

### Key features

- **Record Year to Date production, sales volume and revenue:** YTD production up 24% to 2.45 MMboe, sales volume up 45% to 2.93 MMboe and revenue up 71% to \$144.6 million
- **Quarterly production, sales volume, and revenue:** total production up 16% to 0.88 MMboe, sales volume down 8% to 0.91 MMboe and revenue up 4% to \$49.2 million
- **Increased Orbest Gas Processing Plant rate:** 44 TJ/day average processing rate (Q2 FY22: 40 TJ/day)
- **1,089 TJ gas sold into spot market during the quarter**
- **252 TJ third party gas purchases - 82% lower than the previous quarter**

### Comments from Managing Director, David Maxwell

“Cooper Energy continues to build momentum in the March quarter, with another set of strong results.

“The Athena Gas Plant and Casino, Henry and Netherby production was online for the entire quarter post the commissioning works in the prior quarter, with work ongoing to optimise the processing rates.

“The optimisation of processing at the Orbest Gas Processing Plant has resulted in a higher average processing rate. This, together with a reduction in the volume required to be supplied to the Sole long-term customers and a significant reduction in third party gas purchases meant Cooper Energy was a net seller of gas into the higher price spot market” Mr Maxwell said.

Mr Maxwell noted that “discussions are ongoing with APA regarding the long-term arrangements for the Orbest Gas Processing Plant and therefore the Transition Agreement has been extended to 30 June 2022 for Cooper Energy and APA to finalise terms.”

### Key performance metrics

<i>\$ million unless indicated</i>	Mar. Q3 FY21	Dec. Q2 FY22	<b>Mar. Q3 FY22</b>	<i>Qtr on Qtr change</i>	FY21 YTD	<b>FY22 YTD</b>	<i>Change</i>
Production (MMboe)	0.77	0.76	<b>0.88</b>	16%	1.97	<b>2.45</b>	24%
Sales volume (MMboe)	0.82	0.99	<b>0.91</b>	(8%)	2.02	<b>2.93</b>	45%
Sales revenue	35.9	47.3	<b>49.2</b>	4%	84.7	<b>144.6</b>	71%
Cash and cash equivalents	109.1	92.2	<b>92.5</b>	0%	109.1	<b>92.5</b>	(15%)
Net Debt	115.9	111.8	<b>104.5</b>	(7%)	115.9	<b>104.5</b>	(10%)
Ave. gas price (\$/GJ)	6.83	7.41	<b>7.91</b>	7%	6.53	<b>7.60</b>	16%

## Financial

### Sales volume and revenue

From 1 January 2022, new arrangements with AGL commenced that reduced the Sole Maximum Daily Quantity (MDQ) under the Sole term Gas Sales Agreements from 59.7TJ/d to 47.7TJ/d. Consequently, the sales volume of 0.91 MMboe was 8% lower than the prior (December) quarter with significantly lower third-party gas purchases required to support the MDQ. This, together with the improved Orbost Gas Processing Plant production performance, meant Cooper Energy was in a surplus gas supply position relative to the Sole term contracts for the quarter and 1,089 TJ was sold into the higher priced spot market. Although sales volumes were lower than the previous quarter, the sales revenue of \$49.2 million was 4% higher. The average realised gas price of \$7.91/GJ was 7% higher than the previous quarter, and the average realised oil and condensate price was up 14% to \$130.59/boe.

		Mar. Q3 FY21	Dec. Q2 FY22	Mar. Q3 FY22	Qtr on Qtr change	FY21 YTD	FY22 YTD	Change
<b>Sales volume</b>								
Gas <sup>1</sup>	PJ	4.8	5.9	<b>5.4</b>	(8%)	11.7	<b>17.3</b>	48%
Oil	kbbl	37.0	32.8	<b>30.5</b>	(7%)	116.0	<b>97.2</b>	(16%)
Condensate	kbbl	0.6	0.5	<b>0.8</b>	60%	1.6	<b>1.9</b>	19%
Total sales volume	MMboe	0.82	0.99	<b>0.91</b>	(8%)	2.02	<b>2.93</b>	45%
<b>Sales revenue (\$ million)</b>								
Gas <sup>1</sup>		32.8	43.7	<b>42.7</b>	(2%)	76.4	<b>131.4</b>	72%
Oil and condensate		3.1	3.6	<b>6.5</b>	81%	8.3	<b>13.2</b>	59%
Total sales revenue		35.9	47.3	<b>49.2</b>	4%	84.7	<b>144.6</b>	71%
<b>Ave. realised prices</b>								
Gas	\$/GJ	6.83	7.41	<b>7.91</b>	7%	6.53	<b>7.60</b>	16%
Oil and condensate	\$/boe	82.40	114.44	<b>130.59</b>	14%	70.60	<b>111.43</b>	58%

<sup>1</sup>Gas sales volume includes sale of third-party gas purchases of 252 TJ in Q3 FY22 (rounded up to 0.3PJ)

The table below summarises Sole GSA sales and gas sources utilised to service the Sole term contract customer requirements.

