Address by the Chairman, Mr John Conde AO, to the 2018 Annual General Meeting of Cooper Energy Limited, Thursday 8 November 2018

The financial year to June 30, 2018 was Cooper Energy's most successful year yet:

- net profit after tax rose from a loss of $12.3 million to a profit of $27.0 million
- production rose 54% to 1.49 million barrels of oil equivalent
- proved and probable reserves rose by 348% to 52.4 million barrels of oil equivalent; and
- the company's market capitalisation rose 42% from $433 million at 30 June 2017 to $616 million at 30 June 2018. With our closing price yesterday of 46.5 cents/share, the market capitalisation was $744 million which is an increase of around 37% since our AGM twelve months ago.

The strength of these results for Cooper Energy's first full reporting period as a company focussed primarily on gas supply to south-east Australia highlights the success of our gas strategy.

We have changed from a minority interest, non-operated onshore oil producer to an operator of offshore gas production, exploration and development.

As foreshadowed last year, this change brought increased demands on every part of the company, whether that be in the expansion and complexity of monthly payments and accounts, the management and optimisation of offshore gas production systems, to the management of a 180 day offshore campaign to conduct a workover, drilling and completion of 2 production wells and an abandonment using a 150 person drill rig, with all the services this entails such as support vessels, helicopters, and technical services.

While complimenting everyone – senior management, staff and contractors – and while noting there were successes on many fronts, there are two to which I draw particular attention today.

First and most importantly, the year was completed free of lost time injuries or reportable environmental incidents.

It is not the first year Cooper Energy has recorded this result. Indeed, the achievement of a year free of injury or environmental incidents should, ideally, be the norm.

However, recording a day without injuries or incidents is never a routine matter. Performing safely, and without harm to the environment, is the first objective for each activity, in each work place, each day. Recording this result, across twelve months, in the context of the elevated risk profile and demands brought by the development activities of the company warrants acknowledgement.

Therefore, on behalf of the board and all shareholders, I commend each and every employee and contractor engaged in our operations this past year.

The second achievement from 2018 I wish to highlight is the progress-to-date of the Sole Gas Project.

The significance of this project to Cooper Energy was never underestimated and its potential to impact, positively and negatively, the company's position was high always.

The project was 56% complete at 30 June, and then 81% complete at 31 October and within budget and schedule. As I have noted already, the project continues without lost time injury to employees or reportable environmental incidents.

Production wells were drilled and flowed back to the rig with reservoir performance within expectations. The 65 km pipeline has now been laid from the Orbost Gas Plant out to the wellheads. Pressure testing has been initiated with a view to completing the final offshore connections early in 2019.

Installation and connection of the umbilical control system in February 2019 and subsequent commissioning are all that remain for completion of the offshore element of the project. We are advised by APA that they are on schedule for delivery of the onshore project and expect to be ready for full production levels in July 2019.

Today, it is appropriate to acknowledge the quality of work on this project over the past 12 months. This project performance has been the greatest contributor to the increase in value of Cooper Energy shares since the 2017 Annual General Meeting.

Sole is a company-wide project, but behind the efforts of the project team and their supporting contractors who have had responsibility for day-to-day project execution, there has been the subsurface technical staff providing insight and analysis to enable accurate well planning and forecasts of productivity, the support provided by finance, commercial, marketing, accounting and legal teams and the company's management team.

I've noted already the work is not complete yet, but what has been done has enhanced the company's credibility as a developer of offshore projects, increased market confidence in the company generally and in Sole in particular, and added to shareholder value.

Current position
We believe Cooper Energy has an even more positive future. Sole is expected to come on-line within nine months and within available funding.

Financial performance for the year to date is tracking ahead of the previous corresponding period. Revenue and cash flow have benefitted from new gas contacts and higher oil prices. As reported to the ASX last month, sales revenue for the first quarter was 51% higher than recorded for the September quarter 2017.

There are grounds for optimism about the company's outlook in its gas reserves and resources.

As at 30 June 2018, the company has proved and probable gas reserves of 309 petajoules[1] and 2C Contingent Resources of 125 petajoules, which collectively represent seventy-two times our forecast gas production for 2019. In addition, exploration potential of a greater amount is considered to exist in the company's offshore Otway and Gippsland acreage, all within proximity to existing infrastructure.

While it is advantageous to have these reserves and resources at a time of market need, the strength of the company's position runs deeper.

In particular I highlight three attributes of the gas portfolio which underscore the quality of the exposure your company offers to the south-east Australian gas sector.

First, the growth profile on offer from our gas projects and resources.

The commencement of production from Sole is expected to add 24 petajoules per annum to this year's level of 6 petajoules per annum. Looking further, there is the prospect of another increment of up to 25 petajoules should Manta proceed to Final Investment Decision and be developed. Discoveries from exploration offer further upside and we continue to review opportunities to add further value.

Secondly, our inventory of uncontracted gas, with its potential for additional contracts, offers exposure to new trends in market pricing and terms.

Approximately 38% of our proved and probable reserves are available for contracting. Having completed a successful tender for Casino Henry 2019 gas supply, the company is now about to bring additional gas supply from Sole and Casino Henry to market.

Thirdly, the competitiveness of our gas assets.

