COOPER ENERGY LIMITED
And its controlled entities

ABN 93 096 170 295

FINANCIAL REPORT

30 June 2022

Appendix 4E
Preliminary Final Report

Cooper Energy Limited		
ABN 93 096 170 295	Report ending Corresponding period	30 June 2022 30 June 2021

Results for announcement to the market

	Percentage Change %	**Amount $'000 2022**	Amount $'000 2021
Revenue from ordinary activities	56%	**205,389**	131,734
Total loss for the period attributable to shareholders	65%	**(10,558)**	(30,037)
Net tangible assets per share (inclusive of exploration and development expenditure capitalised and excluding right-of-use assets and intangibles)	55%	**30.0 cents**	19.3 cents

The Directors do not propose to pay a dividend.
The attached Financial Report has been audited.

Review and Results of Operations

The attached Operating and Financial Review provides further information and explanation.

Table of Contents

Operations

Cooper Energy Limited ("Cooper Energy" or the "Company") generates revenue from the production of gas and condensate in the Otway and Gippsland Basins, and from the production of oil in the Cooper Basin. The Company's current operations and interests include:

- offshore gas and gas liquids production in the Gippsland Basin, Victoria, from the Sole gas field;
- offshore gas and gas liquids production in the Otway Basin, Victoria, from the Casino, Henry and Netherby gas fields;
- onshore oil production and exploration in the western flank of the Cooper Basin, South Australia;
- the Orbost Gas Processing Plant ("OGPP") onshore from the Gippsland Basin, Victoria (since 28 July 2022, see further below);
- the Athena Gas Plant (previously known as the Minerva Gas Plant) in the onshore Otway Basin, Victoria;
- the Annie gas discovery in the offshore Otway Basin;
- the Manta gas and liquids field in the Gippsland Basin; and
- additional exploration and appraisal prospects in the onshore and offshore Otway and offshore Gippsland Basins.

The Company is the operator of all of its offshore gas activities and the Athena Gas Plant.

Orbost Gas Processing Plant Acquisition
The OGPP is located approximately 14 kms from Orbost, Victoria and in close proximity to both Cooper Energy's offshore Gippsland Basin assets and to the Eastern Gas Pipeline which connects the plant to the South-east Australian gas market.

Cooper Energy announced the acquisition of the OGPP on 20 June 2022. The acquisition is transformative, consolidating the Company's strategic position in the Gippsland Basin, and strengthening the end-to-end capability to produce, process and deliver gas to our high-quality domestic customers and into the spot market. The acquisition represents the next step in Cooper Energy's twin gas supply hub approach and is underpinned by attractive market dynamics through tightening South-east Australia gas supply and increasing gas prices.

Ownership of the OGPP provides Cooper Energy with control of the integrated operations for its Gippsland Basin assets and provides an enhanced platform for future development opportunities in the region. The acquisition is accretive to earnings and cashflow. The Company's funding and liquidity position is strengthened further by the immediate cashflow uplift from owning the plant, coupled with an enlarged debt facility.

OGPP has a demonstrated ability to process Sole gas at an average rate around 50 TJ/day. Following transfer of the OGPP major hazard facilities license ("MHFL") to Cooper Energy which is expected later in FY23, the Company will be the operator of both of its gas plants. There is opportunity to increase the processing rates which the Company plans to pursue.

Reserves and Contingent Resources
Proved and Probable Reserves (2P) at 30 June 2022 are assessed to be 39.5 MMboe compared with 47.1 MMboe at 30 June 2021. Contingent Resources (2C) at 30 June 2022 are assessed to be 36.9 MMboe compared with 33.9 MMboe at 30 June 2021. Details of Reserves and Contingent Resources and the movement from the previous year are available in the ASX announcement titled Reserves and Contingent Resources at 30 June 2022, released on 22 August 2022.

	Proved and Probable Reserves (2P)			**Contingent Resources (2C)**		
As at 30 June 2022[1]	**Gas PJ**	**Oil & condensate MMbbl**	**Total MMboe**	**Gas PJ**	**Oil & condensate MMbbl**	**Total MMboe**
Gippsland Basin	212.4	0.0	34.7	134.9	3.4	25.4
Otway Basin	22.7	0.0	3.7	66.9	0.1	11.0
Cooper Basin	0.0	1.1	1.1	0.0	0.4	0.4
Total Cooper Energy	**235.1**	**1.1**	**39.5**	**201.8**	**3.9**	**36.9**

[1] *As announced on 22 August 2022. Totals may not reflect arithmetic addition due to rounding. The method of aggregation is by arithmetic sum by category.*

Workforce
At 30 June 2022, the Company had 89.9 full time equivalent ("FTE") employees and 13.3 FTE contractors compared with 88.5 FTE employees and 16.8 FTE contractors at 30 June 2021.

Contractor numbers fluctuated in FY22 in line with the project requirements of the Athena Gas Plant, the Otway Phase 3 Development ("OP3D") select phase, the Basker Manta Gummy ("BMG") project and the Casino Henry offshore facilities minor capital projects which were all part of the FY22 planned works programs. Additional resources were allocated to due diligence of the OGPP later in the year.

Health Safety Environment and Community

Zero medical treatment injuries ("MTI") and zero lost time injuries ("LTI") were recorded for the period.

In FY22, the total recordable injury frequency rate ("TRIFR") was 0.0, which is industry leading and a significant improvement from FY21 where the TRIFR was 6.92.

There were no reportable or notifiable environmental incidents recorded for the period.

Production

Gas and oil production for FY22 was 3.31 MMboe, or 9,068 boe/d, 26% higher than the prior year, mainly due to increased gas production from Sole following reconfiguration works at the OGPP.

Total gas production of 19.5 PJ, or 53 TJ/d, was 29% higher than the prior year. In the Gippsland Basin, increased Sole production resulted in a 46% increase in gas production to 15.2 PJ. In the Otway Basin, natural field decline and processing interruptions in June contributed to a 9% decline in gas production to 4.3 PJ (net to Cooper Energy).

Oil and condensate production of 127.5 kbbl, or 349 bbls/d, was 20% lower than the prior year, due principally to natural field decline.

Production by product and basin is summarised in the following tables.

Production by product		FY22	FY21	Change
Sales gas	PJ	19.5	15.1	29%
Oil and condensate	kbbl	127.5	158.7	(20%)
Total production	**MMboe**	**3.31**	**2.63**	**26%**

Production by basin		FY22	FY21	Change
Gippsland Basin				
Sole: Sales gas	PJ	15.2	10.4	46%
Otway Basin				
Casino Henry: Sales gas	PJ	4.3	4.7	(9%)
Casino Henry: Condensate	kbbl	3.0	1.8	67%
Cooper Basin				
Oil	kbbl	125.5	156.9	(20%)
Total production	**MMboe**	**3.31**	**2.63**	**26%**

Commercial

Key commercial activities during the financial year are summarised below.

Orbost Gas Processing Plant acquisition

On 20 June 2022 Cooper Energy announced the agreement to acquire the OGPP from APA Group ("APA"). The key transaction agreements included the Asset Sale Agreement ("ASA") and the Transitional Services Agreement ("TSA"). Alongside the acquisition of the OGPP, the Company undertook a successful $244 million equity capital raise which concluded in mid-July 2022, and on 29 July 2022 signed a new senior secured revolving $420 million reserves based loan facility with a syndicate of six bank lenders. Completion of the acquisition of the OGPP pursuant to the conditions specified in the ASA occurred on 28 July 2022. This is the date on which Cooper Energy assumed legal and beneficial title to and risk in the plant.

The TSA provides for the continued operation of the OGPP by APA until such time as the MHFL is transferred, ensuring continuity of key systems and processes, support and information to ensure Cooper Energy can safely and effectively transition to full standalone operations. Cooper Energy is expecting to take full operational control of the OGPP in the second half of FY23.

Transition Agreement extension

In August 2020 Cooper Energy and APA entered into a Transition Agreement which provided the framework for commencing gas sales under the Sole gas sales agreements and commissioning OGPP as early as possible. The Transition Agreement included revenue and cost sharing mechanisms during the commissioning phase and contributions from APA to Cooper Energy for the cost of sourcing certain back-up gas supply if required. During the period the Transition Agreement was extended and ultimately terminated on completion of the ASA on 28 July 2022.

Gas sales agreements
In September 2021, Cooper Energy and AGL Energy Limited ("AGL") agreed to enter into a new gas sales agreement ("GSA") for all developed and uncontracted volumes from the Casino, Henry and Netherby fields in the Otway Basin, and amendments to the existing Sole GSA to reduce overall Sole GSA commitments to a level commensurate with OGPP processing capability.

The term of the Otway Basin GSA commenced on 1 January 2022 and ends on the earlier of cessation of production from the existing wells or first production from the OP3D. The Sole GSA with AGL was amended so that the annual contract quantity ("ACQ") reduced from 12 PJ/year to 6 PJ/year and the term extended by two years to 31 December 2030. The amendments include a mechanism to increase the ACQ by up to 6 PJ/year from future Sole production increases, with the total incremental volume for AGL capped at 30 PJ.

Physical gas portfolio management
During the period Cooper Energy's physical gas portfolio management capability was enhanced. This capability enables the Company to deliver on sales obligations, operational and financial risk management and total value maximisation, over both a short and long-term horizon.

Cooper Energy physical gas portfolio management activities include the use of:
- short-term third-party gas purchase and sale agreements;
- direct and indirect participation in each of AEMO's declared wholesale gas market and Sydney short term trading market;
- pipeline transport and park services; and
- arrangements to supply some gas volumes from Casino Henry into existing Sole GSAs.

All customer nominations were met during the period in line with contractual obligations.

Exploration, appraisal and development

Gippsland Basin

Cooper Energy is the operator and 100% interest holder for all of its Gippsland Basin interests. As at 30 June 2022, these interests comprised:

a) VIC/L32, which contains the Sole gas field;
b) VIC/RL13, VIC/RL14 and VIC/RL15, which contain the Manta gas and liquids field (these retention leases also hold legacy infrastructure associated with the BMG oil project);
c) VIC/RL16, which contains the shut-in Patricia-Baleen gas field and infrastructure which connects to the OGPP; and
d) exploration permits VIC/P72, VIC/P75 and VIC/P80

Development: Orbost Gas Processing Plant
The Sole Gas Project involved development of the Sole gas field by Cooper Energy and upgrading of the OGPP by APA to process Sole gas. The Sole gas field has performed, and continues to perform, in line with expectations.

During FY22 the OGPP was owned and operated by APA, with commissioning of the gas plant continued throughout the year.

In the first half of FY22 the gas plant's performance was impaired by foaming and fouling in the sulphur recovery unit's two absorbers. This constrained the processing rates and required regular maintenance and cleaning. OGPP achieved an average gas processing rate of 39.5 TJ/day across the first half of FY22.

During the second half of FY22, OGPP gas processing rates improved by 10.6% (vs first half of FY22), to an average of 43.7TJ/day, including the plant shut down in March-April 2022 to install the Phase 2B equipment. Production was impacted positively by the Phase 2B works and the H_2S polishing unit coming online in April 2022. May 2022 was a record month for production with an average rate of 55.7 TJ/day and a maximum rate of 66 TJ/day (achieved for 9 consecutive days across late May and early June).

By the end of the financial year, OGPP was processing at a steady rate of 55 TJ/day between absorber cleans. Processing rates were reduced to 35.1 TJ/day on average while absorber cleans occurred. The H_2S polishing unit was offline from 8 June 2022 for APA to undertake a root cause analysis to understand why the polisher unit's performance had degraded.

Exploration
The exploration focus in the Gippsland Basin throughout FY22 has been on adding prospective resource potential near or adjacent to a future Manta Hub development. In April 2022 Cooper Energy was granted 100% equity in a new exploration permit VIC/P80[1]. VIC/P80 is adjacent to several gas and oil fields, including Sole to the east, Manta to the south, and Kipper to the west.

[1] Grant of Gippsland Basin exploration permit VIC/P80 announced to the ASX on 13 April 2022

Wobbegong is the key prospect in VIC/P80 and is located approximately 5 km north of the Manta gas field. Cooper Energy's estimate of the unrisked mean prospective resource potential at Wobbegong is 236 Bcf of raw gas. Including the Manta and Chimaera Deep prospects[2], the combined mean unrisked prospective resource potential located within 5 km of Manta gas field is approximately 1 Tcf of raw gas.

Interpretation of new 3D seismic data on the northern flank of the Gippsland Basin over VIC/L13, VIC/L14, VIC/L15 and VIC/P80 will commence in Q1 FY23. Updates to the exploration potential, based on the new interpretation, are anticipated to be announced later in FY23.

Prospectivity studies are ongoing in VIC/P75, the exploration permit located in the Basin's central area. Major fields surrounding VIC/P75 include the Marlin, Snapper and Barracouta gas fields to the north and the Kingfish and Fortescue oil fields to the south and east.

BMG abandonment
The BMG abandonment project involves decommissioning seven wells and associated subsea infrastructure in the BMG fields in the Gippsland Basin.

During FY22 the BMG abandonment project Front-End Engineering Design ("FEED") stage was finalised, with activities focused on selecting the optimal methodologies and technologies for safe and cost-effective delivery of the decommissioning objectives. Key milestones achieved in the BMG abandonment project during FY22 include:

- acceptance of the Company's BMG Environmental Plan by NOPSEMA on 11 April 2022;
- acceptance of the BMG Well Operations Management Plan by NOPSEMA on 15 June 2022 with no conditions;
- contracting the Helix Q7000 intervention vessel to perform the well abandonment activities; and
- Cooper Energy Board approval for the BMG abandonment project to proceed.

The Company plans to decommission and abandon the BMG wells by no later than 31 December 2023 and remove the remaining infrastructure by no later than 31 December 2026.

<u>Otway Basin (Offshore)</u>
The Company's interests in the offshore Otway Basin as at 30 June 2022 comprised:

a) a 50% interest in and operatorship of production licences VIC/L24 and VIC/L30 containing the producing Casino, Henry and Netherby gas fields, with the remaining 50% interest held by Mitsui E&P Australia and its associated entities ("Mitsui");
b) a 50% interest in and operatorship of production licences VIC/L33 and VIC/L34 containing part of the Black Watch and Martha gas fields, with the remaining 50% interest in these production licences held by Mitsui;
c) a 50% interest in and operatorship of exploration permit VIC/P44 containing the undeveloped Annie gas discovery, with the remaining 50% interest held by Mitsui;
d) a 100% interest in and operatorship of exploration permit VIC/P76;
e) a 50% interest in and operatorship of the Athena Gas Plant (onshore Victoria) which is jointly owned with Mitsui and processes gas from the Casino, Henry and Netherby gas fields; and
f) a 10% non-operated interest in production licence VIC/L22 which holds the shut-in Minerva gas field, with Woodside Energy the operator and 90% interest holder.

Development: Athena Gas Plant Project
The Athena Gas Plant Project was completed in December 2021 with the successful commissioning and first gas production occurring on 15 December 2021. The project involved the return to service of the Athena Gas Plant and redirection of the pipeline from the Iona Gas Plant to the Athena Gas Plant, in order to process gas and liquids from the Casino Henry fields and from future Otway Basin developments.

Benefits from re-commissioning the plant include:

- lower operating costs relative to the tariffs paid for gas processed through the Iona Gas Plant;
- additional gas processing capacity (total plant capacity of ~150 TJ/day) to support Otway Basin gas developments such as OP3D and future discoveries; and
- enhanced gas production and marketing flexibility, including the Company's twin hub gas supply position, which provides the ability to offer firm gas supply and manage Sole/Gippsland Basin customer requirements using Cooper Energy's Otway Basin gas if required.

Development: Otway Phase 3 Development Project
OP3D involves development of the Annie gas discovery through the Athena Gas Plant.

During FY22 significant work was completed which resulted in OP3D being revised to be based around the development of the Annie gas field only. Future development of the Henry gas field will be deferred for inclusion in a future campaign.

[2] Prospective resource upgrade at Manta field and Chimaera East prospect announced to the ASX on 4 May 2016

OP3D is expected to enter detailed FEED in the first quarter of FY23[3]. A Final Investment Decision is targeted for the third quarter of FY23, subject to optimization for market timing, drilling rig availability, funding optimization and joint venture approval. If approved, first gas is planned to be delivered by winter 2025.

The Company is planning to drill short cycle time, high deliverability exploration prospects in parallel with the Annie gas discovery development.

Exploration
In February 2022 Cooper Energy announced an updated assessment[4] of the Otway Basin prospective resource potential within the Company's exploration portfolio. The assessment was based on interpretation of the 2021 3D seismic reprocessing project. In the Otway Basin, as proven in the producing fields, seismic amplitude at the top of the primary target Waarre Formation is a direct indicator of the presence of gas. In Cooper Energy's offshore Otway permits there is a 100% success rate in finding gas from drilling top Waarre Formation seismic amplitude supported prospects.

Prospective resources for six seismic amplitude supported prospects were estimated. The prospects are considered low risk (63-84%) to find moveable hydrocarbons. They lie within water depths of 60-80 metres and are no further than 8 kilometres from tie-in points on the Casino Henry Netherby gas pipeline, which transports gas to the Athena Gas Plant. In a success case, a new field will be connected to that pipeline via a subsea production system.

The aggregated mean unrisked prospective resource potential of the six prospects is 585 Bcf (325 Bcf net to Cooper Energy). A 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.

The Offshore Otway gas hub growth plan will deliver a step change in production and offer gas customers a significant new supply option over the next decade.

<u>Otway Basin (Onshore)</u>

The Company's interests in the onshore Otway Basin as at 30 June 2022 comprised:

a) a 30% interest in PEL 494, PRL 32 and PEL 680 in South Australia with the remaining interests held by the operator, Beach Energy;
b) a 50% interest in PEP 168 in Victoria with the remaining interest held by the operator, Beach Energy; and
c) a 75% interest in PEP 171 in Victoria, which may reduce to 50% on fulfilment of farm-in arrangements executed with joint venture partner and operator Vintage Energy Limited.

Exploration
Petroleum exploration activities in the onshore Otway Basin permits in Victoria were suspended pursuant to a Victorian State Government moratorium on onshore gas exploration, which was imposed in 2017. That moratorium was lifted by the *Petroleum Legislation Amendment Act 2020* (Vic) with effect from 1 July 2021.

The new Act required approval of new work programs prior to commencement of activities. Work programs for PEP 168 and PEP 171 were approved in late FY22.

In March 2022, the Dombey 3D seismic survey in PEL 494 was completed. The survey delineated the Dombey gas field, and up to six adjacent prospects. The surveyed area is located approximately 15 kilometres west of the town of Penola and covers 165 square kilometres.

Completion of the Dombey 3D seismic data processing is scheduled for December 2022. Pending the outcome of subsurface studies, and subject to joint venture approval, a new interpretation will evaluate the commercial potential of the Dombey gas discovery. Decisions on a future Dombey gas field development, and further exploration, will be evaluated in 2023.

<u>Cooper Basin</u>
The Company's interests in the Cooper Basin as at 30 June 2022 comprised:

a) a 25% interest in PRLs 85-104 (formerly PEL 92) with the remaining interests held by the operator, Beach Energy;
b) a 30% interest in PRLs 231-233, with the remaining interests held by the operator, Beach Energy;
c) a 20% interest in PRL 237, with the remaining interests held by Metgasco Limited and the operator, Beach Energy;
d) a 19.165% interest in PRLs 207-209 (formerly PEL 100), with the remaining interests held by Santos QNT Pty Limited and the operator, Beach Energy; and
e) a 20% interest in PRLs 183-190 (formerly PEL 110), with the remaining interests held by the operator, Beach Energy.

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[3] Offshore Otway gas hub growth plan announced to the ASX on 18 May 2022.
[4] Otway Basin exploration prospective resource update announced to the ASX on 9 February 2022

The Company's interests outlined in the above interests, other than the 25% interest in PRLs 85-104 have subsequently been sold to Bass Oil Limited (ASX: BAS, "Bass"). The sale of these assets for $0.65 million was announced by Bass on 12 July 2021 and the completion of this sale occurred on 1 August 2022.

The sale to Bass demonstrates Cooper Energy's ongoing focus on portfolio optimisation and divesting of assets considered non-core. This will continue, with Cooper Energy's primary focus being on commercialising cost competitive gas resources for south-eastern Australia.

Exploration
Cooper Energy participated in drilling two oil exploration wells in PRLs 85-104, onshore South Australia (Cooper Energy 25%, Beach Energy 75% and operator).

Bangalee-1 spudded on 16 April 2022, located approximately 2km east of the Windmill oil field. It intersected approximately four metres of net oil pay in the target Namur reservoir, with minor pay in the Birkhead reservoir. The well was cased and suspended as a future oil producer. The Bangalee oil field will be brought online in FY23.

Hummocky-1 spudded on 2 May 2022 and is located approximately 2km southwest of the Christies oil field. It was plugged and abandoned on 8 May 2022, having drilled to a total depth of 1,983m and failed to encounter significant hydrocarbons in the primary target Namur Reservoir.

Financial Performance

Financial Performance		FY22	FY21	Change	%
Production volume	MMboe	3.3	2.6	0.7	26% ▲
Sales volume	MMboe	3.8	3.0	0.8	27% ▲
Sales revenue	$ million	205.4	131.7	73.7	56% ▲
Gross profit	$ million	47.8	14.1	33.7	239% ▲
Gross profit / Sales revenue	%	23.3	10.7	12.6	118% ▲
Operating cash flow	$ million	57.8	8.1	49.7	614% ▲
Cash, other financial assets and investments	$ million	247.5	92.6	154.9	167% ▲
Reported loss after tax	$ million	(10.6)	(30.0)	19.4	65% ▲
Underlying profit/(loss) after tax	$ million	14.4	(25.9)	40.3	156% ▲
Underlying profit/(loss) before tax	$ million	2.2	(29.3)	31.5	108% ▲
Underlying EBITDAX*	$ million	80.7	30.0	50.7	169% ▲

* Earnings before interest, tax, depreciation, amortisation, restoration, exploration and evaluation expense and impairment

All numbers in tables in this Operating and Financial Review have been rounded. As a result, some total figures may differ insignificantly from totals obtained from arithmetic addition of the rounded numbers presented.

Cooper Energy recorded underlying earnings before interest, tax, depreciation, amortisation and exploration expense ("underlying EBITDAX") of $80.7 million for the financial year – an increase of $50.7 million from $30.0 million for FY21 and a record for the Company.

The Company reported a statutory loss after tax of $10.6 million for the financial year which compares with a statutory loss after tax of $30.0 million recorded in the 2021 financial year.

FY22's recorded statutory loss included a number of items which affected the result as follows:

- share of OGPP reconfiguration and commissioning works under the APA Transition Agreement of $15.1 million;
- non-cash restoration expense of $19.0 million resulting from a reassessment of the Patricia Baleen, BMG and Minerva Field provisions;
- other expense of $1.6 million in respect of the new National Oil & Gas Australia Pty Ltd Commonwealth Government levy; and
- tax impact of the above items of $10.7 million.

Calculation of underlying EBITDAX and of underlying net (loss)/profit after tax by adjusting for items unrelated to the underlying operating performance are considered to provide a more meaningful comparison of results between periods.

Underlying EBITDAX and underlying net (loss)/profit after tax are not defined measures under International Financial Reporting Standards and are not audited. Reconciliations of underlying EBITDAX and of underlying net (loss)/profit after tax and other measures included in this report to the Financial Statements are included at the end of this review.

Underlying profit after tax (exclusive of the items noted above) was $14.4 million, compared with an underlying loss after tax of $25.9 million in the 2021 financial year.

Factors which contributed to the movement between the periods included:

- higher gas sales revenue of $68.6 million, attributed to increased production from the Sole gas field and higher spot gas prices;
- higher oil sales revenue of $5.1 million, due to higher benchmark oil prices partially offset by lower production volumes;
- higher costs of sales of $40.0 million due to costs associated with the Transition Agreement with APA and higher OGPP processing rates. Production expenses were higher by $17.9 million. Third-party product purchases of $24.7 million were incurred in the 2022 financial year, being $11.3 million higher than the 2021 financial year. Higher amortisation and depreciation of $10.2 million due to higher Sole production. Royalties increased by $0.6 million, due to higher oil sales revenue;
- lower administration and other items of $6.3 million, including exploration and business development costs; and
- lower tax benefit of $0.1 million.

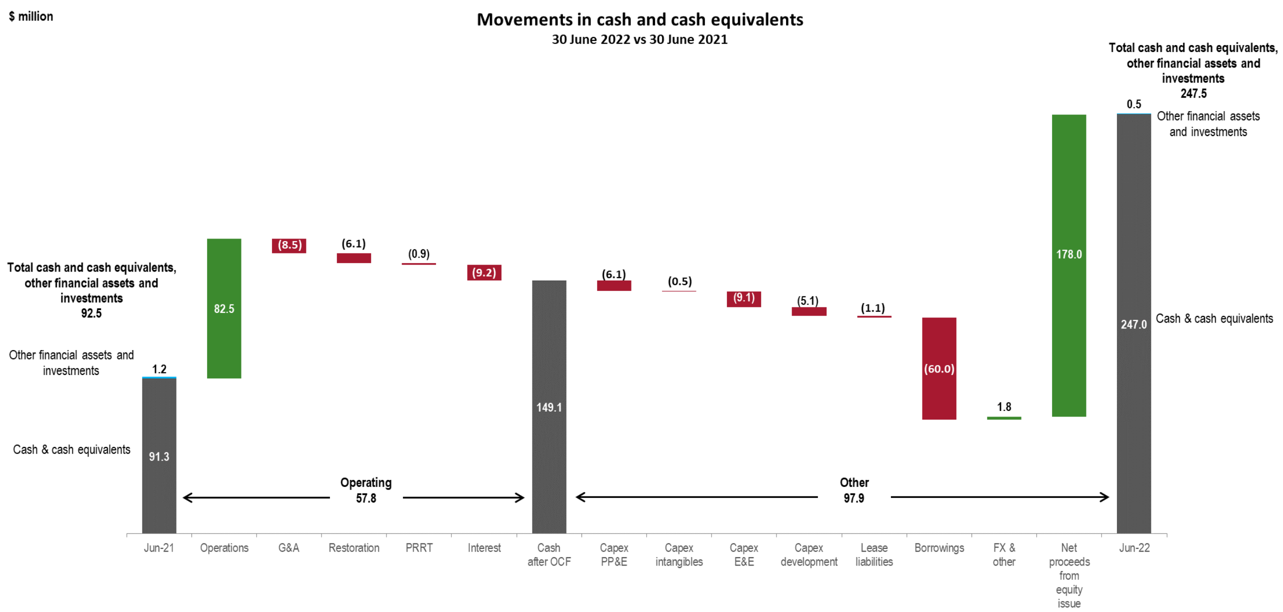
Operating cashflows for the period were $57.8 million for the 2022 financial year, a record for the Company, comprising:

- cash generated from operations of $82.5 million;
- general and administration costs of $8.5 million;
- restoration costs of $6.1 million;
- petroleum resource rent tax payments of $0.9 million; and
- net interest paid of $9.2 million.

Financing, investing and other cash flows for the period were $97.9 million and included:

- the proceeds from the institutional portion of the equity raise of $178.0 million[5];
- exploration, development and property, plant and equipment costs of $20.8 million, mainly in relation to the Athena Gas Plant, OP3D select phase, general exploration and evaluation activity and the implementation of corporate systems;
- repayment of lease liability of $1.1 million;
- repayment of borrowings of $60.0 million; and
- foreign exchange differences and other of $1.8 million.

Total cash and cash equivalents increased by $155.7 million over the period as summarised in the following chart.



