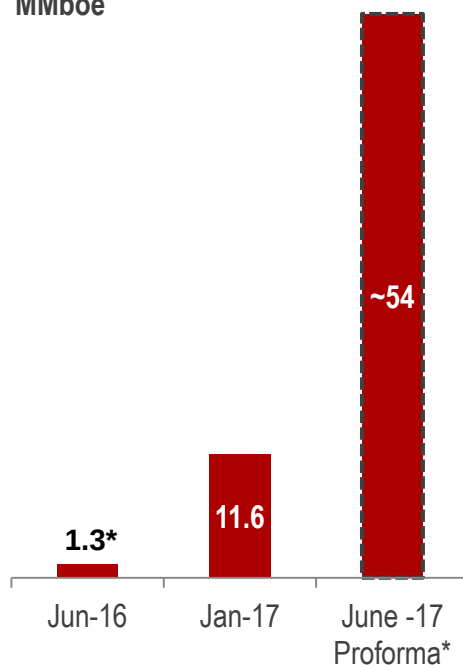
<sup>3</sup> Equity raising announced 29 March 2017 as detailed in this presentation

**Sole gas project  
approved as  
“ready to proceed”**

# Transformational impact of Sole: gas reserves

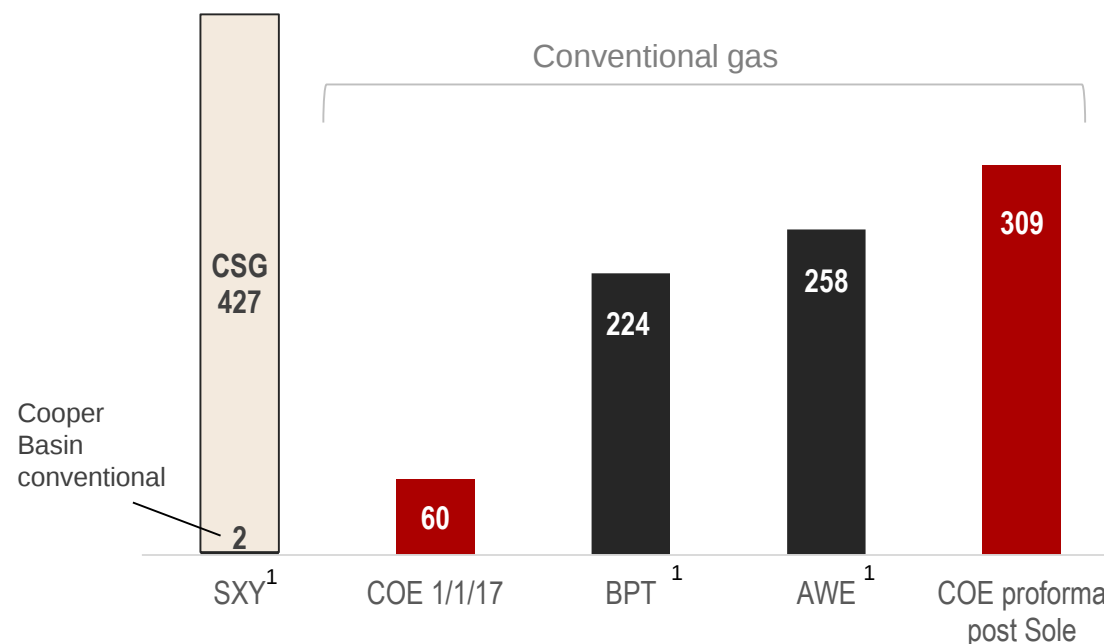
Finalisation of project funding and FID trigger 370% uplift to 2P gas reserves  
Repositions Cooper Energy within sector

2P reserves\*  
MMboe



- 249 PJ 2C contingent resource<sup>2</sup> reclassified as 2P reserves
- Provides 43 million boe uplift to 2P reserves

2P gas reserves  
(PJ)



- 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

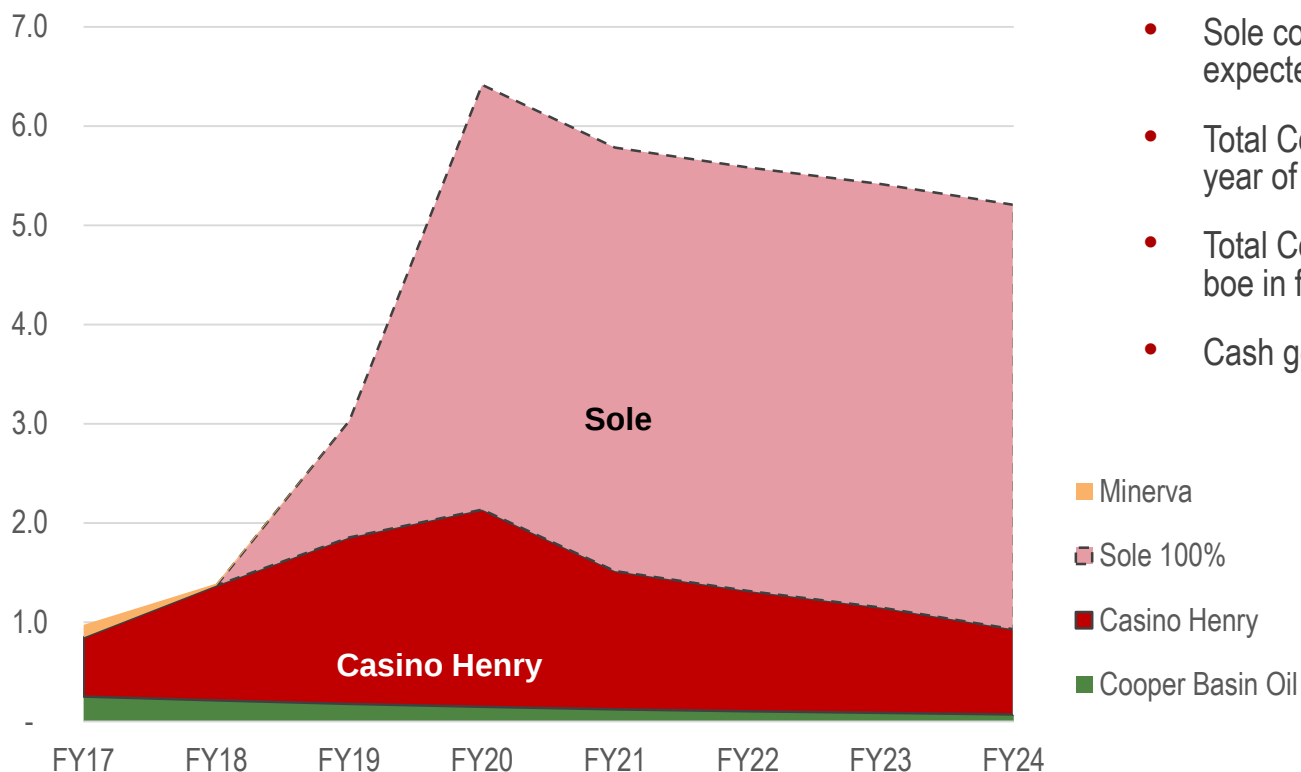
<sup>1</sup> Published 2P gas reserves as at 30 June 2016

<sup>2</sup> 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

Production  
MMboe



- 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

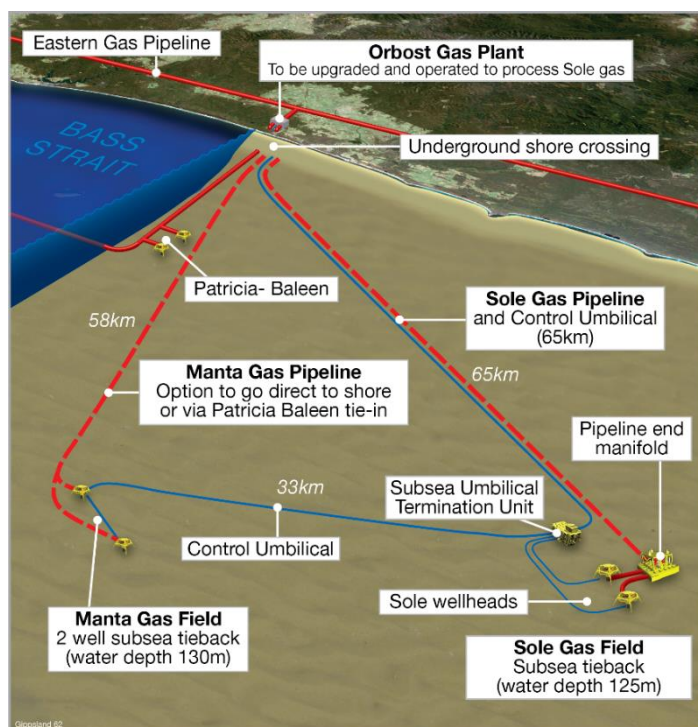
### Assumes:

- 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

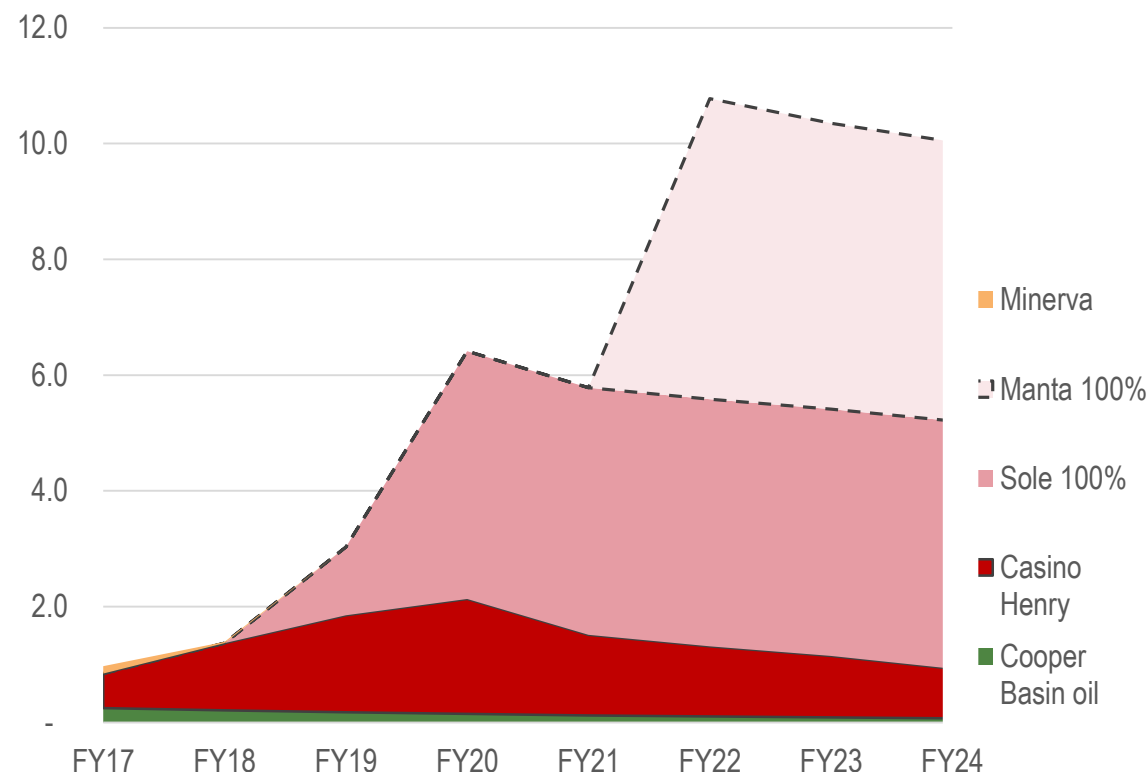
# Sole is first phase and cash generator for longer term growth

## 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 MMboe



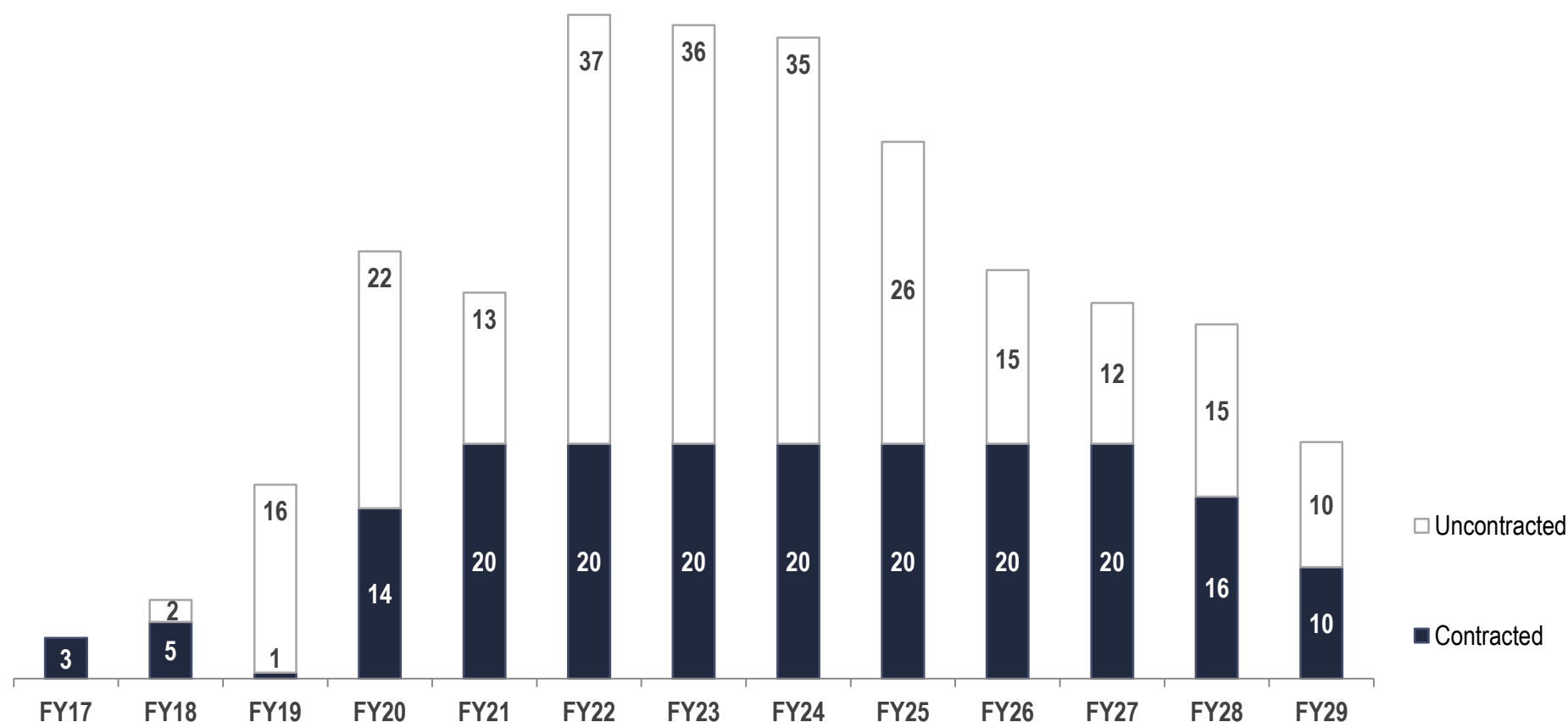
#### Assumes:

- 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 Orbest Gas Plant start-up timing
- Manta 3 appraisal well
- Development well required for Casino Henry FY18/19
- No new exploration success

# 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<sup>1</sup> 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.

### <sup>1</sup>Note:

- Sole start-up timing is dependent upon Orbest 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.

### 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<sup>1</sup>
- 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

# 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<sup>1</sup>
  - 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        |
|                                      |                      |
| <b>Total sources</b>                 | <b>\$385 million</b> |

| Uses                                 |                      |
|--------------------------------------|----------------------|
| Sole gas project capital expenditure | \$355 million        |
| Payment to Santos <sup>2</sup>       | \$20 million         |
| Equity raising costs                 | \$10 million         |
|                                      |                      |
| <b>Total uses</b>                    | <b>\$385 million</b> |

<sup>1</sup> Refer page 10 for information on the HoA and status of the proposed transaction

<sup>2</sup> 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Analysis of the Project</b> | <p>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.</p> <p>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).</p> <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Technical</b>               | <p>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.</p> <p>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.</p> <p>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.</p> |
| <b>Economic and Financial</b>  | <p>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</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Project Delivery</b>        | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Community Relations</b>     | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Regulatory</b>              | <p>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.</p> <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                             |

# Key Sole gas project risks (cont'd)

| Risk                                    | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Domestic Gas Market</b>              | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Sole Gas Contracting</b>             | <p>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.</p> <p>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 the contract prices.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Economic Inputs</b>                  | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Gas Processing Arrangements</b>      | <p>COE has entered into a non binding Heads of Agreement with APA Group to acquire the Orbest 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 Orbest Gas Plant.</p> <p>The divestment of the Orbest 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.</p> |
| <b>Funding</b>                          | <p>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.</p> <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Volatility of oil and gas prices</b> | <p>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.</p> <p>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.</p> <p>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.</p>        |

# Business risks

| Risk                                          | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Exploration and production</b>             | <p>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.</p> <p>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.</p> <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Drilling</b>                               | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Operating</b>                              | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Facility operator</b>                      | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Reliance on key personnel and advisers</b> | <p>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.</p> <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Joint Ventures</b>                         | <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> |