<b>Sole GSA sales and gas sources</b>		Dec Q2 FY22	Mar Q3 FY22		Dec. Q2 FY22	Mar Q3 FY22
Sole GSA sales	PJ	5.5	<b>3.3</b>	TJ/day (average)	59	<b>37</b>
Sole spot sales	PJ		<b>0.8<sup>1</sup></b>	TJ/day (average)		<b>9</b>
<i>Comprising:</i>						
OGPP processing	PJ	3.7	<b>3.9</b>	TJ/day (average)	40	<b>44</b>
Otway Basin supply	PJ	0.4	<b>0.0</b>	TJ/day (average)	4	<b>0</b>
Third-party gas purchases	PJ	1.4	<b>0.3<sup>2</sup></b>	TJ/day (average)	15	<b>2</b>

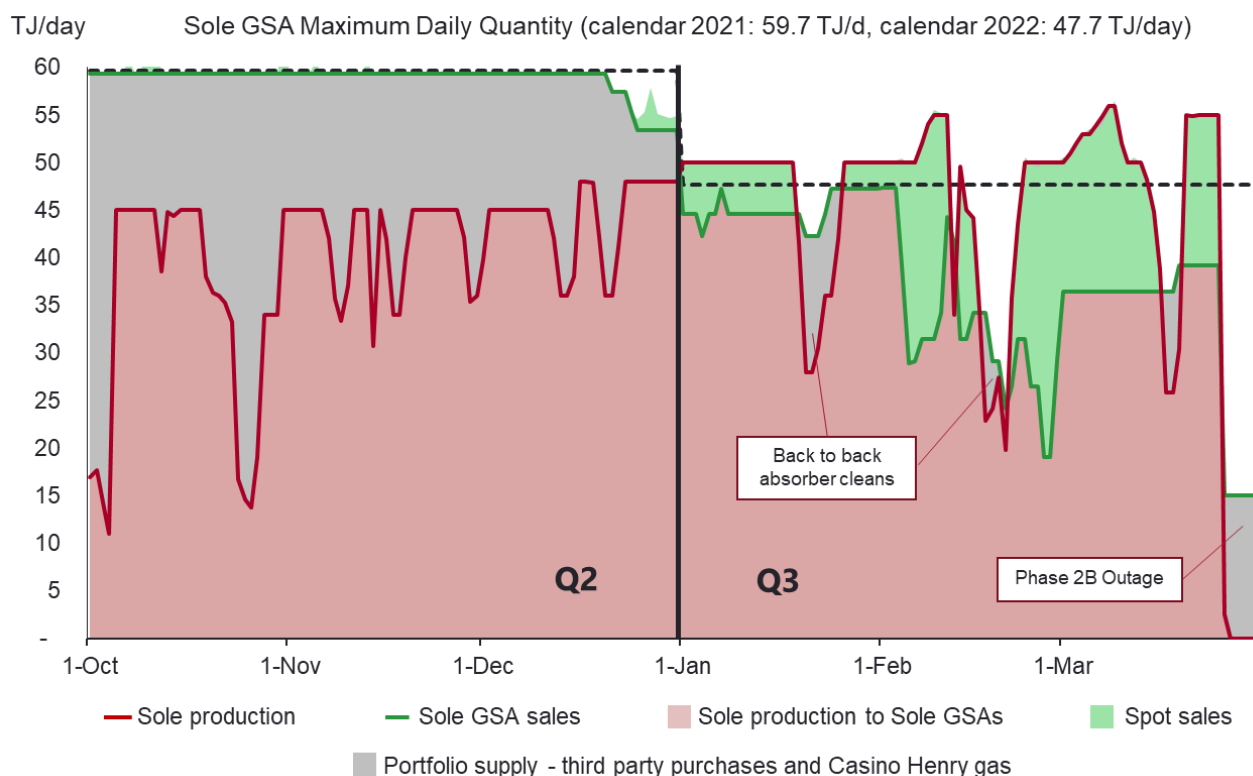
<sup>1</sup>Sole spot sales for the quarter were 846 TJ in Q3 FY22 (rounded to 0.8PJ). Total spot sales for the quarter were 1,089 TJ which included 243 TJ of spot sales from Casino, Henry and Netherby