[5] A further $59.3 million was received on 13 July 2022, in respect of the retail portion of the equity raise, being the balance of the remaining funds raised under the non-renounceable entitlement offer announced on 20 June 2022, and the accompanying placement.

Financial Position

Financial Position		FY22	FY21	Change	%
Total assets	$ million	1,200.0	978.5	221.5	23%
Total liabilities	$ million	701.5	652.7	48.8	7%
Total equity	$ million	498.4	325.8	172.6	53%
Net cash/(debt)	$ million	89.0	(126.7)	215.7	(170%)

Assets

Total assets increased by $221.5 million from $978.5 million to $1,200.0 million.

At 30 June 2022 the Company held cash and cash equivalents of $247.0 million[6] and investments of $0.5 million.

Exploration and evaluation assets increased by $5.5 million from $159.4 million to $164.9 million as a result of general exploration and evaluation activity and a review of the restoration provisions.

Gas and oil assets increased by $25.1 million from $570.2 million to $595.3 million mainly as a result of the review of restoration provisions partially offset by amortisation.

Total liabilities

Total liabilities increased by $48.8 million from $652.7 million to $701.5 million.

Provisions increased by $110.0 million from $366.6 million to $476.6 million, primarily associated with review of the restoration provisions.

Total equity

Total equity increased by $172.6 million from $325.8 million to $498.4 million. In comparing equity at 30 June 2022 to 30 June 2021, the key movements were:

- higher contributed equity of $0.6 million due to shares issued on vesting of equity incentives during the period;
- higher reserves of $183.5 million due to the proceeds from the institutional portion of the June 2022 equity raise (see further Note 30 to the Financial Statements) and the vesting of equity incentives to employees; and
- higher accumulated losses of $11.5 million due to the statutory loss for the period and a reclassification from reserves.

Strategy and Outlook

Cooper Energy's purpose is to contribute to Australia's sustainable energy future by commercialising gas, oil and other resources for domestic markets. We operate with an emphasis on care, shareholder value and sustainability.

Cooper Energy delivers its purpose by:

- establishing a portfolio of low cost, long-term gas and oil production assets;
- growing through a combination of acquisition, development and exploration;
- building future resilience by prioritising environment, sustainability and governance, and investing in sustainable energy projects;
- leveraging and developing our people, stakeholder relationships and capabilities where we operate; and
- balancing risk by sharing opportunities, partnering and achieving good commercial outcomes.

Planned activities for the FY23 financial year for the ongoing delivery of Cooper Energy's strategy will be:

- consolidating Cooper Energy's net zero position, minimizing scope 1, scope 2 and controllable scope 3 emissions across the portfolio (including from OGPP), securing offsets against residual Group emissions, including the development of partnerships to progress both existing and new offset projects;
- safely transitioning operatorship of OGPP to Cooper Energy, following transfer of the MHFL;
- increasing the uptime, stability and average processing rates at OGPP, thereby maximizing production of the Company's Gippsland Basin natural gas and supply into the South-east Australian gas market;. This includes commissioning and start-up of the sulphur recovery unit at OGPP, to further increase production rates and improve stability;
- sanctioning OP3D, centred on the development of the Annie gas discovery, to produce 65 PJ (on a 2C basis) of gas through the Athena Gas Plant;
- progressing other exploration, appraisal and development activities within Cooper Energy's existing portfolio of growth opportunities, across the Company's twin gas hubs.

[6] As described in Note 30 to the Financial Statements, on page 81 of this Annual Report, the Company received a further $59.3 million of cash comprising the net proceeds from the retail portion of the June 2022 equity raise on 13 July 2022, and on 28 July 2022 paid $208.8 million to APA as part of the completion of the acquisition of the OGPP.

Funding and Capital Management

At 30 June 2022, the Company had cash reserves of $247.0 million and drawn debt of $158.0 million.

As described further in Note 30 to the Financial Statements (see page 81 of this Annual Report), the Company received a further $59.3 million of cash comprising the net proceeds from the retail portion of the June 2022 equity raise on 13 July 2022, and on 28 July 2022 paid $208.8 million to APA as part of the completion of the acquisition of the OGPP.

On 29 July 2022 the Company executed a new $420.0 million senior secured revolving reserves based lending debt facility with a group of six bank lenders. The facility can be used for general corporate purposes and will refinance the 2017 syndicated facility, i.e. the drawn debt of $158.0 million. The Company has additional liquidity of approximately $15.0 million through a working capital facility to be used for general business purposes, of which $7.1 million has been utilised in respect of bank guarantees.

Risk Management

The Company manages risk in accordance with its risk management protocol, with the objective of ensuring risks inherent in gas and oil exploration and production are identified, measured and then managed or kept as low as reasonably practicable.

The Executive Leadership Team performs risk assessments on a regular basis and manages risk according to the Company's risk appetite statement.

Corporate risks are regularly reported to and discussed with the Risk & Sustainability Committee of the Board. This Committee approves and oversees a non-financial internal audit program which is undertaken internally and/or in conjunction with appropriate external specialists.

Appropriate policies and procedures are regularly developed, reviewed and updated to manage these risks.

Risk	Description
Debt financing	Cooper Energy recently executed a new fully underwritten $420 million debt facility that refinances the 2017 syndicated facility and provides additional funding for organic growth and corporate activities. The facility also includes an additional amount up to $120 million accordion facility, subject to certain terms and conditions. Availability of the facility is subject to customary conditions precedent which were satisfied on 11 August 2022. Failure to comply with the covenants of the new debt facility could limit financial flexibility or enable Cooper Energy's financiers to accelerate repayment of the debt obligations. If Cooper Energy utilises the debt financing, Cooper Energy's debt levels may increase. As a consequence, there is a risk that Cooper Energy may be more exposed to risks associated with gearing and leverage, including interest rate movements (to the extent such financing arrangements are not hedged).
Exploration	Exploration is a speculative activity with an associated risk of discovery to find gas and oil in commercial quantities, and a risk of development. If Cooper Energy is unsuccessful in locating and developing or acquiring new reserves and resources that are commercially viable, this may have a material adverse effect on future business, results of operations and financial conditions. Cooper Energy utilises established methodologies and experienced personnel to evaluate prospects and manage the risks associated with exploration. The Company also ensures all major exploration decisions are subject to assurance reviews which include external experts and contractors where appropriate.
Development and Production	Development and production of gas and oil projects may be exposed to low side reserve outcomes, cost overruns, production decreases or stoppage, which may result from facility shutdowns, mechanical or technical failures and/or other unforeseen events. Cooper Energy undertakes technical, financial, business, and other analysis in order to determine a project's readiness to proceed from an operational, commercial and economic perspective. Even if Cooper Energy recovers commercial quantities of gas and oil, there is no guarantee that a commercial return can be generated. All major development investment decisions are subjected to assurance reviews which include external experts and contractors where appropriate. For projects in production, reserves are formally reviewed, including by third-party reserve auditors, and reported annually.

Drilling	Gas and oil drilling activities, including well abandonment activities, are subject to numerous risks, some of which are beyond Cooper Energy's direct control. All gas and oil well operations have an inherent risk of loss of well control during drilling or well abandonment activities. Cooper Energy mitigates this risk in line with industry standards to prevent loss of well control incidents from occurring or escalating. Drilling activities may be curtailed, delayed or cancelled as a result of weather conditions, unexpected drilling conditions, mechanical difficulties, delays in Government or regulatory approvals, availability of the necessary technical equipment and appropriately skilled and experienced technicians. Drilling may result in wells that, whilst encountering gas and oil, may not achieve commercially viable results.
Cybersecurity	Cooper Energy's operations are and will continue to be reliant on various computer systems, data repositories and interfaces with networks and other systems. Failures or breaches of these systems (including by way of virus and hacking attacks) have the potential to materially and negatively impact Cooper Energy's operations. Cooper Energy has barriers, continuity plans and risk management systems in place, however there are inherent limits to such plans and systems. Further, Cooper Energy has no control over the cyber security plans and systems of third parties which may interface with Cooper Energy's operations, or upon whose services Cooper Energy's operations are reliant.
Legislative changes, Government policy and approvals	Changes in Government, monetary policies, taxation and other laws in Australia or internationally may impact Cooper Energy's operations and the value of its shares. For example, an amendment to petroleum tax legislation in Australia may impact on Cooper Energy's existing financial position or its expected financial returns.
Regulatory	Cooper Energy operates in a highly regulated environment and complies with regulatory requirements. There is a risk that regulatory approvals are withheld or take longer than expected, or that unforeseen circumstances arise where requirements may not be adequately addressed in the eyes of the regulator and costs may be incurred to remediate perceived non-compliance and/or obtain approval(s). The Company's business or operations may be impacted by changes in personnel and Governments, or in monetary, taxation and other laws in Australia or overseas.
Market	The Australian domestic gas market and the global oil market are each subject to fluctuations in demand and supply, and as a consequence, price. There are risks of material changes to the demand for the Company's gas and oil, including from sources such as demand destruction, changes in energy consumption preferences and demand and supply-side disruption such as an expansion of alternative, competitive supply sources. If this occurs, it may result in reduced sales volume and sales revenue with consequent impact on the efficiency of operations and the Company's financial condition. This risk is managed through the Company's gas contracting strategy. The Company maintains 'long' contract coverage such that the major share of its available reserves is contracted, typically under gas sales agreements with a term of at least 4 years with a portfolio of high credit quality customers. Stability of cash flow is protected through terms which encourage reliable demand from customers and which include take-or-pay clauses to ensure minimum annual cash flows. Uncontracted gas carries exposure to favourable or unfavourable price movements. Cooper Energy monitors developments and changes in the domestic and international gas and oil markets to enable the Company to be best placed to address changes in market conditions. This activity includes ongoing research and analysis of future demand and supply for energy, most particularly gas, in south-east Australia.
Commodity prices	Future value, growth and financial conditions are dependent upon the prevailing prices for gas and oil. Those prices are subject to fluctuations and are affected by numerous factors beyond the control of Cooper Energy. Cooper Energy monitors and analyses the gas and oil markets and seeks to reduce price risk where reasonable and practical. Gas price risk is assessed within the context of the Company's ongoing modelling of the south-east Australian energy market and through its gas contracting strategy, which prioritises long term agreements and appropriate indexation and price review clauses. The Company has policies and procedures for entering into hedging contracts to mitigate against the fluctuations in oil price and exchange rates.

Operations	There are a number of risks associated with operating in the gas and oil industry, including fire, explosions, blow outs, pipe failures, abnormally pressured formations, asset loss, production disruption, personnel safety and environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures, or discharge of toxic gases. The occurrence of any event associated with these risks could result in substantial losses to the Company that may have a material adverse effect on Cooper Energy's business, results of operations, financial position and prospects. Cooper Energy operates with a comprehensive range of operating and risk management plans and an enterprise-wide integrated management system to ensure safe and sustainable operations. To the extent that it is reasonable and possible to do so, Cooper Energy mitigates the risk of loss associated with operating events through insurance.
Counterparties	The ability of Cooper Energy to achieve its stated objectives can be impacted by the performance of counterparties under material agreements the Company has entered into (including joint venture and gas sales agreements). If any counterparties do not meet their obligations under these agreements, this may impact on operations, business and/or financial conditions. Cooper Energy monitors performance across material contracts against contractual obligations to minimise counterparty risk and seeks to include terms in agreements which mitigate such risks. Cooper Energy also conducts due diligence on counterparties as appropriate, including financial due diligence. The Company's gas contracting strategy expressly focusses on financially robust organisations assessed as being reliable gas customers within the target energy markets, supported by the Company's and third-party research.
Ability to exploit successful discoveries	It may not always be possible for Cooper Energy to participate in the exploitation of successful discoveries made in areas in which Cooper Energy has an interest. Such exploitation will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as those of Cooper Energy. Such further work may require Cooper Energy to meet or commit to financing obligations for which it may not have planned.
Reserves	Gas and oil Reserve estimates are expressions of judgement based on knowledge, experience and industry practice. These estimates may alter significantly or become uncertain when new information becomes available and/or there are material changes of circumstances which may result in Cooper Energy altering its plans. This could have a positive or negative effect on Cooper Energy's operations. Reserves and Contingent Resources estimation is consistent with the definitions and guidelines in the Society of Petroleum Engineers (SPE) 2018 Petroleum Resources Management System (PRMS). The assessment of Reserves and Contingent Resources may also undergo independent review.
Environment	Cooper Energy's exploration, development and production activities are subject to state, national and international environmental laws and regulations. Gas and oil exploration, development and production can be potentially environmentally hazardous, giving rise to substantial costs for environmental rehabilitation, damage control and losses. The legal framework governing this area of law is complex and constantly developing. There is a risk that the environmental regulations may become more onerous, making Cooper Energy's operations more expensive or causing delays. Cooper Energy has a comprehensive approach to the management of risks associated with the environment, which is embedded as a core part of our approach to health, safety, environment and community. This approach includes standards for asset reliability and integrity, technical and operational competency and emergency response preparedness.
Access to capital	Cooper Energy undertakes significant capital expenditure in order to fund exploration, appraisal, development and restoration requirements. Limitations on access to adequate funding could have a material adverse effect on the business, results from operations, financial conditions and prospects. While Cooper Energy generates positive operating cashflow to reinvest into the business, it will also seek, from time to time, to access third-party capital to accelerate organic and inorganic growth options. There can be no assurance that sufficient access to capital will be available on acceptable terms, or at all.

<table>
<tr><td></td><td>Cooper Energy endeavours to ensure that the best source of funding is obtained to maximise shareholder value, having regard to prudent risk management supported by economic and commercial analysis of all business undertakings.</td></tr>
<tr><td>Restoration Liabilities</td><td>Cooper Energy has certain obligations in respect of decommissioning of its fields, production facilities and related infrastructure. These liabilities are derived from legislative and regulatory requirements, and require Cooper Energy to make provisions for such decommissioning and the abandonment of assets. Provisions for the costs of this activity are informed estimates and there is no assurance that the costs associated with decommissioning and abandoning will not exceed the amount of long-term provisions recognised to cover these costs.

Cooper Energy recognises restoration provisions after construction and conducts a review on a semi-annual basis. Any changes to the estimates of the provisions for restoration are recognised in line with accounting standards.</td></tr>
<tr><td>Community</td><td>Cooper Energy conducts gas and oil exploration, development, and production operations. The Company processes gas near regions with residential, environmental, cultural, and economic significance. Loss of community confidence in the Company may adversely affect Cooper Energy’s capacity to execute its plans on behalf of the State and Federal Governments.

Cooper Energy engages extensively with local communities to build and maintain awareness, understanding and support for its operations and plans. We form long term trusted relationships with local communities and generate awareness of the economic benefits of our operations to the community and the nation.

Elements of engagement include:
• sponsorship and donations made to local community organisations;
• face to face meetings, online meetings, group meetings, emails and phone calls with:
  – local office holders and elected representatives of local, state, and federal governments;
  – local community groups via town hall meetings and community information sessions;
  – fishing groups and other marine users; and
  – local farmers and others who are located near to our operations;
• publication of information regarding the Company’s activities and plans including the maintenance of a ‘Community’ page on the Company’s website; and
• engagement with local media, including the use of social media.</td></tr>
<tr><td>Climate and sustainability</td><td>The Company recognises that direct physical and indirect non-physical impacts of climate change may affect our operations and the markets into which we sell our gas and oil. Potential direct risks include those arising from increased severe weather events, longer-term changes in climate patterns, sea level rise, and increased frequency and severity of bushfires.

Indirect risks arise from a variety of legal, policy, technology, and market responses to the challenges that climate change poses as society transitions to a lower emissions future. These risks may impact the demand for and competitiveness of the Company’s products and the Company’s appeal as an investment, employer and community member.

Assessment and response to these risks is undertaken on three fronts:
• understanding, managing and mitigating the risks presented by direct physical impacts;
• understanding, managing and mitigating the impact of climate change and emissions policy on the demand for the Company’s products (“market risk”); and
• identification of the means by which the Company can reduce its direct emissions and lessen its overall emissions impact.

In respect of market risk, the Company’s strategy means its gas assets possess a low exposure to the possibility of demand loss from climate change. A favourable market for sale of the Company’s gas reserves and resources has been confirmed and is expected to continue given demand and supply forecasts for its chosen market of South-east Australia and the role gas is expected to play as a conventional and transitional energy source for firming variable renewable power generation in a lower emissions world. The Company’s carbon neutral position is certified and an enabler in this respect. This positions Cooper Energy to leverage the broader energy transition.

The focus of the Company’s strategy on conventional gas production, located in South-east Australia close to its market in South-east Australia, is conducive to lower emissions intensity gas supply.

The Company measures and reports its emissions and emissions offsets to maintain its carbon neutral position. It also seeks to reduce its gross emissions. These results are</td></tr>
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	published in its annual Sustainability Report and are aligned with the Taskforce for Climate related Financial Disclosures ("TCFD") criteria.
COVID-19	Cooper Energy maintained its response to the COVID-19 pandemic in line with its focus on: • prioritising the safety and welfare of its employees and their families, together with that of contractors, suppliers and the communities within which it operates; and • assessing, monitoring and managing risks to the continuity of the business. The Pandemic Response Team, which was established in March 2020, continued its work through FY22 to ensure the Company's response to the pandemic was measured and effective. This team included representatives from all sites, and working from home became a centre piece of the response strategy, in line with state government health directions and restrictions. Despite mobility restrictions, Cooper Energy successfully re-commissioned the Athena Gas Plant during this time. Robust procedures have been implemented to minimise the risk of COVID-19 impacting processing at that plant, including emergency response procedures which have been tested using fully remote processes. The Pandemic Response Team continues to monitor, and advise the Managing Director and Executive Leadership Team on, ongoing potential COVID-19-related threats to the business and appropriate preventative actions and responses.
People & culture	The culture of Cooper Energy is driven by the Cooper Energy Values. The Company's sustainable success is underpinned by attracting and retaining people with the right skills and behaviours, who work to the "one team" ethos to deliver base business and growth opportunities. Failure to attract, retain and develop such capability may constrain the achievement of business objectives. Cooper Energy has established employment conditions, practices, frameworks, values, and environments designed to engage, secure and incentivise employees to perform at their best and build their careers. Metrics are in place to monitor employee engagement and these are regularly reviewed by the Executive Leadership Team and the Board.

Reconciliations for net loss to Underlying net loss and Underlying EBITDAX

Reconciliation to Underlying loss		**FY22**	**FY21**	**Change**	**%**
Net loss after income tax	$ million	(10.6)	(30.0)	19.4	65%
Adjusted for:					
OGPP reconfiguration and commissioning works	$ million	15.1	11.2	3.9	35%
Restoration expense/(income)	$ million	19.0	(7.2)	26.2	364%
NOGA levy	$ million	1.6	-	1.6	100%
Adjustment to gain on sale	$ million	-	1.4	(1.4)	(100%)
Impairment	$ million	-	0.4	(0.4)	(100%)
Tax impact of underlying adjustments	$ million	(10.7)	(1.8)	(8.9)	(494%)
Underlying profit/(loss) after tax	$ million	14.4	(25.9)	40.3	156%

Reconciliation to Underlying EBITDAX*		**FY22**	**FY21**	**Change**	**%**
Underlying profit/(loss) after tax	$ million	14.4	(25.9)	40.3	156%
Add back:					
Tax impact of underlying adjustments	$ million	10.7	1.8	8.9	494%
Net finance costs	$ million	9.1	10.3	(1.2)	(12%)
Accretion expense	$ million	4.5	3.3	1.2	36%
Tax expense	$ million	(12.2)	(3.4)	(8.8)	(259%)
Depreciation	$ million	3.4	1.9	1.5	79%
Amortisation	$ million	50.6	41.5	9.1	22%
Exploration and evaluation expense	$ million	0.2	0.6	(0.4)	(67%)
Underlying EBITDAX*	$ million	80.7	30.0	50.7	169%

* Earnings before interest, tax, depreciation, amortisation, restoration, exploration and evaluation expense and impairment

The Directors present their report together with the Consolidated Financial Report of the Group, being Cooper Energy Limited (the "parent entity" or "Cooper Energy" or "Company") and its controlled entities, for the financial year ended 30 June 2022, and the Independent Auditor's Report thereon.

1. Directors

The Directors of the parent entity at any time during or since the end of the financial year are:

Mr John C. CONDE AO B.Sc. B.E(Hons), MBA Chairman Independent Non-Executive Director Appointed 25 February 2013	**Experience and expertise** Mr Conde has extensive experience in business and commerce and in chairing high profile business, arts and sporting organisations. Previous positions include non-executive director of BHP Billiton (ASX:BHP), Chairman of Bupa Australia, Chairman of Pacific Power (the Electricity Commission of NSW), Chairman of the Sydney Symphony Orchestra, director of AFC Asian Cup, Chairman of Events NSW, President of the National Heart Foundation and Chairman of the Pymble Ladies' College Council. **Current and other directorships in the last 3 years** Mr Conde is Chairman of The McGrath Foundation (since 2013 and director since 2012). He is also President of the Commonwealth Remuneration Tribunal (since 2003), Chairman of Dexus Wholesale Property Fund (DWPF) (since 2020) and Deputy Chairman of Whitehaven Coal Limited (ASX:WHC) (since 2007). Mr Conde is a former director of Dexus Property Group (ASX:DXS) (2009 – 2020). **Special responsibilities** Mr Conde is Chairman of the Board of Directors. Effective 19 August 2021 he is also a member of the People & Remuneration Committee and is the Chairman of the Governance & Nomination Committee.
Mr David P. MAXWELL M.Tech, FAICD Managing Director Appointed 12 October 2011	**Experience and expertise** Mr Maxwell is a leading oil and gas industry executive with more than 25 years in senior executive roles with companies such as BG Group, Woodside Energy and Santos. Mr Maxwell has very successfully led many large commercial, marketing and business development projects. Prior to joining Cooper Energy Mr Maxwell worked with the BG Group, where he was responsible for all commercial, exploration, business development, strategy and marketing activities in Australia and led BG Group's entry into Australia and Asia including a number of material acquisitions. Mr Maxwell has served on a number of industry association boards, government advisory groups and public company boards. **Current and other directorships in the last 3 years** Mr Maxwell is a director of the wholly owned subsidiaries of Cooper Energy Limited. He is also on the board of the Australian Petroleum Production & Exploration Association (since 2018) and the Minerals and Energy Advisory Council (South Australia Government) (since 2019). **Special responsibilities** Mr Maxwell is Managing Director. He is responsible for the day-to-day leadership of Cooper Energy, and is the leader of the Executive Leadership Team. Mr Maxwell is also Chairman of the HSEC Committee (being a management committee, not a Board committee).

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<td>Mr Timothy G. BEDNALL
LLB (Hons)
INDEPENDENT NON-EXECUTIVE DIRECTOR
Appointed 31 March 2020</td>
<td>Experience and expertise
Mr Bednall is a highly experienced and respected corporate lawyer and law firm manager. He is a partner of King & Wood Mallesons (KWM), where he specialises in mergers and acquisitions, capital markets and corporate governance, representing public company and government clients. Mr Bednall has advised clients in the oil and gas and energy sectors throughout his career.

Mr Bednall was the Chairman of the Australian partnership of KWM from January 2010 to December 2012, during which time the merger of King & Wood and Mallesons Stephen Jaques was negotiated and implemented. He was also Managing Partner of M&A and Tax for KWM Australia from 2013 to 2014, and Managing Partner of KWM Europe and Middle East from 2016 to 2017. He was General Counsel of Southcorp Limited (which became the core of Treasury Wine Estates Limited) from 2000 to 2001.

Current and other directorships in the last 3 years
Mr Bednall is a board member of the National Portrait Gallery Foundation (since 2018). He is also a director of Pooling Limited.

Special responsibilities
Effective 19 August 2021 Mr Bednall is a member of the Audit Committee, the People & Remuneration Committee and the Governance & Nomination Committee.</td>
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<td>Ms Victoria J. BINNS
B. Eng (Mining – Hons 1), Grad Dip SIA, FAusIMM, GAICD
INDEPENDENT NON-EXECUTIVE DIRECTOR
Appointed 2 March 2020</td>
<td>Experience and expertise
Ms Binns has over 35 years' experience in the global resources and financial services sectors including more than 10 years in executive leadership roles at BHP and 15 years in financial services with Merrill Lynch Australia and Macquarie Equities. During her career at BHP, Ms Binns' roles included Vice President Minerals Marketing, leadership positions in the metals and coal marketing business, Vice President of Market Analysis and Economics and was a member of the first BHP Global Inclusion and Diversity Council.

Prior to joining BHP, Ms Binns held a number of board and senior management roles at Merrill Lynch Australia including Managing Director and Head of Australian Research, Head of Global Mining, Metals and Steel, and Head of Australian Mining Research. She was also co-founder and Chair of Women in Mining and Resources Singapore.

Current and other directorships in the last 3 years
Ms Binns is currently a non-executive director of Evolution Mining (ASX:EVN) (since 2020) and Sims Limited (ASX:SGM) (since 2021). She is also a non-executive director of the Carbon Marketing Institute and a member of the J.P. Morgan Australia & NZ Advisory Council.

Special responsibilities
Effective 19 August 2021 Ms Binns is the Chairman of the Audit Committee and is a member of the Risk & Sustainability Committee.</td>
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Ms Giselle M. COLLINS B. Ec, CA GAICD INDEPENDENT NON-EXECUTIVE DIRECTOR Appointed 19 August 2021	**Experience and expertise** Ms Collins has broad executive and director experience across finance, treasury and property disciplines. Ms Collins is also active with not-for-profit organisations and has a strong interest in sustainability across many of her involvements. Ms Collins' executive positions included General Manager Property, Treasury and Tourism of NRMA, Chief Executive Officer, Property and General Manager Finance with the Hannan Group, and Senior Manager, Audit Services with KPMG Switzerland. **Current and other directorships in the last 3 years** Ms Collins is currently non-executive director of Peak Resources Limited (ASX:PEK) (since 2021), trustee director of the Royal Botanic Gardens and Domain Trust (since 2019), non-executive director of Generation Development Group (since 2021), Chairman of Hotel Property Investments Limited (ASX:HPI) (Chairman since July 2022 and director since 2017) and Chairman for Indigenous Business Australia in The Darwin Hotel Pty Limited (since 2014). Ms Collins is a former non-executive director and Chairman of the following companies: Aon Superannuation (2016-2017), The Travelodge Hotel Group (2009-2013), The Heart Research Institute Limited (2003-2011) as well as a non-executive director of Generation Life (2018 – 2021). **Special responsibilities** Effective 19 August 2021 Ms Collins is a member of the Audit Committee and the Risk & Sustainability Committee.
Ms Elizabeth A. DONAGHEY B.Sc., M.Sc. INDEPENDENT NON-EXECUTIVE DIRECTOR Appointed 25 June 2018	**Experience and expertise** Ms Donaghey brings over 30 years' experience in the energy sector including technical, commercial and executive roles in EnergyAustralia, Woodside Energy and BHP Petroleum. Ms Donaghey's experience includes non-executive director roles at Imdex Ltd (an ASX-listed provider of drilling fluids and downhole instrumentation), St Barbara Ltd (a gold explorer and producer), and the Australian Renewable Energy Agency. She has performed extensive committee roles in these appointments, serving on audit and compliance, risk and audit, technical and regulatory, remuneration and health and safety committees. **Current and other directorships in the last 3 years** Ms Donaghey is currently a non-executive director of the Australian Energy Market Operator (AEMO) (since 2017) and a non-executive director of Ampol Limited (ASX: ALD) (since 2021). **Special responsibilities** Effective 19 August 2021 Ms Donaghey is a member of the Risk & Sustainability Committee, the People & Remuneration Committee and the Governance & Nomination Committee.
Mr Hector M. GORDON B.Sc. (Hons). INDEPENDENT NON-EXECUTIVE DIRECTOR 26 June 2012 – 23 June 2017 NON-EXECUTIVE DIRECTOR Appointed 24 June 2017	**Experience and expertise** Mr Gordon is a geologist with over 40 years' experience in the upstream petroleum industry, primarily in Australia and Southeast Asia. He joined Cooper Energy in 2012, initially as Executive Director – Exploration & Production and subsequently moved to his position as non-executive director in 2017. Mr Gordon was previously Managing Director of Somerton Energy until it was acquired by Cooper Energy in 2012. Previously he was an Executive Director with Beach Energy Limited, where he was employed for more than 16 years. In this time Beach Energy experienced significant growth and Mr Gordon held a number of roles including Exploration Manager, Chief Operating Officer and, ultimately, Chief Executive Officer. **Current and other directorships in the last 3 years** Mr Gordon is a Director of Bass Oil Limited ASX: BAS (since 2014). **Special responsibilities** Effective 19 August 2021 Mr Gordon is the Chairman of the Risk & Sustainability Committee and a member of the Audit Committee.