# Business risks (cont'd)

| Risk                                                        | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Counterparties</b>                                       | <p>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.</p> <p>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.</p>                                                                                                                                                                                   |
| <b>Land access and Native Title</b>                         | <p>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.</p> <p>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.</p> |
| <b>Reliance on third party infrastructure</b>               | <p>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.</p>                                                                                                                                                                                                                                                   |
| <b>Ability to exploit successful discoveries</b>            | <p>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.</p>                                                       |
| <b>Reserve and contingent resource estimates</b>            | <p>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.</p> <p>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.</p>                                           |
| <b>Environmental</b>                                        | <p>COE's exploration, development and production activities are subject to state, national and international environmental laws and regulations.</p> <p>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.</p> <p>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.</p>                                           |
| <b>Legislative changes, government policy and approvals</b> | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

## Business risks (cont'd)

| Risk                                  | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Government actions</b>             | 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. |
| <b>Commercialisation</b>              | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Compulsory work obligations</b>    | 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.                                                                                                                    |
| <b>Access to capital markets</b>      | 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.<br><br>Any additional equity financing may dilute existing shareholdings.                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Insurance</b>                      | 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.                                                                                                                                                                                                                    |
| <b>Occupational health and safety</b> | 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.                                                                                                                                                                   |
| <b>Competition</b>                    | 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.<br><br>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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>General market and share price</b> | <p>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:</p> <ul style="list-style-type: none"> <li>• General movements in Australian and international stock markets;</li> <li>• Investor sentiment;</li> <li>• Australian and international economic conditions and outlook;</li> <li>• Changes in interest rates and the rate of inflation;</li> <li>• Changes in government legislation and policies, in particular taxation laws;</li> <li>• Announcement of new technologies; and</li> <li>• Geo-political instability, including international hostilities and acts of terrorism.</li> </ul> <p>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.</p> <p>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.</p> |
| <b>Other</b>                          | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

# Share and Entitlement Offer risks

| Risk                | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Underwriting</b> | <p>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:</p> <ul style="list-style-type: none"> <li>• ASX approval for the official quotation of the New Shares is refused, modified or withdrawn;</li> <li>• COE ceases to be admitted to the official list of ASX or its shares are delisted or suspended from quotation;</li> <li>• COE or a material subsidiary of COE is or becomes insolvent;</li> <li>• COE withdraws all or any part of the Equity Raising;</li> <li>• 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;</li> <li>• 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;</li> <li>• there is a general moratorium on commercial banking activities in Australia, the United Kingdom or the United States;</li> <li>• there is a material disruption in commercial banking or securities settlement or clearance services within Australia, the United Kingdom or the United States;</li> <li>• 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 it impractical to proceed with the Offer (in the Underwriters' reasonable opinion);</li> <li>• the Underwriting Agreement is breached by COE;</li> <li>• 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;</li> <li>• there is an adverse change in the financial position, results, operations or prospects of COE;</li> <li>• a representation or warranty under the Underwriting Agreement proves to be, has been or becomes untrue or incorrect or misleading or deceptive; and</li> <li>• there is a delay in the timetable for the Equity Raising without the prior approval of the Underwriters.</li> </ul> |
| <b>Dilution</b>     | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

## 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<sup>1</sup>

Sales of ~7- 8 PJ pa to EnergyAustralia

Minerva<sup>1</sup> 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<sup>2</sup> pa as projects come online

<sup>1</sup> Acquisition of 10% interest in Minerva and Minerva gas plant to be completed

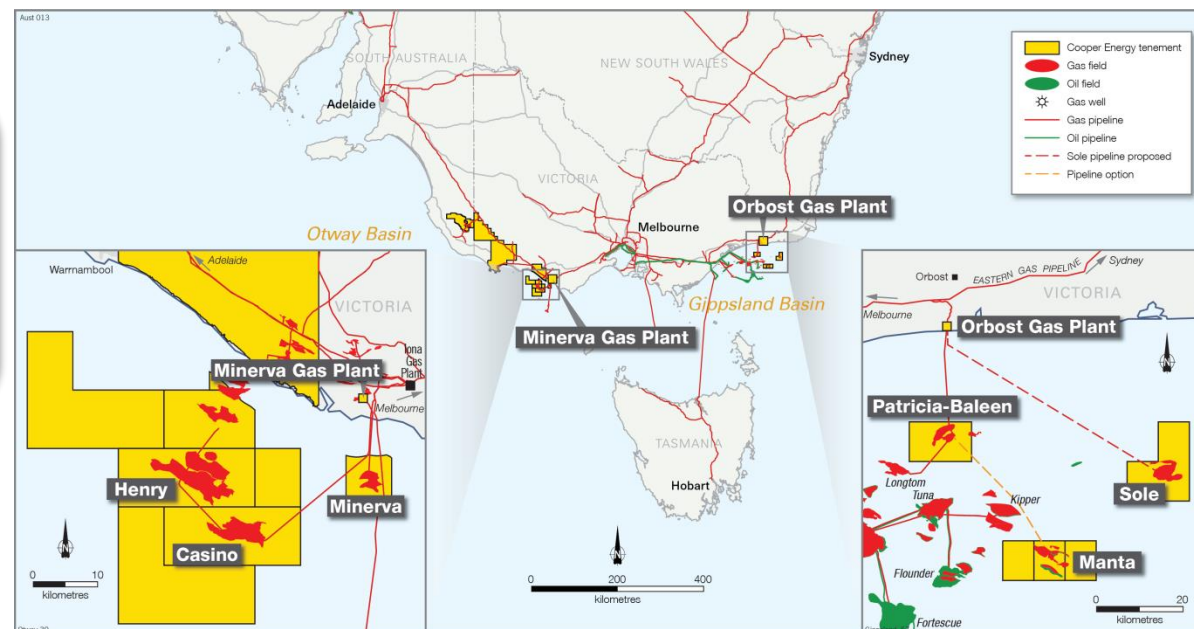
<sup>2</sup> Based on current equity participation levels

# 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<sup>1</sup>
- 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

- Orbest Gas Plant; connected to EGP (subject to APA HoA<sup>2</sup>)
- Minerva<sup>1</sup> gas plant (10%): connected to SEA Gas pipeline
- Patricia Baleen: connected to Orbest 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

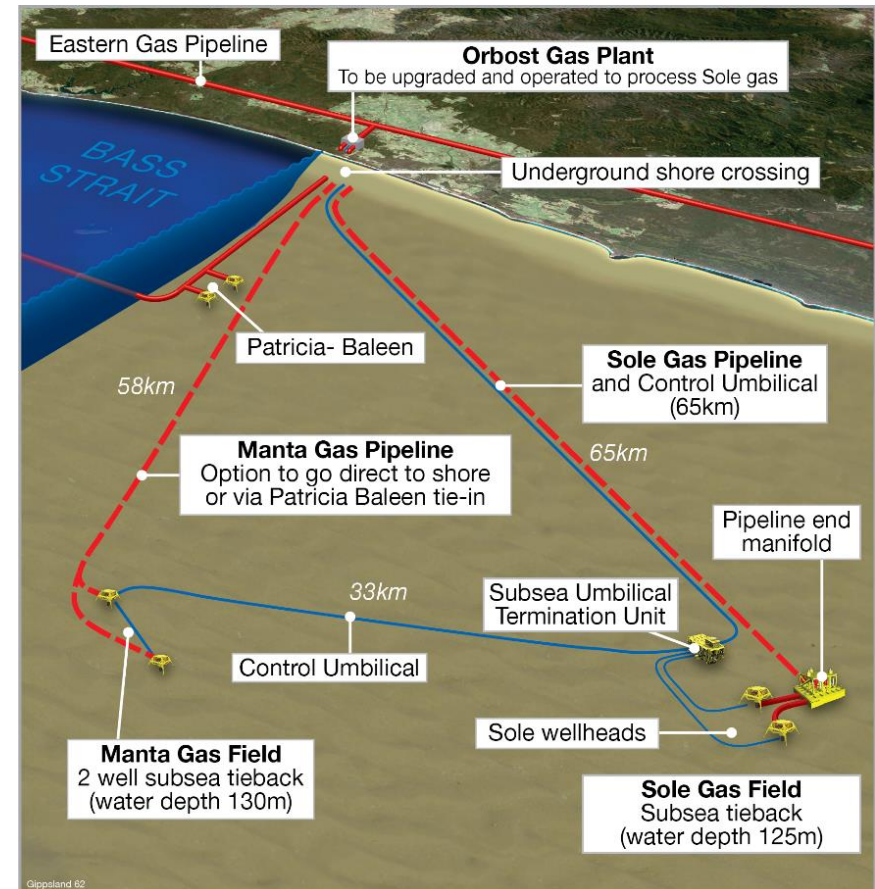
<sup>1</sup> Acquisition of 10% interest in Minerva and Minerva gas plant to be completed.