<sup>2</sup>Third-party gas purchases were 252 TJ in Q3 FY22 (rounded to 0.3PJ)

Third-party gas purchases accounted for 8% of total Sole gas sales volume during the quarter (Q2 FY22: 25%).

The average purchase price of third-party gas supply for the quarter was \$5.36/GJ net of APA contributions. Short-term gas supply availability and prices remained volatile through the quarter, with Victoria spot prices ranging from \$6.00/GJ to \$12.76/GJ<sup>1</sup> at an average of \$9.47/GJ.

The improvement in Orbost Gas Processing Plant performance and lower Sole term contracts MDQ resulted in a net surplus gas supply position for Cooper Energy. The Sole term customer nominations were also lower due to seasonal factors. The chart below illustrates the contrast between FY22 Q3 and FY22 Q2. Note the solid green line is the total for the Sole term customer nominations.



### Capital expenditure

Incurred capital expenditure of \$3.1 million was 47% lower than the prior quarter, with the Athena Gas Plant cutover and commissioning works completed. Further commentary is contained in the *Exploration and development* section commencing on page 6.

\$ million	Mar. Q3 FY21	Dec. Q2 FY22	Mar. Q3 FY22	Qtr on Qtr change	FY21 YTD	FY22 YTD	Change
Exploration and appraisal	1.4	0.9	1.3	44%	3.2	2.8	(12%)
Development	5.7	4.9	1.8	(63%)	20.9	11.9	(43%)
Total capital expenditure	7.1	5.8	3.1	(47%)	24.1	14.7	(39%)

<sup>1</sup>Source: AEMO website

By basin	Mar.		
	Q3 FY22		
\$ million	Exploration	Development	Total
Otway Basin	1.2	1.4	2.6
Gippsland Basin	0.0	0.1	0.1
Cooper Basin	0.1	0.2	0.3
Other	0.0	0.1	0.1
Total capital expenditure	1.3	1.8	3.1

## Liquidity

As at 31 March 2022, Cooper Energy had cash reserves of \$92.5 million (Q2 FY22: \$92.2 million) and drawn debt of \$197.0 million (Q2 FY22: \$204.0 million), as summarised below.

\$ million	Mar. Q3 FY21	Dec. Q2 FY22	Mar. Q3 FY22	Qtr on Qtr change	FY21 YTD	FY22 YTD	Change
Cash and cash equivalents	109.1	92.2	92.5	0%	109.1	92.5	(15%)
Drawn debt	225.0	204.0	197.0	(3%)	225.0	197.0	(12%)
Net debt	115.9	111.8	104.5	(7%)	115.9	104.5	(10%)

Material impacts on cash reserves during the quarter included<sup>2</sup>:

- customer receipts less payments to suppliers of ~\$15 million
- quarterly debt principal repayment of \$7.0 million and net interest payments (including leases) of \$2.3 million
- rehabilitation costs and Petroleum Resource Rent Tax payments of \$1.6 million; and
- capital expenditure of \$3.6 million

## Hedging

The Company currently has no oil hedges in place.

## Guidance

The guidance for FY22 remains unchanged and is trending towards the upper range. This will be reviewed in the next month following return to stable operations at the Orbost Gas Processing Plant.

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 <sup>1</sup>	\$30.0 million	\$53 – 63 million
Capital expenditure <sup>2</sup>	\$32.3 million	\$24 – 28 million

<sup>1</sup> 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

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

<sup>2</sup> Figures unaudited and subject to change

## Production

Quarterly oil and gas production of 0.88 MMboe was 16% higher than the prior quarter, mainly due to improved Orbost Gas Processing Plant performance, and the Athena Gas Plant online for the full quarter following the cutover from Iona Gas Plant and recommissioning that occurred in Q2.

### Gippsland Basin (Sole)

Sole gas production of 3.9 PJ was 5% higher than the prior quarter. Average production of 43.6 TJ/day compares with 40.1 TJ/day during the prior quarter.

