# Address to the 2018 Annual General Meeting of Cooper Energy Ltd by the Managing Director, David Maxwell 8 November 2018

Thank you, Chairman and good morning ladies, and gentlemen.

Those of you who have attended previous meetings will be well aware of our gas strategy. Over the past 6 years we been patiently building the company from an onshore oil producer to also have a portfolio style multi-basin gas business best placed for the supply opportunities we foresaw emerging.

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| Slide: Cooper Energy gas business |

As the Chairman has observed, we are nearly there.

In less than 9 months' time, Cooper Energy expects to be supplying gas from two different basins, the Otway and Gippsland, utilising 2 gas plants and 8 production wells spread across 5 gas fields.

As this map illustrates, the respective locations of the Gippsland and Otway basins means both are well located to supply Melbourne, Adelaide and Sydney.

The Gippsland Basin is an advantageous supply source for Melbourne, Eastern Victoria and to Sydney, Canberra and New South Wales in the north.

The Otway Basin is clearly well located for Melbourne and ideally located for supply to western Victoria and South Australia.

From these locations we presently have 309 PJ of proved and probable gas reserves[1], plus contingent and prospective resources. We presently hold 7 supply contracts with 5 different customers.

Our discipline in concentrating capital on assets commanding superior positions on the cost curve means Cooper Energy is one of the most competitive gas suppliers to south-east Australia, whether that be measured against other Otway or Victorian suppliers, gas piped from central Australia, Queensland or imported LNG[2].

Our vision of the multi-basin gas business is almost with us. This morning I will brief you on how we plan to create further value from the portfolio we have put in place.

The potential within our portfolio is substantial. Internally we are calling it 'the next wave' in recognition of the value we see for transformational growth after Sole. This potential could deliver gas production rates more than double our current firm forecasts i.e. production more than 65 PJ per annum (Cooper Energy share).

I reiterate the word 'potential' as at least half of the possible uplift requires successful exploration. The other half is linked with appraisal, project development and gas contracting.

Given the size of the opportunity, and the market outlook for gas, we are intent on making sure this value is addressed for shareholders.

[1] Most recently published figure. As at 30 June 2018.

[2] Subject to LNG price

Our work on 'the next wave' has been underway for some time, with activity escalating over the past 12 months and this will continue. The value creation plans I outline this morning include:

- contracting up to 43 PJ of gas for delivery in the period from mid-2019 to December 2022;
- appraisal drilling and/or development decisions that address a gross[3] 70 PJ of 2P reserves and a further 106 PJ of Contingent Resources; and
- the drilling of 3 exploration targets with an unrisked best estimate (P50) gross prospective resource approaching 700 PJ[4]

*(The estimated quantities of petroleum that may be potentially recovered by the application of future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons)*

| Slide: 5 levers for the next wave of growth |
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This program is based on 5 growth levers we apply to our existing portfolio:

1. Contracting our uncontracted gas;
2. Leveraging our access to infrastructure to improve margins and enhance the value of new gas supply opportunities;
3. Developing our undeveloped gas reserves;
4. Moving our Contingent Resources through to reserves (which involves commitment to development plans); and
5. Finding new reserves and resources that meet our 3 value generation criteria; that is, they must:
    a) rank among the most competitive sources of supply;
    b) be capable of a development decision within 5 years; and
    c) add value to Cooper Energy or be capable of growing in value with our capital investment and management.

We expect each of these levers will contribute significantly to growth in shareholder value in the coming years.

| Slide: Gas reserves: contracted and uncontracted gas. |
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This slide shows the current production profile for our proved and probable gas reserves.

We have carefully balanced the finance and market risks. We have long term contracts with investment grade customers which supported the finance for the Sole project and gas available for shorter term contract opportunities.

We have recently contracted all our gas production from Casino Henry for the 2019 calendar year.

We have also started to market the 43 PJ of gas we have available for supply in FY20 to FY22. It is apparent that supply remains tight with advance interest from potential gas buyers being encouraging and equal to, or greater, than that displayed for the company's recent tender of 2019 supply.