<sup>2</sup> Refer announcement of 27 February and page 10 of this presentation.

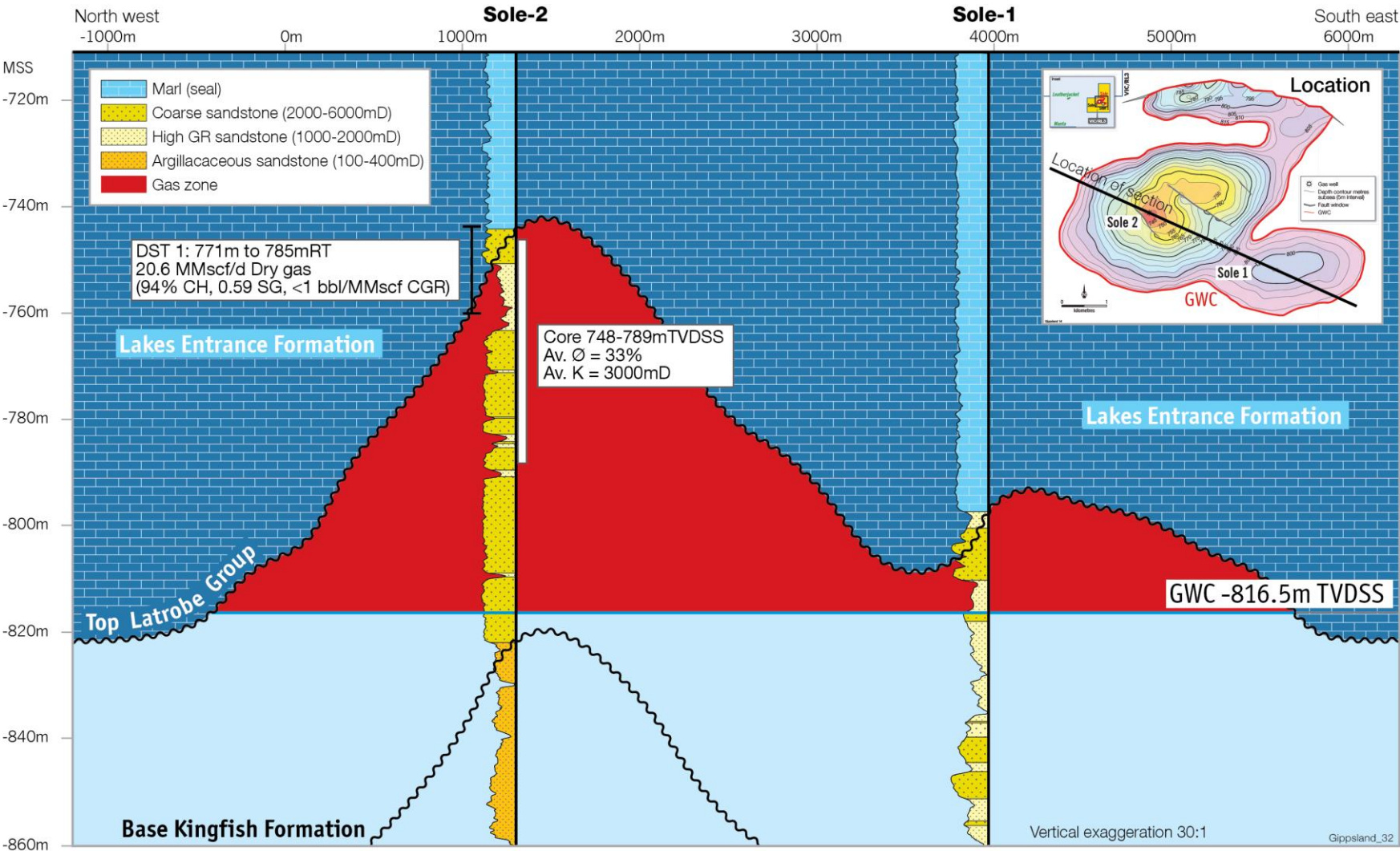
# Sole development plan

## 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<sup>1</sup> 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**



