

21 February 2022

H1FY22 - record performance and growth continues

- **Record production, sales volumes and sales revenue:** Production up 31% to 1.57 MMboe, sales volumes up 67% to 2.02 MMboe and sales revenue up 96% to \$95.4 million
- **Improved Orbost Gas Processing Plant performance improves earnings:** Underlying EBITDAX up 163% to \$25.5 million; underlying net loss after tax of \$6.0 million (H1 FY21: \$17.4 million loss)
- **Step-change in total company gas production:** H1 FY22 average daily rate of 50TJ/day, up 39% on H1 FY21 average daily rate of 36 TJ/day
- **Athena Gas Plant sales commenced after successful commissioning**
- **Strong growth forecast:** FY22 production guidance 3.0 – 3.4 MMboe (FY21: 2.63 MMboe), sales volume 3.7 – 4.0 MMboe (FY21: 3.01 MMboe); and underlying EBITDAX \$53 - \$63 million (FY21: \$30 million)
- **Results webcast:** Scheduled for 8.30am ACDT (Adelaide) / 9.00am AEDT (Sydney, Melbourne), today

Cooper Energy (ASX: COE) has announced record production, sales volumes, sales revenue and underlying EBITDAX for the half year period ended 31 December 2021. Increased gas production from the Sole field underpinned a 31% increase in total production to 1.57 MMboe and higher sales volumes contributed to a 163% increase in underlying EBITDAX to \$25.5 million. An underlying net loss after tax of \$6.0 million was recorded (H1 FY21: \$17.4 million loss).

Managing Director David Maxwell said that the first half of FY22 was pleasing, with the step-change in production and sales delivered and the outlook for sustained near term growth.

“The headline metrics for the first half of FY22 demonstrate the impact of incremental improvements to Orbost Gas Processing Plant production and this trend has continued into January.

“Current daily average production rates of circa 60 TJ/day (Cooper Energy share) from our Gippsland and Otway Basin permits is 66% higher than when we finished H1 FY21 (36 TJ/day), with opportunity for further growth in the next half.

“The Athena and Orbost plants are ideally located for cost competitive supply to south-east Australia customers. The successful commissioning of the Athena Gas Plant and upgrade of our Otway Basin acreage prospectivity are key elements for the next growth phase at a time when gas supply is tight. Cooper Energy is now ideally positioned to continue growing production, revenue and cash flow”, Mr Maxwell said.

OGPP production rate improvement and Phase 2B works

Optimisation of the Orbest Gas Processing Plant (OGPP) has led to an increase in the Sole production rate from November 2021.

Following the trial and testing of the spray nozzles in September 2021 (when the average rate for the month was 34.6 TJ/day), November and December have seen improvements in rate to finish the half year with an average production rate of 40TJ/day. This is 90% higher than the average rate of 21 TJ/day in H1 FY21. Improvements continued in January 2022 when the average production rate was 46.5 TJ/day.

APA has advised there are delays in the supply of some of the equipment required for some of the Phase 2B works. The project implementation schedule and cost are being reassessed taking account of the improved production performance.

The OGPP is owned and operated by APA Group (ASX: APA).

AGP successful commissioning

The Athena Gas Plant Project (AGP) achieved a critical milestone in the first half of FY22, with first gas from the Casino Henry fields introduced to the plant on 10 December 2021. This followed the successful cutover of the pipeline from the Iona Gas Plant (owned and operated by Lochard Energy) to the Athena Gas Plant, which was completed on schedule. First gas sales to customers commenced on 15 December 2021. Ramp-up of gas processing at Athena Gas Plant occurred through early January and production rates of up to 29.5 TJ/d have been achieved. Work on optimising well deliverability to further increase processing rates is ongoing.

The average production rate of Casino Henry in H1 FY22 was 10 TJ/d (Cooper Energy share), which is 33% lower compared to the average rate of 15 TJ/d in H1 FY21. The lower production in H1 FY22 was mainly due to planned downtime associated with the cessation of gas processing at the Iona Gas Plant, the pipeline cutover and commissioning of the Athena Gas Plant. The production outage was from 13 November to 15 December, following which gas sales recommenced.

The Athena Gas Plant is owned by Cooper Energy (50% and operator) and Mitsui E&P Australia Pty Ltd (25%) and Peedamullah Petroleum Pty Ltd (25%).

Financial results

The results for the period were impacted positively by the increased OGPP production rates, partially offset by third-party gas purchases to satisfy Sole Gas Sale Agreement nominations. Underlying EBITDAX was up 163% to \$25.5 million and an underlying net loss after tax of \$6.0 million was recorded (H1 FY21: \$17.4 million loss).

Capital expenditure was lower due to completion of the Athena Gas Plant upgrade and tie-in. Incurred capital expenditure of \$11.6 million was 32% lower than the prior corresponding period.

Cooper Energy is in a sound financial position with \$92.2 million in cash reserves at 31 December 2021. The Company has the continued support of its lenders with Deutsche Bank joining the lending syndicate during the half.

New gas sale arrangements with AGL

The new gas supply arrangements between Cooper Energy and AGL (as announced 13 September 2021) commenced on 1 January 2022. This, together with the OGPP production improvements, will significantly reduce the requirement for, and costs of, third-party gas purchases. This will result in a net surplus gas supply position and increased sales at spot gas prices.

FY22 full year guidance

The full year guidance for FY22 remains unchanged. FY22 guidance ranges are provided below:

FY22 guidance	FY21	FY22 guidance
Production	2.63 MMboe	3.0 – 3.4 MMboe
Sales volume	3.01 MMboe	3.7 – 4.0 MMboe
Underlying EBITDAX ¹	\$30.0 million	\$53 – 63 million
Capital expenditure ²	\$32.3 million	\$24 – 28 million

¹ EBITDAX excludes any benefits that would arise due to commencement of lease accounting associated with the Sole Gas Processing Agreement with APA during the period which would reclassify a portion of processing charges to depreciation and interest

² Capital expenditure guidance excludes expenditure for the Orbest Gas Processing Plant Phase 2B works (largely funded from escrowed funds); includes corporate expenditure on IT hardware and systems upgrades

Results webcast

Cooper Energy's Managing Director David Maxwell will lead a webcast today to discuss the FY22 half year results.

- **Time:** 8.30am ACDT (Adelaide) / 9.00am AEDT (Sydney, Melbourne)
- **Date:** Monday, 21 February 2022
- **Webcast link** (listen only): [Webcast link](#)
- **Registration link** (for Q&A participation): [Registration link](#)

A recording of the webcast will be available via the webcast link and the Cooper Energy website during the afternoon of 21 February 2022.

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Cooper Energy Limited (ASX: COE) is an 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-focused acreage and assets, including well located reserves and resources in the Otway and Gippsland basins. These include the Sole gas field in the Gippsland Basin which recently became the first new offshore gas development in south-east Australia to commence production in several years, the Casino Henry operations in the offshore Otway Basin and undeveloped resources such as Manta and Annie.

Disclaimer: This announcement may contain forward looking statements that are subject to risk factors related to oil, gas and associated businesses. The expectations reflected in these statements are believed to be reasonable. However, they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to diverge materially, including in respect of: price fluctuations and currency fluctuations, drilling and production results, actual demand, reserve estimates, loss of market, competition in the industry, risks (environmental, physical, political etc.), developments (regulatory and fiscal etc.), economic and financial market conditions in Australia and elsewhere, changes in project timings, approvals and cost estimates.