March production was impacted by the Orbost Gas Processing Plant Phase 2B works where the plant was shut down from 25 March. The Orbost Gas Processing Plant was back online on 9 April with some delays experienced due to flooding of the access road to the plant.

The Sole gas field continues to perform in line with expectations.

The Orbost Gas Processing Plant is owned and operated by APA Group (ASX: APA)

### Otway Basin (Casino, Henry and Netherby)

With the Athena Gas Plant online for the entire March quarter, Casino, Henry and Netherby (CHN) gas production of 1.3 PJ (COE share) was 66% higher than the prior quarter. Average production of 14 TJ/day compares with 8 TJ/day during the prior quarter. The previous quarter was impacted by the planned downtime associated with the cessation of gas processing at the Iona Gas Plant (owned and operated by Lochard Energy), the pipeline cutover, and commissioning of the Athena Gas Plant.

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

### Cooper Basin

Oil production of 29.9 kbbl was 11% lower than the prior quarter, mainly due to natural field decline. Production from PEL 92 contributed 28.8 kbbl (Q2 FY22: 29.9 kbbl) and the Worrior field in PPL 207 contributed 1.1 kbbl (Q2 FY22: 1.2 kbbl).

Production by product		Mar. Q3 FY21	Dec. Q2 FY22	Mar. Q3 FY22	Qtr on Qtr change	FY21 YTD	FY22 YTD	Change
Sales gas	PJ	4.5	4.4	5.2	18%	11.3	14.4	27%
Oil and condensate	kbbl	38.3	31.6	30.9	(2%)	120.3	100.1	(16%)
Total production	MMboe	0.77	0.76	0.88	16%	1.97	2.45	24%

Production by basin		Mar. Q3 FY21	Dec. Q2 FY22	Mar. Q3 FY22	Qtr on Qtr change	FY21 YTD	FY22 YTD	Change
<b>Gippsland Basin (Sole)</b>								
Sales gas	PJ	3.2	3.7	3.9	5%	7.4	11.2	51%
<b>Otway Basin (CHN)</b>								
Sales gas	PJ	1.3	0.8	1.3	66%	3.9	3.2	(18%)
Condensate	kbbl	0.5	0.5	0.9	92%	1.5	2.0	33%
<b>Cooper Basin</b>								
Oil	kbbl	37.7	31.1	29.9	(11%)	118.8	98.1	(17%)
Total production	MMboe	0.77	0.76	0.88	16%	1.97	2.45	24%

NB. Preliminary Cooper Basin production data for the current quarter

# Exploration and development

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## Gippsland Basin

### **Development**

#### *Orbost Gas Processing Plant*

The Phase 2B works at Orbost Gas Processing Plant commenced during the quarter. The Cooper Energy endorsed Phase 2B works includes the Solids Removal Package (SRP) which aims to improve plant reliability and sustainable production rates.

During the quarter APA commenced the installation of the SRP with tie-in and commissioning of this equipment to be completed at a later stage. During the Phase 2B shutdown which commenced on 25 March APA also completed the installation of a gas 'polishing' unit (not part of the Cooper Energy endorsed Phase 2B works). APA plan to commission the polishing unit in the later part of April.

Continued optimisation of the process parameters of OGPP have led to an increase in the processing rate between absorber cleans to above 50TJ/d from 1 January. The average interval between absorber cleans was also increased.

### **Exploration**

The exploration focus in the Gippsland Basin has been on adding potential to a future Manta Hub development. Work is ongoing to assess additional prospectivity in VIC/RL13,14 15.

Following the end of the Quarter Cooper Energy was granted 100% equity in a new exploration permit VIC/P80<sup>3</sup>. VIC/P80 is adjacent to several gas and oil fields, including Sole to the east, Manta to the south, and Kipper to the west. Wobbecong is the key prospect in VIC/P80. Cooper Energy's estimate of its unrisked Prospective Resource potential is 79 Bcf (P90), 192 Bcf (P50), 236 Bcf (Mean) and 264 Bcf (P10). In combination with the Manta and Chimaera Deep prospects<sup>4</sup> the combined mean unrisked Prospective Resource potential is approximately 1 Tcf. In the remainder of 2022 geologic and geophysical studies will concentrate on remapping the Manta Hub area with new 3D seismic data.

### **BMG abandonment**

The BMG abandonment project involves decommissioning seven wells and associated subsea infrastructure in the Basker, Manta and Gummy (BMG) fields in the Gippsland Basin. The BMG permits contain the proven Manta gas field and the Manta Deep prospect.