Mr Jeffrey W. SCHNEIDER B.Com INDEPENDENT NON-EXECUTIVE DIRECTOR Appointed 12 October 2011	**Experience and expertise** Mr Schneider has over 30 years of experience in senior management roles in the oil and gas industry, including 24 years with Woodside Energy. He has extensive corporate governance and board experience as both a non-executive director and chairman in resources companies. **Current and other directorships in the last 3 years** Mr Schneider does not currently hold any other directorships. **Special responsibilities** Effective 19 August 2021 Mr Schneider is Chairman of the People & Remuneration Committee and a member of the Governance & Nomination Committee.

2. Company secretary

Ms Amelia Jalleh B.A., LLB (Hons), LLM was appointed to the position of Company Secretary and General Counsel effective from 9 August 2019. Ms Jalleh brings more than 20 years' international oil and gas experience in senior corporate, commercial and legal roles. Her experience spans conventional and unconventional projects, asset and portfolio management, and international M&A transactions. Prior to joining Cooper Energy, Ms Jalleh held the position of Director, Business Development Asia-Pacific for Repsol, based in Singapore. Ms Jalleh has worked in Australia, the Middle East, North America and Southeast Asia in roles with Repsol, Talisman Energy, King & Spalding LLP and Santos. She is a Board member of Energy & Resources Law (since 2021).

3. Directors' meetings

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors during the financial year were:

Director	Board Meetings		Audit Committee Meetings		Risk & Sustainability Committee Meetings		People & Remuneration Committee Meetings		Governance & Nomination Committee Meetings	
	A	B	A	B	A	B	A	B	A	B
Mr J. Conde	11	11	-	-	-	-	4	4	1	1
Mr D. Maxwell	11	11	-	-	-	-	-	-	-	-
Mr T. Bednall	11	11	5	5	-	-	4	4	1	1
Ms V. Binns^	10	11	5	5	3	3	-	-	-	-
Ms E. Donaghey	11	11	-	-	3	3	4	4	1	1
Mr H. Gordon^	11	11	5	5	3	3	-	-	-	-
Mr J. Schneider	11	11	-	-	-	-	4	4	1	1
Ms G. Collins*	11	10	5	4	3	3	-	-	-	-

A = Number of meetings attended.

B = Number of meetings held during the time the Director held office, or was a member of the Committee, during the year.

* Ms G Collins was appointed as Non-Executive Director on 19 August 2021.
^ Ms Binns and Mr Gordon were each members of the Due Diligence Committee for the equity raise announced by the Company on 20 June 2022 in relation to the acquisition of the OGPP. Ms Binns and Mr Gordon both attended 8 of a possible 9 meetings of this Committee.

4. Remuneration Report (audited)

Information about the remuneration of the Company's key management personnel for the financial year ended 30 June 2022 is set out in the Remuneration Report. The Remuneration Report forms part of the Directors' Report. It has been prepared in accordance with section 300A of the Corporations Act 2001 and has been audited as required by that Act.

Remuneration Report Introduction from the Chairman of the People & Remuneration Committee

Dear Shareholder,

The 2022 financial year has delivered very positive results for the Company after a challenging 2021. This is reflected in the Company's performance against the key metrics. This Remuneration Report reflects achievements in the 2022 financial year and the associated remuneration outcomes for the key management personnel.

We will seek shareholders' support for the Remuneration Report at the 2022 Annual General Meeting. The report documents the Company's remuneration framework and guiding principles and illustrates the clear link between the Company's performance and the remuneration outcomes.

The People & Remuneration Committee believes that the FY22 remuneration outcomes are appropriate taking into account the Company's performance and the employment market generally.

Remuneration Report context: 2022 financial year

The Company's performance in the 12 months to 30 June 2022 is reported in the Operating and Financial Review of the Financial Report. This performance and how it compared with the specific targets of the Corporate Scorecard provide the context of the Remuneration Report.

In the 2022 financial year, the Company has been very successful in delivering on many of the key imperatives of the business. This is reflected in the Corporate Scorecard. Cooper Energy has achieved industry leading performance in Health and Safety, excellent performance in Environment and Sustainability, strong financial results (in particular, revenue and U-EBITDAX) and has successfully commissioned the Athena Gas Plant on time. The regulatory approvals for BMG abandonment are in place and funding is secured. Gas sales contracts were successfully renegotiated to align with the performance of the Orbost Gas Processing Plant (**OGPP**), and gas sales into the valuable spot market were increased. Conversely, there were some areas that fell short of target including our reserves replacement, some staff survey results and the timeline for the development of our Otway Basin gas assets (**OP3D**).

The acquisition of the OGPP announced in June 2022, together with the new debt funding and equity capital raising, are major achievements for Cooper Energy. The Managing Director, other key management personnel, staff and our key partners have worked tirelessly to achieve this very pleasing outcome which sets the Company up for our next growth phase.

At the time of this report, these positive outcomes are not reflected in the share price, which has remained flat over the 2022 financial year. That said, Cooper Energy's performance in the second half of the 2022 financial year reflects its ability to address the business imperatives and establishes a positive platform for the 2023 financial year.

Remuneration developments

The People & Remuneration Committee's view is that the Company's remuneration framework is meeting its intended objectives to attract and retain high calibre employees, as well as providing incentives to deliver superior performance and encourage behaviours consistent with the Cooper Energy Values. Consequently, no changes to the remuneration framework were made in the 2022 financial year, and no changes are proposed for the 2023 financial year.

Remuneration outcomes

Fixed Annual Remuneration: The annual pay review process normally occurs in October each year. In October 2021 and 2020 there were no general increases to base salaries for the Managing Director, the Executive Leadership Team or staff generally except for those who had increased job responsibilities (or the in case of general staff, to adjust pay anomalies).

During 2022, the Board agreed to bring forward the 2022 base salary review from 1 October 2022 to 1 July 2022. This decision is specific to this year, and reflects changing market conditions, the Company's salary movement restraint in the past two years, the tight labour market and cost of living increases. Changes were also made to incorporate increases to the statutory superannuation contribution effective 1 July 2022.

The executive key management personnel who had been with the Company for the full financial year were included in this salary review with the overall increase being 4.63% (including the statutory change to superannuation). All increases were consistent with benchmarking data within the resources industry (incorporating the hydrocarbon sector). The next general review of base salaries will be 1 October 2023.

Short Term Incentive Plan (STIP): In the Remuneration Report last year, I reported that no STIP payments relating to the Corporate Scorecard would be payable as a result of Company performance ending 30 June 2021. STIP payments were made to recognise the individual performance component. The Managing Director, however, declined to accept any STIP payment for 2021 financial year. In contrast, and consistent with the very strong business performance in the 2022 financial year, the Board has assessed the full 2022 financial year Corporate Scorecard result as being 87.5/100. This includes recognition of the successful acquisition of the OGPP and significant equity and debt funding announced on 20 June 2022. The OGPP acquisition required enormous focus, dedication and commitment to achieve the successful outcome. STIP payments relating to 2022 financial year individual performances are provided in section 4.6.3 of this report.

Long Term Incentive Plan (LTIP): Our remuneration framework is designed also to reward superior performance over the long term and align executive key management personnel performance with creating value for our shareholders. The performance of the share price over the past 2 years has been a concern for all shareholders. During this time the disappointing performance of the OGPP has held the Company back and this has been reflected in financial performance and share price. That there was no LTIP vesting in December 2021 is evidence that we did not deliver long-term superior performance relative to our peers. This remains a key objective. I believe that with the recently completed OGPP acquisition and re-financing, our business has been strengthened to achieve this.

Directors Fees: The Board has determined while there is no current plan to increase Directors Fees, they will be reviewed during the 2023 financial year.

The 2022 financial year achievements establish the solid foundation that the Managing Director, the Executive Leadership Team and staff generally have worked very hard to achieve. The OGPP acquisition and the associated funding has created the platform to materially grow the value of the Company's portfolio.

I especially thank the Managing Director and the Executive Leadership Team for their resilience and commitment to achieve the superior business outcomes and always to work in a manner that is aligned with the Cooper Energy Values.

Yours sincerely

Mr Jeffrey Schneider
Chairman of the People & Remuneration Committee

Contents	Page

4.1 Introduction

This Remuneration Report (**Report**) details the approach to remuneration frameworks, outcomes and performance for Cooper Energy. The Remuneration Report forms part of the Directors' Report and provides shareholders with an understanding of the remuneration principles and practices in place for Key Management Personnel (**KMP**) for the reporting period.

4.2 Key Management Personnel covered in this Report

In this Report, KMP are the people who have the authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly. They are:

- the Non-Executive Directors;
- the Managing Director; and
- the executives on the Executive Leadership Team.

The Managing Director and executives on the Executive Leadership Team are referred to in this Report as "**Executive KMP**".

The following table sets out the KMP of the Group during the reporting period and the period they were KMP:

Name	Position	Period as KMP
Non-Executive Directors		
Mr J. Conde AO	Chairman	Full Year
Mr T. Bednall	Non-Executive Director	Full Year
Ms V. Binns	Non-Executive Director	Full Year
Ms G. Collins	Non-Executive Director	Part Year[1]
Ms E. Donaghey	Non-Executive Director	Full Year
Mr H. Gordon	Non-Executive Director	Full Year
Mr J. Schneider	Non-Executive Director	Full Year
Executive KMP		
Mr D. Maxwell	Managing Director	Full Year
Mr E. Glavas	General Manager Commercial & Development	Full Year
Mr A. Haren	General Manager People & Remuneration	Full Year
Mr M. Jacobsen	General Manager Projects & Operations	Full Year
Ms A. Jalleh	Company Secretary and General Counsel	Full Year
Mr I. MacDougall	General Manager HSEC & Technical Services	Full Year
Mr A. Thomas	General Manager Exploration & Subsurface	Full Year
Mr. D Young	Chief Financial Officer	Part Year[2]
Former Executive KMP		
Ms V. Suttell	Chief Financial Officer	Part Year[3]

[1] Commenced 19 August 2021.
[2] Commenced 2 May 2022.
[3] Ms Suttell's resignation was effective 30 September 2021. Mr David Di Blasio was Acting Chief Financial Officer 1 September 2021 to 31 March 2022. His resignation was effective 31 March 2022. He was not eligible for STIP arising from FY22. He was not eligible for LTIP under the Company's EIP.

4.3 Remuneration Governance

4.3.1 Philosophy and objectives

The Company is committed to a remuneration philosophy that aligns with its business strategy and encourages superior performance and shareholder returns. Cooper Energy's approach towards remuneration is aimed at ensuring that an appropriate balance is achieved between:

- maximising sustainable growth in shareholder returns;
- operational and strategic requirements; and
- providing attractive and appropriate remuneration packages.

The primary objectives of the Company's remuneration policy are to:

- attract and retain high-calibre employees;
- ensure that remuneration is fair and competitive with both peers and competitor employers;
- provide significant incentive to deliver superior performance (when compared to peers) against Cooper Energy's strategy and key business goals without rewarding conduct that is contrary to the Cooper Energy Values or risk appetite;
- achieve the most effective returns (employee productivity) for total employee spend; and
- ensure remuneration transparency and credibility for all employees and in particular for Executive KMP, with a view to enhancing Cooper Energy's reputation and standing in the community.

Cooper Energy's policy is to pay Fixed Annual Remuneration (**FAR**) at the median level compared to resource industry benchmark data and supplement this with "at risk" remuneration to bring total remuneration within the upper quartile when outstanding performance is achieved.

4.3.2 People & Remuneration Committee

The People & Remuneration Committee (which, as at the date of this report, is comprised of 4 Non-Executive Directors, all of whom are independent) makes recommendations to the Board about remuneration strategies and policies for the Executive KMP and considers matters related to organisational structure and operating model, company culture and values, diversity, succession for senior executives, and executive development and talent management. The ultimate responsibility for, and power to make company decisions with respect to these matters, remains with the full Board.

On an annual basis, the People & Remuneration Committee makes recommendations to the Board about the form of payment and incentives to Executive KMP and the amount. This is done with reference to Company performance and individual performance of the Executive KMP, relevant employment market conditions, current industry practices and independent remuneration benchmark reports.

4.3.3 External remuneration advisers

The People & Remuneration Committee may consider advice from external advisors who are engaged by and report directly to the Committee. Such advice will typically cover Non-Executive Director fees, Executive KMP remuneration and advice in relation to equity plans.

The *Corporations Act 2001* requires companies to disclose specific details regarding the use of remuneration consultants. The mandatory disclosure requirements only apply to those advisors who provide a "remuneration recommendation" as defined in the *Corporations Act 2001*. The Committee did not receive any remuneration recommendations during the reporting period.

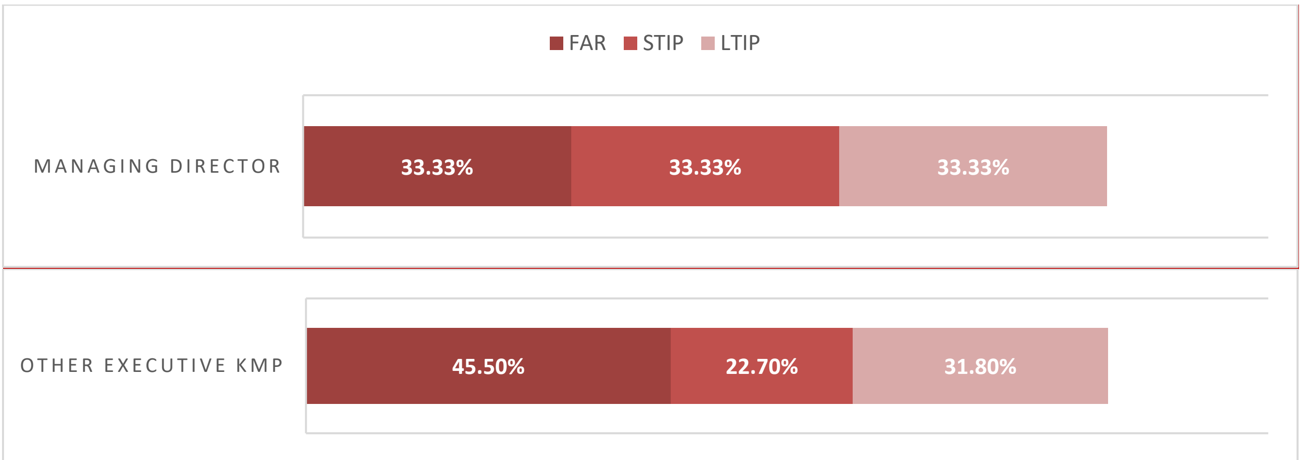
4.4 Nature & Structure of Executive KMP Remuneration

Executive KMP remuneration during the reporting period consisted of a mix of:

- FAR;
- STIP participation;
- benefits such as accommodation, internet allowance and car parking; and
- LTIP (composed of performance rights (**PRs**) and share appreciation rights (**SARs**) under the Company's amended Equity Incentive Plan approved by shareholders at the 2019 AGM (**EIP**)).

It is the Company's policy that the performance-based (or at-risk) pay forms a significant portion of the Executive KMPs' total remuneration. The Company aims to achieve an appropriate balance between rewarding operational performance (through the STIP cash reward) and rewarding long-term sustainable performance (through the LTIP).

The Company's remuneration profile for Executive KMP (at Maximum Performance Super Stretch) is as follows:



4.4.1 Remuneration Strategy and Framework - Linking Reward to Performance

The remuneration strategy sets the remuneration framework, and drives the design and application of remuneration for the Company, including Executive KMP.

The remuneration strategy:

- encourages a strong focus on financial and operational performance, and motivates Executive KMP to deliver sustainable business results and returns to the Company's shareholders over the short and long term;
- attracts, motivates and retains appropriately qualified and experienced talent; and
- aligns executive and shareholder interests through equity linked plans.

The Board believes that remuneration should include a fixed component and at-risk or performance-related components, including both short term and long-term incentives. This remuneration framework is shown in the table following, including how performance outcomes will impact remuneration outcomes for Executive KMP. The Board will continue to review the remuneration framework to ensure it continues to align with the Company's strategic objectives. No significant changes to the key elements of the remuneration framework were made in FY22, and none are currently planned for FY23.

4.4.2 Remuneration Strategy and Framework – Overview - FY22

	Performance conditions	Remuneration Strategy/Performance link
Fixed Annual Remuneration Salary and other benefits (including statutory superannuation)	**Key Considerations** • Scope of individual's role • Individual's level of knowledge, skills and expertise • Individual performance • Market benchmarking	FAR is set to attract, retain and motivate the right talent to deliver the strategy and deliver the Company's financial and operational targets. For executives new to their role, the aim is to set FAR at relatively modest levels compared to their peers and to progressively increase as they gain experience and perform at higher levels. This links fixed remuneration to individual performance.
Short Term Incentive Plan Annual incentive opportunity delivered in cash based on Company and Individual performance	**HSEC and Sustainability Key Performance Indicators (KPIs)** (up to 25% of Company performance related STIP award) • Safety incident and environment prevention • Community relationships • Sustainability targets – including nett zero **Production and Financial KPIs** (up to 25% of Company performance related STIP award) • Production and Revenue • Underlying EBITDAX **Capital Projects KPIs** (up to 15% of Company performance related STIP award) • Major projects delivery **Growth and Portfolio Management KPIs** (up to 15% of Company performance related STIP award) • Reserves and resources • Development project delivery • New gas contracts • Acquisitions and divestments **People, Culture and Enablers KPIs** (up to 20% of Company performance related STIP award) • Staff engagement and enablement • Funding • Systems and processes, including IT • Relationship management	STIP performance conditions are designed to support the financial, operational and strategic direction of the Company (the achievement links to shareholder returns) and are clearly defined and measurable. A large proportion of outcomes are subject to the operational and financial targets of the Company or business unit, depending on the role of the executive to ensure line of sight. Strategy and project targets ensure that continued focus on future opportunities is maintained. Non-financial targets are aligned to core Values (including safety and sustainability) and key strategic and growth objectives. Threshold, Target, Stretch and Super Stretch targets for each measure are set by the Board to ensure that a challenging performance-based incentive is provided. The Board has discretion to adjust STIP outcomes up or down to ensure appropriate individual outcomes and results align with the Cooper Energy Values.
	Individual performance KPIs (up to 25% for Managing Director & 30% for the other Executive KMP of Final STIP award) aligned to strategic objectives.	Individual performance measures are agreed each year. The measures relate to business objectives, promotion of the Values and identified areas for development. This ensures clear focus on "how we work" i.e. our Values and culture and what we seek to achieve.
Long Term Incentive Plan Three-year incentive opportunity delivered through Performance Rights and Share Appreciation Rights	**LTIP is a mix of PRs and SARs.** Maximum LTIP grant is 100% of FAR for Managing Director and 70% of FAR for other Executive KMP. **Relative Total Shareholder Return (RTSR)** is the only performance condition. RTSR ensures that LTIP can only vest when the Company's share price performance is at least at the 50th percentile of the peer group. Maximum LTIP vesting can only occur at or above 90th percentile of the peer group. • RTSR performance is where there is sustained superior share price performance of the Company compared to a Peer Group of companies. • Peer Group Companies are 12 ASX-listed companies in the oil and gas sector, with a range of market capitalisation. • SARs by their nature have an absolute total shareholder return requirement. No SAR will vest unless the share price appreciates over the measurement period.	Allocation of PRs and SARs upfront encourages executives to 'behave like shareholders' from the grant date. The PRs and SARs are restricted and subject to risk of forfeiture at the end of the three-year performance period. The Company believes that encouraging its employees to becomes shareholders is the best way of aligning employee interests with those of the Company's shareholders. The LTIP also acts as a retention incentive for key talent (due to the three-year vesting period). RTSR is designed to encourage executives to focus on the key performance drivers which underpin sustainable growth in shareholder value. The RTSR performance condition is designed to ensure vesting can only occur where shareholders have enjoyed superior share price performance compared to the peer group shareholders. SARs only have value when there is an increase in the Company's share price. In general, the Company's vesting hurdles are intended to be tougher than our industry peers.

Total Remuneration: The combination of these elements is designed to attract, retain and motivate appropriately qualified and experienced individuals, encourage a strong focus on performance, support the delivery of outstanding returns to shareholders and align executive and stakeholder interests through share ownership.

4.4.3 Fixed Annual Remuneration (FAR)

FAR includes base salary (paid in cash) and statutory superannuation. Executives are paid FAR which is competitive in the markets in which the Company operates and is consistent with the responsibilities, accountabilities and complexities of the respective roles.

The Company benchmarks Executive KMP FAR against resource industry market surveys (and, in particular, oil and gas companies) which are published annually. Additionally, the pay levels of Executive KMP positions in the Company may be benchmarked against national market executive remuneration surveys. It is the Company's policy to position itself at the median level of the market when benchmarking FAR.

4.4.4 Short Term Incentive Plan (STIP) - Overview

The STIP is an annual incentive opportunity delivered in cash based on a mix of Company and individual performance. The individual measures are a mixture of business unit and employee-specific goals. The FY22 Company performance measures in the Company's scorecard and weightings are as follows:

	Performance Measures	Rationale
HSEC & Sustainability (25%)	• Health • Safety (Lost Time Injury, Total Recordable Incident Frequency Rate) • Environment (reportable environmental incidents) • Community (strategy, grievance management) • Sustainability performance, reporting and initiatives	Targeting: • Industry leading HSEC performance • HSE processes efficient (cost & time), easily understood • Cooper Energy team clearly engaged & continually improving • Leading emissions management, clear sustainability positioning and policy • Valued community member, creating opportunities
Production & Financial (25%)	• Production (MMboe) • Revenue (A$ million) • U-EBITDAX (A$ million) • Cash margin (A$/boe; excludes DD&A)	Targeting: • Growing value by increasing production, revenue & margin from existing assets
Capital Projects (15%)	• Schedule • Cost • Project delivery quality	Targeting: • Major capital projects delivered per scope, within schedule and budget, with appropriate contingency included • Consistent successful major project delivery
Growth & Portfolio Management (15%)	• Reserves (MMboe) • Resources (MMboe) • New gas term contracts • Acquisitions & divestments • Portfolio management to reflect a growing business	Targeting: • Adding Reserves, Contingent Resources and Prospective Resources • Development projects adding material economic value • Term gas contracts that underpin new business and add value • Optimising value through portfolio management, acquisitions and divestment • Leveraging competitive strengths
People, Culture & Enablers (20%)	• Employee engagement and enablement • Cost management • Funding • Systems, processes and risk management • Key stakeholder relationships	Targeting: • Working as "One team" across the Company • Applying the Cooper Energy Values on all activities • Tight cost management, accurate forecasting • Funding that is fit for purpose, creating shareholder value and optimised • Efficient, cost-effective systems and processes (incl IT) helping to make jobs easier • Stakeholder relationships creating value

Please note as follows:
"**HSEC**" means Health Safety Environment & Community
"**MMboe**" means Million barrels of oil equivalent
"**GJ**" means Gigajoule
"**DD&A**" means Depreciation, Depletion & Amortisation

The key features of the STIP for FY22 are as follows:

STIP FY22 Plan Features	Details
What is the purpose of the STIP?	The STIP is designed to motivate and reward Executive KMP for their contribution to the annual performance of the Company.
How does the STIP align with the interests of Cooper Energy's shareholders?	The STIP is aligned to shareholder interests by encouraging Executive KMP to achieve operational and business milestones in a balanced and sustainable manner whilst growing asset and total company value.
What is the vehicle of the STIP award?	The STIP award is delivered in the form of a cash payment, usually in October.
What is the maximum award opportunity (% of Fixed Remuneration)?	Managing Director 100% Other Executive KMP 50%
What is the performance period?	Each year, the Board reviews and approves the performance criteria for the year ahead by approving a Company scorecard and individual performance contracts are agreed with each Executive KMP. The Company's STIP operates over a 12-month performance period from 1 July to 30 June.
How are the performance measures determined and what are their relative weightings?	The measurement of Company performance is based on the achievement of KPIs set out in a Company scorecard. See section 4.6.2 for the Company scorecard measures used for FY22. The KPIs focus on the core elements the Board believes are needed to successfully deliver the Company strategy and maximise sustainable shareholder returns. For each KPI in the scorecard, a base or threshold performance level is established as well as a Target, Stretch and Super Stretch (i.e. maximum). Personal performance measures are agreed between each Executive KMP and Cooper Energy each year. The relative weighting of Company scorecard and individual performance is as follows: Managing Director – 75% Company: 25% individual Executives – 70% Company: 30% individual Performance measures are challenging, and maximum award opportunities are only achieved by outstanding performance. 50% of the maximum award opportunity will be awarded if the Company meets target level performance. Target level KPIs are set at a challenging and achievable level of performance (and not at the base level of performance). 0% STIP will be awarded for base level achievement. 0% STIP will be awarded if during any measurement period the Company sustains a fatality or major environmental incident. Irrespective of the scorecard outcome, payment of any STIP is entirely at the discretion of the Board.
What elements are included in the individual's personal performance measures?	Individual performance measures are agreed each year. The individual measures relate to business unit objectives, promotion of Company Values and identified areas for development. This ensures a clear focus on "how we work" i.e. our Values and culture, as well as what we seek to achieve.