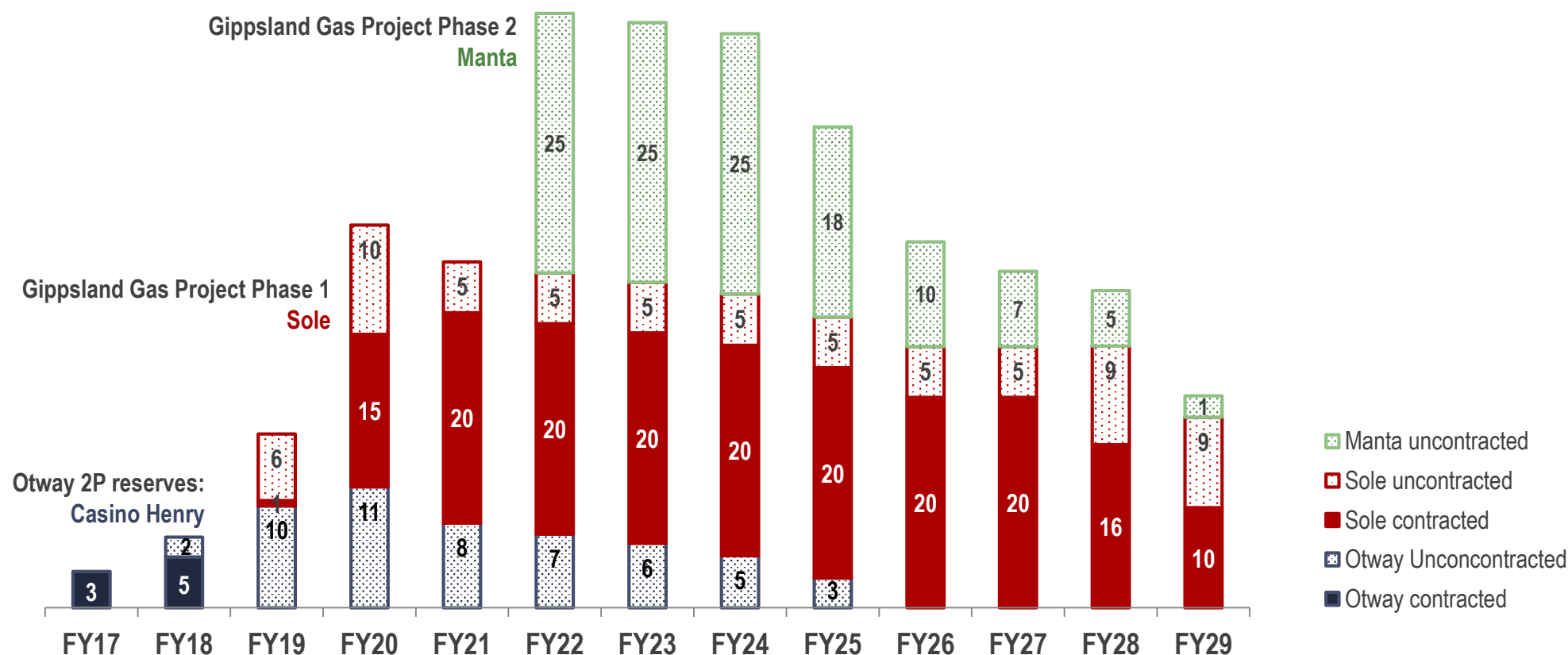
# Sole gas field schematic



# Profile of contracted and uncontracted gas by project (PJ)

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

Gas production profile by project  
contracted & uncontracted PJ pa



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

# Gippsland Basin

## Cost competitive resource, existing plant and production planned for FY19

### Sole gas project (VIC L/32, COE:100%, Operator<sup>1</sup>)

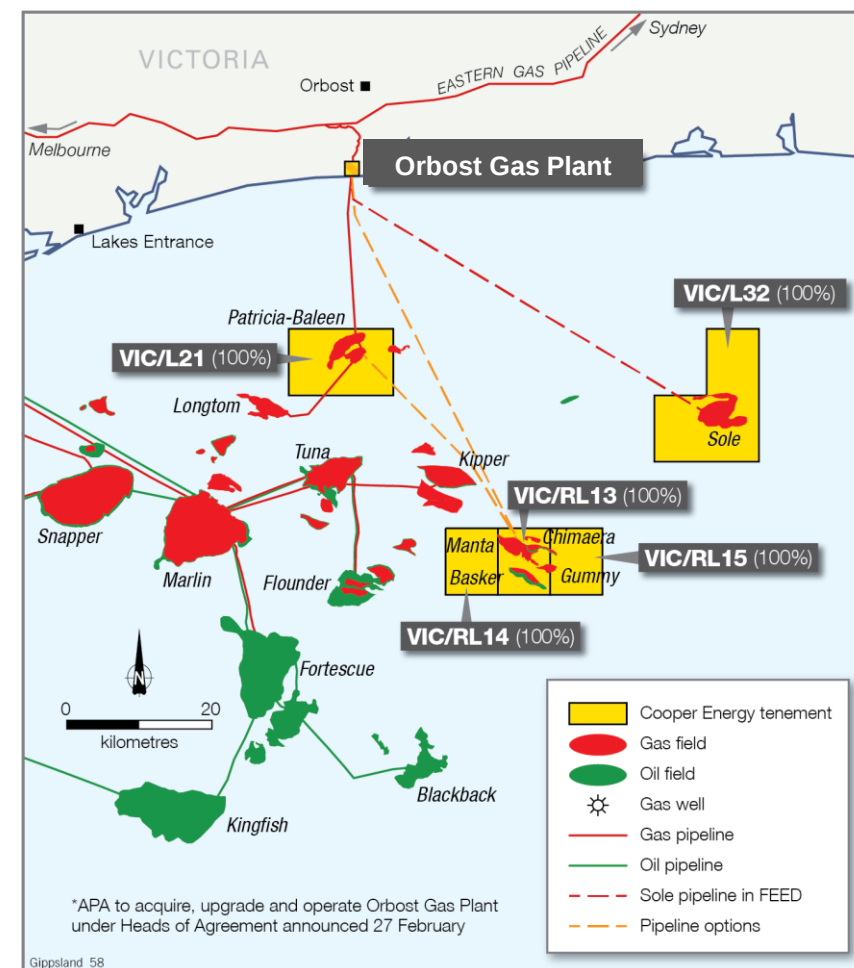
- 249 PJ 2C Contingent Resource<sup>2</sup>

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

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

### Patricia Baleen (VIC/L21: COE 100%, Operator<sup>1</sup>)

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



<sup>1</sup> Operatorship will transfer to Cooper Energy once regulatory approvals are received.

<sup>2</sup> 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

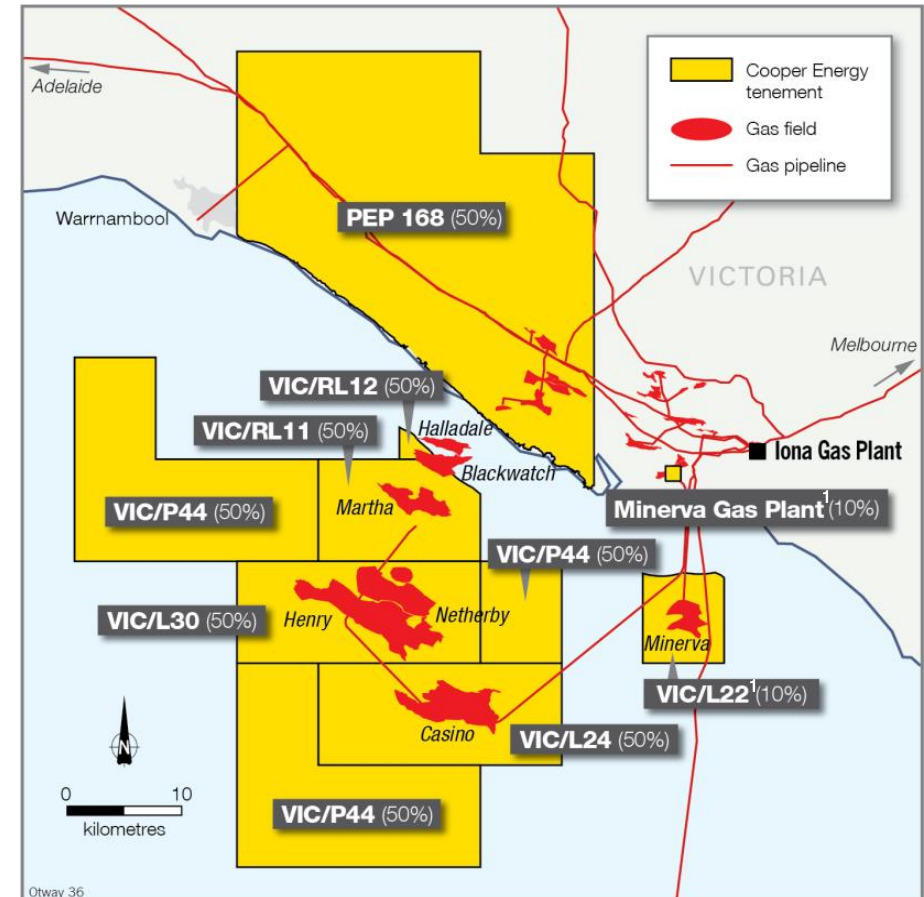
- Casino Henry gas project (50%)
- Minerva gas field and plant (10% interest)<sup>1</sup>
- VIC/P44 exploration permit

### 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



<sup>1</sup> Acquisition of 10% interest in Minerva agreed with Santos Ltd is subject to completion.

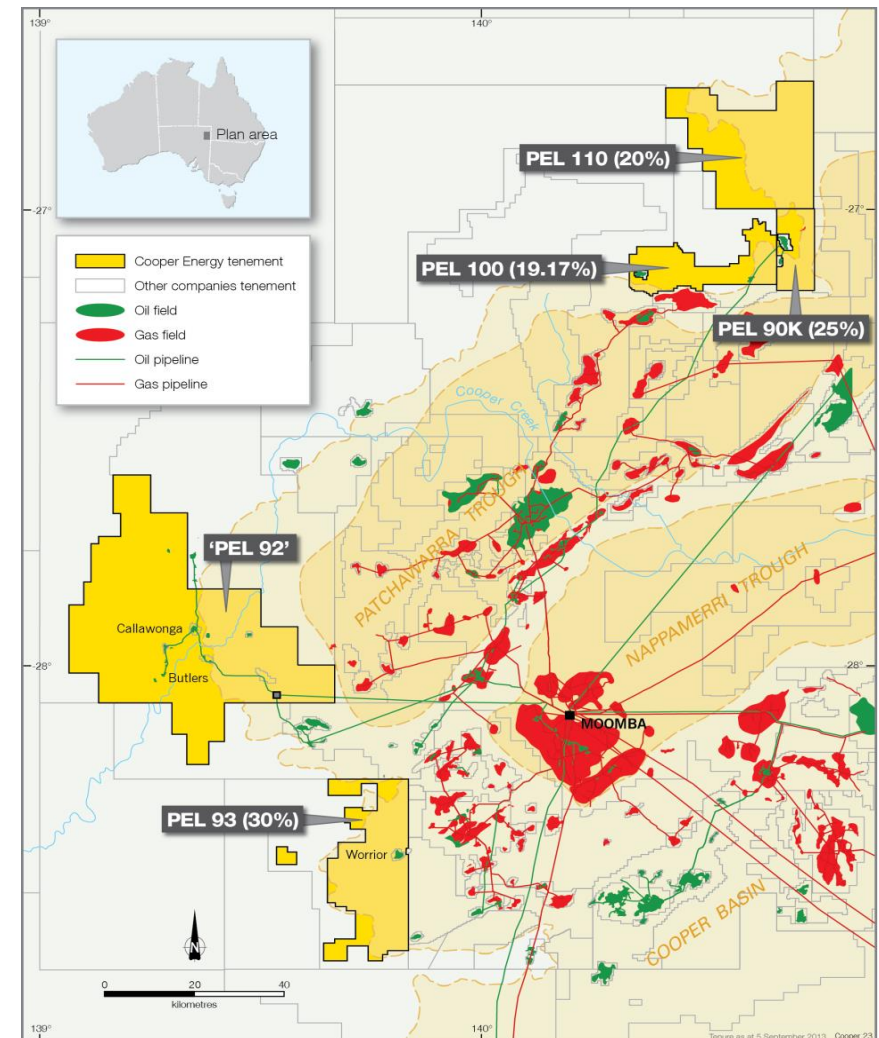
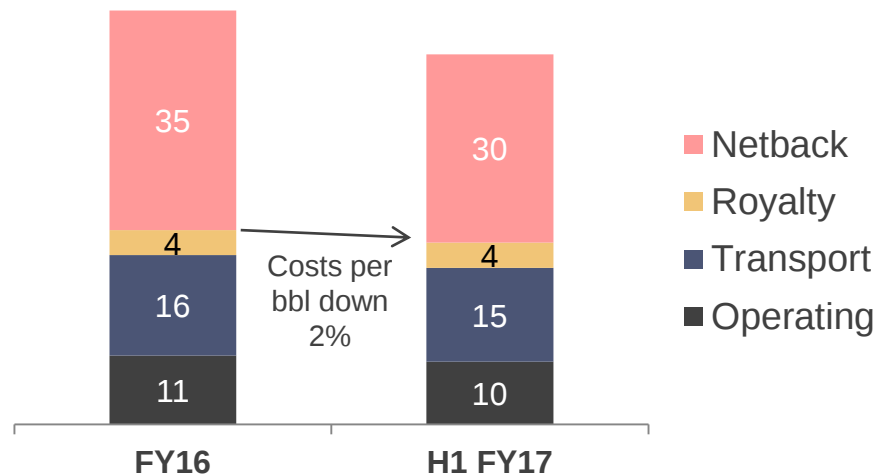
# Cooper Basin