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[3] Cooper Energy share 50%

[4] Cooper Energy share: 611 PJ, comprises Manta (refer page 9 for information and discussion) Annie and Elanora (refer page 8 for information and discussion).

Slide: Minerva Gas Plant

Access to plant and infrastructure is one of the principal challenges when developing new gas supply. The cost and time involved in construction can be punitive, but without infrastructure gas doesn't get into the pipeline for delivery to the customer.

We have established access to infrastructure for both of our Otway and Gippsland hubs.

In the Otway Basin we have secured agreement, as a participant and the Operator of the Casino Henry joint venture, to acquire the Minerva Gas Plant.

This might well be the most portentous transaction for the company since the initial deal to buy into the Orbost Gas Plant and Sole gas field.

The timing for completion of the Minerva Gas Plant acquisition will be determined by the time when the Minerva gas field ceases production. This timing is uncertain; current expectations are Minerva will cease production in the second half of calendar 2019 i.e. within the next 12 months.

Then, for a capital expenditure of some $15 million (Cooper Energy share $7.5 million), the plant can be connected to the Casino Henry gas operations to deliver revenue, cost and production benefits:

- the Casino Henry joint venture participants will be able to market an uninterruptible gas supply;
- processing costs are lower; and
- the plant's lower inlet pressure will enable higher production rates and with this a small increase in reserves.

More significantly, the Minerva Gas Plant will have spare capacity to process gas from new gas fields. I will speak further on our assessment of the region's gas prospectivity and our plans to address this shortly.

Slide: Orbost Gas Plant

In the Gippsland Basin, the Orbost Gas Plant (which will process our Sole gas) is connected to the Eastern Gas Pipeline linking Melbourne and Sydney. This plant is ideally located to process gas from fields located in the eastern section of the Gippsland Basin.

The agreement for APA to acquire and upgrade the plant to process gas from Sole also provides future access for our Manta gas and liquids resource – and the opportunity to negotiate processing terms for other discoveries. The existing Patricia Baleen - Orbost pipeline (wholly owned by Cooper Energy) is also key infrastructure able to transport gas from the offshore to the plant.

This access to pipeline and plant reduces our costs (compared to a greenfield development) and adds to the attractiveness of gas exploration and development in the region. Hence, our decision to increase our exploration acreage in the region where there is proven gas prospectivity and targets identified proximate to the pipeline.

Slide: Developing undeveloped gas reserves: Sole gas field

Our major development project is of course, Sole. Completion of this project will take our developed proved and probable gas reserves from 26 PJ to over 270 PJ.

Last week the project passed another milestone, with the laying of the 65 km pipeline from the Orbost Gas Plant to the field. Completion of pressure testing is the next step, followed by receipt of the umbilical control system in December, which is due for installation in the March quarter, after which commissioning is due to commence. The remaining work to complete the Sole Gas Project is almost all under fixed price lump sum contracts and, as the Chairman has noted, the project continues on schedule and within budget.

We have plans underway for the development of the remaining 35 PJ of our undeveloped 2P gas reserves, all of which is located in the Casino Henry gas project and has a sales value approximating $315 million to $385 million. Some 24 PJ (Cooper Energy share) of this gas is to be developed with a development well which is being planned for the Henry gas field.

The balance of the undeveloped reserves represents incremental gas volumes which we expect to be produced through connection to the Minerva Gas Plant.

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| Slide: Manta |

At 30 June we held a gas Contingent Resource of 125 PJ, equivalent to 40% of our 2P gas reserves. Almost all of this is located in the Manta gas field, in the Gippsland Basin, adjacent to Sole.

In addition to the gas, Manta is assessed[5] to have a Contingent Resource of approximately 3 million barrels of condensate.

Development of Manta is highly attractive at current oil and gas prices and its proximity to Sole and Patricia Baleen affords the opportunity for efficiencies and optimisation using the existing infrastructure.