4.4.5 Long Term Incentive Plan (LTIP) - Overview

In the reporting period, the LTIP involved grants of PRs and SARs under the EIP. The key features of the grants made in the 2022 financial year (granted December 2021) are set out in the following table:

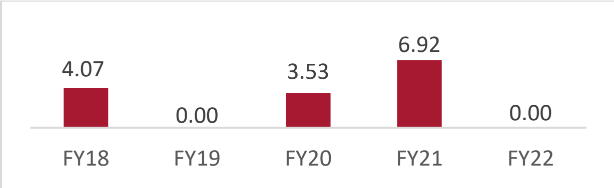
FY22 LTIP Plan Feature	Details
What is the purpose of the LTIP?	The Company believes that encouraging its employees, including Executive KMP, to become shareholders is the best way of aligning their interests with those of the Company's shareholders. Having a LTIP is also intended to be a retention incentive (with a vesting period of at least three years before securities under the plan are available to employees).
How is the LTIP aligned to shareholder interests?	Employees only benefit from the LTIP when there is sustained superior share price performance of the Company, including when compared to relevant peer group companies. This aligns the LTIP with the interests of shareholders.
What is the vehicle of the LTIP?	During the reporting period, the LTIP involved grants of 50% PRs and 50% SARs. A PR is a right to acquire one fully paid share in the Company provided a specified hurdle is met. SARs are rights to acquire shares in the Company to the value of the difference in the Company share price between the grant date and vesting date.
What is the maximum annual LTIP grant (% of Fixed Remuneration)?	Managing Director 100% Executive KMP 70%
What is the LTIP performance period?	The performance period is three years. Grants in years prior to the 2019 financial year allowed for re-testing 12 months following the end of the performance period. A re-test was considered appropriate because the Company's growth had been dependent on development of projects that have generally taken greater than three years from conception to start-up. Given the growth of the Company, including its development activities, the Company will no longer be reliant on single projects. As a consequence, the Board determined that re-testing would not form part of the terms of the Incentives for future grants.
What are the performance measures?	100% of the grant (both PRs and SARs) is subject to a RTSR performance measure. RTSR is a common long-term incentive measure across ASX-listed companies and is aligned with shareholder returns. Relative measures ensure that maximum incentives are only achieved if Cooper Energy's performance exceeds that of its peers and therefore supports competitive returns against other comparable organisations. In addition to the RTSR performance measure set by the Board, SARs by their nature also have a natural absolute total shareholder return measure. No SARs will be exercisable unless the share price appreciates over the measurement period.
What is the vesting schedule?	The level of vesting will be determined based on the ranking against the comparator group of companies in accordance with the following schedule: – below the 50th percentile no rights vest; – at the 50th percentile 30% of the rights vest; – between the 50th percentile and 90th percentile pro rata vesting; and – at the 90th percentile or above, 100% of the rights will vest. The vesting schedule reflects the Board's requirement that performance measures are challenging, and maximum award opportunities are only achieved by outstanding performance.
Which companies make up the Relative Total Shareholder Return peer group?	The RTSR of the Company is measured as a percentile ranking compared to the following comparator Group of 12 listed entities: Woodside Energy Group; Santos Limited; Beach Energy Limited; Senex Energy Limited (subsequently delisted); Karoon Gas Australia Limited; Central Petroleum Limited; Buru Energy Limited; Carnarvon Petroleum Limited; Strike Energy Limited; Warrego Energy Limited; Tamboran Resources Limited; Galilee Energy Limited. The peer group was based on a group of ASX-listed companies in the oil and gas sector, with a range of market capitalisation. This group will be reviewed in FY23 given recent mergers.

FY22 LTIP Plan Feature	Details
What happens on cessation of employment?	Generally, if an employee ceases employment prior to the vesting date (e.g. to take a position with another company), they will forfeit all awards. In the case of "qualifying leavers" as defined (examples of which include redundancy, retirement or incapacity) awards may be retained unless the Board determines otherwise. The Board also has a discretion to determine that some or all awards may be retained upon cessation of employment.
What happens if there is a change of control?	In the event of a change of control, unless the Board determines otherwise, pro-rata vesting will occur on the basis of the proportion of the relevant performance period that has elapsed.
Who can participate in the LTIP?	Eligibility is generally restricted to Executive KMP.
Will the Company make any changes to the LTIP for the grant to be made in the 2023 financial year?	It is not anticipated that the general structure of the LTIP will change for grants made in FY23. In FY21, a review was undertaken which included the appropriateness of RTSR being the sole measure for LTIP vesting. It was determined that RTSR remained a common performance measure within the oil and gas sector and an appropriate measure as the Company transitions from development to gas production. As part of this review, it was also acknowledged that SARs by their nature, have a natural Absolute Total Shareholder Return measure whereby no SARs will be exercisable unless the share price appreciates over the measurement period. The RTSR peer group is reviewed prior to each grant to reflect changes including merger and acquisitions within the group. The peer group in FY23 will remain based on a group of ASX-listed companies in the oil and gas sector, with a range of market capitalisation.

4.5 Cooper Energy's Five-Year Performance and Link to Remuneration

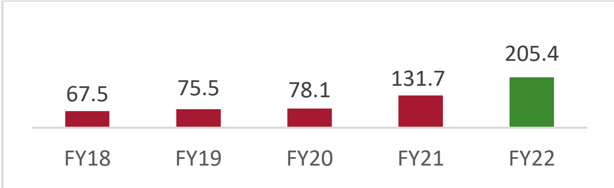
The following graphs illustrate the five-year performance and links to the remuneration strategy and framework:

Total Recordable Incident Frequency Rate (events per hours worked, where a lower value is better)



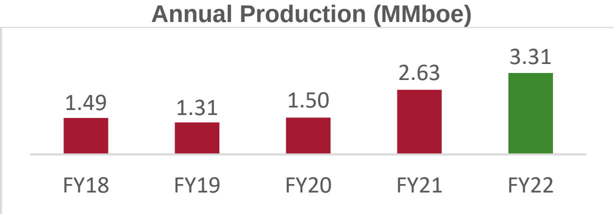
Links directly to Company STIP reward outcome as a HSEC & Sustainability KPI.

Sales Revenue ($ million)



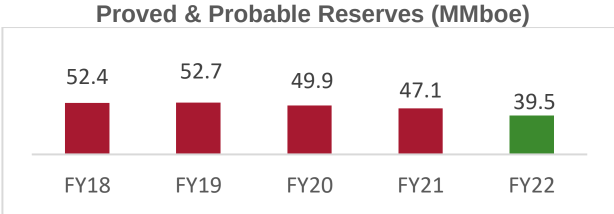
Links directly to Company STIP reward outcome as a Production & Financial KPI.

Annual Production (MMboe)



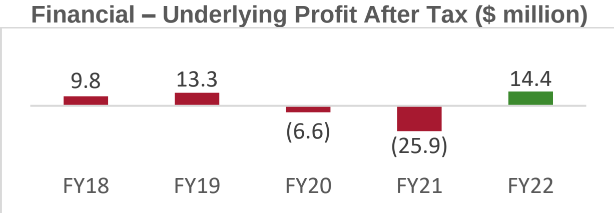
Links directly to Company STIP reward outcomes as a Production & Financial KPI.

Proved & Probable Reserves (MMboe)



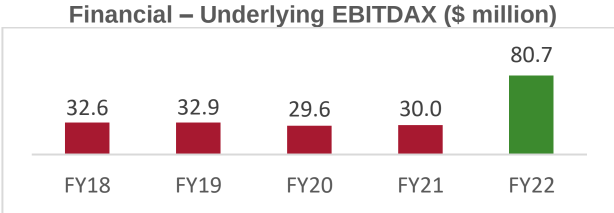
Links directly to Company STIP reward outcome as a Growth & Portfolio Management KPI.

Financial – Underlying Profit After Tax ($ million)



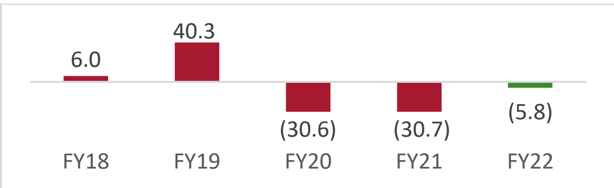
Links directly to Company STIP reward outcome as a Production & Financial KPI.

Financial – Underlying EBITDAX ($ million)



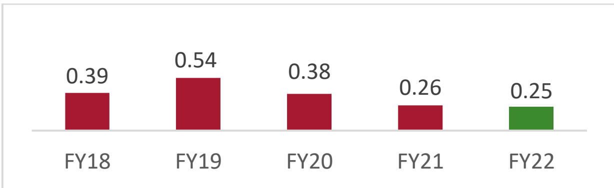
Links directly to Company STIP reward outcome as a Production & Financial KPI.

Financial – Total Shareholder Return (%)



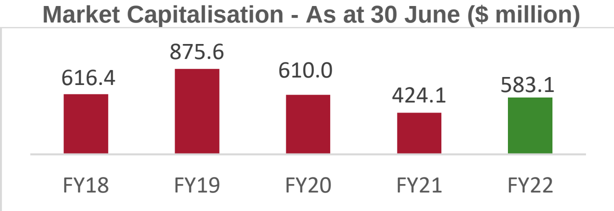
Links directly to Company LTIP reward outcome by increasing shareholder value.

Share Price – As at 30 June ($ per share)



Links directly to Company LTIP reward outcome by increasing shareholder value compared to peers.

Market Capitalisation - As at 30 June ($ million)



Links directly to Company LTIP reward outcome by increasing shareholder value compared to peers.

In FY22, and in the past 5 years, dividends were not paid by the Company to its shareholders, nor was there a return of capital to shareholders, consistent with the growth reinvestment objectives of the Company.

4.6 2022 Executive KMP Performance and Remuneration Outcomes

4.6.1 Fixed Annual Remuneration Outcome

Following a review by the Board at the end of FY22, it was determined that base salary increases would be applied to the Managing Director and all Executive KMP who had worked the Full Year.

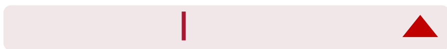
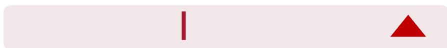
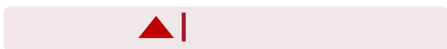
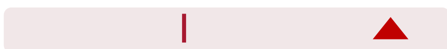
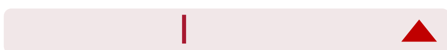
It was determined that the increases be effective 1 July 2022 (normally increases apply from 1 October each year). The decision to bring salary increases forward in 2022 (intended to revert to 1 October in 2023) was a result of the prevailing market conditions including strong competition in the labour market. The Board also recognised that there had been no increase to base salaries since October 2019 for the Managing Director or Executive KMP except for members who have had increased job responsibilities. FAR has also been adjusted as a consequence of increases to statutory superannuation contribution effective 1 July 2022. This has been applied to the Managing Director and all Executive KMP.

All increases applied from 1 July 2022 are consistent with benchmarking data within the resources industry and in particular the oil and gas sector. The overall increase to FAR (including base salary and statutory superannuation) for all Executive KMP was 4.63%. The increase to FAR for the Managing Director was 4.05%.

4.6.2 STIP Performance Outcomes – Company Results

There was a major improvement in the Company scorecard results in FY22 with many of the stated imperatives achieved at the Stretch and close to Super Stretch levels. The Board determined that the acquisition of the OGPP and the associated debt and equity funding were significant achievement milestones which will have a positive impact on most facets of the business. The acquisition was announced to the ASX on 20 June 2022.

The Board determined a FY22 scorecard assessment result of 87.5/100 (87.5%).

Performance measure (weighting%)	**Performance measure outcome**	**Result** **Threshold Target Stretch Super Stretch**
HSEC (25%)	• LTIs = 0 (in FY22) • TRIFR = 0.00 @ 30 June 2022 • Process Safety = Zero Process Safety Events classified as tier 1 or 2 • Environment = Zero reportable or notifiable incidents. BMG EP & Well Operations Management Plan (WOMP) approved • Sustainability – emissions offset is industry leading and new projects being reviewed	
Production & Financials (25%)	• Production: 3.3 MMboe • Revenue: $205.4 MM increased spot sales & prices • U-EBITDAX: $80.7 MM • Cash Margin: $29.85/boe • Net G&A: $14.8 MM	
Capital Projects (15%)	• Athena Gas Project – completed by mid-Dec 21. Optimisation ongoing • BMG abandonment – approved to proceed June 2022 and aligned with NOPSEMA notices (wells end CY23) • OP3D – revised development around Annie only. Way forward being developed	
Growth & Portfolio Management (15%)	• OGPP acquisition • Reserves – net reduction. Bangalee oil discovery • Contingent Resources – increase by 9% • Exploration – Otway prospects hi-graded. VIC/P80 granted • Gas contracts – amended AGL GSA for lower OGPP rates added value • M&A – non PEL92 Cooper Basin permits divestment agreed.	
People, Culture & Enablers (20%)	• People – Staff Survey results- Engagement dropped from FY21. Enablement improved • Funding – re-sculpted existing facility and agreed much larger $400MM facility + $120MM accordion facility. $244 MM equity raise • Cooper Energy Management System delivered. 85% ISO compliant (internal review) • IT – FY22 improvement plan implemented • Relationships – multiple regulatory approvals received consistent with plans.	
FY22 performance		**87.50 / 100**

4.6.3 STIP performance outcomes – Individual Results

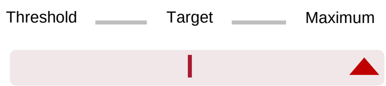
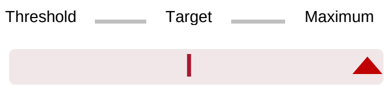
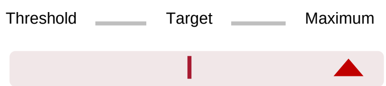
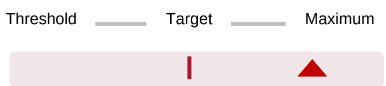
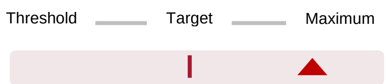
The outcome of Company scorecard performance (87.5%) and individual Executive KMP has resulted in the following STIP payments to the Executive KMP associated with the year ending 30 June 2022:

	Short Term Incentive (STI) for the year ended 30 June 2022				
	STI target % of Fixed Annual Remuneration	**STI maximum % of Fixed Annual Remuneration**	**Cash STI $**	**% earned of maximum STI opportunity**	**% forfeited of maximum STI opportunity**
Executive KMP					
Mr D. Maxwell	50%	100%	$818,310	89.25%	10.75%
Mr E. Glavas	25%	50%	$175,552	82.25%	17.75%
Mr A. Haren	25%	50%	$122,336	80.75%	19.25%
Mr M. Jacobsen	25%	50%	$194,110	82.25%	17.75%
Ms A. Jalleh	25%	50%	$184,781	91.25%	8.75%
Mr I. MacDougall	25%	50%	$189,946	82.25%	17.75%
Mr A. Thomas	25%	50%	$190,519	80.75%	19.25%
Mr D. Young[1]	25%	50%	-	-	-
Former Executive KMP					
Ms V. Suttell[2]	25%	50%	-	-	-

[1] Mr Young commenced as an Executive KMP on 2 May 2022 and was not eligible for STIP arising from FY22.
[2] Ms Suttell ceased to be an Executive KMP on 30 September 2021.

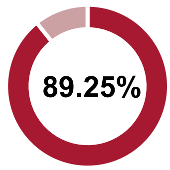
Managing Director Individual Performance

The Managing Director's individual performance accounted for 25% of his STIP payment. Mr Maxwell's FY22 individual performance measures, weighting and outcomes are described below. The Board assessed the Managing Director's individual performance as 94.50% resulting in receiving 23.63% out of the possible 25% for individual performance.

Individual FY22 Performance Measures	FY22 Outcome	Performance Outcomes
Assets and Projects (30% weighting)		• Commercial and technical solution for OGPP • Safe delivery of Athena Gas Plant upgrade • OP3D development • BMG decommissioning project supported and funded
Funding, Stakeholders and Sustainability (20% weighting)		• Funding plans for acquisition, existing business, abandonment, and growth projects • External relationships maintained and grown to support business activities • Support for Company performance and strategy (including Climate Action Policy)
People, Culture and Enablers (10% weighting)		• Company activities aligned to agreed strategy and key business targets • Organization including executive management, fit for purpose and talent management in place • Urgency and energy in place to deliver on FY22 scorecard
Health, Safety, Environment, Community (HSEC) (20% weighting)		• HSEC discipline is embedded in all operational and business activities • HSEC supported by efficient and effective policies and standards
Company Values (20% weighting)		• Cooper Energy Values instilled throughout the business • Behaviours inconsistent with Values called out • Clear and transparent communications in place • Staff and contract personnel collaborating consistent with 'one team' ethos • Strong leadership of Executive Leadership Team and team development

When the Company Results are added to the Individual Results, Mr Maxwell was awarded 89.25% of his maximum STIP payment for FY22. The full calculation is as follows:

Mr D Maxwell	Maximum Eligibility % FAR	FY22 Result	FY22 Outcome
Corporate scorecard	75%	87.50%	65.63%
Individual performance	25%	94.50%	23.63%
FY22 STIP outcome as % of maximum	100%		89.25%



Other Executive Key Management Personnel Individual Performance

STIP for other Executive KPMP has a 70% weighting on the corporate scorecard and 30% individual performance weighting. Commentary on individual performance and FY22 STIP calculations follow:

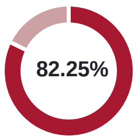
Mr E Glavas

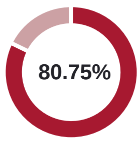
- HSEC result at super stretch, company values reinforced
- Lead role in successful OGPP acquisition
- Acting Investor Relations responsibility in H2 FY22
- New gas contracts unlocked increased value
- OP3D development activity slower than plan

Mr A Haren

- HSEC result at super stretch, company values reinforced
- People & Remuneration plan established and delivered
- New performance structure in place
- People processes and reporting improvement above target
- Talent management plans established

	Mr E Glavas	Mr A Haren
Corporate scorecard	87.50%	87.50%
Individual performance	70.00%	65.00%
FY22 STIP outcome as % of maximum	82.25%	80.75%





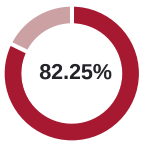
Mr M Jacobsen

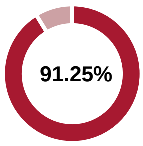
- HSEC result at super stretch, company values reinforced
- Athena Gas Plant upgrade within schedule
- Lead technical role in OGPP acquisition
- BMG decommissioning project approved and funded
- Operational governance improving performance

Ms A Jalleh

- HSEC result at super stretch, company values reinforced
- Lead role in OGPP acquisition, legal and commercial
- Legal, governance and Company Secretary to high standard
- Insurance and risk management targets exceeded

	Mr M Jacobsen	Ms A Jalleh
Corporate scorecard	87.50%	87.50%
Individual performance	70.00%	100.00%
FY22 STIP outcome as % of maximum	82.25%	91.25%





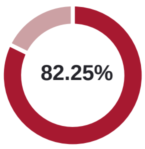
Mr I MacDougall

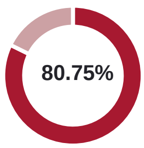
- HSEC result at super stretch, company values reinforced
- Net zero certification delivered
- Delivering sustainability initiatives
- Engineering systems enabling new business e.g. OGPP
- Strong environment performance and regulatory feedback

Mr A Thomas

- HSEC result at super stretch, company values reinforced
- Increased 2C and Prospective Resources offset by 2P decline
- High graded Otway prospects
- New permit with key prospectivity added

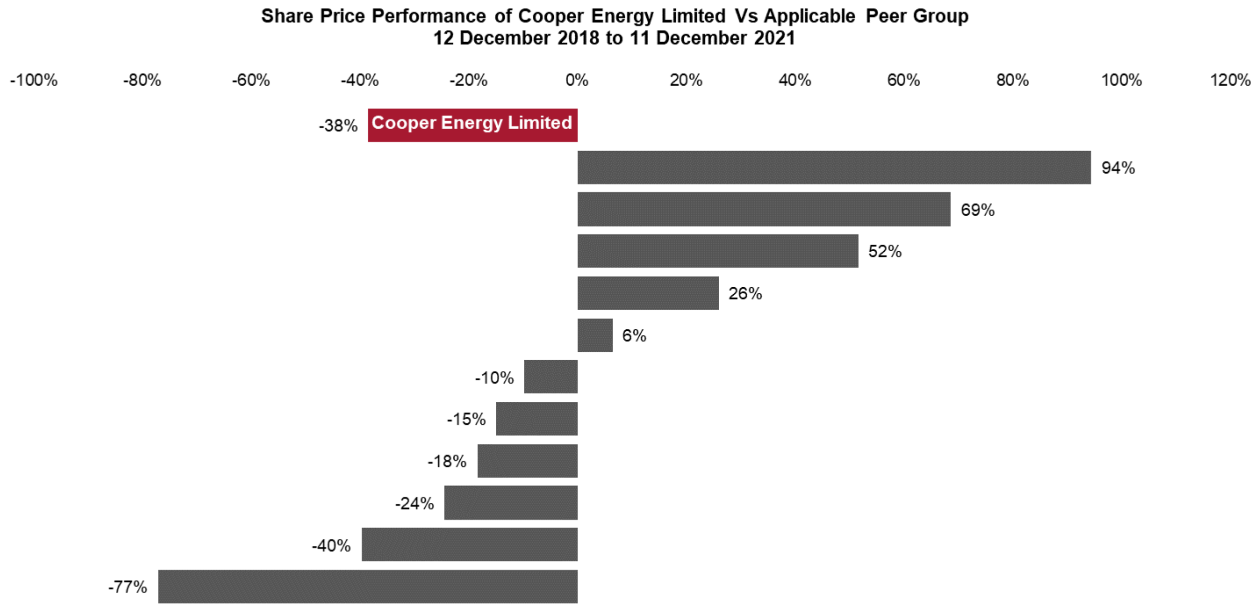
	Mr I MacDougall	Mr A Thomas
Corporate scorecard	87.50%	87.50%
Individual performance	70.00%	65.00%
FY22 STIP outcome as % of maximum	82.25%	80.75%





4.6.4 LTIP Outcome

The Company's RTSR compared to the peer group is set out below for the LTIP grant that vested in December 2021. The base for the graph is December 2018, being the grant date of PRs and SARs that were made under the Company's EIP. The terms of the EIP are set out in section 4.4.5.



The vesting of the award in December 2021 was impacted by the performance of the Company's share price against its peers over the measurement period. Over the three-year measurement period from 12 December 2018 to 11 December 2021, Cooper Energy's total shareholder return was -38% and it achieved a RTSR percentile rank of 11%. This resulted in a vesting outcome of 0% of all performance rights and SARs that were granted in December 2018. The LTIP grant from 12 December 2018 is subject to re-testing on 12 December 2022. This will be the final re-testing under the LTIP.

In FY22, LTIP grants from 8 December 2017 were re-tested in December 2021. However, the percentile rank was below the 50th percentile and therefore no shares vested as a result of this re-testing.

4.7 Executive KMP Employment Contracts

Each Executive KMP has an ongoing employment contract. All Executive KMP have termination benefits that are within the allowed limit in the *Corporations Act 2001* without shareholder approval. Contracts include the treatment of entitlements on termination in the event of resignation, with notice or for cause. The entitlements upon termination of the Managing Director and other Executive KMPs have not changed between FY21 and FY22.

Key terms for each Executive KMP are set out below:

Executive KMP	Notice by Cooper Energy	Notice by Executive KMP	Indemnity Agreement	Treatment on Termination by Cooper Energy
David Maxwell	12 months	6 months	Company provides Indemnity Agreement, Directors and Officers indemnity insurance and access to Company records.	Where the Managing Director is not employed for the full period of notice a payment in lieu may be made. A payment in lieu of notice is based on Fixed Remuneration (base salary and superannuation). Upon termination, superannuation is not paid on accrued annual leave or long service leave. Unused personal leave is not paid out and is forfeited.
Other Executive KMP	6 months	3 months	Company provides Indemnity Agreement, Directors and Officers indemnity insurance and access to Company records.	Where an Executive KMP is not employed for the full period of notice a payment in lieu may be made. A payment in lieu of notice is based on Fixed Remuneration (base salary and superannuation). Upon termination, superannuation is not paid on accrued annual leave or long service leave. Unused personal leave is not paid out and is forfeited.

4.8 2022 Remuneration Outcomes for Executive KMP

4.8.1 Remuneration Realised by Executive KMP in 2022 and 2021 (not audited)

The Company believes that reporting remuneration realised by Executive KMP is useful to shareholders. It provides clear and transparent disclosure of remuneration provided by the Company. The tables set out below show amounts paid to Executive KMP and the cash value of equity awards which vested during the reporting period.

This information is non-IFRS and is in addition to and different from the disclosures required by the *Corporations Act 2001* and Accounting Standards in the rest of the Remuneration Report and the tables in sections 4.8.2 and 4.9.3. The information in this section 4.8.1 is not audited.

The total benefits delivered during the reporting period and set out in the table below comprise the following elements:

- FAR is base salary and superannuation (statutory and salary sacrifice).
- STIP cash payment made in October each year. The STIP paid in October 2021 (FY22) is included in the 2022 figure. The STIP paid in October 2020 (FY2021) is included in the 2021 figure.
- LTIP realised based on the market value of PRs and SARs that vested in December 2020 and 2021 (granted in December 2017 and 2018 respectively).
- "Other" is the value of benefits including fringe benefits tax on accommodation, car parking and other benefits. In the case of Mr Young, it includes a sign on bonus and relocation reimbursement. In the case of Ms Suttell, it includes termination payments.

	Year	FAR $	STIP $	LTIP $	Other $	Total $
Executive KMP						
Mr D. Maxwell	**2022**	**916,874**	**-**	**-**	**67,523**	**984,397**
	2021	915,000	439,200	347,704	29,231	1,731,135
Mr E. Glavas	**2022**	**453,761**	**36,497**	**-**	**6,284**	**496,542**
	2021	425,000	98,175	95,075	6,011	624,261
Mr A. Haren[1]	**2022**	**301,469**	**12,526**	**-**	**1,750**	**315,745**
	2021	134,019	-	-	196	134,215
Mr M. Jacobsen	**2022**	**469,468**	**35,535**	**-**	**476**	**505,479**
	2021	460,000	102,293	106,484	508	669,285
Ms A. Jalleh	**2022**	**401,719**	**47,678**	**-**	**6,284**	**455,681**
	2021	390,000	87,210	-	6,011	483,221
Mr I. MacDougall	**2022**	**461,874**	**35,535**	**-**	**6,284**	**503,693**
	2021	460,000	98,325	106,484	6,011	670,820
Mr A. Thomas	**2022**	**471,874**	**40,361**	**-**	**6,284**	**518,519**
	2021	470,000	108,570	106,484	6,011	691,065
Mr D. Young[2]	**2022**	**86,667**	**-**	**-**	**90,742**	**177,409**
	2021	-	-	-	-	-
Former Executive KMP						
Ms V. Suttell[3]	**2022**	**124,590**	**41,220**	**-**	**28,074**	**193,884**
	2021	480,000	110,880	103,948	6,011	700,839

[1] Mr Haren commenced as an Executive KMP on 18 January 2021 and his entitlements for 2021 are prorated.
[2] Mr Young commenced as an Executive KMP on 2 May 2022 and his FAR entitlement for 2022 are prorated.
[3] Ms Suttell ceased to be an Executive KMP on 30 September 2021 and her entitlements for 2022 are prorated.