The BMG abandonment project is currently in FEED, with activities focused on selecting optimal methodologies and technologies for safe and cost-effective delivery of the decommissioning objectives. Details of scope of works and cost estimates will be announced at FID, which is expected at the end of FY22.

The plan is to plug the BMG wells by no later than 31 December 2023 and remove the remaining infrastructure by no later than 31 December 2026.

## Otway Basin (Offshore)

### **Development**

#### *Otway Phase-3 Development (OP3D) Project*

The OP3D project is currently in the Develop phase and preparing to enter detailed FEED. The timing for a FID will be made having regard to optimisation for market timing, drilling rig availability and funding optimisation. In parallel, low-risk exploration targets are being assessed for potential value enhancement of OP3D.

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<sup>3</sup> As announced to the ASX on 13 April 2022

<sup>4</sup> As announced to the ASX on 4 May 2016

## **Exploration**

Prospective Resources were assessed for six prospects (Elanora, Isabella, Heera, Pecten East, Juliet and Nestor) based on the 2021 reprocessing of 3D seismic data covering VIC/P76, VIC/P44, VIC/L24, VIC/L30, VIC/L33 and VIC/L34. These prospects all show strong seismic amplitude support for the presence of gas. They are located close to the existing production infrastructure.

Detailed review of drilling options for testing the gas potential of these exploration prospects is underway. The plan is to secure an offshore rig for a future campaign that will likely include drilling two to three exploration prospects. As announced to the ASX on 9 February 2022, the aggregated mean unrisks Prospective Resource potential is 585 Bcf (325 Bcf Cooper Energy net).

### **Otway Basin (Onshore)**

#### **Exploration**

The Dombey 3D seismic survey in PEL 494 in the onshore Otway Basin was completed on 23 March 2022. The surveyed area is located approximately 15 kilometres west of Penola and covers 165 square kilometres. It is expected the final reprocessed 3D seismic data will be ready for interpretation at the end of 2022.

### **Cooper Basin**

#### **Exploration**

In ex-PEL 92 (PRL's 85-104), onshore Cooper Basin, South Australia, interpretation of the reprocessed 3D seismic has highlighted several new exploration prospects. Cooper Energy will participate in drilling two ex-PEL92 oil exploration wells located on the Western Flank of the permit. Post the end of the quarter, Bangalee-1 spudded on 19 April 2022, and this will be followed by Hummocky-1. These prospects are approximately 2km from the Windmill and Christies fields. Both prospects have a primary target in the Namur and a secondary target in the mid-Namur/Birkhead.

## **Commercial, corporate and subsequent events**

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### **Extension of Transition Agreement**

On 19 April 2022, Cooper Energy announced that APA and Cooper Energy have agreed to amend the Transition Agreement to further extend by a period of 2 months so that the Transition Agreement now expires on 30 June 2022. Cooper Energy and APA are working constructively together on mutually acceptable long-term arrangements and the extension provides additional time for these arrangements to be finalised.

### **New finance facility**

Cooper Energy is currently engaged in discussions with its relationship banks regarding a new finance facility to replace the existing project facility used to fund the Sole project development. The Company anticipates providing further details on this in the next quarterly report.

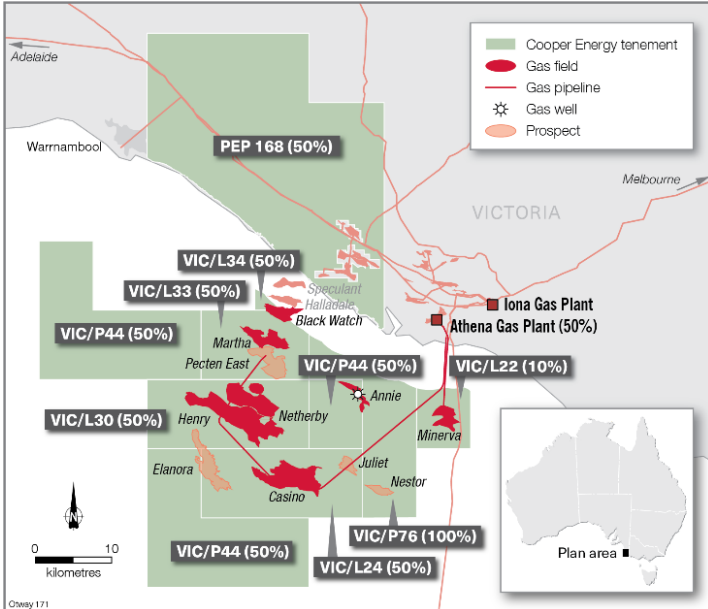
### **Executive leadership changes**

As announced on 24 December 2021, Mr Daniel Young has been appointed in the role of Chief Financial Officer (CFO). Mr Young will commence in this role on 2 May 2022.