## 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<br>(1P)      |                    |       | Proved & Probable<br>(2P) |                    |       | Proved, Probable & Possible<br>(3P) |                    |       |
|--------------------------|--------------------|---------------------|--------------------|-------|---------------------------|--------------------|-------|-------------------------------------|--------------------|-------|
|                          |                    | Cooper <sup>1</sup> | Otway <sup>2</sup> | Total | Cooper <sup>1</sup>       | Otway <sup>2</sup> | Total | Cooper <sup>1</sup>                 | Otway <sup>2</sup> | Total |
| <b>Developed</b>         |                    |                     |                    |       |                           |                    |       |                                     |                    |       |
| 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   |
| <b>Total developed</b>   | MMboe <sup>2</sup> | 0.5                 | 0.8                | 1.3   | 0.9                       | 2.6                | 3.5   | 1.6                                 | 5.1                | 6.7   |
| <b>Undeveloped</b>       |                    |                     |                    |       |                           |                    |       |                                     |                    |       |
| 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   |
| <b>Total undeveloped</b> | MMboe <sup>2</sup> | 0.1                 | 6.0                | 6.1   | 0.3                       | 7.8                | 8.1   | 0.5                                 | 10.9               | 11.3  |
| <b>Total<sup>1</sup></b> | MMboe <sup>2</sup> | 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<br>Resources* | 1C           |            |                    | 2C           |            |                    | 3C           |             |                    |
|--------------------------|--------------|------------|--------------------|--------------|------------|--------------------|--------------|-------------|--------------------|
|                          | Gas          | Oil        | Total <sup>1</sup> | Gas          | Oil        | Total              | Gas          | Oil         | Total              |
|                          | PJ           | MMbbl      | MMboe <sup>2</sup> | PJ           | MMbbl      | MMboe <sup>2</sup> | PJ           | MMbbl       | MMboe <sup>2</sup> |
| 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                |
| <b>Total<sup>1</sup></b> | <b>291.9</b> | <b>4.0</b> | <b>54.2</b>        | <b>388.8</b> | <b>7.6</b> | <b>74.4</b>        | <b>534.2</b> | <b>12.1</b> | <b>104.0</b>       |

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).

# 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

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|                   |                                                                                                                                                                  |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>\$, A\$</b>    | Australian dollars unless specified otherwise                                                                                                                    |
| <b>Bbl</b>        | barrels of oil                                                                                                                                                   |
| <b>boe</b>        | barrel of oil equivalent                                                                                                                                         |
| <b>bopd</b>       | barrel of oil per day                                                                                                                                            |
| <b>EBITDA</b>     | earnings before interest, tax, depreciation and amortisation                                                                                                     |
| <b>FEED</b>       | Front end engineering and design                                                                                                                                 |
| <b>FID</b>        | Final Investment Decision                                                                                                                                        |
| <b>kbbbls</b>     | thousand barrels                                                                                                                                                 |
| <b>LTIFR</b>      | Lost Time Injury Frequency Rate. Lost Time Incidents per million man hours worked                                                                                |
| <b>MMbbl</b>      | million barrels of oil                                                                                                                                           |
| <b>MMboe</b>      | million barrels of oil equivalent                                                                                                                                |
| <b>NOPSEMA</b>    | National Offshore Petroleum Safety & Environmental Management Authority                                                                                          |
| <b>NOPTA</b>      | National Offshore Petroleum Titles Administrator                                                                                                                 |
| <b>NPAT</b>       | net profit after tax                                                                                                                                             |
| <b>PEL 92</b>     | Joint Venture conducting operations in Western Flank Cooper Basin Petroleum Retention Licences 85 – 104 previously encompassed by the PEL 92 exploration licence |
| <b>TRCFR</b>      | Total Recordable Case Frequency Rate. Recordable cases per million hours worked                                                                                  |
| <b>TSR</b>        | total shareholder return                                                                                                                                         |
| <b>1P</b>         | Proved Reserves                                                                                                                                                  |
| <b>2P</b>         | Proved and Probable Reserves                                                                                                                                     |
| <b>3P</b>         | Proved, Probable and Possible Reserves                                                                                                                           |
| <b>1C, 2C, 3C</b> | high, medium and low estimates of Contingent Resources                                                                                                           |

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## **6 Additional information**

### **6.1 Eligibility of Retail Shareholders**

The Retail Entitlement Offer is being offered to all Eligible Retail Shareholders only.

**Eligible Retail Shareholders** are Shareholders who:

- (a) are registered as holders of Existing Shares as at 7:00pm (Sydney time) on the Record Date;
- (b) have a registered address on Cooper Energy's share register in Australia or New Zealand;
- (c) are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States;
- (d) were not invited to participate in the Institutional Entitlement Offer and were not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Retail shareholders who do not satisfy the above criteria are Ineligible Retail Shareholders.

By returning a completed personalised Entitlement and Acceptance Form or making a payment by either BPay® or cheque, bank draft or money order, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Retail Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

Cooper Energy has determined that it is unreasonable to extend the Retail Entitlement Offer to Ineligible Retail Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand.

### **6.2 Ranking of New Shares**

The New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally with Existing Shares.

### **6.3 Allotment**

Cooper Energy has applied for quotation of the New Shares on ASX in accordance with ASX Listing Rule requirements. If ASX does not grant quotation of the New Shares, Cooper Energy will repay all Application Monies (without interest).

Trading of New Shares will, subject to ASX approval, occur shortly after allotment. It is expected that allotment of the New Shares under the Retail Entitlement Offer will take place on 1 May 2017. Application Monies will be held by Cooper Energy on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Monies.

Subject to approval being granted, it is expected that the New Shares allotted under the Retail Entitlement Offer will commence trading on a normal basis on 2 May 2017.

It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them prior to trading in the New Shares. The sale by an Applicant of New Shares prior to receiving their holding statement is at the Applicant's own risk.

## 6.4 Reconciliation

The Entitlement Offer is a complex process and in some instances investors may believe they own more Shares than they actually do or are otherwise entitled to more New Shares than initially offered to them. These matters may result in a need for reconciliation. If reconciliation is required, it is possible that Cooper Energy may need to issue a small quantity of additional New Shares to ensure all Eligible Shareholders receive their full Entitlement. The price at which these additional New Shares would be issued, if required, is the Offer Price.

Cooper Energy also reserves the right to reduce the number of New Shares allocated to Eligible Shareholders or persons claiming to be Eligible Shareholders, if their Entitlement claims prove to be overstated, if they or their nominees fail to provide information requested to substantiate their Entitlement claims, or if they are not Eligible Shareholders.

## 6.5 Underwriting

The Entitlement Offer and the Placement are fully underwritten by the Underwriters, subject to the terms of an agreement between Cooper Energy and the Underwriters under which it has been agreed that the Underwriters will act as joint lead managers, bookrunners and underwriters in respect of the Equity Raising (**Underwriting Agreement**).

Under the Underwriting Agreement:

- (a) Cooper Energy has provided various customary representations and warranties to the Underwriters;
- (b) subject to certain exceptions, Cooper Energy has agreed to indemnify the Underwriters, their affiliates and related bodies corporate, and each of their respective directors, officers, employees and partners (each an **Indemnified Party**) from and against (i) all losses directly or indirectly suffered or incurred by an Indemnified Party, and (ii) all claims made or awarded against an Indemnified Party, arising out of or in connection with the Equity Raising;
- (c) the Underwriters may in certain circumstances, (having regard, in some cases, to the materiality of the relevant event) terminate the Underwriting Agreement and be released from its obligation to underwrite the Equity Raising on the happening of certain events, including (but not limited to) where:
  - (i) any debt facility of Cooper Energy is terminated by the lender or is amended in a material respect without the Underwriters' prior written consent (not to be unreasonably withheld), or is breached or defaulted under, or an event of default or review event has occurred;
  - (ii) ASX approval for the official quotation of the New Shares or the Shares issued under the Placement is refused, modified or withdrawn;
  - (iii) Cooper Energy ceases to be admitted to the official list of ASX or its shares are delisted or suspended from quotation;
  - (iv) Cooper Energy or a material subsidiary of Cooper Energy is or becomes insolvent;
  - (v) Cooper Energy withdraws all or any part of the Equity Raising;
  - (vi) 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;