4.8.2 Table of Executive KMP Statutory Remuneration Disclosure for 2022 and 2021 financial years

		Benefits						
		Short-term			Long-term	Post-Employment[c]	Share Based Remuneration[e]	
		Base salary	STIP[a]	Other Short-term Benefits[b]	Long Service Leave	Superannuation[d]	LTIP	Total
Executive KMP		**$**	**$**	**$**	**$**	**$**	**$**	**$**
Mr D. Maxwell	**2022**	**893,306**	**818,310**	**67,523**	**23,438**	**23,568**	**782,134**	**2,608,279**
	2021	893,306	-	29,231	23,293	21,694	739,698	1,707,222
Mr E. Glavas	**2022**	**430,193**	**175,552**	**6,284**	**10,582**	**23,568**	**254,108**	**900,287**
	2021	403,306	36,497	6,011	10,653	21,694	233,449	711,610
Mr A. Haren[f]	**2022**	**277,901**	**122,336**	**1,750**	**-**	**23,568**	**41,774**	**467,329**
	2021	123,367	12,526	196	-	10,652	-	146,741
Mr M. Jacobsen	**2022**	**445,900**	**194,110**	**476**	**13,942**	**23,568**	**276,963**	**954,959**
	2021	438,306	35,535	508	(15,211)	21,694	255,246	736,078
Ms A. Jalleh	**2022**	**378,151**	**184,781**	**6,284**	**-**	**23,568**	**205,393**	**798,177**
	2021	368,306	47,678	6,011	-	21,694	116,690	560,379
Mr I. MacDougall	**2022**	**438,306**	**189,946**	**6,284**	**11,499**	**23,568**	**275,567**	**945,170**
	2021	438,306	35,535	6,011	11,601	21,694	255,246	768,393
Mr A. Thomas	**2022**	**448,306**	**190,519**	**6,284**	**11,762**	**23,568**	**281,443**	**961,882**
	2021	448,306	40,361	6,011	11,618	21,694	259,730	787,720
Mr D. Young[g]	**2022**	**82,739**	**-**	**90,742**	**-**	**3,928**	**-**	**177,409**
	2021	-	-	-	-	-	-	-
Former Executive KMP								
Ms V. Suttell[h]	**2022**	**114,576**	**-**	**1,998**	**(48,282)**	**10,014**	**(166,612)**	**(88,306)**
	2021	458,306	41,220	6,011	12,591	21,694	263,153	802,975

a) Refer to 4.6.3 for STIP amount earned in FY22 which will be paid in FY23.
b) Other short-term benefits include fringe benefits on accommodation, car parking and other benefits. In the case of Mr Young, it includes a sign on bonus and relocation reimbursement. Other short term benefits such as short-term compensated absences, short-term cash profit-sharing and other bonuses are not applicable to Executive KMP in FY22.
c) Superannuation is the only applicable post-employment benefit ie. no pension or similar benefits for Executive KMP.
d) Superannuation includes the amounts required to be contributed by the Company and does not include amounts salary sacrificed.
e) In accordance with the requirements of the Accounting Standards, remuneration includes a proportion of the value of the equity-linked compensation determined as at the grant date of the PRs and progressively expensed over the vesting period. The amount allocated as remuneration is not relative to or indicative of the actual benefit (if any) that may ultimately be realised should the equity instruments vest. The value of the PRs was determined in accordance with AASB 2 Share-based Payments and is discussed in Section 4.8.3 below and in more detail in Note 27 of the Notes to the Financial Statements.
f) Mr Haren commenced as an Executive KMP on 18 January 2021 and his entitlements for 2021 are prorated.
g) Mr Young commenced as an Executive KMP on 2 May 2022 and his entitlements for 2022 are prorated.
h) Ms Suttell ceased to be an Executive KMP on 30 September 2021 and her entitlements for 2022 are prorated.

No cash-settled share-based payment transactions or other forms of share-based payment compensation (including hybrids) were made by the Company.

4.8.3 Performance Rights and Share Appreciation Rights accounting for the reporting period.

The value of the PRs and SARs issued under the EIP is recognised as Share Based Payments in the Company's statement of comprehensive income and amortised over the vesting period. PRs and SARs were granted under the EIP on 9 December 2021. The PRs and SARs were granted for no consideration and the employee received no cash benefit at the time of receiving the rights. The cash benefit will be received by the employee following the sale of the resultant shares, which can only be achieved after the rights have been vested and the shares are issued.

PRs and SARs granted under the EIP were valued by an independent consultant who applied the Monte Carlo simulation model to determine the probability of achievement of the RTSR against performance conditions.

The value of PRs and SARs shown in the tables below are the accounting fair values for grants in the reporting period:

	Performance Rights (Equity Incentive Plan)				Share Appreciation Rights (Equity Incentive Plan)			
	No. of rights granted during period	**Fair value of rights at grant date**	**No. of rights vested during period**	**% of rights vested to 30 June 2022**	**No. of rights granted during period**	**Fair value of rights at grant date**	**No. of rights vested during period**	**% of rights vested to 30 June 2022**
Directors								
Mr D. Maxwell	2,081,911	385,154	-	32%	6,549,098	543,575	-	34%
Executive KMP								
Mr E. Glavas	678,500	125,523	-	28%	2,134,369	177,153	-	30%
Mr A. Haren	481,607	89,097	-	0%	1,515,000	125,745	-	0%
Mr M. Jacobsen	750,227	138,792	-	8%	2,360,000	195,880	-	9%
Ms A. Jalleh	643,732	119,090	-	0%	2,025,000	168,075	-	0%
Mr I. MacDougall	734,131	135,814	-	31%	2,309,369	191,678	-	34%
Mr A. Thomas	750,026	138,755	-	32%	2,359,369	195,828	-	34%
Mr D. Young[1]	-	-	-	-	-	-	-	-
Former Executive KMP								
Ms V. Suttell[2]	-	-	-	11%	-	-	-	13%

[1] Mr Young commenced as an Executive KMP on 2 May 2022.
[2] Ms Suttell ceased to be an Executive KMP on 30 September 2021.

The vesting date of the PRs granted on 9 December 2021 is 9 December 2024. The fair value of these rights is $0.185 per right and the share price on grant date was $0.27. The performance period for these PRs commenced on 9 December 2021.

The vesting date of the SARs granted on 9 December 2021 is 9 December 2024. The fair value of these rights is $0.083 per right and the share price on grant date was $0.27. The performance period for these SARs commenced on 9 December 2021.

4.8.4 Movement in Incentive Rights

The movement during the reporting period in the number of PRs granted but not exercisable over ordinary shares in Cooper Energy held, directly, indirectly or beneficially, by each Executive KMP, including their related parties, is as follows:

Performance Rights (Equity Incentive Plan)	Held at 1 July 2021	Granted	Lapsed	Vested & Exercised	Held at 30 June 2022
Directors					
Mr D. Maxwell	3,987,257	2,081,911	939,798	-	5,129,370
Executive KMP					
Mr E. Glavas	1,244,404	678,500	256,976	-	1,665,928
Mr A. Haren[1]	-	481,607		-	481,607
Mr M. Jacobsen	1,362,281	750,227	287,813	-	1,824,695
Ms A. Jalleh	619,377	643,732	-	-	1,263,109
Mr I. MacDougall	1,362,281	734,131	287,813	-	1,808,599
Mr A. Thomas	1,384,522	750,026	287,813	-	1,846,735
Mr D. Young[2]	-	-	-	-	-
Former Executive KMP					
Ms V. Suttell	1,399,147	-	1,054,509	-	344,638

[1] Mr Haren commenced as an Executive KMP on 18 January 2021.
[2] Mr Young commenced as an Executive KMP on 2 May 2022.

SARs represent the right to receive a quantity of shares based on an amount equal to the difference in share price at grant date and test date. The movement during the reporting period in the number of SARs granted but not exercisable over ordinary shares in Cooper Energy held, directly, indirectly or beneficially, by each Executive KMP, including their related parties, is as follows:

Share Appreciation Rights (Equity Incentive Plan)	Held at 1 July 2021	Granted	Lapsed	Vested & Exercised	Held at 30 June 2022
Directors					
Mr D. Maxwell	11,899,596	6,549,098	2,360,310	-	16,088,384
Executive KMP					
Mr E. Glavas	3,737,677	2,134,369	645,397	-	5,226,649
Mr A. Haren[1]	-	1,515,000		-	1,515,000
Mr M. Jacobsen	4,085,367	2,360,000	722,845	-	5,722,522
Ms A. Jalleh	2,049,680	2,025,000	-	-	4,074,680
Mr I. MacDougall	4,085,367	2,309,369	722,845	-	5,671,891
Mr A. Thomas	4,155,427	2,359,369	722,845	-	5,791,951
Mr D. Young[2]	-	-	-	-	-
Former Executive KMP					
Ms V. Suttell	4,206,191	-	3,267,574	-	938,617

[1] Mr Haren commenced as an Executive KMP on 18 January 2021.
[2] Mr Young commenced as an Executive KMP on 2 May 2022.

4.9 Nature of Non-Executive Director remuneration

Non-Executive Directors are remunerated solely by way of fees and statutory superannuation. Their remuneration is reviewed annually to ensure that the fees reflect their responsibilities and the demands placed on them. Non-Executive Directors do not receive any performance-related remuneration.

4.9.1 Non-Executive Director Fee Structure

The maximum aggregate remuneration pool for Non-Executive Directors, as approved by shareholders at the Company's 2018 Annual General Meeting, is $1.25 million. The Non-Executive Directors' fee structure for the reporting period was as follows:

Role	Board	Audit Committee	Risk & Sustainability Committee	People & Remuneration Committee	Governance & Nomination Committee
Chairman*	$240,000	$20,000	$20,000	$20,000	$0
Member	$115,000	$10,000	$10,000	$10,000	$10,000

*Where the Chairman of the Board is a member of a committee, he will not receive any additional committee fees.

Remuneration paid to the Non-Executive Directors for the reporting period and for the previous reporting period is shown in the table in Section 4.9.3.

The Company has entered into written letters of appointment with its Non-Executive Directors. The term of the appointment of a Non-Executive Director is determined in accordance with the Company's Constitution and is subject to the provisions of the Constitution dealing with retirement, re-election and removal of Non-Executive Directors. The Constitution provides that all Non-Executive Directors of the Company are subject to re-election by shareholders by rotation every three years. The Company has entered into indemnity, insurance and access agreements with each of the Non-Executive Directors under which the Company will, on the terms set out in the agreement, provide an indemnity, maintain an appropriate level of Directors' and Officers' indemnity insurance and provide access to Company records.

Note that Ms Giselle Collins was appointed to the Board as a Non-Executive Director, effective 19 August 2021 (confirmed by shareholders at the Company 2021 AGM).

4.9.2 Directors & Executives movement in shares

The movement during the reporting period in the number of ordinary shares in Cooper Energy held, directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

Ordinary Shares	Held at 1 July 2021	Purchases	Received on vesting of PRs & SARs	Sales	Held at 30 June 2022	Participation in the Company's 2-for-5 accelerated, non-renounceable entitlement offer
Directors						
Mr J. Conde AO	859,093	-	-	-	859,093	-
Mr D. Maxwell	20,000,086	-	-	-	20,000,086	2,895,944
Mr T. Bednall	132,499	-	-	-	132,499	53,000
Ms V. Binns	322,857	-	-	-	322,857	129,142
Ms G. Collins[1]	-	-	-	-	-	-
Ms E. Donaghey	580,000	-	-	-	580,000	232,000
Mr H. Gordon	1,746,138	-	-	-	1,746,138	61,224
Mr J. Schneider	1,016,594	-	-	-	1,016,594	406,638
Executive KMP						
Mr E. Glavas	1,424,203	-	-	-	1,424,203	22,212
Mr A. Haren[2]	-	-	-	-	-	-
Mr M. Jacobsen	297,283	-	-	-	297,283	251,087
Ms A. Jalleh	-	-	-	-	-	-
Mr I. MacDougall	3,474,127	-	-	-	3,474,127	200,000
Mr A. Thomas	5,147,308	-	-	-	5,147,308	816,325
Mr D. Young[3]	-	-	-	-	-	-

[1] Ms Collins has been appointed to the Board as a Non-Executive Director, effective 19 August 2021
[2] Mr Haren commenced as an Executive KMP on 18 January 2021.
[3] Mr Young commenced as an Executive KMP on 2 May 2022.

Options

No options were issued (or forfeited) during the year.

4.9.3 Table of Directors' remuneration for 2022 and 2021 financial years

		Benefits						
		Short-term			Long Term	Post-Employment	Share Based Remuneration [d]	
		Base Salary & Fees	STIP [a]	Other Short-Term Benefits [b]	Long Service Leave	Superannuation [c]	LTIP	Total
Directors		**$**	**$**	**$**	**$**	**$**	**$**	**$**
Mr J. Conde AO	**2022**	**218,182**	**-**	**-**	**-**	**21,818**	**-**	**240,000**
	2021	219,178	-	-	-	20,822	-	240,000
Mr D. Maxwell	**2022**	**893,306**	**818,310**	**67,523**	**23,438**	**23,568**	**782,134**	**2,608,279**
	2021	893,306	-	29,231	23,293	21,694	739,698	1,707,222
Mr T. Bednall	**2022**	**132,417**	**-**	**-**	**-**	**13,242**	**-**	**145,659**
	2021	130,137	-	-	-	12,363	-	142,500
Ms V. Binns	**2022**	**133,015**	**-**	**-**	**-**	**13,301**	**-**	**146,316**
	2021	138,204	-	-	-	13,129	-	151,333
Ms G. Collins [e]	**2022**	**106,562**	**-**	**-**	**-**	**10,656**	**-**	**117,218**
	2021	-	-	-	-	-	-	-
Ms E. Donaghey	**2022**	**132,417**	**-**	**-**	**-**	**13,242**	**-**	**145,659**
	2021	131,659	-	-	-	12,508	-	144,167
Mr H. Gordon	**2022**	**131,818**	**-**	**-**	**-**	**13,182**	**-**	**145,000**
	2021	132,420	-	-	-	12,580	-	145,000
Mr J. Schneider	**2022**	**132,417**	**-**	**-**	**-**	**13,242**	**-**	**145,659**
	2021	136,986	-	-	-	13,014	-	150,000
Ms A. Williams [f]	**2022**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2021	48,724	-	-	-	4,629	-	53,353

a) The STIP values noted for 2021 include an under/over accrual representing the difference between the prior period accrual and what was actually paid in respect of that year. Refer to 4.6.3 for STIP amount earned in FY22 which will be paid in FY23.
b) Other short-term benefits include fringe benefits on accommodation, car parking and other benefits.
c) Superannuation includes the amounts required to be contributed by the Company and does not include amounts salary sacrificed.
d) In accordance with the requirements of the Accounting Standards, remuneration includes a proportion of the value of the equity-linked compensation determined as at the grant date of the PRs and progressively expensed over the vesting period. The amount allocated as remuneration is not relative to or indicative of the actual benefit (if any) that may ultimately be realised should the equity instruments vest. The value of the PRs was determined in accordance with AASB 2 Share-based Payments and is discussed in Section 4.8.3 above and in more detail in Note 27 of the Notes to the Financial Statements.
e) Ms Collins has been appointed to the Board as a Non-Executive Director, effective 19 August 2021
f) Ms Williams stepped down from the Board effective 12 November 2020.

End of remuneration report.

5. Principal activities

Cooper Energy is an upstream gas and oil exploration and production company whose primary purpose is to secure, find, develop, produce and sell hydrocarbons. These activities are undertaken either solely or via unincorporated joint ventures. There was no significant change in the nature of these activities during the year.

6. Operating and Financial Review

Information on the operations and financial position of Cooper Energy and its business strategies and prospects is set out in the Operating and Financial Review.

7. Dividends

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of dividends since the end of the previous financial year, or to the date of this report.

8. Environmental regulation

The Company is a party to various production, exploration and development licences or permits. In most cases, the licence or permit terms specify the environmental regulations applicable to gas and oil operations in the respective jurisdiction. The Group aims to ensure that it complies with the identified regulatory requirements in each jurisdiction in which it operates. There have been no significant known breaches of the environmental obligations of the Group's licences or permits.

9. Likely developments

Other than disclosed elsewhere in the Financial Report (including the Operating and Financial Review under the heading "Outlook"), further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would likely result in unreasonable prejudice to the consolidated entity.

10. Directors' interests

The relevant interest of each Director in ordinary shares and options over shares issued by the parent entity as notified by the Directors to the Australian Stock Exchange in accordance with S205G(1) of the *Corporations Act 2001*, at the date of this reports is as follows:

	Ordinary Shares	Performance Rights	Share Appreciation Rights
Mr J. Conde AO	859,093	Nil	Nil
Mr D. Maxwell	22,896,030	5,129,370	16,088,384
Mr T. Bednall	185,499	Nil	Nil
Ms V. Binns	451,999	Nil	Nil
Ms G. Collins[1]	Nil	Nil	Nil
Ms E. Donaghey	812,000	Nil	Nil
Mr H. Gordon	1,807,362	Nil	Nil
Mr J. Schneider	1,423,232	Nil	Nil

[1] Ms Collins was appointed to the Board as a Non-Executive Director, effective 19 August 2021.

11. Share options and rights

At the date of this report, there are no unissued ordinary shares of the parent entity under option.

At the date of this report, there are 26,086,626 outstanding PRs and 71,695,778 SARs under the Equity Incentive Plan approved by shareholders at the 2019 AGM.

During the financial year no shares were issued as a result of PRs and SARs exercised. At the date of this report, no PRs have vested and been exercised subsequent to 30 June 2022.

12. Events after financial reporting date

Refer to Note 30 of the Notes to the Financial Statements.

13. Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of the proceedings.

14. Indemnification and insurance of directors and officers

14.1 Indemnification

The parent entity has agreed to indemnify the current Directors and Officers, and past Directors and Officers, of the parent entity and its subsidiaries, where applicable, against all liabilities (subject to certain limited exclusions) to persons (other than the parent entity and its subsidiaries) which arise out of the performance of their normal duties as a Director or Officer, unless the liability relates to conduct involving a lack of good faith. The parent entity has agreed to indemnify the Directors and Officers against all costs and expenses (other than certain excluded legal costs) incurred in defending an action that falls within the scope of the indemnity and any resulting payments.

14.2 Insurance premiums

During the financial year, the parent entity has paid insurance premiums in respect of Directors' and Officers' liability and legal insurance contracts for current and former Directors and Officers of the parent entity. The insurance contracts relate to costs and expenses incurred by the relevant Directors and Officers in defending proceedings, whether civil or criminal and whatever their outcome and other liabilities that may arise from their position, with exceptions including conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage. The insurance contracts outlined above do not contain details of premiums paid in respect of individual Directors or Officers of the parent entity.

15. Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount) except in the case where the claim arises because of Ernst & Young's negligent, wrongful or wilful acts or omissions. No payment has been made to indemnify Ernst & Young during or since the financial year.

16. Auditor's independence declaration

The auditor's independence declaration is set out on page 91 and forms part of the Directors' report for the financial year ended 30 June 2022.

17. Non-audit services

The amounts paid and payable to the auditor of the Group, Ernst & Young and its related practices for non-audit services provided during the year was $347,100 (2021: $422,523). A portion of total fees paid to Ernst & Young was in relation to the acquisition of the Orbost Gas Processing Plant. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

18. Rounding

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016 and in accordance with that Legislative Instrument, amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of the Directors.

John Conde

Mr John C. Conde AO
Chairman

David P. Maxwell

Mr David P. Maxwell
Managing Director

Dated at Adelaide 22 August 2022

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2022

	Notes	2022 $'000	2021 $'000
Revenue from oil and gas sales	2	**205,389**	131,734
Cost of sales	2	**(157,628)**	(117,649)
Gross profit		**47,761**	14,085
Other income	2	**-**	7,181
Other expenses	2	**(56,857)**	(41,225)
Finance income	19	**468**	542
Finance costs	19	**(14,099)**	(14,054)
Loss before tax		**(22,727)**	(33,471)
Income tax benefit	3	**6,057**	9,158
Petroleum resource rent tax expense	3	**6,112**	(5,724)
Total tax benefit		**12,169**	3,434
Loss after tax for the period attributable to shareholders		**(10,558)**	(30,037)
Other comprehensive income/(expenditure)			
Items that will not be reclassified subsequently to profit or loss			
Fair value movement on equity instruments at fair value through other comprehensive income	20	**(332)**	688
Other comprehensive income/(expenditure) for the period net of tax		**(332)**	688
Total comprehensive loss for the period attributable to shareholders		**(10,890)**	(29,349)
		Cents	Cents
Basic loss per share	4	**(0.6)**	(1.8)
Diluted loss per share	4	**(0.6)**	(1.8)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2022

	Notes	2022 $'000	2021 $'000
Assets			
Current Assets			
Cash and cash equivalents	5	**247,012**	91,308
Trade and other receivables	6	**30,467**	32,105
Prepayments	7	**12,854**	11,893
Inventory	8	**841**	950
Total Current Assets		**291,174**	136,256
Non-Current Assets			
Other financial assets	21	**484**	10,964
Contract asset	2	**2,062**	-
Property, plant and equipment	11	**59,232**	33,217
Intangible assets	12	**1,360**	2,059
Right-of-use assets	17	**7,520**	8,625
Exploration and evaluation assets	13	**164,909**	159,443
Gas and oil assets	14	**595,347**	570,178
Deferred tax asset	3	**63,563**	55,993
Deferred petroleum resource rent tax asset	3	**12,763**	-
Total Non-Current Assets		**907,240**	840,479
Exploration assets classified as held for sale	10	**1,558**	1,807
Total Assets		**1,199,972**	978,542
Liabilities			
Current Liabilities			
Trade and other payables	9	**32,752**	34,374
Provisions	16	**29,867**	10,453
Lease liabilities	17	**1,251**	1,141
Interest bearing loans and borrowings	18	**37,000**	60,000
Total Current Liabilities		**100,870**	105,968
Non-Current Liabilities			
Provisions	16	**446,754**	356,093
Lease liabilities	17	**9,612**	10,863
Interest bearing loans and borrowings	18	**121,000**	158,000
Other financial liabilities	21	**3,285**	3,582
Deferred petroleum resource rent tax liability	3	**19,118**	17,083
Total Non-Current Liabilities		**599,769**	545,621
Liabilities directly associated with assets held for sale	10	**908**	1,157
Total Liabilities		**701,547**	652,746
Net Assets		**498,425**	325,796
Equity			
Contributed equity	20	**478,261**	477,675
Reserves	20	**197,625**	14,118
Accumulated losses		**(177,461)**	(165,997)
Total Equity		**498,425**	325,796

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the Year ended 30 June 2022

	Notes	Issued Capital $'000	Reserves $'000	Accumulated Losses $'000	Total Equity $'000
Balance at 1 July 2021		**477,675**	**14,118**	**(165,997)**	**325,796**
Loss for the period		**-**	**-**	**(10,558)**	**(10,558)**
Other comprehensive expenditure		**-**	**(332)**	**-**	**(332)**
Total comprehensive loss for the period		**-**	**(332)**	**(10,558)**	**(10,890)**
Transactions with owners in their capacity as owners:					
Equity issue	20	**-**	**179,508**	**-**	**179,508**
Share based payments	20	**-**	**4,011**	**-**	**4,011**
Transferred to retained earnings	20	**-**	**906**	**(906)**	**-**
Transferred to issued capital	20	**586**	**(586)**	**-**	**-**
Balance as at 30 June 2022		**478,261**	**197,625**	**(177,461)**	**498,425**
Balance at 1 July 2020		475,862	11,180	(135,960)	351,082
Loss for the period		-	-	(30,037)	(30,037)
Other comprehensive income		-	688	-	688
Total comprehensive loss for the period		-	688	(30,037)	(29,349)
Transactions with owners in their capacity as owners:					
Share based payments	20	-	4,063	-	4,063
Transferred to issued capital	20	1,813	(1,813)	-	-
Balance as at 30 June 2021		477,675	14,118	(165,997)	325,796

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2022

	Notes	2022 $'000	2021 $'000
Cash Flows from Operating Activities			
Receipts from customers		**204,205**	119,075
Payments to suppliers and employees		**(130,156)**	(84,314)
Payments for restoration		**(6,123)**	(5,324)
Petroleum resource rent tax paid		**(925)**	(11,130)
Interest received		**419**	548
Interest paid		**(9,638)**	(10,796)
Net cash from operating activities	5	**57,782**	8,059
Cash Flows from Investing Activities			
Payments for property, plant and equipment		**(6,119)**	(17,820)
Payments for intangibles		**(493)**	(1,683)
Payments for exploration and evaluation		**(5,120)**	(5,668)
Payments for gas and oil assets		**(9,149)**	(9,405)
Proceeds from sale of equity instruments		**437**	-
Net cash flows used in investing activities		**(20,444)**	(34,576)
Cash Flows from Financing Activities			
Repayment of principal portion of lease liabilities	5	**(1,141)**	(1,045)
Proceeds from equity issue	20	**178,000**	-
Repayment of borrowings	5	**(60,000)**	(11,438)
Net cash flow from financing activities		**116,859**	(12,483)
Net (decrease)/increase in cash held		**154,197**	(39,000)
Net foreign exchange differences		**1,507**	(1,275)
Cash and cash equivalents at 1 July		**91,308**	131,583
Cash and cash equivalents at 30 June	5	**247,012**	91,308

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Corporate information

The consolidated financial report of Cooper Energy Limited and its controlled entities ("Cooper Energy" or "the Group") for the year ended 30 June 2022 was authorised for issue on 22 August 2022 in accordance with a resolution of the Directors. Cooper Energy Limited is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the Directors' Statutory Report and Note 1.

Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001,* Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial report has also been prepared on a historical cost basis, except for equity instruments measured at fair value through other comprehensive income and derivative financial instruments measured at fair value through profit and loss.

The financial report is presented in Australian dollars and under the option available to the Group under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, all values are rounded to the nearest thousand dollars ($'000), unless otherwise stated.

Australian dollars is the functional currency of Cooper Energy Limited and all of its subsidiaries. Transactions in foreign currencies are initially recorded in the functional currency of the transacting entity at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the rates of exchange prevailing at that date. Exchange differences in the consolidated financial statements are taken to the income statement.

Plant acquisition and funding activities

On 20 June 2022 the Company announced the signing of a binding asset sale agreement to acquire the Orbost Gas Processing Plant ("OGPP") from APA Orbost Gas Plant Pty Ltd, an entity controlled by APA Group ("APA"). Additionally, the Company announced the following in relation to funding of the acquisition:

- the acquisition was subject to conditions including a successful equity raising (Note 30);
- the equity raising was fully underwritten to the value of $244.0 million comprising a 2-for-5 accelerated, non-renounceable entitlement offer to all shareholders and a placement to institutional investors (Note 20 and Note 30); and
- a new, fully underwritten $400.0 million senior secured revolving corporate reserves based loan facility and a $20.0 million working capital facility to refinance the existing syndicated debt facility and to fund future capital projects for the Group (Note 30).

At the end of June 2022, funds of $179.5 million (net of $3.5 million after tax costs) were received in relation to the institutional placement, with shares issued in July and the equity offering completed in July. The contractual completion of the acquisition of the OGPP occurred on 28 July 2022 and the new debt financing facility was executed on 29 July 2022.

Going concern basis

The consolidated financial statements have been prepared on the basis that the Group is a going concern, which contemplates continuity of normal operations and the realisation of assets and settlement of liabilities in the ordinary course of business.

The directors have formed the view that there are reasonable grounds to believe that the Group will continue as a going concern, having considered the matters set out above in the section titled Plant acquisition and funding activities and the matters set out in note 30.

Basis of consolidation

The consolidated financial statements are those of the consolidated entity, comprising Cooper Energy Limited ("the parent entity") and its controlled entities ("Cooper Energy" or "the Group").

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. All inter-company balances and transactions, income and expenses and profit and losses arising from intra-group transactions, have been eliminated in full.

Subsidiaries are consolidated from the date on which the Group gains control of the subsidiary and cease to be consolidated from the date on which the Group ceases to control the subsidiary.

Significant accounting judgements, estimates and assumptions

In the process of applying the Group's accounting policies, management is required to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Judgements, estimates and assumptions which are material to specific notes of the financial statements are below:

Note 3	Income tax	Note 17	Leases
Note 14	Gas and oil assets	Note 22	Interests in joint arrangements
Note 15	Impairment	Note 27	Share based payments
Note 16	Provisions		

Judgements, estimates and assumptions which are material to the overall financial statements are below:

Significant Accounting Judgements, Estimates and Assumptions

Determination of recoverable hydrocarbons
Estimates of recoverable hydrocarbons impact the asset impairment assessment, depreciation and amortisation rates and decommissioning and restoration provisions.