As shareholders will recall, the Cooper Energy gas portfolio has been purpose-built over 5 years, expressly for the opportunities foreseen to supply south-east Australia. A patient, selective focus on assets at the

[1] As at 30 June 2018

best end of the cost curve, with the capacity to add value, has delivered a portfolio which will offer both competitive prices to customers and superior returns to our shareholders.

Gas supply and pricing

Shareholders who attended last year's meeting may recall I began my remarks with the observation that the preceding 12 months had been a period of monumental change, uncertainty and great challenge for Australia's energy industry. One year on, it seems that not much has changed, save for the dialogue becoming more intense.

Uncertainty and debate on policy, energy mix, pricing and the balancing of domestic and international supply have escalated as energy prices have risen with the, not unexpected, commentary ranging from constructive to uninformed.

Cooper Energy welcomes the action by the ACCC to publish prices for agreed gas contracts. This authoritative illumination of actual term contract prices has allowed informed discussion. The company notes the prices published are well below the extreme levels occasionally speculated. Moreover, we note the ACCC finding that producer prices contracted for supply to south-east Australia in 2019 are approximately $1/GJ lower than that of retailers and within the range of $9 to $11 a gigajoule.

The company also concurs with the ACCC's observation that the most effective avenue for reducing gas prices in south-east Australia is to increase the production of gas in the region. It's pretty basic economics: increase supply and you will reduce prices. And as Cooper Energy has advocated: the best source of gas for south-east Australia is south-east Australia.

In this respect, suggestions of intervention to price gas below the market price discourage investment aimed at bringing new gas to market.

Cooper Energy's efforts to find and bring more gas from south-east Australia to market have included the $605 million Sole gas field and through other projects being pursued.

During the past three years, we have written seven term contracts for gas supply to both utility and industrial buyers and we expect to write more in the second half of this financial year.

Earlier this year we were the lead contractor responsible for bringing the Diamond Offshore Ocean Monarch drill rig from the North-West Shelf to offshore Victoria. The availability of the rig has encouraged the first gas exploration offshore Victoria for 3 years, with the Ocean Monarch having been engaged in drilling wildcat wells in deep water for Esso on completion of its work for Cooper Energy.

We, and other operators, are now working to contract a new drilling campaign, so we can bring more gas to market. The upstream industry is responding, as it does, to market signals.

There is no guarantee of success in drilling. Project development involves the deployment of large capital sums, over long investment horizons in bespoke engineering and construction solutions (which, it should be noted, deliver significant flow-on benefits to the local and broader economy).

It is a risk which we and other industry players embrace, and apply our shareholders capital to carefully, in the expectation that a successful outcome can be rewarded with a commensurate return.

Measures that propose interference in the market pricing of gas will undermine the confidence of oil and gas investors, reduce exploration and development, reduce gas availability in the long term and prove self-defeating.

Instead of focussing on the symptom of the problem – prices - a focus of effort and dialogue on the underlying cause (diminishing local gas production) can only be constructive.

Imagine what might be achieved if the dialogue could move from complaint and defence to a collaborative conversation involving all stakeholders on how gas exploration, gas reserves and gas supply can all be increased?

Gas producers, retailers, users and governments can all contribute to the conversation and the solution of how gas production in south-east Australia can be increased.

Last week the Federal Government released its response to the Callaghan Review of the Petroleum Resource Rent Tax, with announcement of amendments to be introduced effective 1 July 2019.

The long-term capital commitment required for resource development relies on certainty of fiscal regime. Accordingly, Cooper Energy welcomes finalisation of the review, the announcement of the government's response and is hopeful amendments can be effected and the PRRT regime be left with respect for the fiscal certainty critical for resource development.

Preliminary analysis of the government's announcement by the company indicates the amendments announced are in line with its interim response and the impact on Cooper Energy is not expected to be significant for existing projects. Cooper Energy awaits draft legislation for further clarification to the enactment of the amendments.

Board of directors

I thank all directors for their commitment, support and contributions throughout the year.

In June we were pleased to welcome Ms Betsy Donaghey to the board of directors and I welcome you today, Betsy, to your first annual general meeting as part of our board. Ms Donaghey is an accomplished resource and energy sector executive, now non-executive director, bringing a wealth of experience in upstream oil and gas management - including in gas commercialisation, portfolio management and regulatory matters. She is also a director of AEMO, the Australian Energy Market Operator.

We have a very capable board – diverse in nature but focussed unswervingly on the successful strategic development of your company. Together with our excellent management team and all staff, we work to continue the company's growth and development in the interests of all shareholders.

I reiterate my congratulations to David Maxwell, his senior management team and all of our staff and contractors for the results they have achieved during the past twelve months. The success of their efforts means there is much happening and a lot more to look forward to in 2019.

I record also appreciation and thanks to our financiers and our legal, corporate, financial advisors and the numerous other advisors - all of whom have, of course, been critical to our delivering the results under review and to our positioning the company to continue its strategic direction.

Finally, I acknowledge and thank all of you – the company's shareholders. Your commitment and support during these times of strategic investment and development have been wonderfully encouraging and, stating the obvious, without it the company would not be where it is today.

We look forward to delivering future Sole project milestones and other initiatives in 2019.

Thank you.