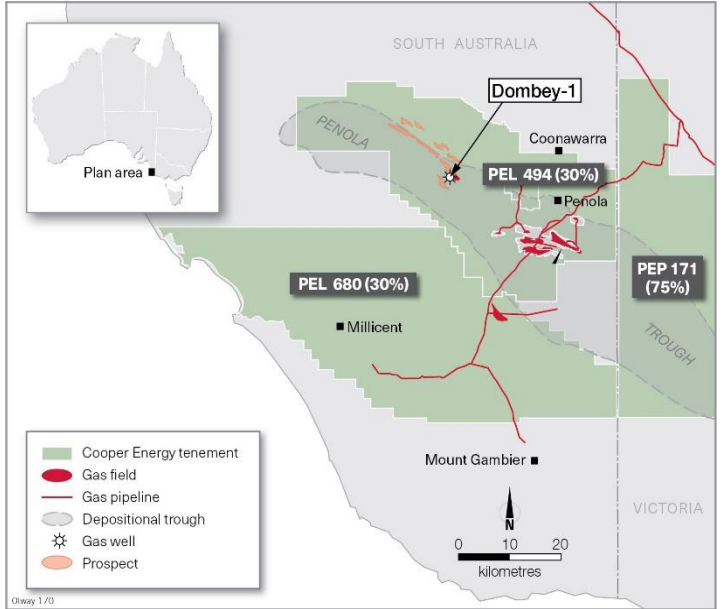
# Cooper Energy tenements

Please refer to Cooper Energy's 2021 [Annual Report](#) for further information regarding tenement interests. The Gippsland Basin map has been updated since the Annual Report to include permit VIC/P80.

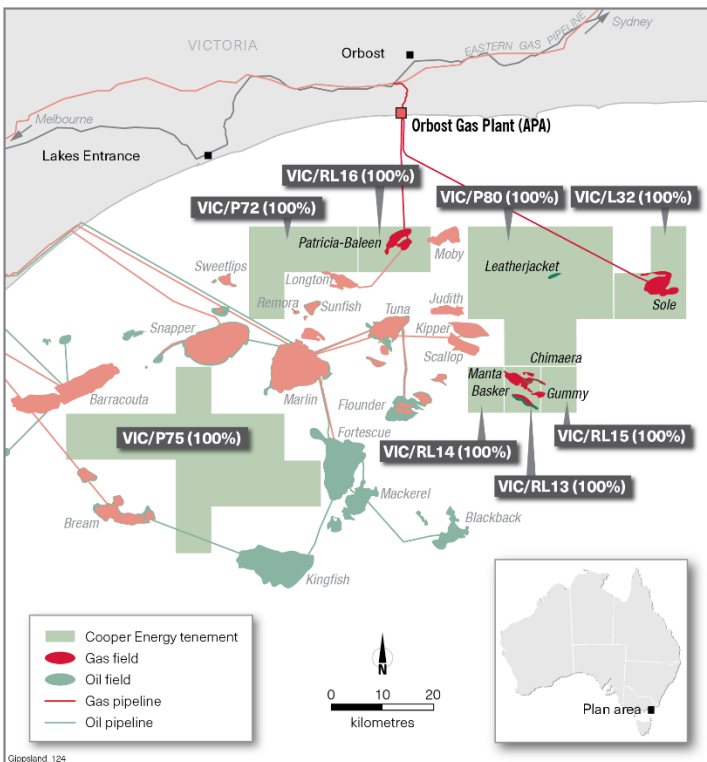
Otway Basin (Victoria):