Estimates of recoverable hydrocarbons are evaluated and reported by qualified petroleum reserves and resources evaluators in accordance with the ASX Listing Rules and the Group's Hydrocarbon Guidelines (www.cooperenergy.com.au/our-company/corporate-governance-and-policies/hydrocarbon-reporting-policy). A technical understanding of the geological and engineering processes enables the recoverable hydrocarbon estimates to be determined by using forecasts of production, commodity prices, production costs, exchange rates, tax rates and discount rates.

Recoverable hydrocarbon estimates may change from time to time if any of the forecast assumptions are revised.

Climate change
In preparing the financial report, management has considered the impact of climate change and current climate-related legislation.

The focus of the Company's strategy on conventional gas production, located in south-east Australia close to market, is conducive to lower emissions intensity gas supply. The Company measures and reports its emissions and emissions offsets to maintain its' carbon neutral position as certified by Climate Active, a partnership between the Australian Government and Australian businesses to drive voluntary climate action, whilst also seeking to reduce its gross emissions. These results are published annually in the Company's Sustainability Report and are aligned with the Financial Stability Board's Task Force for Climate-Related Financial Disclosures (TCFD) recommendations on climate-related financial disclosures.

The Company continues to monitor climate-related policy and its impact on the financial report. The current impacts of climate change include estimates of a range of economic and climate-related scenarios. This includes market supply and demand profiles, carbon emissions profiles, legal impacts and technological impacts. These are factored into discount rates, commodity price forecasts, and demand and supply profiles, all of which are impacted by the global demand profile of the economy as a whole. The estimates and forecasts used by the Company are in accordance with current climate-related legislation and policy.

The impact of climate change is considered in the significant judgements and key estimates in a number of areas in the financial report including:
- asset carrying values (exploration and evaluation assets, oil and gas assets) through determination of valuations considered for impairment – refer note 15;
- restoration obligations, including the timing of such activities – refer note 16; and
- deferred taxes, primarily related to asset carrying values and restoration obligations – refer note 3.

The Group continues to monitor climate-related policy and its impact on the Financial Report.

New accounting standards and interpretations

New standards, interpretations and amendments thereof, adopted by the Group
The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the 2022 financial year.

No new accounting standards, amendments and interpretations applicable on 1 July 2021 have had a material impact on the Group's financial statements.

Accounting standards and interpretations issued but not yet effective
The accounting standards and interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ending 30 June 2022, are outlined below:

AASB 2021-5	**Amendments to AASs – Deferred Tax related to Assets and Liabilities arising from a Single Transaction**
Summary	AASB 112 Income Taxes requires entities to account for income tax consequences when economic transactions take place, and not at the time when income tax payments or recoveries are made. Accounting for such tax consequences means entities need to consider the differences between tax rules and the accounting standards. This amendment requires entities to also recognise deferred tax for all temporary differences related to leases, decommissioning, restoration and similar liabilities at the beginning of the earliest comparative period presented.
Application Date of the Standard	1 January 2023
Impact on Consolidated Financial Statements	The impact of this accounting standard amendment on the Group is yet to be determined.

Notes to the financial statements

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the Group. They include applicable accounting policies applied and significant judgements, estimates and assumptions made. Specific accounting policies are disclosed in the respective notes to the financial statements.

The notes are organised into the following sections:

Group performance	Provides additional information regarding financial statement lines that are most relevant to explaining the Group's operating performance during the period.
Working capital	Provides additional information regarding financial statement lines that are most relevant to explaining the assets used to generate the Group's operating performance during the period.
Capital employed	Provides additional information regarding financial statement lines that are most relevant to explaining the capital investments made that allows the Group to generate its operating result during the period and liabilities incurred as a result.
Funding and risk management	Provides additional information regarding financial statement lines that are most relevant to explaining the Group's funding sources. This section also provides information relating to the Group's exposure to various financial risks, its impact on the financial position and performance of the Group and how these risks are managed.
Group structure	Summarises how the group structure affects the financial position and performance of the Group as a whole.
Other information	Includes other information that is disclosed to comply with relevant accounting standards and other pronouncements, but is not directly related to the individual line items in the financial statement.

Group Performance

1. Segment reporting

Identification of reportable segments and types of activities

The Group identifies its reportable segments to be South-East Australia, Cooper Basin (based on the nature and geographic location of the assets), and Corporate and Other. This forms the basis of internal group reporting to the Managing Director who is the chief operating decision maker for the purpose of assessing performance and allocating resources between each segment. Revenue and expenses are allocated by way of their natural expense and income category.

Other prospective opportunities are also considered from time to time and, if they are secured, will then be attributed to the segment where they are located, or a new segment will be established.

The following are reportable segments:

South-East Australia
The South-East Australia segment primarily consists of the operated Sole and Casino Henry producing gas assets and Athena Gas Plant. Revenue is derived from the sale of gas and condensate to five contracted customers and via spot sales. The segment also includes exploration and evaluation and care and maintenance activities ongoing in the Otway and Gippsland Basins.

Cooper Basin
This segment comprises production and sale of crude oil in the Group's permits within the Cooper Basin, along with exploration and evaluation of additional oil targets. Revenue is derived from the sale of crude oil to IOR Energy Pty Ltd and a consortium of buyers made up of Santos Limited (and its subsidiaries), Delhi Petroleum Pty Ltd and Beach Energy (Operations) Limited.

Corporate and Other
The Corporate segment includes the revenue and costs associated with the running of the business and includes items which are not directly allocable to the other two segments.

Accounting policies and inter-segment transactions
The accounting policies used by the Group in reporting segments internally is the same as those contained in the financial statements.

	South-East Australia $'000	Cooper Basin $'000	Corporate and Other $'000	Consolidated $'000
30 June 2022				
Revenue from gas and oil sales to external customers	188,139	17,250		205,389
Total revenue	**188,139**	**17,250**	**-**	**205,389**
Segment result before interest, tax, depreciation, amortisation and restoration, exploration and evaluation expense and impairment	69,179	11,045	(16,048)	64,176
Restoration expense	(19,031)	-	-	(19,031)
Exploration and evaluation expense	(118)	(89)	(2)	(209)
Depreciation and amortisation	(48,831)	(2,165)	(3,036)	(54,032)
Net finance costs	(13,384)	(137)	(110)	(13,631)
Profit/(loss) before tax	(12,185)	8,654	(19,196)	(22,727)
Income tax benefit	-	-	6,057	6,057
Petroleum resource rent tax expense	6,112	-	-	6,112
Net profit/(loss) after tax	**(6,073)**	**8,654**	**(13,139)**	**(10,558)**
Segment assets	547,431	23,964	628,577	1,199,972
Segment liabilities	521,080	5,996	174,471	701,547
Additions of non-current assets				
Exploration and evaluation assets	3,499	1,927	-	5,426
Gas and oil assets	73,738	874	-	74,612
Property, plant and equipment	28,302	-	4	28,306
Intangibles	-	-	494	494
Total additions of non-current assets	**105,539**	**2,801**	**498**	**108,838**

1. Segment reporting continued

	South-East Australia $'000	Cooper Basin $'000	Corporate and Other $'000	Consolidated $'000
30 June 2021				
Revenue from gas and oil sales to external customers	119,498	12,236	-	131,734
Total revenue	119,498	12,236	-	131,734
Segment result before interest, tax, depreciation, amortisation and restoration, exploration and evaluation expense and impairment	32,043	5,331	(20,102)	17,272
Restoration income	7,175	-	-	7,175
Exploration and evaluation expense	(272)	(294)	-	(566)
Depreciation and amortisation	(38,150)	(2,641)	(2,660)	(43,451)
Impairment	-	(389)	-	(389)
Net finance costs	(13,344)	(115)	(53)	(13,512)
Profit/(loss) before tax	(12,548)	1,892	(22,815)	(33,471)
Income tax benefit	-	-	9,158	9,158
Petroleum resource rent tax expense	(5,724)		-	(5,724)
Net profit/(loss) after tax	(18,272)	1,892	(13,657)	(30,037)
Segment assets	782,167	15,016	181,359	978,542
Segment liabilities	405,776	7,159	239,811	652,746
Additions of non-current assets				
Exploration and evaluation assets	2,634	493	-	3,127
Gas and oil assets	(5,997)	988	(3)	(5,012)
Property, plant and equipment	17,663	-	157	17,820
Intangibles	-	-	1,683	1,683
Total additions of non-current assets	14,300	1,481	1,837	17,618

In 2022, revenue from two customers amounted to $97.6 million; and $38.5 million respectively in the South-East Australia segment. In 2021, revenue from two customers amounted to $71.1 million, and $21.5 million respectively in the South-East Australia segment.

2. Revenues and expenses

Revenues

Revenue from gas and oil sales

	Notes	2022 $'000	2021 $'000
Revenue from contracts with customers			
Gas revenue from contracts with customers		**188,138**	119,499
Oil revenue from contracts with customers		**15,712**	12,141
Total revenue from contracts with customers		**203,850**	131,640
Other revenue			
Fair value movement on crude oil receivables		**1,539**	94
Total other revenue		**1,539**	94
Total revenue from gas and oil sales		**205,389**	131,734

Contract assets related to contracts with customers
The Group has recognised the following assets related to contracts with customers.

	Notes	2022 $'000	2021 $'000
Opening balance		**-**	-
Contract assets recognised during the year		**2,062**	-
Closing balance		**2,062**	-

Other income

Restoration income	**-**	7,175
Other	**-**	6
Total other income	**-**	7,181

Expenses

	Notes	2022 $'000	2021 $'000
Cost of sales			
Production expenses		**(80,362)**	(62,510)
Royalties		**(1,594)**	(976)
Third-party product purchases		**(24,678)**	(13,373)
Amortisation of gas and oil assets		**(49,443)**	(40,790)
Depreciation of property, plant and equipment		**(1,551)**	-
Total cost of sales		**(157,628)**	(117,649)
Other expenses			
Selling expense		**(637)**	(678)
General administration		**(14,729)**	(12,669)
Depreciation of property, plant and equipment		**(740)**	(807)
Amortisation of intangibles		**(1,193)**	(742)
Depreciation of right-of-use assets		**(1,105)**	(1,113)
Care and maintenance		**(2,808)**	(2,755)
Restoration expense		**(19,031)**	-
Exploration and evaluation expense		**(209)**	(566)
Impairment expense	15	**-**	(389)
OGPP reconfiguration and commissioning works		**(15,084)**	(11,215)
Other (including new ventures)		**(1,321)**	(10,291)
Total other expenses		**(56,857)**	(41,225)

2. Revenues and expenses continued

Employee benefits expense included in general administration		
Director and employee benefits	**(26,417)**	(24,907)
Share based payments	**(4,011)**	(4,063)
Superannuation expense	**(1,953)**	(1,856)
Total employee benefits expense (gross)	**(32,381)**	(30,826)

Accounting Policy

Revenue from contracts with customers

Revenue from contracts with customers is recognised at the point in time when control of the natural gas, liquids or crude oil is transferred to the customer, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. This is generally when the product is transferred to the delivery point specified in the individual customer contract. The Group's performance obligations are considered to relate only to the sale of the natural gas, liquids or crude oil, with each GJ of natural gas or barrel of liquids or crude oil considered to be a separate performance obligation under the contractual arrangements in place.

The Group has concluded that it is the principal in all of its revenue arrangements since it controls the goods before transferring them to the customer. Under the terms of the relevant joint operating arrangements the Group is entitled to its participating share in the natural gas, liquids or crude oil, based on the Group's entitlement interest. Revenue from contracts with customers is recognised based on the actual volumes sold to customers.

The Group's sales of natural gas are predominantly based on contracted prices, while crude oil and liquids transactions are priced based on crude oil market prices, adjusted for a quality differential.

The crude oil sales contain provisional pricing. Revenue from contracts with customers is recognised based on the provisional pricing at the date of delivery, with the price estimate based on the forward curve. The difference between the estimated price and the price ultimately achieved for the sale of the crude oil transaction is recognised as a movement in the fair value of the receivable in accordance with AASB 9 *Financial Instruments*. This amount is presented as other revenue in Note 2 as these movements are not within the scope of AASB 15 *Revenue from Contracts with Customers.*

Contract assets

A contract asset is recognised for gas contracts that have variable selling prices, which are allocated proportionately to all the performance obligations over the life of the contract. Contract assets unwind as "revenue from contracts with customers" with reference to the performance obligation.

3. Income tax

	2022 $'000	2021 $'000
Consolidated Statement of Comprehensive Income		
Current income tax		
Current year	**-**	-
	-	-
Deferred income tax		
Origination and reversal of temporary differences	**(2,309)**	(22,166)
Recognition of tax losses	**8,366**	31,324
	6,057	9,158
Income tax benefit	**6,057**	9,158
Current petroleum resource rent tax		
Current year	**(4,616)**	(5,589)
	(4,616)	(5,589)
Deferred petroleum resource rent tax		
Origination and reversal of temporary differences	**10,728**	(135)
	10,728	(135)
Petroleum resource rent tax expense	**6,112**	(5,724)
Total tax benefit	**12,169**	3,434
Reconciliation between tax expense and pre-tax net profit		
Accounting loss before tax from continuing operations	**(22,727)**	(33,471)
Income tax using the domestic corporation tax rate of 30% (2021: 30%)	**6,818**	10,041
(Increase)/decrease in income tax expense due to:		
Non-deductible expenditure	**(1,241)**	(2,945)
Recognition of royalty related income tax benefits	**(2,487)**	41
Other	**2,967**	2,021
Income tax benefit	**6,057**	9,158
Petroleum resource rent tax expense	**6,112**	(5,724)
Total tax benefit	**12,169**	3,434

Tax Consolidation

Cooper Energy Limited and its 100% owned Australian resident subsidiaries are consolidated for Australian income tax purposes with Cooper Energy Limited being the head entity of the tax consolidated group. Members of the Group entered into a tax sharing arrangement in order to allocate income tax expense to the wholly-owned subsidiaries. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations.

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement requires members of the tax consolidated group to make contributions to the head company for tax liabilities and deferred tax balances arising from transactions occurring after the implementation of tax consolidation. Contributions are payable following the payment of the liabilities by Cooper Energy Limited. The assets and liabilities arising under the tax funding agreement are recognised as inter-company assets and liabilities with a consequential adjustment to income tax expense or benefit. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or upon leaving the Group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 *Income Taxes*.

Unrecognised temporary differences

At 30 June 2022, there are no unrecognised temporary differences associated with the Group's investments in subsidiaries, as the Group has no liability for additional taxation should unremitted earnings be remitted (2021: $nil).

3. Income tax continued

Franking Tax Credits

At 30 June 2022 the parent entity had franking tax credits of $42.9 million (2021: $42.9 million). The fully franked dividend equivalent is $142.9 million (2021: $142.9 million).

Petroleum Resource Rent Tax

Cooper Energy Limited has recognised a deferred tax liability for petroleum resource rent tax ("PRRT") of $19.1 million (2021: $17.1 million) and a deferred tax asset for PRRT of $12.8 million (2021: $nil).

Income Tax Losses

(a) Revenue Losses
A deferred tax asset has been recognised for the year ended 30 June 2022 of $76.6 million (2021: $66.4 million).

(b) Capital Losses
Cooper Energy has not recognised a deferred tax asset for Australian income tax capital losses of $15.5 million (2021: $15.5 million) on the basis that it is not probable that the carried forward capital losses will be utilised against future assessable capital profits.

	Consolidated Statement of Financial Position		Consolidated Statement of Comprehensive Income	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Deferred income tax from corporate tax				
Deferred income tax at 30 June relates to:				
Deferred tax liabilities				
Trade and other receivables	**5,994**	5,917	**(77)**	(5,253)
Gas and oil assets	**49,533**	45,876	**(3,657)**	(11,959)
Exploration and evaluation	**21,921**	19,116	**(2,805)**	(1,998)
Other	**1,977**	239	**(1,738)**	83
	79,425	71,148	**(8,277)**	(19,127)
Deferred tax assets				
Leases	**3,259**	3,601	**(342)**	(341)
Provisions	**57,760**	50,121	**7,639**	(5,900)
Tax losses	**76,595**	66,390	**10,205**	31,324
Other	**5,374**	7,029	**(1,655)**	3,202
	142,988	127,141	**15,847**	28,285
Deferred tax benefit			**7,570**	9,158
Deferred tax asset from corporate tax	**63,563**	55,993		
Deferred income tax from PRRT				
Deferred income tax at 30 June relates to:				
Deferred tax liabilities				
Gas and oil assets	**19,118**	17,083	**(2,035)**	(135)
Deferred tax liability from PRRT	**19,118**	17,083	**-**	-
Deferred tax assets				
Gas and oil assets	**12,763**	-	**12,763**	-
Deferred asset from PRRT	**12,763**	-	**-**	-
Total deferred tax from PRRT			**10,728**	(135)

3. **Income tax** continued

Accounting Policy

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and tax laws that are enacted or substantively enacted by the reporting date.

Deferred income tax is recognised on all temporary differences, except for:

- the initial recognition of an asset or liability that affects neither the accounting profit nor taxable profit or loss; or
- the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that were expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred tax asset and liabilities relate to the same taxable entity and the same taxation authority. Where allowable by initial recognition exemptions, deferred tax assets and deferred tax liabilities that arise on acquisition are not recognised.

Petroleum Resource Rent Tax (PRRT)

For PRRT purposes, the impact of future augmentation on expenditure is included in the determination of future taxable profits when assessing the extent to which a deferred tax asset can be recognised in the statement of financial position. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Goods and Services Taxes (GST)

Revenues, expenses and assets are recognised net of the amount of GST. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the Cash Flow Statement on a net basis and the net GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Significant Accounting Judgements, Estimates and Assumptions

The Group has a Tax Risk Management Framework which outlines how the direct and indirect tax obligations of Cooper Energy Limited are met from an operational, governance and tax risk management perspective.

Management judgements are made in relation to the types of arrangements considered to be a tax on income, including PRRT, in contrast to an operating cost.

Judgement is also made in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the Consolidated Statement of Financial Position. Deferred tax assets, including those arising from un-recouped tax losses, capital losses, and temporary differences arising from the petroleum resource rent tax legislation, are recognised only where it is considered more probable they will be recovered, which is dependent on the generation of sufficient future taxable profits. Future taxable profits are estimated by using Board approved internal budgets and forecasts.

Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility changes in circumstances will alter expectation, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the Consolidated Statement of Financial Position and the amount of other tax losses and temporary differences not yet recognised.

In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the Consolidated Statement of Comprehensive Income.

4. Earnings per share

The following reflects the net (loss)/profit and share data used in the calculations of earnings per share:

	2022 $'000	2021 $'000
Net loss after tax attributable to shareholders	**(10,558)**	(30,037)

	2022 Thousands	2021 Thousands
Weighted average number of ordinary shares used in calculating basic earnings per share	**1,646,285**	1,629,017
Dilutive performance rights and share appreciation rights[1]	**-**	-
Weighted average number of ordinary shares used in calculating dilutive earnings per share	**1,646,285**	1,629,017
Basic loss per share for the period (cents per share)	**(0.6)**	(1.8)
Diluted loss per share for the period (cents per share)	**(0.6)**	(1.8)

[1] The weighted average number of potentially dilutive shares at 30 June 2022 is 24.3 million (2021: 19.6 million)

At 30 June 2022 there exist performance rights and share appreciation rights that if vested, would result in the issue of additional ordinary shares over the next three years. In the current period, these potential ordinary shares are considered antidilutive as their conversion to ordinary shares would reduce the loss per share. Accordingly, they have been excluded from the dilutive earnings per share calculation. There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

Accounting Policy

Basic earnings per share are calculated as net profit attributable to shareholders divided by the weighted average number of ordinary shares. Diluted earnings per share is calculated as net profit attributable to shareholders adjusted for the after tax effect of dilutive potential ordinary shares that have been recognised as expenses during the period divided by the weighted average number of ordinary shares and dilutive potential ordinary shares.

Working Capital

5. Cash and cash equivalents and term deposits

	2022 $'000	2021 $'000
Current Assets		
Cash at bank and in hand	**247,012**	91,308
Cash and cash equivalents	**247,012**	91,308

Reconciliation of net profit to net cash flows from operating activities

	2022 $'000	2021 $'000
Net loss after tax	**(10,558)**	(30,037)
Add/(deduct) non-cash items:		
Amortisation of gas and oil assets	**49,443**	40,790
Depreciation of property, plant and equipment	**2,291**	807
Amortisation of intangibles	**1,193**	742
Depreciation of right-of-use assets	**1,105**	1,113
Impairment expense	**-**	389
Exploration and evaluation expense	**209**	566
Restoration (income)/expense	**19,031**	(7,175)
Share based payments	**4,011**	4,063
Finance costs	**4,461**	3,255
Foreign exchange (gain)/loss	**(1,527)**	1,275
Other non-cash movements	**22**	756
Net cash from operating activities before changes in assets or liabilities	**69,681**	16,544
Add/(deduct) changes in operating assets or liabilities:		
Increase in trade and other receivables	**(721)**	(12,108)
Decrease/(increase) in inventories	**109**	(128)
Increase in prepayments	**(5,255)**	(5,787)
Increase in deferred taxes	**(16,785)**	(9,022)
Increase in trade and other payables	**13,545**	26,475
Decrease in provisions	**(2,792)**	(7,915)
Net cash from operating activities	**57,782**	8,059

Reconciliation of liabilities arising from financing activities

	Borrowings		Lease Liabilities	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Balance at beginning of period	**218,000**	229,438	**12,004**	13,049
Financing cash flows[1]	**(60,000)**	(11,438)	**(1,141)**	(1,045)
Balance at end of period	**158,000**	218,000	**10,863**	12,004

[1] Financing cash flows consist of the net amount of proceeds from borrowings and repayment of lease liabilities in the statement of cash flows.

Accounting Policy

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and short-term deposits for periods of up to three months or subject to insignificant changes in value. For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash and term deposits as defined above, net of outstanding bank overdrafts.

Cash held in escrow with associated restrictions, whereby the Group cannot use that cash for operational purposes as it deems appropriate, is not included in cash and cash equivalents.

6. Trade and other receivables

	2022 $'000	2021 $'000
Current Assets		
Trade receivables	**10,486**	12,380
Accrued revenue	**19,901**	19,694
Interest receivable	**80**	31
	30,467	32,105

Expected credit losses in respect of trade and other receivables is set out in Note 21.

Accounting Policy

Trade receivables are non-interest bearing and generally have 30 to 90 day terms. Trade receivables are initially recognised at the transaction price as defined by AASB 15 *Revenue from Contracts with Customers* and subsequently carried at amortised cost less any allowances for expected credit loss. An allowance for expected credit loss is recognised using the simplified approach which permits the use of the lifetime expected loss provision for all trade receivables. Bad debts are written off when identified.

7. Prepayments

	2022 $'000	2021 $'000
Insurance	**3,463**	**3,396**
Prepaid cash calls to joint arrangements	**1,975**	**8,265**
Prepaid plant acquisition and debt refinancing costs (note 30)[1]	**6,469**	**-**
Other prepayments	**947**	**232**
	12,854	**11,893**

[1] Relates to transaction costs incurred to date associated with the acquisition of the OGPP which will be capitalised to property, plant and equipment on completion and costs associated with the new corporate reserves based loan facility, which will be included in the initial measurement of the resulting financial liability on completion.

8. Inventory

	2022 $'000	2021 $'000
Spares and parts	**841**	950

All inventory items are carried at cost in the current and previous financial years.

Accounting Policy

Inventories are carried at the lower of their cost or net realisable value. Inventories held by the Group are in respect of spares and parts involved in drilling operations. Items held as insurance or capital spares are treated as part of property, plant and equipment.

9. Trade and other payables

	2022 $'000	2021 $'000
Trade payables	**10,506**	14,092
Accruals (capital and operating expenditure)	**22,246**	20,282
	32,752	34,374

Accounting Policy

Trade payables are non-interest bearing and carried at amortised cost. The amounts represent liabilities for goods and services provided during the financial year, but not yet settled at the balance sheet date. Accruals represent unbilled goods or services.

10. Exploration assets held for sale

A sale and purchase agreement for the sale to Bass Oil of the Company's interests in several of its Cooper Basin exploration and production licenses (PEL 93, PPL 207, PRL 237, PEL 100 and PEL 110) was announced on 12 July 2021 for a total consideration of $0.7 million. This transaction completed on 2 August 2022, refer to Note 30. The assets and associated liabilities are classified as held for sale and presented in separate lines in the Consolidated Statement of Financial Position. The assets are included within the Cooper Basin segment, refer to Note 1. The net assets relating to the above licenses have been written down to their Level 3 fair value less cost to sell, refer to Note 21.

	2022 $'000	2021 $'000
Exploration assets held for sale	**1,558**	1,807
Total assets held for sale	**1,558**	1,807
Restoration provisions associated with assets held for sale	**(908)**	(1,157)
Total liabilities directly associated with assets held for sale	**(908)**	(1,157)
Net assets held for sale	**650**	650

Capital Employed

11. Property, plant and equipment

	Production assets		**Corporate assets**		**Total**	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000	**2022 $'000**	2021 $'000
Reconciliation of carrying amounts at beginning and end of period:						
Carrying amount at beginning of period	**29,177**	11,676	**4,040**	4,690	**33,217**	16,366
Additions	**6,115**	17,663	**4**	157	**6,119**	17,820
Restoration	**22,187**	(162)	**-**	-	**22,187**	(162)
Depreciation	**(1,551)**	-	**(740)**	(807)	**(2,291)**	(807)
Carrying amount at end of period	**55,928**	29,177	**3,304**	4,040	**59,232**	33,217
Cost	**61,306**	33,004	**7,717**	7,713	**69,023**	40,717
Accumulated depreciation	**(5,378)**	(3,827)	**(4,413)**	(3,673)	**(9,791)**	(7,500)
Carrying amount at end of period	**55,928**	29,177	**3,304**	4,040	**59,232**	33,217

Accounting Policy

Property, plant and equipment comprises office and IT equipment, leasehold improvements and the Athena Gas Plant, and are stated at historical cost less accumulated depreciation and any accumulated impairment losses (refer to Note 15 for impairment policy). Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance are recognised in the Consolidated Statement of Comprehensive Income as incurred.

Depreciation on property plant and equipment is calculated at between 7.5% and 37.5% per annum using the diminishing value method over the respective asset's estimated useful live. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use. Any gains or losses arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is included in the Consolidated Statement of Comprehensive Income.

12. Intangible assets

	2022 $'000	2021 $'000
Reconciliation of carrying amounts at beginning and end of period:		
Carrying amount at beginning of period	**2,059**	1,878
Additions	**494**	1,683
Disposals/written off	**-**	(760)
Amortisation	**(1,193)**	(742)
Carrying amount at end of period	**1,360**	2,059
Cost	**3,302**	2,808
Accumulated amortisation	**(1,942)**	(749)
Carrying amount at end of period	**1,360**	2,059

Accounting Policy

Intangible assets comprise software and are stated at historical cost less accumulated amortisation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Intangible assets are determined to have a finite useful life and are amortised over their useful lives and tested for impairment whenever there is an indicator of impairment. Amortisation on intangibles is calculated at 20% per annum using the straight line method. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

13. Exploration and evaluation assets

	Notes	2022 $'000	2021 $'000
Reconciliation of carrying amounts at beginning and end of period			
Carrying amount at beginning of period		**159,443**	159,078
Additions[1]		**5,426**	3,127
Exploration and evaluation expense		**(209)**	(566)
Impairment	15	**-**	(389)
Exploration expenditure classified as held for sale		**249**	(1,807)
Carrying amount at end of period[2]		**164,909**	159,443

[1]Additions in 2022 relate to drilling two oil exploration wells in the Cooper Basin and completion of a 3D seismic survey in the Onshore Otway.
[2] Recoverability is dependent on the successful development and commercial exploration or sale of the respective areas of interest.