Manta will require an appraisal well prior to a commitment to develop, and this well, Manta-3, is being factored into our planning for future drilling campaigns. It also has a substantial exploration target which I will outline shortly.

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| Slide: Exploration for new gas reserves |

Exploration for new gas reserves is potentially the greatest source of value creation from our gas portfolio.

Our gas exploration acreage is spread across 3 proven gas producing regions, all adjacent to pipelines and markets:

- offshore Otway Basin;
- offshore Gippsland Basin; and the
- onshore Otway Basin.

We expect to be drilling exploration wells in each of these locations over the next 3 years.

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| Slide: Offshore Otway Basin exploration |

Our near-term focus is the offshore Otway Basin.

The offshore Otway Basin is an outstanding location for gas exploration: a proven gas province where the clarity of seismic information provides strong indications of gas bearing reservoirs and an extraordinarily high success rate in finding gas.

Our VIC/P44 acreage is prospect rich and, thanks to the infrastructure in place, has a low commercial threshold for development; fields as small as approximately 35 PJs (and maybe smaller) can be economic. Analysis has identified numerous prospects that meet this economic criteria.

Our subsurface team has been busy completing a three-dimensional seismic inversion study and moving on to rank prospects by potential size and probability of success.

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[5] Contingent Resources for the Manta field were announced to ASX on 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 estimates provided in the releases continue to apply.

Hi-grading of prospects has identified the 2 leading candidates for drilling: Annie and Elanora, which are being considered by the VIC/P44 Joint Venture as the initial targets for an exploration drilling campaign in 2019[6].

As announced to the ASX this morning the gross Prospective Resources for these targets are assessed at the mid-range to be 71 bcf and 100 bcf respectively. The low (P90) estimates of 36 bcf and 34 bcf are effectively in-line with what is economic in the acreage and the high side estimates (P10) are 137 bcf and 285 bcf.

*(The estimated quantities of petroleum that may be potentially recovered by the application of future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons)*.

These fields don't qualify as elephants. But, they are relatively low risk exploration wells and in the event of success, they are outstanding development propositions due to the economics and efficiencies that come from the infrastructure in place and speed with which new discoveries can be brought to market.

Importantly, success in these prospects will further de-risk the remaining prospect inventory. For example, success at Elanora could open a whole new area of potential where another eight undrilled surrounding prospects have been identified.

In addition to our existing position we continue to assess other offshore Otway Basin acreage opportunities which have the capacity to add value to our existing portfolio.

| Slide: Offshore Gippsland Basin exploration |
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I noted earlier Manta had significant exploration potential in addition to the proven gas and oil Contingent Resource. As previously announced to the ASX, we have assessed an Unrisked, Best Estimate (P50) Prospective Resource[7] of some 526 PJ gas and 14 million barrels oil and condensate in reservoirs identified by, and below, the Manta-1 well. We aim to test this potential at Manta-3.

The majority of the exploration potential lies in the Manta Deep prospect, located below the proven Manta hydrocarbons, which can be tested by deepening the Manta-3 appraisal well. Manta Deep is estimated to have a probability of success of 25% and its size and game-changing potential for the Manta project make a compelling case for drilling deeper to test the resource.

During the year we acquired a 100% interest in VIC/P72, a permit which adjoins our existing acreage and infrastructure at Patricia Baleen and is surrounded by producing oil and gas fields.

VIC/P72 is covered by excellent quality 3D seismic data and two prospects have been identified: West Longtom, an analogue to the adjacent Longtom gas field and West Remora, adjacent to the Remora/South East Remora fields.

We have commenced work on interpretation of new reprocessed 3D seismic with the intention of working towards the drilling of an exploration well within 3 years.

We also continue to assess other opportunities in the offshore Gippsland Basin which have the ability to add value to our portfolio.

| Slide: Onshore Otway Basin exploration |
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Onshore, Cooper Energy holds acreage in both the South Australian and Victorian sections of the Otway Basin.