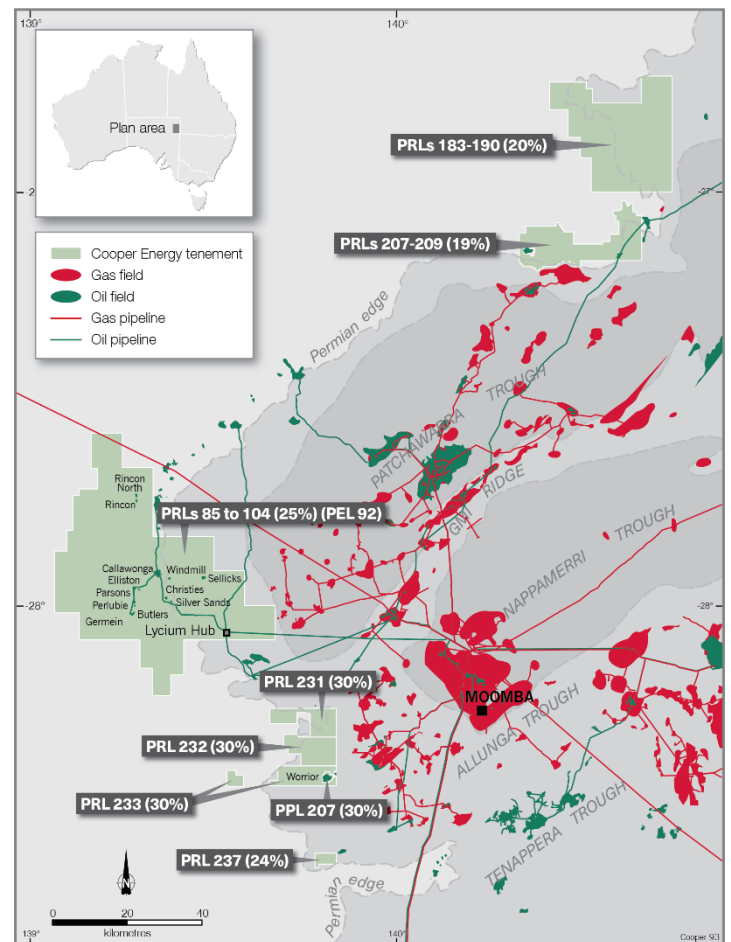
Otway Basin (onshore):



Gippsland Basin:



Cooper Basin:





## Terms, abbreviations and conversion factors

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### Terms and abbreviations

<b>\$</b>	Australian dollars
<b>APA</b>	APA Group (ASX: APA)
<b>bbbl</b>	Barrels
<b>Bcf</b>	Billion cubic feet of gas
<b>bopd</b>	Barrels of oil per day
<b>BMG</b>	Basker, Manta and Gummy fields
<b>CHN</b>	Casino, Henry and Netherby fields
<b>Cooper Energy</b>	Cooper Energy Limited ABN 93 096 170 295
<b>FEED</b>	Front End Engineering and Design
<b>FID</b>	Final Investment Decision
<b>GSA</b>	Gas Sales Agreement
<b>kbbl</b>	Thousand barrels
<b>km</b>	Kilometres
<b>m</b>	Metres
<b>MMboe</b>	Million barrels of oil equivalent
<b>MMscf/day</b>	Million standard cubic feet of gas per day
<b>n/m</b>	Not meaningful
<b>NOPTA</b>	National Offshore Petroleum Titles Administrator
<b>OP3D</b>	Otway Phase 3 Development
<b>PEL</b>	Petroleum Exploration Licence
<b>PEP</b>	Petroleum Exploration Permit
<b>PJ</b>	Petajoules
<b>PPL</b>	Petroleum Production Licence
<b>PRL</b>	Petroleum Retention Lease
<b>scf</b>	Standard cubic feet of gas
<b>Tcf</b>	Trillion cubic feet of gas
<b>TJ</b>	Terajoules
<b>YTD</b>	Year to date

### Conversion factors

<b>Gas</b>	1 PJ	= 0.163 MMboe
<b>Oil</b>	1 bbl	= 1 boe
<b>Condensate</b>	1 bbl	= 0.935 boe

## Disclaimer

This report contains forward looking statements, including statements of current intention, statements of opinion and expectations regarding Cooper Energy's present and future operations, possible future events and future financial prospects. Such statements are not statements of fact and may be affected by a range of variables which could cause Cooper Energy's actual results, performance or trends to materially differ from the results or performance expressed or implied by such statements. There can be no certainty of outcome in relation to the matters to which the statements relate, and the outcomes are not all within the control of Cooper Energy.

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Numbers in this report have been rounded. As a result, some figures may differ insignificantly due to rounding and totals reported may differ insignificantly from arithmetic addition of the rounded numbers.