- (vii) 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;
- (viii) a director of Cooper Energy is disqualified from managing a corporation under the Corporations Act;
- (ix) Cooper Energy or any of its directors or officers (as that term is defined in the Corporations Act) commits an act of fraud or is charged with an indictable offence relating to any financial or corporate matter;
- (x) there is a general moratorium on commercial banking activities in Australia, the United Kingdom or the United States;
- (xi) there is a suspension or substantial limitation in trading and securities generally on ASX, the London Stock Exchange or the New York Stock Exchange for one or substantially all of a day on which that exchange is open for trading;
- (xii) there is a material disruption in commercial banking or securities settlement or clearance services within Australia, the United Kingdom or the United States;
- (xiii) 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 it impractical to proceed with the Entitlement Offer (in the Underwriters' reasonable opinion);
- (xiv) the Underwriting Agreement is breached by Cooper Energy;
- (xv) there is a change in relevant law or policy, which in the reasonable opinion of the Underwriters is likely to prohibit or adversely affect or otherwise regulate the Equity Raising, capital issues or stock markets;
- (xvi) 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;
- (xvii) there is an adverse change in the financial position, results, operations or prospects of Cooper Energy other than prescribed adverse changes generally affecting the industries in which Cooper Energy operates or general economic, political or financial market conditions;
- (xviii) a representation or warranty under the Underwriting Agreement proves to be, has been or becomes untrue or incorrect or misleading or deceptive;
- (xix) there is a change in Cooper Energy's directors or CEO; and
- (xx) any event specified in the timetable for the Equity Raising is delayed without the prior approval of the Underwriters.

See slide 28 of the Investor Presentation included in Section 5 of this Retail Offer Booklet for more information regarding risks in relation to underwriting of the Entitlement Offer and the Placement and termination events under the Underwriting Agreement.

- (d) each of the Underwriters will be paid its respective proportion of:
  - (i) an underwriting fee of 2.50% (excluding GST); and
  - (ii) a management fee of 0.75% (excluding GST),

of the gross proceeds raised under each of the Placement, the Institutional Entitlement Offer and the Retail Entitlement Offer;

- (iii) subject to the Underwriters having performed their obligations under the Underwriting Agreement, Cooper Energy may, in its absolute discretion, pay incentive fees to either or both of the Underwriters of amounts determined by the Company of up to 0.75% of gross proceeds raised under the Equity Raising; and
- (iv) the Underwriters may at any time, following consultation with Cooper Energy, appoint sub-underwriters to the underwritten Equity Raising provided that any fees payable to sub-underwriters appointed to the underwritten Equity Raising by the Underwriters are payable by the Underwriters and provided further that any such sub-underwriter must be an Institutional Investor that is not in the United States.

None of the Underwriters nor any of their respective related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents have authorised or caused the issue of this Retail Offer Booklet and they do not take any responsibility for this Retail Offer Booklet or any action taken by you on the basis of such information. To the maximum extent permitted by law, the Underwriters and each of their respective related bodies corporate and affiliates and each of their respective directors, officers, partners, employees, representatives or agents exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and this Retail Offer Booklet being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. None of the Underwriters nor any of their respective related bodies corporate and affiliates nor respective directors, officers, partners, employees, representatives or agents make any recommendations as to whether you or your related parties should participate in the Entitlement Offer nor do they make any representations or warranties to you concerning the Entitlement Offer, or any such information and you represent, warrant and agree that you have not relied on any statements made by either Underwriter or any of their respective related bodies corporate and affiliates or any of their respective directors, officers, partners, employees, representatives or agents in relation to the New Shares or the Entitlement Offer generally.

Taylor Collison is acting as Co-manager to the Equity Raising. Cooper Energy will pay Taylor Collison a Co-management fee of 0.20% of the gross proceeds raised under the Equity Raising. Subject to the Equity Raising completing and Taylor Collison having performed its obligations under the Co-manager Agreement, Cooper Energy may, in its absolute discretion, pay a performance fee to Taylor Collison of up to 0.30% of the gross proceeds of the Equity Raising.

## **6.6 Continuous Disclosure**

Cooper Energy is a “disclosing entity” under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules, including the preparation of annual reports and half yearly reports.

Cooper Energy is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, Cooper Energy has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of Cooper Energy shares. That information is available to the public from ASX.

## **6.7 No cooling off rights**

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

## **6.8 Not investment advice**

This Retail Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Cooper Energy is not licensed to provide financial product advice in respect of the New Shares. The information contained in this Retail Offer Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares, nor does it purport to contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Cooper Energy's other periodic statements and continuous disclosure announcements lodged with ASX.

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## **7 Australian taxation considerations**

### **7.1 General**

Set out below is a general guide to the Australian income tax, GST and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders. The guide applies only to Eligible Retail Shareholders:

- who are Australian tax resident individuals, companies or complying superannuation entities;
- that hold their New Shares or additional New Shares acquired under the Top Up Facility on capital account (and not as trading stock);
- who did not acquire their Shares through an employee share scheme; and
- are not subject to the taxation of financial arrangement regime in relation to their Shares.

The guide does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. It does not purport to be a complete analysis of the potential Australian tax consequences of the Retail Entitlement Offer and is intended as a general guide to the Australian tax implications. Eligible Retail Shareholders should seek advice from an appropriate professional advisor in relation to the Australian tax implications of the Retail Entitlement Offer based on their own individual circumstances. Neither Cooper Energy, nor any of its officers, employees or advisors, accept any responsibility or liability in respect of the taxation consequences associated with the Retail Entitlement Offer.

The comments below are based on the Australian tax law as it applies as at the date of the Retail Offer Booklet. Other than as expressly discussed, the comments do not take into account or anticipate changes in Australian tax law or future judicial interpretations of law after this time. The comments do not address any tax issues which may arise in any country other than Australia.

### **7.2 Issue of Entitlement**

The issue of the Entitlement to holders of Existing Shares will not in itself result in any amount being included in the assessable income of an Eligible Retail Shareholder.

### **7.3 Exercise of Entitlement and applying for additional New Shares**

An Eligible Retail Shareholder will not derive any assessable income, or make any capital gain or capital loss at the time of exercising their Entitlement under the Retail Entitlement Offer or acquiring additional New Shares under the Top Up Facility.

For CGT purposes, New Shares will be taken to have been acquired on the day that an Eligible Retail Shareholder exercises their Entitlement and additional New Shares will be taken to have been acquired on the date the additional New Shares were issued to the Eligible Retail Shareholder. The cost base of each New Share and additional New Share will include the Offer Price payable for each New Share and additional New Share respectively plus certain incidental costs the Eligible Retail Shareholder incurs in acquiring the New Shares and additional New Shares.

### **7.4 Lapse of Entitlement**

As an Eligible Retail Shareholder will not pay for or receive any consideration for any Entitlement that is not taken up and lapses, there should be no tax implications for an Eligible Retail Shareholder in these circumstances.

## **7.5 Taxation in respect of dividends on New Shares**

Subject to satisfying the holding period rule (requiring shares to be held at risk for at least 45 days after acquisition), where necessary, any future dividends or other like distributions made in respect of New Shares will be subject to the same income taxation treatment as dividends or other like distributions made on Existing Shares held in the same circumstances. No withholding should be required from any dividend or other like distribution if you have provided your tax file number or Australian Business Number to Cooper Energy.

## **7.6 Disposal of New Shares or additional New Shares**

The disposal of New Shares or additional New Shares will constitute a disposal of an asset for CGT purposes.

On disposal of New Shares or additional New Shares, an Eligible Retail Shareholder will make a capital gain if the capital proceeds received on disposal exceed the cost base of the New Shares or additional New Shares. An Eligible Retail Shareholder will make a capital loss if the capital proceeds are less than the reduced cost base of the New Shares or additional New Shares.

Eligible Retail Shareholders that are individuals (other than certain temporary residents), trustees or complying superannuation entities and that have held their New Shares or additional New Shares for 12 months or more are generally entitled to apply the applicable CGT discount percentage to reduce the capital gain (after offsetting capital losses). The CGT discount percentage is 50% for individuals and trustees, and 33.33% for complying superannuation entities.

For the purpose of determining whether the New Shares have been held for 12 months or more, Eligible Retail Shareholders will be taken to have acquired them when they exercise their Entitlement under the Retail Entitlement Offer. Additional New Shares will be taken to have been acquired when the additional New Shares were issued under the Top Up Facility.

Eligible Retail Shareholders that make a capital loss can only use that loss to offset other capital gains i.e. the capital loss cannot be offset against taxable income on revenue account. However, if the capital loss cannot be used in a particular income year it can be carried forward to use in future income years, provided, in the case of a corporate or trustee Eligible Retail Shareholder, certain loss utilisation tests are satisfied.

If you sell your New Shares or additional New Shares off market, you may be required by the purchaser to declare that the Shares are not indirect Australian real property interests, to prevent withholding from the proceeds. Shares will be indirect Australian real property interests where you have held a non-portfolio interest in Cooper Energy for at least 12 months in the 24 months preceding the sale and more than half of the underlying assets of Cooper Energy are represented by Australian real property (including mining rights).