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[6] Subject to final JV approval and rig negotiations

[7] As announced to ASX on 4 May 2016. Cooper Energy confirms that it is not aware of any new information or data that materially affects the resource estimate information included in the announcements of 4 May 2016 and that all the material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed.

Activities in Victoria are suspended pending the state government moratorium, but in South Australia interest escalated sharply this year following the Haselgrove-3 discovery by Beach Energy. This well recorded strong gas flows from the deep Sawpit Sandstone in PPL 62, a licence surrounded by the PEL 494 acreage we share with Beach Energy. Importantly, these gas flows were recorded in conventional production tests, without recourse to unconventional measures such as fracture stimulation.

As noted on this slide, we are scheduled to drill an exploration well at Dombey-1 with Beach early next year in PEL 494. The joint venture has received a $6.9 million PACE grant from the South Australian government for the drilling of Dombey.

Slide: Drilling plans for value realisation

As I have communicated this morning, we have an abundance of growth opportunities in the ensuing 2 to 3 years – in addition to the transformation that will come with Sole commencement within 9 months. How does it all fit together?

Our team have been engaged in the 'to and fro' with drilling contractors to firm up a schedule and rigs for the offshore exploration, appraisal and development drilling required to translate the potential I have outlined into firm growth.

This also entails analysing all the technical, commercial and marketing variables to identify the optimum timeline and combination to maximise the value for our shareholders.

The Ocean Monarch drilling rig is only available in offshore south–east Australia until August 2019. We are in negotiation with Diamond Offshore, to use the rig to drill the Annie and Elanora prospects in the offshore Otway Basin from April 2019, subject to joint venture approval.

Successful outcomes in this campaign could then be followed with development well drilling in the later campaign being planned for drilling the Henry development and Manta-3 wells. We expect this will occur from the summer months of 2020/2021, with timing to be determined by rig availability. This is roughly 12 months later than previously anticipated and modifies the shape, but not the quantum, of our forward production profile[8].

More importantly, taking the rig opportunity to drill the Otway exploration targets first is assessed to offer superior value after taking into consideration the lower development cost, lower operating cost and faster speed to market for gas from VIC/P44 processed through the Minerva Gas Plant. Additional advantages come from saving in rig costs and alignment of the production uplift from the Henry development well (which requires some long lead items to be ordered 12 months before drilling), with access to the Minerva Gas Plant.

Slide: Cooper Basin

My focus on the gas strategy this morning has precluded much comment on our Cooper Basin oil operations. These low cost, high margin, oil production assets have been the engine room for the company's cash flow since it began.

The reserve replacement record is remarkable. As the chart on this slide demonstrates, field performance and in-fill drilling have, more often than not, seen reserve additions approximating production. Proved and Probable reserves at 30 June this year were in line with 2017 and 20% higher than in 2014.

[8] The indicative production profiles used in this presentation and included in the appendices of the slide deck accompanying this presentation have been framed around conservative assumptions of rig availability and Henry development well drilling and connection.

After the commencement of Sole production in mid-2019, the Cooper Basin share of our total production will reduce to less than 5%. Success in the program I have outlined today and further increases in production will see that share fall.

It is therefore not surprising the Cooper Basin assets are attracting enquiries from interested acquirers. We assess these enquiries, as we always have, with an eye to shareholder value, which includes consideration of our capital management.

Slide: Wrap up

Now is a busy time for Cooper Energy. Our primary focus remains on the delivery of the Sole Gas Project in just over 8 months' time. That, in itself, is a company-changing event.

But, as I hope I have made clear this morning, the portfolio we have built has numerous growth opportunities beyond Sole and we look forward to executing our plans to deliver the next wave of growth.

Before closing, I want to acknowledge the Cooper Energy team. This includes the Chairman and the Board, Cooper Energy management and staff and contractors. The guidance, support and contributions have been a whole of team effort. The past 12 months have been another year of safe and successful delivery of our targets. Thank you all on a great job, done well.

We are ideally placed to maintain our momentum. I look forward to reporting in 12 months' time on what we have done to translate the potential of our portfolio into value for shareholders.