Accounting Policy

Exploration and evaluation expenditure include costs incurred in the search for hydrocarbon resources and determining the commercial viability in each identifiable area of interest. Exploration and evaluation expenditure is accounted for in accordance with the successful efforts method and is capitalised to the extent that:

a. the rights to tenure of the areas of interest are current and the Group controls the area of interest in which the expenditure has been incurred; and
   i. such costs are expected to be recouped through successful development and exploration of the area of interest, or alternatively by its sale; or
   ii. exploration and evaluation activities in the area of interest have not at the reporting date:
b. reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves; and
c. active and significant operations in, or in relation to, the area of interest are continuing.

An area of interest refers to an individual geological area where the potential presence of a natural gas or an oil field is considered favourable or has been proven to exist, and in most cases, comprises an individual prospective gas or oil field.

Exploration and evaluation expenditure which does not satisfy these criteria is written off. Specifically, costs carried forward in respect of an area of interest that is abandoned or costs relating directly to the drilling of an unsuccessful well are written off in the year in which the decision to abandon is made or the results of drilling are concluded. The success or otherwise of a well is determined by reference to the drilling objectives for that well. For successful wells, the well costs remain capitalised on the Consolidated Statement of Financial Position as long as sufficient progress in assessing the reserves and the economic and operating viability of the project is being made. Any appraisal costs relating to determining commercial feasibility are also capitalised as exploration and evaluation assets. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

13. Exploration and evaluation assets continued

Where facts and circumstances suggest that the carrying amount exceeds the recoverable amount, or where one of the specific factors set out in i-iii above are no longer met, the Group will test for impairment in accordance with the impairment policy stated in Note 15.

Where an ownership interest in an exploration and evaluation asset is exchanged for another, the transaction is recognised by reference to the carrying value of the original interest. Any cash consideration paid, including transaction costs, is accounted for as an acquisition of exploration and evaluation assets. Any cash consideration received, net of transaction costs, is treated as a recoupment of costs previously capitalised with any excess accounted for as a gain on disposal of non-current assets. Where a discovered gas or oil field enters the development phase, the accumulated exploration and evaluation expenditure is tested for impairment and then transferred to gas and oil assets.

14. Gas and oil assets

	Notes	**2022 $'000**	2021 $'000
Reconciliation of carrying amounts at beginning and end of period:			
Carrying amount at beginning of period		**570,178**	615,980
Additions[1]		**74,612**	(5,012)
Amortisation		**(49,443)**	(40,790)
Carrying amount at end of period		**595,347**	570,178
Cost		**834,134**	759,522
Accumulated amortisation & impairment		**(238,787)**	(189,344)
Carrying amount at end of period		**595,347**	570,178

[1] Updates to restoration provisions have resulted in $66.7 million additions to gas and oil assets. Refer to Note 16 for more information.

Accounting Policy

Gas and oil assets are carried at cost including construction, installation of infrastructure such as roads, pipelines or umbilicals and the cost of development of wells. Any restoration assets arising as a result of recognition of a restoration provision are also included in the carrying amount of oil and gas assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Consolidated Statement of Comprehensive Income as incurred.

Gas and oil assets are amortised on a units-of-production basis, using the latest approved estimate of proved and probable (2P) reserves and future development cost estimates. Amortisation is charged only once production has commenced. No amortisation is charged on areas under development where production has not commenced. Gas and oil assets are subject to impairment testing, refer to Note 15.

Significant Accounting Judgements, Estimates and Assumptions

Estimation of gas and oil asset expenditure

Capitalised gas and oil assets for the construction of major projects or ongoing well construction activities include accruals in relation to the value of work done. These remain estimates until the contractual arrangement is finalised, including any rebates, credits and variations as part of the standard contractual process.

Amortisation of gas and oil assets

The amortisation of gas and oil assets are impacted by management's estimates of reserves and future development costs. Refer to the significant accounting judgements, estimates and assumptions section on page 48 in relation to reserves. Future development cost estimates are costs necessary to develop an assets' undeveloped 2P reserves. These costs are subject to changes in technology, regulation and other external factors.

Significant accounting judgements, estimates and assumptions are also made in relation to the impairment of gas and oil assets and recognition of restoration assets, refer to Note 15 and Note 16 respectively.

15. Impairment

	2022 $'000	2021 $'000
Exploration and evaluation assets	**-**	389
	-	389

During the year, the Group's gas and oil assets were assessed for impairment indicators in accordance with AASB 136 *Impairment of Assets*. There were no impairment indicators present, therefore no impairment was recognised on gas and oil assets.

In the previous financial year, the impairment losses recognised relate to the Group's exploration licenses held for sale being written down to their fair value less costs to sell; see also Note 10.

Accounting Policy

The carrying values of non-current assets, including, property, plant and equipment, capitalised exploration and evaluation assets and gas and oil assets are assessed for indicators of impairment every six months. Where indicators of impairment are present, an impairment test is performed.

An impairment loss is recognised for the amount by which the asset or cash generating unit's ("CGU") carrying amount exceeds its recoverable amount. The recoverable amount of a non-current asset or CGU is the higher of value in use ("VIU") and fair value less costs of disposal ("FVLCD"). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax rate that reflects the risks specific to the asset. The estimated future cash flows for the VIU calculation are based on estimates, the most significant of which are hydrocarbon reserves and resources, future production profiles, commodity prices, operating costs including third-party gas purchases, and any future development costs necessary to produce the reserves and resources. Where the recoverable amount is based on the FVLCD, a discounted cash flow model is also used and the inputs are consistent with level 3 on the fair value hierarchy. Under a FVLCD calculation, future cash flows are based on estimates of hydrocarbon reserves in addition to the other relevant factors such as value attributable to additional resource and exploration opportunities beyond reserves based on production plans. The estimated future cash flows are discounted to their present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset that would be taken into account by an independent market participant.

Significant Accounting Judgements, Estimates and Assumptions

Impairment of exploration and evaluation assets

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Management is required to make certain estimates and assumptions in applying this policy. Factors which could impact the future recoverability include the level of gas and oil resources, future technological changes which could impact the cost of extraction, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices. These estimates and assumptions may change as new information becomes available. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable gas and oil reserves or resources. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

Impairment of gas and oil assets

The Group reviews the carrying amount of gas and oil assets at each reporting date, starting with analysis of any indicators of impairment and, where relevant, may prepare trigger test modelling for certain CGUs to determine if any indicators of impairment are present. Where indicators of impairment are present, the Group will test whether the CGU's recoverable amount exceeds its carrying amount with reference to formal impairment models where discounted cash flow models are used to assess the recoverable amount.

Relevant items of working capital and property, plant and equipment are allocated to CGUs when testing for impairment.

The estimated expected cash flows used in the discounted cash flow model are based on management's best estimate of the future production of reserves and sales volumes, commodity prices, foreign exchange rates, development expenditure in order to access the reserves, and operating expenditure. Estimates of future commodity prices are based on the Group's best estimate of future market prices with reference to external market analysts' forecasts, current spot prices and forward curves. Future commodity prices are reviewed at least annually. Where volumes are contracted, future prices are based on the contracted price.

16. Provisions

	2022 $'000	2021 $'000
Current Liabilities		
Employee benefits	**2,910**	2,459
Restoration provisions	**26,957**	7,994
	29,867	10,453
Non-Current Liabilities		
Employee benefits	**395**	441
Restoration provisions	**446,359**	355,652
	446,754	356,093

	2022 $'000	2021 $'000
Movement in carrying amount of the current restoration provision:		
Carrying amount at beginning of period	**7,994**	17,899
Restoration expenditure incurred	**(3,095)**	(8,445)
Transferred from/(to) non-current provisions	**22,058**	(1,460)
Carrying amount at end of period	**26,957**	7,994
Movement in carrying amount of the non-current restoration provision:		
Carrying amount at beginning of period	**355,652**	374,304
Changes in provisions[1]	**108,083**	(22,198)
Transferred (to)/from current provisions	**(22,058)**	1,460
Increase through accretion	**4,433**	3,243
Restoration expenditure classified as held for sale	**249**	(1,157)
Carrying amount at end of period	**446,359**	355,652

[1] Changes in provisions arise from a combination of changes to estimates of the cost to undertake restoration activities, changes to the estimated time periods during which restoration activity is forecast to occur, changes to assumed future rates of inflation to forecast future expected cost and changes to assumed discount rates to discount future expected costs to derive the present value included here within the restoration provision. Changes to estimates of the cost to undertake restoration activities arise from changes to the assumed scope of activity based on current planning for abandonment and remediation work, changes in the regulatory requirements and also arise from the current cost environment which, in some cases, have led to an increase to service costs.

The abandonment and remediation work on BMG is planned for FY2023, subject to rig availability and regulatory approvals.

The discount rate used in the calculation of the provisions as at 30 June 2022 ranged from 2.38% to 3.87% (2021: 0.05% to 2.25%) reflecting a risk-free rate that aligns to the timing of restoration obligations. The movement in the risk-free rate reflects the change in Australian government bond rates since the last assessment. Inflation rate assumptions applied in the calculation of the provision as at 30 June 2022 ranged from 2.0% to 4.5% (2021: 2.0%).

Accounting Policy

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past transactions or other past events, and it is probable that a future sacrifice of economic benefits will be required and that a reliable estimate can be made of the amount of the obligation.

Employee benefits
Liabilities for wages and salaries, including non-monetary benefits and annual leave are recognised in respect of employees' services up to the reporting date and are measured at the amount expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

The provision for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, years of experience of departed employees, and periods of service. Expected future payments are discounted using market yields at the reporting date based on high quality corporate bonds with terms of maturity and currencies that match, as closely as possible, the estimated future cash outflows. Employees' accumulated long service leave is ascribed to individual employees at the rates payable as and when they become entitled to long service leave.

16. Provisions continued

A provision for bonus is recognised and measured based upon the current wage and salary level and forms part of the employee short term incentive plan. The basis for the bonus relating to Key Management Personnel is set out in the Remuneration Report.

Restoration
The Group records a restoration provision for the present value of its share of the estimated cost to restore its sites. The nature of restoration activities includes the obligations relating to the reclamation, waste site closure, plant closure, production facility removal and other costs associated with the restoration of the site. Risks associated with climate change are factored into forecast timing of restoration activities and will continue to be monitored.

A restoration provision is recognised upon commencement of construction and then reviewed every six months at each reporting date. When the liability is recorded, the carrying amount of the production or exploration asset is increased by the same amount and is depreciated over the remaining producing life of the asset. The movement is recorded as a restoration expense when there is no asset recorded. Over time, the liability is increased for the change in the present value based on a risk-free discount rate and the discount unwind is recorded as an accretion charge within finance costs.

Any changes in the estimate of the provision for restoration arising from changes in the gross cost estimate or changes in the discount rate of the restoration provision are recorded by adjusting the provision and the carrying amount of the production or exploration asset, to the extent that it is appropriate to recognise an asset under accounting standards, and then depreciated over the remaining producing life of the asset. Where it is not appropriate to recognise an asset, changes will go through profit or loss. Any change in assumptions is applied prospectively. These estimated costs are based on current technology available, State, Federal and International legislation and or industry practice.

Significant Accounting Judgements, Estimates and Assumptions

Provisions for restoration costs
Decommissioning and restoration costs are a normal consequence of gas and oil extraction and the majority of this expenditure is incurred at the end of a field's life, many years in the future. In determining an appropriate level of provision, assumptions are made as to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the field), and the estimated future level of inflation.

The ultimate cost of decommissioning and restoration is uncertain and these costs can vary in response to many factors. These factors include the extent of restoration required due to changes to the relevant legal or regulatory requirements, the emergence of new restoration techniques or experience at other fields, and prevailing service costs. The expected timing of expenditure can also change, for example in response to changes in gas and oil reserves or to production rates. Provisions for restoration costs are based on the Company's best estimates based on the information available at the time. Changes to any of the estimates could result in significant changes to the amount of the provision recognised, which would in turn impact future financial results.

The Group's restoration provision includes the following costs:

- for onshore projects, provision has been made for the demolition and removal of all onshore production facilities, removal of contaminated soil and revegetation of the affected area. Other plant and equipment restoration may include estimates for compensating landowners and the acquisition of land in line with the requirements of the relevant regulatory authority;
- for offshore assets, provision has been made for the removal of subsea trees and manifolds and removal of flowlines and umbilicals to a certain distance from shore and at a certain depth of water. This includes an assumption that all offshore materials that are constructed using plastics are to be fully removed; and
- offshore pipelines that are constructed from steel and concrete are assumed to remain in-situ, where it can be demonstrated that this will result in a net environmental benefit compared to full removal and where regulatory approval is anticipated to be obtained. Offshore pipelines that are constructed from steel and concrete have previously been accepted by the Australian regulator to be decommissioned in-situ where it has been demonstrated that this will result in a net environmental benefit compared to full removal.

The Group estimates the future abandonment and restoration costs at different phases in an asset's lifecycle, which in many instances occurs many years into the future. The provisions reflect the Group's best estimate based on current knowledge and information, however further planning and technical analysis of the restoration activities for individual assets will be performed near the end of field life and/or when detailed decommissioning plans are required to be submitted to the relevant regulatory authorities. Actual abandonment and restoration costs can materially differ from the current estimate as a result of changes in regulations and their application, service costs, site conditions, timing of restoration and changes in removal technology. These uncertainties may result in abandonment and restoration costs differing from amounts included in the provision recognised as at 30 June 2022.

In the event that the removal of all pipelines was required, the Group estimates the additional cost would lead to an increase to the provision of approximately $60.0 – 100.0 million. The Group's provision in respect of the Sole Gas Project is based on estimated cessation of production of the fields and timing of abandonment activities is linked to NOPSEMA's restoration guidance. It is intended that existing infrastructure at Sole will be utilised in a future Manta development. This would therefore extend the timing of these abandonment activities.

17. Leases

The Group as a lessee

The Group has lease contracts for properties with lease terms of between 1-11 years and fixed monthly payments. The Group also has certain leases with lease terms of 12 months or less and low value leases.

Right-of-use assets

	2022 $'000	2021 $'000
Reconciliation of carrying amounts at beginning and end of period:		
Carrying amount at beginning of period	**8,625**	9,738
Depreciation	**(1,105)**	(1,113)
Carrying amount at end of period	**7,520**	8,625
Cost	**10,858**	10,858
Accumulated depreciation	**(3,338)**	(2,233)
Carrying amount at end of period	**7,520**	8,625

Lease liabilities

	2022 $'000	2021 $'000
Reconciliation of carrying amounts at beginning and end of period:		
Carrying amount at beginning of period	**12,004**	13,049
Accretion of interest	**546**	598
Payments	**(1,687)**	(1,643)
Carrying amount at end of period	**10,863**	12,004
Current	**1,251**	1,141
Non-Current	**9,612**	10,863

Short-term and low-value lease asset exemptions

For the year ending 30 June 2022, the following expense has been recognised in the Statement of Comprehensive Income for lease arrangements that have been classified as short-term leases or low-value assets

	2022 $'000	2021 $'000
Short-term leases	**-**	100
Leases for low-value assets	**91**	167
Total expense recognised	**91**	267

The Group had total cash outflows for leases of $1.7 million in 2022, inclusive of leases for short-term leases and low-value assets. The future cash outflows relating to leases that have not yet commenced are disclosed in Note 25.

17. Leases continued

Accounting Policy

The Group recognises right-of-use assets and corresponding lease liabilities at the commencement date of the lease (the date the underlying asset is available for use). Right-of-use assets are initially measured at a value equal to the respective lease liability, adjusted for any initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Subsequently, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Property right-of-use assets are depreciated on a straight-line basis over the shorter of estimated useful life and the respective lease term. Right-of-use assets are also allocated to CGUs when testing for impairment (refer to Note 15). Lease liabilities are excluded from the carrying amount of a CGU.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. Subsequent to initial measurement, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group applies the short-term lease recognition exemption to its short-term leases (those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (below $10,000). Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Significant Accounting Judgements, Estimates and Assumptions

Lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease, if the option is reasonably certain to be exercised. The Group has the option, under some of its leases, to lease the assets for additional terms of three to five years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. The Group continues to reassess the lease over its term to determine if there is a significant event or change in circumstances that would impact the renewal decision. The Group has included the renewal period as part of the lease term for its property leases.

Funding and Risk Management

18. Interest bearing loans and borrowings

	2022 $'000	2021 $'000
Current bank debt	**37,000**	60,000
Non-current bank debt	**121,000**	158,000

In August 2017, Cooper Energy negotiated a senior secured $250.0 million reserves based lending facility, principally to fund the Sole Gas Project, and a senior secured $15.0 million working capital facility. Cooper Energy was in compliance with all covenants at 30 June 2022. A summary of the Group's secured facilities is included below.

Facility	Reserves based senior secured lending facility
Currency	Australian dollars
Limit[1]	$158.0 million (2021: $218.0 million)
Utilised amount	$158.0 million (2021: $218.0 million)
Effective interest rate	4.39% floating
Maturity[2]	2021 – 2024

Facility	Working capital facility
Currency	Australian dollars
Limit	$15.0 million (2021: $15.0 million)
Utilised amount[3]	$7.1 million (2021: $8.8 million)
Accounting balance	Nil (2021: Nil)
Effective interest rate	Nil
Maturity	28 September 2022

[1] As at 30 June 2022, $158.0 million of the facility limit of $250.0 million remains available.
[2] Repayment profile based on the existing facility repayment schedule.
[3] As at 30 June 2022, there have been no cash draw downs. $7.1 million has been utilised by way of bank guarantees.

The debt facility was refinanced on 11 August 2022 following execution of the new facility on 29 July 2022.

Accounting Policy

Borrowings are recognised initially at fair value net of directly attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost, with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis. Transaction costs are capitalised initially and included in the effective interest rate calculation and unwound over the expected term of the facility.

Borrowings are classified as current liabilities unless the Group has a right to defer the settlement of the liability for at least 12 months after the end of the reporting period. Interest expense is recognised as interest accrues using the effective interest rate and if not paid at balance date, is reflected in the balance sheet as a payable.

19. Net finance costs

	2022 $'000	2021 $'000
Finance Income		
Interest income	**468**	542
Finance Costs		
Accretion of restoration provision	**(4,433)**	(3,243)
Accretion of success fee liability	**(28)**	(12)
Finance costs associated with lease liabilities	**(546)**	(598)
Interest expense	**(9,092)**	(10,201)
Total finance costs	**(14,099)**	(14,054)
Net finance costs	**(13,631)**	(13,512)

Accounting Policy

Interest earned is recognised in the Consolidated Statement of Comprehensive Income as finance income and is recognised as interest accrues using the effective interest rate. This is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset. Interest expense is capitalised to the cost of a qualifying asset during the development phase.

20. Contributed equity and reserves

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent entity. The primary objective of the Group's capital management strategy is to maintain an appropriate capital profile to support its business activities and to maximise shareholder value. At 30 June 2022, the Group has utilised $158.0 million of its reserves based lending facility. The Group manages its capital structure and makes adjustments in light of economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust its dividend policy, return capital to shareholders, issue new shares or draw on debt. No changes were made in the objectives, policies or processes during the current and prior period.

Share capital

	2022 $'000	2021 $'000
Ordinary shares issued and fully paid	**478,261**	477,675

	2022 Thousands	**2022 $'000**	2021 Thousands	2021 $'000
Movement in ordinary shares on issue				
At 1 July	**1,631,026**	**477,675**	1,626,647	475,862
Issuance of shares for performance rights and share appreciation rights	**1,708**	**586**	4,379	1,813
At 30 June	**1,632,734**	**478,261**	1,631,026	477,675

Accounting Policy

Issued and paid up capital is recognised as the fair value of the consideration received by the Group. The shares issued do not have a par value and there is no limit on the authorised share capital of the Group. Fully paid ordinary shares carry one vote per share, which entitles the holder to participate in the proceeds on winding up of the Company in proportion to the number of, and amounts paid on, the shares held.

Any transaction costs arising on the issue of ordinary shares that would not have been incurred had ordinary shares not been issued, are recognised directly in equity as a reduction of the share proceeds received.

Reserves

	Share capital reserve $'000	**Consol. Reserve $'000**	**Share based payment reserve $'000**	**Option premium reserve $'000**	**Equity instrument reserve $'000**	**Total $'000**
Consolidated						
At 30 June 2020	-	(541)	12,830	25	(1,134)	11,180
Other comprehensive income/ (expenditure)	-	-	-	-	688	688
Transferred to issued capital	-	-	(1,813)	-	-	(1,813)
Share-based payments	-	-	4,063	-	-	4,063
At 30 June 2021	**-**	**(541)**	**15,080**	**25**	**(446)**	**14,118**
Other comprehensive income/ (expenditure)	**-**	**-**	**-**	**-**	**(332)**	**(332)**
Equity issue[1]	**179,508**	**-**	**-**	**-**	**-**	**179,508**
Transferred to retained earnings	**-**	**-**	**-**	**-**	**906**	**906**
Transferred to issued capital	**-**	**-**	**(586)**	**-**	**-**	**(586)**
Share-based payments	**-**	**-**	**4,011**	**-**	**-**	**4,011**
At 30 June 2022	**179,508**	**(541)**	**18,505**	**25**	**128**	**197,625**

[1]At the end of June, the group raised $179.5 million (net of $3.5 million after tax costs) through an institutional placement, being one component of a broader equity raising program which included a retail offering which completed in July. The institutional placement resulted in 747.1 million of shares issued on 1 July 2022. Further information on this is included within Note 1 and Note 30.

20. Contributed equity and reserves continued

Nature and purpose of reserves

Consolidation reserve
This reserve comprises the premium paid on acquisition of minority shareholdings in a controlled entity.

Share based payment reserve
This reserve is used to record the value of equity benefits provided to employees, contractors and executive directors as part of their remuneration.

Option premium reserve
This reserve is used to accumulate amounts received from the issue of options. The reserve can be used to pay dividends or issue bonus shares.

Share capital reserve
This reserve is used to record receipts from equity issue where the shares have not been formally issued. This will be reclassified to share capital upon formal share issue.

Equity instruments reserve
This reserve is used to capture the fair value movement in the value of equity instruments designated at fair value through Other Comprehensive Income. Items in this reserve are never recycled through profit or loss.

21. Financial risk management

The Group's principal financial instruments comprise cash and short-term deposits (Note 5), receivables (Note 6), payables (Note 9), borrowings (Note 18) and other financial assets and liabilities as disclosed in the below table.

	2022 $'000	2021 $'000
Other financial assets – Non-Current		
Equity instruments[1]	**483**	1,252
Escrow proceeds receivable	**1**	9,712
	484	10,964

[1] The equity instruments consist of one investment. The Group has not received dividends during the financial year.

	2022 $'000	2021 $'000
Other financial liabilities – Non-Current		
Success fee financial liability	**3,285**	3,582
	3,285	3,582

	2022 $'000	2021 $'000
Movement in carrying amount of the success fee financial liability:		
Carrying amount at 1 July	**3,582**	3,642
Accretion of success fee liability	**28**	12
Fair value adjustment	**(325)**	(72)
Carrying amount at 30 June	**3,285**	3,582

Fair value hierarchy

Fair value is the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, and based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities

Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. Set out below are the carrying amounts and fair values of financial instruments held by the Group:

	Level	Carrying amount 2022 $'000	Carrying amount 2021 $'000	Fair value 2022 $'000	Fair value 2021 $'000
Financial assets					
Trade and other receivables	**2**	**30,467**	32,105	**30,467**	32,105
Equity instruments	**1**	**483**	1,252	**483**	1,252
Escrow proceeds receivable	**2**	**1**	9,712	**1**	9,712
Financial liabilities					
Trade and other payables	**2**	**32,752**	34,374	**32,752**	34,374
Success fee financial liability	**3**	**3,285**	3,582	**3,285**	3,582
Interest bearing loans and borrowings	**2**	**158,000**	218,000	**161,088**	216,802

21. Financial risk management continued

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments.

Equity instruments
Equity instruments are not held for trading. They are measured at fair value through Other Comprehensive Income based on an irrevocable election made at the inception of an instrument basis, and are initially recognised at fair value plus any directly attributable transaction costs. After initial recognition, investments are remeasured to fair value determined by reference to their quoted market price on a prescribed equity stock exchange at the reporting date, and hence at a Level 1 fair value measurement.

Changes in the fair value of equity investments are recognised as a separate component of equity and not recycled to profit and loss at any stage. Any dividends received are reflected in profit or loss.

Escrow proceeds receivable
During the 2018 financial year, the Group completed the sale of OGPP to APA Group. A portion of proceeds from the sale is held in escrow, to be released upon certain conditions being satisfied. Amounts held in escrow are measured at amortised cost in the Consolidated Statement of Financial Position. During the period, a portion of these funds were used to pay the Group's share of OGPP reconfiguration and commissioning works. Upon completion of the OGPP acquisition, this amount held in escrow will be returned to the Group.

Success fee financial liability
The success fee liability is the fair value of the Group's liability to pay a $5.0 million success fee upon the commencement of commercial production of hydrocarbons on the Group's VIC/RL 13-15 assets acquired on 7 May 2014. The significant unobservable level 3 valuation inputs for the success fee financial liability includes: a probability of 33% that no payment is made and a probability of 67% the payment is made in 2024. The discount rate used in the calculation of the liability as at 30 June 2022 equalled 3.27% (June 2021: 0.52%). The financial liability is measured at fair value through profit and loss and valued using a discounted cash flow model. The value is sensitive to changes in discount rate and probability of payment. Significant changes in any of the significant unobservable inputs would result in significantly higher or lower fair value measurement.

Risk Management
The Group manages its exposure to key financial risks in accordance with its risk management policy with the objective to ensure that the financial risks inherent in gas and oil production and exploration activities are identified and then managed or kept as low as reasonably practicable. The Group has a separate Risk & Sustainability Committee.

The main financial risks that arise in the normal course of business for the Group's financial instruments are foreign currency risk, commodity price risk, share price risk, credit risk, liquidity risk and interest rate risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring exposure to foreign exchange risk and assessments of market forecasts for interest rates, foreign exchange rates and commodity prices. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board's policy is that no speculative trading in financial instruments be undertaken. The primary responsibility for the identification and control of financial risks rests with the Managing Director and the Chief Financial Officer, under the authority of the Board. The Board is apprised of these and other risks at Board meetings and agrees any policies that may be implemented to manage any of the risks identified below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises four types of risk: foreign currency risk, commodity price risk, interest rate risk and share price risk. Financial instruments affected by market risk include deposits, trade receivables, trade payables, accrued liabilities and borrowings.

The sensitivity analyses in the following sections relate to the position as at 30 June 2022 and 30 June 2021. The sensitivity analyses are intended to illustrate the sensitivity to changes in market variables on the Group's financial instruments and show the impact on profit or loss and shareholders' equity, where applicable.

When calculating the sensitivity analyses, it is assumed that the sensitivity of the relevant profit before tax item and/or equity is the effect of the assumed changes in respective market risks, with all other variables held constant.

The Group has transactional currency exposure arising from oil sales which are denominated in United States dollars, whilst the great majority of costs are denominated in Australian dollars, with some costs incurred in Great British pounds and United States dollars. Transaction exposures, where possible, are netted off across the Group to reduce volatility and provide a natural hedge.

21. Financial risk management continued

a) Foreign currency risk

The Group may from time to time have cash denominated in United States ("US") dollars.

