

6 June 2022

Guidance and operations update

- **FY22 guidance on underlying EBITDAX revised upwards again**
- **Record Cooper Energy gas production at 80.7 TJ/d on 21 May 2022**
- **Orbost Gas Processing Plant averaged 55.7 TJ/d for May and is currently at 52 TJ/d**
- **Athena Gas Plant averaged 25.8 TJ/day for May**

Cooper Energy Limited (ASX: COE) provides the following guidance and operations update.

Guidance update

Since the Company's FY22 guidance was last updated¹, there has been continued improvement in average processing rates at the Orbost Gas Processing Plant (OGPP) (owned and operated by APA Group (ASX: APA)) and a substantial increase in actual and forecast wholesale spot prices for gas in Sydney and Victoria, in both cases beyond what had been expected as at the date of the last guidance update.

As a result of these changes, production guidance and sales volume guidance have been revised to the upper half of the previous range.

The guidance range for underlying EBITDAX has been revised upward to \$70 – 78 million, reflecting a reasonable expectation of continuing the improved performance at OGPP and of continuing higher realised Australian east coast wholesale spot gas prices.

FY22 guidance on capital expenditure of \$19 – 21 million is unchanged.

The revised ranges are summarised in the following table:

FY22 guidance	Previous guidance	Revised guidance
Production	3.2 – 3.4 MMboe	3.3 – 3.4 MMboe
Sales volume	3.7 – 3.9 MMboe	3.8 – 3.9 MMboe
Underlying EBITDAX	\$57 – 68 million	\$70 – 78 million
Capital expenditure	\$19 – 21 million	No change

¹ Previous guidance issued on 16 May 2022 (see [Guidance update](#))

Operations update

Gippsland Basin

Orbost Gas Processing Plant and Sole gas field

At OGPP the average processing rate for May was 55.7 TJ/d, 36% higher than the average April processing rate of 41TJ/d. OGPP performed at or above 60TJ/d for 21 days during May, with a maximum rate of 66 TJ/d achieved. The OGPP processing rate was reduced to 36.4TJ/d on average during absorber cleans for 8 days in May.

Otway Basin

Athena Gas Plant and Casino Henry Netherby (CHN) gas fields

The average processing rate at the Athena Gas Plant was 25.8 TJ/d in May, 18% higher than the April processing rate of 21.8 TJ/d. Work to optimise combined plant and field performance is ongoing.

Henry Undeveloped Reserves reclassification

As advised in the Offshore Otway gas hub growth plan update to the ASX², the Otway Phase 3 Development project has been revised to be based around the development of the Annie gas field. In addition, planning to drill the Elanora exploration prospect and other low-risk, high deliverability exploration prospects is progressing in parallel with the Annie development.

Further development of the Henry gas field will be deferred for inclusion in a future campaign, resulting in a reclassification of Henry Undeveloped Reserves to Contingent Resources. This will be reflected in the FY22 Reserves and Contingent Resources report, to be released in August 2022 along with the FY22 full-year results. The estimated impact on FY22 Casino Henry Netherby (CHN) 2P Reserves is a reduction of approximately 27.3 PJ (COE net). This will be confirmed upon completion of year end reserve review. The Annie 2C Contingent Resource of 31.8 PJ will be classified as 2P Reserves at FID.

Ownership interests of the Athena Gas Plant and CHN fields are Cooper Energy (50% and Operator), Mitsui E&P Australia Pty Ltd (25%) and Peedamullah Petroleum Pty Ltd (25%).

Gas sales volumes

In May, the average gas price in the Victoria and Sydney spot markets continued to increase and were \$32.95/GJ and \$29.87/GJ respectively. During May, Cooper Energy sold 367 TJ of production surplus to Gas Sales Agreement nominations into the spot market at prices aligned with these averages (less transport costs). All daily nominations for Sole customers continue to be met, averaging 47.3 TJ/d for May.

Cooper Basin

Exploration

In ex-PEL-92 (PRLs 85-104), onshore South Australia, Cooper Energy participated in drilling two oil exploration wells (Cooper Energy 25%, Beach Energy 75% and Operator).

Hummocky-1, spudded on 2 May 2022, was plugged and abandoned on 8 May 2022, having drilled to a total depth of 1,983 metres and failing to encounter significant hydrocarbons in the primary target Namur reservoir. Bangalee-1 was a discovery and cased and suspended as a future oil producer, as reported in the April operations update

² Announced to the ASX on 18 May 2022 (see [Offshore Otway gas hub growth plan](#))

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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.

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Reserves and resources information: This document contains information on petroleum reserves and resources which is based on and fairly represents information and supporting documentation prepared by, or under the supervision of, 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.

P50 as it relates to costs is best estimate; P90 as it relates to costs is high estimate.

The Company prepares its petroleum reserves and contingent resources estimates in accordance with the 2018 Petroleum Resources Management System (PRMS) sponsored by the Society of Petroleum Engineers (SPE).

Unless otherwise stated, all references to petroleum reserves and contingent resources quantities in this presentation are the Company's net share. Reference points for the Company's petroleum reserves and production are defined points within Cooper Energy's operations where normal exploration and production business ceases, and quantities of produced product are measured under defined conditions prior to custody transfer. Fuel, flare and vent consumed to the reference points are excluded.

Petroleum reserves are aggregated by arithmetic summation by category and as a result, proved reserves may be a conservative estimate due to the portfolio effects of arithmetic summation. Petroleum reserves are typically prepared by deterministic methods with support from probabilistic methods. Petroleum reserves replacement ratio is the ratio of the change in petroleum reserves (excluding production) divided by production. Organic reserves replacement ratio excludes net acquisitions and divestments. Conversion factors used to evaluate oil equivalent quantities are sales gas and ethane: 1PJ of sales gas and ethane equals 171,937 boe; 1 tonne of LPG equals 8.458 boe; 1 barrel of condensate equals 0.935 boe; 1 barrel of crude oil equals 1 boe.