## **7.7 GST**

The taking up of the New Shares and additional New Shares will be classified as a “financial supply” for Australian GST purposes. Accordingly, Australian GST will not be payable in respect of amounts paid for the acquisition of the New Shares or additional New Shares. There may be a restriction on the entitlement of GST registered Eligible Retail Shareholders to claim an input tax credit for any GST incurred on costs associated with the acquisition of New Shares or additional New Shares acquired under the Top Up Facility.

## **7.8 Stamp duty**

Stamp duty will not be payable by an Eligible Shareholder in respect of the taking up and any subsequent transfer of New Shares or additional New Shares.

## 8 Glossary

In this Retail Offer Booklet, the following terms have the following meanings:

| Term                               | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| \$ or A\$ or AUD or dollars        | Australian dollars (unless otherwise specified)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Applicant                          | an Eligible Retail Shareholder who has submitted a valid Application                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Application                        | an application to subscribe for New Shares under the Retail Entitlement Offer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Application Monies                 | monies received from applicants in respect of their Applications                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| ASIC                               | Australian Securities and Investments Commission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| ASX                                | ASX Limited (ABN 98 008 624 691) or the financial products market operated by that entity known as the Australian Securities Exchange                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| ASX Announcement                   | the announcement released to ASX on 29 March 2017 in connection with the Equity Raising and the Sole gas project, a copy of which is set out in Section 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| ASX Listing Rules                  | the official listing rules of ASX, as amended or replaced from time to time                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| CGT                                | capital gains tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Cooper Energy                      | Cooper Energy Limited (ACN 096 170 295)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Corporations Act                   | <i>Corporations Act 2001</i> (Cth)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Eligible Institutional Shareholder | <p>a person who:</p> <ul style="list-style-type: none"> <li>• was identified as an Institutional Shareholder by Cooper Energy;</li> <li>• has a registered address in Australia, New Zealand or certain other jurisdictions (except the United States) disclosed in the “Offer Jurisdiction” slides of the Investor Presentation;</li> <li>• is not in the United States and is not acting for the account or benefit of a person in the United States;</li> <li>• is eligible under all applicable securities laws to receive an offer under the Institutional Entitlement Offer; and</li> <li>• who has successfully received an offer under the Institutional Entitlement Offer</li> </ul> |
| Eligible Retail Shareholder        | is defined in Section 6.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

| <b>Term</b>                          | <b>Definition</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Eligible Shareholder                 | a person who is an Eligible Institutional Shareholder or an Eligible Retail Shareholder                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Entitlement                          | the entitlement to subscribe for 1 New Share for every 2 Existing Shares held on the Record Date by Eligible Shareholders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Entitlement and Acceptance Form      | the Entitlement and Acceptance Form accompanying this Retail Offer Booklet upon which an Application can be made                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Entitlement Offer                    | the Institutional Entitlement Offer and the Retail Entitlement Offer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Equity Raising                       | the Placement and the Entitlement Offer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Excess Amount                        | is defined in Section 4.6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Existing Share                       | a Share on issue before the Record Date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| GST                                  | Australian Goods and Services Tax (currently 10%)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Ineligible Institutional Shareholder | an Institutional Shareholder who is not an Eligible Institutional Shareholder                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Ineligible Retail Shareholder        | a Shareholder who is neither an Institutional Shareholder nor an Eligible Retail Shareholder                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Institutional Entitlement Offer      | the accelerated non-renounceable pro-rata entitlement offer to Eligible Institutional Shareholders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Institutional Investor               | <p>a person:</p> <ul style="list-style-type: none"> <li>• in Australia, to whom an offer of securities in a company may be made in Australia without a disclosure document (as defined in the Corporations Act) on the basis that such a person is an 'exempt investor' as defined section 9A(5) of the Corporations Act (as inserted by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84); or</li> <li>• in selected jurisdictions outside Australia to whom an offer of New Shares may be made without registration, lodgement of a formal disclosure document or other formal filing in accordance with the laws of that foreign jurisdiction (except to the extent to which Cooper Energy, at its absolute discretion, is willing to comply with such requirements)</li> </ul> |
| Institutional Shareholder            | a Shareholder on the Record Date who is an Institutional Investor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Investor Presentation                | the presentation released to ASX on 29 March 2017 in connection with the Sole gas project and the Equity Raising, a copy of which is set out in Section 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| New Shares                           | the Shares to be allotted and issued under the Entitlement Offer, including (as the context requires) the shortfall from the Entitlement Offer issued under the Top Up Facility or to the                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

| <b>Term</b>                     | <b>Definition</b>                                                                                                                                                                                                                                           |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                 | Underwriters or sub-underwriters in connection with the Institutional Entitlement Offer                                                                                                                                                                     |
| Offer Price                     | \$0.315 per New Share                                                                                                                                                                                                                                       |
| Placement                       | the placement of Shares to Institutional Investors undertaken in connection with the Entitlement Offer at the Offer Price                                                                                                                                   |
| Record Date                     | the time and date for determining which Shareholders are entitled to an Entitlement under the Entitlement Offer, being 7.00pm (Sydney time) on 31 March 2017                                                                                                |
| Record Date Shareholding        | the number of Shares held by an Eligible Retail Shareholder on the Record Date                                                                                                                                                                              |
| Retail Closing Date             | 5.00pm (Sydney time) on 21 April 2017. This is the final date that Eligible Retail Shareholders can take up some or all of their Entitlement                                                                                                                |
| Retail Entitlement Offer        | the non-renounceable pro-rata offer to Eligible Retail Shareholders to subscribe for 1 New Share for every 2 Existing Shares of which the Shareholder is the registered holder on the Record Date, at the Offer Price pursuant to this Retail Offer Booklet |
| Retail Entitlement Offer Period | the period commencing on the opening date of the Retail Entitlement Offer, as specified in the 'Key Dates for the Entitlement Offer' in Section 1, and ending on the Retail Closing Date                                                                    |
| Retail Offer Booklet            | this booklet dated 31 March 2017, including the ASX Announcement and Investor Presentation set out in Section 5                                                                                                                                             |
| Section                         | a section of this Retail Offer Booklet                                                                                                                                                                                                                      |
| Share                           | a fully paid ordinary Cooper Energy share                                                                                                                                                                                                                   |
| Shareholder                     | the registered holder of an Existing Share                                                                                                                                                                                                                  |
| Share Registry                  | Computershare Investor Services Pty Limited (ACN 078 279 277) or any other person appointed as registry by Cooper Energy from time to time                                                                                                                  |
| Taylor Collison                 | Taylor Collison Limited (ACN 008 172 450), the Co-manager for the Equity Raising                                                                                                                                                                            |
| Top Up Facility                 | the facility described in Section 4.6 under which Eligible Retail Shareholders may apply for additional New Shares in excess of their Entitlement                                                                                                           |
| U.S. or United States           | United States of America, its territories and possessions, any state of the United States and the District of Columbia                                                                                                                                      |
| U.S. Securities Act             | U.S. Securities Act of 1933, as amended                                                                                                                                                                                                                     |
| Underwriters                    | Euroz Securities Limited (ACN 089 314 983) and Canaccord Genuity (Australia) Limited (ACN 075 071 466), the joint lead managers, bookrunners and underwriters of the Equity Raising                                                                         |

| Term                   | Definition                                                                                                             |
|------------------------|------------------------------------------------------------------------------------------------------------------------|
| Underwriting Agreement | the underwriting agreement dated 29 March 2017 between Cooper Energy and the Underwriters, as described in Section 6.5 |

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## 9 Corporate Directory

### **Cooper Energy**

Cooper Energy Limited  
Level 10, 60 Waymouth Street  
Adelaide SA 5000

### **Cooper Energy Shareholder Information Line**

1300 655 248 (within Australia) or  
+61 3 9415 4887 (outside Australia)

Open 8.30am to 5.00pm (Sydney time) Monday to Friday (excluding public holidays) during the Retail Entitlement Offer Period.

### **Share Registry**

Computershare Investor Services Pty Limited  
Level 5, 115 Grenfell Street  
Adelaide SA 5000

### **Underwriters**

Euroz Securities Limited  
Level 18 Alluvion  
58 Mounts Bay Road  
Perth WA 6000

Canaccord Genuity (Australia) Limited  
Level 4  
60 Collins Street  
Melbourne Vic 3000

### **Co-manager**

Taylor Collison Limited  
Level 16, 211 Victoria Square  
Adelaide SA 5000

### **Financial Advisor**

Grant Samuel  
Level 19, Governor Macquarie Tower  
1 Farrer Place  
Sydney NSW 2000

### **Legal Advisor**

Johnson Winter & Slattery  
Level 9, 211 Victoria Square  
Adelaide SA 5000