Currently the Group has no foreign exchange hedge programmes in place. The Group manages the purchase of foreign currency to meet expenditure requirements, which cannot be netted off against US dollar receivables.

The financial instruments which are denominated in US dollars are as follows:

	2022 $'000	2021 $'000
Financial assets		
Cash	**25,631**	7,044
Trade and other receivables	**2,313**	4,124

b) Commodity price risk

Commodity price risk arises from the sale of oil denominated in US dollars. The Group has provisional sales at 30 June 2022 of $2.3 million (2021: $4.1 million). From time to time, the Group will use oil price options to manage some of its oil price exposures.

c) Interest rate risk

The Group has borrowings of $158.0 million at 30 June 2022 (2021: $218.0 million). Interest on borrowings is at variable rates (refer to Note 18) and were capitalised while the Sole project was in development.

The Group has fixed rate term deposits that are not impacted by changes in the interest rate at the balance date.

d) Share price risk

Share price risk arises from the movement of share prices on a prescribed stock exchange. The Group has equity instruments measured at fair value through Other Comprehensive Income the fair value of which fluctuates as a result of movement in the share price.

The following table summarises the sensitivity of financial instruments held at the year end, to the market risks above, with all other variables held constant.

	2022 $'000	2021 $'000
	Impact on after tax profit	
If the Australian dollar were 10% higher at the balance date	**(2,540)**	(1,015)
If the Australian dollar were 10% lower at the balance date	**3,105**	1,241
If the Brent Average price were 10% higher at the balance date	**254**	452
If the Brent Average price were 10% lower at the balance date	**(252)**	(452)
If the interest rates were 100 basis points higher at the balance date	**(1,580)**	(2,180)
If the interest rates were 100 basis points lower at the balance date	**1,580**	2,180
	Impact on reserve	
If the share price were 10% higher at the balance date	**48**	125
If the share price were 10% lower at the balance date	**(48)**	(125)

21. Financial risk management continued

Credit risk

Credit risk arises from the financial assets of the Group which comprise cash and cash equivalents and trade and other receivables including hedge settlement receivables, escrow proceeds receivable (disclosed as other financial assets), and certain prepayments. The Group's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Group trades only with recognised creditworthy third parties and has had no exposure to expected credit losses. The Group has a concentration of credit risk with trade receivables due from a small number of entities which have traded with the Group since 2003. Trade receivables are settled on 30 to 90 day terms. The Group has some exposure to credit loss from other receivables and an amount of $4.5 million calculated on lifetime expected credit loss has been recognised in respect of credit-impaired receivables.

Cash and cash equivalents and escrow proceeds receivable are held at two financial institutions that have a Standard & Poor's A credit rating or better.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The liquidity position of the Group is managed to ensure sufficient liquid funds are available to meet all financial commitments in a timely and cost-effective manner. The Managing Director and Chief Financial Officer review the liquidity position on a regular basis, including cash flow forecasts, to determine the forecast liquidity position and maintain appropriate liquidity levels.

Any fluctuation of the interest rate either up or down will have only a very limited impact on the principal amount of the cash on term deposit at the banks. The Group does not invest in financial instruments that are traded on any secondary market.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	Less than 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	Greater than 5 years $'000	Total $'000
At 30 June 2022					
Trade and other payables	**32,752**	**-**	**-**	**-**	**32,752**
Lease liabilities	**303**	**948**	**7,377**	**2,235**	**10,863**
Interest bearing loans and borrowings	**12,149**	**32,671**	**128,079**	**-**	**172,899**
Success fee financial liability	**-**	**-**	**5,000**	**-**	**5,000**
	45,204	**33,619**	**140,456**	**2,235**	**221,514**
At 30 June 2021					
Trade and other payables	34,372	-	-	-	34,372
Lease liabilities	275	864	7,459	3,406	12,004
Interest bearing loans and borrowings	9,394	59,722	168,955	-	238,071
Success fee financial liability	-	-	5,000	-	5,000
	44,041	60,586	181,414	3,406	289,447

Group Structure

22. Interests in joint arrangements

The Group has the following interests in joint arrangements involved in the exploration and/or production of oil and gas in Australia:

		Ownership Interest	
		2022	2021
Joint Arrangements in Australia in which Cooper Energy Limited is the Operator/manager			
VIC/L24 & 30	Gas exploration and production	**50%**	50%
VIC/P44	Gas exploration	**50%**	50%
Athena Processing Plant	Gas processing services	**50%**	50%
Joint Arrangements in Australia in which Cooper Energy Limited is not the Operator/manager			
PEL 93[1,2]	Oil and gas exploration and production	**30%**	30%
PRL 237[2]	Oil and gas exploration	**20%**	20%
PRL 207-209 (Formerly PEL 100)[2]	Oil and gas exploration	**19.165%**	19.165%
PRL 183-190 (Formerly PEL 110)[2]	Oil and gas exploration	**20%**	20%
PEL 494	Oil and gas exploration	**30%**	30%
PEP 150	Oil and gas exploration	**50%**	50%
PEP 168	Oil and gas exploration	**50%**	50%
PEP 171	Oil and gas exploration	**75%**	75%
PRL 32	Oil and gas exploration	**30%**	30%
PEL 680	Oil and gas exploration	**30%**	30%
PRL 85-104[1] (Formerly PEL 92)	Oil and gas exploration and production	**25%**	25%

[1] Includes associated PPLs.
[2] The assets and liabilities associated with these joint arrangements are held for sale as at 30 June 2022, refer to Note 10 and the transaction completed on 2 August 2022, refer Note 30.

Accounting Policy

The Group has interests in arrangements that are controlled jointly. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either a joint operation or a joint venture. The Group has several joint arrangements which are classified as joint operations. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement, have rights to the assets, and obligations for the liabilities, relating to the arrangement.

In relation to its interests in joint operations, the Group recognises its:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of any liabilities incurred jointly
- Revenue from the sale of its share of the output arising from the joint operation
- Expenses, including its share of any expenses incurred jointly

Significant Accounting Judgements, Estimates and Assumptions

Joint arrangements

Judgement is required to determine when the Group has joint control over an arrangement, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Group has determined that the relevant activities for its joint arrangements are those relating to the operating and capital decisions of the arrangement, such as approval of the capital expenditure program for each year and appointing, remunerating and terminating the key management personnel or service providers of the joint arrangement. Where joint control does not exist, the relationship is not accounted for as a joint arrangement. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

Judgement is also required to classify a joint arrangement. Classifying the arrangement requires the Group to assess their rights and obligations arising from the arrangement. Specifically, the Group considers:

- the structure of the joint arrangement – whether it is structured through a separate vehicle; and
- when the arrangement is structured through a separate vehicle, the rights and obligations arising from the legal form of the separate vehicle, the terms of the contractual arrangement, and other facts and circumstances (when relevant).

This assessment often requires significant judgement, and a different conclusion on joint control and also whether the arrangement is a joint operation or a joint venture, may materially impact the accounting.

23. Investments in controlled entities

(a) Deed of Cross Guarantee

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 dated 29 September 2016, relief has been granted to certain controlled entities of Cooper Energy Limited from the *Corporations Act 2001* for preparation, audit and lodgement of financial reports, and directors' reports. As a condition of the Class Order, Cooper Energy Limited, and the controlled entities subject to the Class Order, entered into a Deed of Cross Guarantee. The effect of the deed is that Cooper Energy Limited has guaranteed to pay any deficiency in the event of the winding up of any member of the Closed Group, and each member of the Closed Group has given a guarantee to pay any deficiency, in the event that Cooper Energy Limited or any other member of the Closed Group is wound up.

(b) Schedule of controlled entities

The Group's consolidated financial statements include the financial statements of Cooper Energy Limited and the subsidiaries listed in the following table.

			Ownership Interest	
Name	**Country of incorporation**	**Note**	**2022**	2021
Somerton Energy Limited	Australia	(a)	**100%**	100%
Essential Petroleum Exploration Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (Australia) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (PBF) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (PB Pipelines) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (CH) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (TC) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (MF) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (MGP) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (IC) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (HC) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (EA) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (Sole) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (VO) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (Marketing) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (BMG) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (CB) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (Finance) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (AGP) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (CS) Pty Ltd	Australia		**100%**	-
Cooper Energy (MS) Pty Ltd	Australia		**100%**	-

The parties that comprise the Closed Group are denoted by (a).

23. Investments in controlled entities continued

Accounting Policy

Business combinations are accounted for using the acquisition method. The consideration for an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities acquired for appropriate classification and designation per AASB 9 *Financial Instruments* (AASB 9) in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. If the business combination is achieved in stages, the acquisition date fair value of the acquirers previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability will be recognised in accordance with AASB 9 and measured at fair value through profit and loss. If the contingent consideration is classified as equity it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of AASB 9, it is measured in accordance with the appropriate AASB.

An asset or group of assets that do not meet the definition of a business are accounted for as asset acquisitions. Under this method, assets are initially recognised at cost based on their relative fair value at the date of acquisition. Under this method transaction costs are capitalised to the asset and not expensed.

24. Parent entity information

Information relating to the parent entity, Cooper Energy Limited	**2022 $'000**	2021 $'000
Current Assets	**576,522**	405,709
Total Assets	**793,012**	616,747
Current Liabilities	**48,322**	17,695
Total Liabilities	**209,296**	185,623
Issued capital	**478,261**	477,675
Accumulated loss	**(92,583)**	(61,655)
Share capital reserve	**179,508**	-
Option premium reserve	**25**	25
Share based payment reserve	**18,505**	15,079
Total shareholders' equity	**583,716**	431,124
Loss of the parent entity	**(30,927)**	(18,862)
Total comprehensive loss of the parent entity	**(30,927)**	(18,862)

Other Information

25. Commitments for expenditure

The Group has the following commitments for expenditure not provided for in the financial statements and payable.

	Exploration capital		Leases	
	2022	2021	**2022**	2021[1]
	$'000	$'000	**$'000**	$'000
Due within 1 year	**31,360**	2,460	**-**	8,151
Due within 1-5 years	**32,735**	63,445	**-**	244,535
Due later than 5 years	**-**	-	**-**	84,683
Total	**64,095**	65,905	**-**	337,369

[1] In 2021, a commitment was disclosed in relation to the OGPP lease, which had not commenced at that time. This lease commitment ended in 2022 to due to the completion of the OGPP acquisition.

From time to time through the ordinary course of business, Cooper Energy enters into contractual arrangements that may give rise to negotiated outcomes.

As at 30 June 2022 the Parent entity has bank guarantees for $7.1 million (2021: $8.8 million), see also Note 18. These guarantees are in relation to credit support for gas purchases and guarantees on office leases.

26. Contingent liabilities

Contingent liabilities arise in the ordinary course of business through commercial disputes or claims, including contractual or third-party claims. These contingent liabilities are possible obligations whose existence will only be confirmed by the occurrence or non-occurrence of uncertain future events. Because it is not probable that a future sacrifice of economic benefits will be required or the amount of the obligation cannot be measured with sufficient reliability, the Group has not provided for these amounts in the financial statements.

27. Share based payments

The Company's amended Equity Incentive Plan ("EIP") was approved by shareholders at the 2019 AGM. Performance rights and share appreciation rights were issued for no consideration under the EIP. Issued rights vest as shares in the parent entity, subject to performance hurdles being met.

A performance right is the right to acquire one fully paid share in the Company provided a specified hurdle is met and share appreciation rights are rights to acquire shares in the Company to the value of the difference in the Company share price between the grant date and vesting date.

Testing of the performance rights and share appreciation rights will occur at the end of the three year performance period.

Rights granted prior to the 2020 financial year may be retested once, 12 months after the original three year test date. At the end of the three year measurement period, those rights that were tested and achieved will vest.

The vesting test is determined from the absolute total shareholder return of Cooper Energy's share price ranked against the absolute total shareholder returns of 12 peer companies listed on the Australian Securities Exchange. If Cooper Energy is ranked lower than the 50th percentile, no rights will vest. If Cooper Energy is ranked in the 50th percentile, 30% of the eligible rights will vest. If Cooper Energy is ranked greater than the 50th percentile, but less than the 90th percentile, the amount of eligible rights vested will be based on a pro rata calculation. If Cooper Energy is ranked in the 90th percentile or higher, 100% of the eligible rights will vest.

Performance rights are also granted as part of deferred awards under the short term incentive plan ("STIP"). Testing of these rights will occur at the end of a 12 month performance period. Rights granted will vest if the employee remains employed by the Company at the end of the performance period.

There are no participating rights or entitlements inherent in the rights and holders will not be entitled to participate in new issues of capital offered to shareholders during the period of the rights. All rights are settled by physical delivery of shares.

27. Share based payments continued

Information with respect to the number of performance rights and share appreciation rights granted to employees is as follows:

Date Granted	Number of share appreciation rights (SARs) granted	Number of performance rights granted	Average share price at commencement date of grant	Average contractual life of rights at grant date in years	Remaining life of rights in years
12 December 2018	**13,312,848**	**4,888,166**	**$0.435**	**3**	**0.5**
11 December 2019	**14,871,802**	**4,257,209**	**$0.575**	**3**	**0.5**
11 December 2019[1,2]	**-**	**769,605**	**$0.575**	**1**	**-**
10 December 2020	**20,473,191**	**6,394,202**	**$0.390**	**3**	**1.5**
10 December 2020[2]	**-**	**1,885,834**	**$0.390**	**1**	**-**
9 December 2021	**28,449,812**	**9,043,984**	**$0.270**	**3**	**2.5**
9 December 2021[2]	**-**	**3,159,165**	**$0.270**	**1**	**0.5**

[1] Granted in December 2019 and exercised in December 2020.
[2] Relates to deferred STIP performance rights granted.

The number of performance rights and share appreciation rights held by employees is as follows:

	Number of Share Appreciation Rights		Number of Performance Rights[1]	
	2022	2021	**2022**	2021
Balance at beginning of year	**57,433,406**	48,280,025	**20,919,555**	17,862,629
- granted	**28,449,812**	20,473,191	**12,203,149**	8,280,036
- vested	**-**	(6,438,631)	**(1,708,495)**	(3,333,247)
- expired and not exercised	**(14,187,440)**	(4,881,179)	**(5,327,583)**	(1,889,863)
- forfeited following employee termination	**-**	-	**-**	-
Balance at end of year	**71,695,778**	57,433,406	**26,086,626**	20,919,555
Achieved at end of year	**-**	-	**-**	-

[1] Includes deferred STIP issued as performance rights.

The fair value of services received in return for the performance rights granted are measured by reference to the fair value of performance rights granted. The estimate of the fair value of the services received is measured based on the Black-Scholes methodology to produce a Monte-Carlo simulation model that allows for the incorporation of market-based performance hurdles that must be met before the shares vest to the holder.

Fair value assumptions	**11 December 2019**	**10 December 2020**	**9 December 2021**
Fair value of share appreciation rights at measurement date	15.8 cents	10.9 cents	8.3 cents
Fair value of performance rights at measurement date	37.7 cents	25.6 cents	18.5 cents
Share price	57.5 cents	39.0 cents	27.0 cents
Risk free interest rate	0.68%	0.11%	0.97%
Expected volatility	40%	45%	48%
Dividend yield	0%	0%	0%

27. Share based payments continued

Accounting Policy

The Group provides benefits to employees of the Group in the form of share-based payment transactions, whereby employees render services in exchange for rights over shares (“equity-settled transactions”).

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and are recorded as an expense, with a corresponding increase in reserves, on a straight-line basis over the vesting period of the related instrument.

The fair value is determined using the Black-Scholes methodology to produce a Monte-Carlo simulation model that takes into account the exercise price, the vesting period, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the performance right or share appreciation right, the share price at grant date, the expected volatility of the price of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the vesting period. The fair value of the performance rights and share appreciation rights granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

The volatility assumption is based on the actual volatility of Cooper Energy’s daily closing share price over the three-year period to the valuation date.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- the extent to which the vesting period has expired; and
- the Group’s best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The Consolidated Statement of Comprehensive Income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employees as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding performance rights and share appreciation rights is reflected as additional share dilution in the computation of diluted earnings per share.

Significant Accounting Judgements, Estimates and Assumptions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuation expert using the calculation criteria.

28. Related party disclosures

The Group has a related party relationship with its joint arrangements (Note 22), its subsidiaries (Note 23), and its key management personnel (disclosure below).

The key management personnel's remuneration included in General Administration (see Note 2) is as follows:

	2022 $	2021 $
Short-term benefits	**6,509,385**	4,818,430
Other long-term benefits	**22,941**	54,545
Post-employment benefits	**277,601**	251,556
Performance rights and share appreciation rights	**1,950,770**	2,123,212
Termination benefits	**26,076**	-
Total	**8,786,773**	7,247,743

29. Remuneration of Auditors

	2022 $	2021 $
The auditor of Cooper Energy Limited is Ernst & Young		
Audit services		
Amounts received or due and receivable by Ernst & Young Australia for:		
Audit of statutory report of Cooper Energy Limited	**444,700**	514,075
	444,700	514,075
Other services		
Services in relation to one off transactions	**228,000**	335,083
Taxation and other services	**119,100**	87,440
	347,100	422,523
Total fees to Ernst & Young	**791,800**	936,598

During the year, a portion of total fees paid to Ernst & Young was in relation to the acquisition of the OGPP.

30. Events after the reporting period

Plant acquisition

On 20 June 2022, the Company announced the signing of a binding asset sale agreement to acquire the OGPP from APA for a total cash consideration of $270.0 million, comprising both upfront and deferred consideration. The acquisition was subject to the successful equity raising (refer below). The acquisition of the plant contractually completed, i.e. financial closing, on 28 July 2022. The Company also agreed to pay an additional up to $60.0 million of performance linked payments to APA, linked to the plant's average processing rate, achieved by APA during the interim period between the financial closing of the asset transaction on 28 July 2022 and the date of transfer of the major facilities hazards license (expected later in FY2023).

The upfront cash consideration is $210.0 million and this was paid at closing on 28 July 2022. In accordance with the terms of the asset sale agreement, the deferred consideration is structured as follows:

- a fixed deferred payment of $40.0 million due 12 months after financial closing of the acquisition; and
- a fixed deferred payment of $20.0 million due 24 months after financial closing of the acquisition.

In addition, payment of the performance linked incentive amounts, if triggered, are deferred as follows:

- a variable deferred performance linked payment ranging from $0 to $20.0 million due 24 months after financial closing of the acquisition; and
- a variable deferred performance linked payment ranging from $0 to $40.0 million due 36 months after financial closing of the acquisition.

The acquisition will be accounted for as an asset acquisition. Purchase consideration, including capitalised transactions costs, will be allocated against identifiable assets and liabilities acquired, based on their relative fair values determined on the acquisition date of 28 July 2022.

30. Events after the reporting period continued

Completion of equity funding

As noted within the Basis of Preparation note on page 47, on 20 June 2022 the Company announced a $244.0 million fully underwritten equity raise consisting of an accelerated non-renounceable entitlement offer to all shareholders and an institutional placement offer. This equity raise was the key condition of the completion of the plant acquisition described above.

On 30 June 2022, the institutional component of the equity raise was completed, raising $179.5 million (net of $3.5 million after tax costs), with 747.1 million of shares formally issued on 1 July 2022.

On 12 July 2022, $59.8 million (net of $1.2 million of after tax costs) was raised via the retail entitlement offer with 248.6 million shares issued on 14 July 2022.

An estimated total of $239.3 million (net of costs and tax) was raised via the equity offer.

Completion of new corporate debt facility

As noted within the Basis of Preparation note on page 47, on 20 June 2022 the Company announced a fully underwritten $400.0 million senior secured revolving corporate reserves based loan facility and a $20.0 million working capital facility for the purpose of refinancing the existing syndicated debt facility and to fund future capital projects for the Group. Financial close on the new facility was reached on 11 August 2022. As at the date of this report, the Company had drawn down $158.0 million of the facility, together with $7.1 million of the working capital facility in the form of bank guarantees.

Completion of sale of Cooper Basin assets

As announced by Bass Oil Limited (ASX: BAS) on 12 July 2021, Cooper Energy divested its interest in the Worrior oil field (PPL 207), and several other Cooper Basin exploration permits for $0.65 million to Bass Oil. The transaction, comprising a 30% interest in PRLs 231-233 and PPL 207, a 20% interest in PRLs 183-190 and PRL 237, and 19.165% interest in PRLs 207-209, completed on 2 August 2022.

The sale of the Worrior oil field demonstrates Cooper Energy's ongoing focus on portfolio optimisation and divesting of assets considered non-core. This will continue, particularly in the context of Cooper Energy's primary focus on commercialising cost competitive gas resources for south-eastern Australia.

Directors' Declaration

In accordance with a resolution of the Directors of Cooper Energy Limited, I state that:

In the opinion of the Directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in the Basis of Preparation; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2022.

In the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the closed group identified in Note 23 will be able to meet any obligations or liabilities to which they are, or may become subject, by virtue of the Deed of Cross Guarantee between the Company and those members of the Closed Group pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

Signed in accordance with a resolution of the Directors.

John Conde

Mr John C. Conde AO
Chairman

David P. Maxwell

Mr David P. Maxwell
Managing Director

22 August 2022

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Independent auditor's report to the members of Cooper Energy Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Cooper Energy Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2022 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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Building a better working world

1. Acquisition of Orbost Gas Processing Plant (OGPP) and related financing transactions

Why significant	How our audit addressed the key audit matter
On 20 June 2022, the Group announced the execution of a binding asset sale agreement to acquire the OGPP from the APA Group, for total cash consideration of $270 million plus certain variable performance payments. The acquisition was accompanied by a series of financing transactions, comprising a fully underwritten equity raising, with both institutional and retail components, a fully underwritten $400 million senior secured, reserves-based loan (RBL) facility and a $20 million working capital facility. The details of these related transactions are set out in Note 30. The related transactions included several key judgements which have a significant impact on the resultant accounting and financial statement presentation at 30 June 2022. These judgements include: ► The timing of the completion of the OGPP acquisition, given the existence of conditions precedent outside of the control of the Group. ► The treatment of the transaction as a business combination or asset acquisition. ► Measurement of the cost of the acquisition given it comprised both deferred and variable consideration. ► The impact of the extinguishment of the Development Agreement and Gas Processing Agreement between the Group and APA Group due to the acquisition of the OGPP. ► The disclosure and measurement implications (if any) on the Group's existing RBL facility and working capital facility (refer Note 18) because of the refinancing transaction, including the impact on the Group's going concern assessment. As set out in Note 30, the Group concluded the acquisition is to be accounted for as an asset acquisition and the transaction settled when the Group substantively satisfied the conditions precedent and took control of the asset in July 2022. Given the size of the transactions, the judgement in determining their accounting consequence and timing of recognition and the impact on the Group's assessment of its ability to continue as a going concern, this was considered a key audit matter.	Our procedures included: • Obtaining and reading copies of the asset sale agreement and related financing agreements, including understanding the various conditions precedent in each arrangement. • Reading management's position papers detailing its assessment of the accounting for the acquisition of the OGPP and the timing of the recognition of the acquisition. • In conjunction with our technical accounting specialists, evaluating the reasonableness of management's accounting, including the appropriateness of key judgements and compliance with Australian Accounting Standards. • Testing the Group's receipt of monies, before and after balance date, from the equity raisings to the Group's bank accounts and other supporting documentation. • Testing the flow of funds associated with the settlement and refinancing of the Group's old and new senior secured RBL facilities. • Testing the disbursement of monies, after balance date, to the APA Group as part of the first tranche of consideration under the asset sale agreement. • Evaluating the Group's basis for its going concern assessment, including reviewing the Group's cash flow forecasts which incorporate the implications of refinancing the senior secured RBL facility subsequent to balance date. • Assessing the adequacy of disclosure of the transaction in notes 18 and 30 of the financial report.

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Building a better working world

2. Carrying value of gas and oil assets and exploration and evaluation assets

Why significant	How our audit addressed the key audit matter
Australian Accounting Standards require the Group to assess whether there are any indicators that gas and oil Cash Generating Units (CGUs) or exploration and evaluation assets may be impaired. If an indicator exists, the Group must estimate the recoverable amount of the asset. In determining whether there was an indicator of impairment for the Group's gas and oil CGUs, the Group considered whether there was a significant change in the external or internal factors as set out in the financial report in Note 15. It may include modelling a range of assumptions or scenarios in preliminary trigger testing models. The key assumptions, judgements and estimates used in the Group's assessment of impairment triggers are disclosed, to the extent relevant, in Note 15. The impairment testing process for the Group's E&E assets commences with an assessment against indicators of impairment under the Australian Accounting Standard -AASB 6 *Exploration for and Evaluation of Mineral Resources*. If there is an indication that an E&E asset may be impaired, the Group is required to estimate the recoverable amount of the asset. At year end, the Group concluded that there were no impairment triggers for any of its gas and oil CGUs or exploration and evaluation (E&E) assets.	We evaluated whether there had been significant changes in the external or internal factors considered by the Group in assessing whether indicators of impairment existed. In respect of the Group's gas and oil CGUs our procedures included: • Comparing the carrying amount of the Group's gas and oil and exploration and evaluation assets to the Group's market capitalisation • Assessing triggers for impairment, including comparing carrying amounts to the preliminary trigger testing models prepared. • Assessing, in conjunction with our valuation specialists, the inputs used in the preliminary trigger testing models such as discount rates, foreign exchange rates and commodity prices with reference to market prices (where available), market research, market practice, market indices, broker consensus and historical performance. • Testing the mathematical accuracy of the discounted cash flow models used for impairment trigger testing purposes. Considering, where relevant, the inputs used to determine future operating and capital expenditure, such as current approved budgets, forecasts, contractual arrangements and historical expenditure, and ensuring variations were in accordance with our expectations based upon other information obtained throughout the audit. • Using the work of the Group's internal and external experts with respect to estimations of hydrocarbon reserves and resources. This included assessing the qualifications, competence and objectivity of the Groups' internal and external experts involved in these estimation processes, evaluating the adequacy of the experts' work, and assessing whether key economic assumptions used in the estimation of reserves and resources volumes were consistent with those used by the Group in impairment testing, where applicable. For E&E assets, we assessed the analysis prepared by the Group as to the appropriateness of carrying forward capitalised exploration and evaluation costs with reference to the requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources*, which included consideration of: • The Group's right to explore in the relevant exploration area; • The Group's intention to carry out substantive E&E activity in the relevant exploration area, or plans to move the asset into development; and • The Group's assessment of the commercial viability of results relating to E&E activities carried out in the relevant license area. For both gas and oil CGUs and E&E assets we considered the adequacy of the financial report disclosures regarding the assumptions, key estimates and judgements applied by management for the Group's assessment of indicators of impairment of non-current assets as set out in Note 15.

Building a better working world

3. Restoration obligations

Why significant	How our audit addressed the key audit matter
At 30 June 2022, the Group has recognised provisions for restoration obligations relating to onshore and offshore assets of $473 million. As disclosed in Note 16, the calculation of restoration provisions is conducted by specialist engineers and requires judgemental assumptions to be made by the Group regarding removal date, compliance with environmental legislation and regulations, the extent of restoration activities required, the engineering methodology for estimating cost, future removal technologies in determining the removal cost, inflation assumptions, and liability-specific discount rates to determine the present value of these cash flows. The judgements and estimates in respect of restoration provisions are based on conditions existing at 30 June 2022 including key assumptions related to certain items composed of steel, or steel and concrete, with hydrocarbons removed remaining in-situ. Australian regulator approval for these items remaining in-situ will only be provided towards the end of field life and accordingly at 30 June 2022, there is uncertainty whether the Australian regulator will approve plans for these items to be decommissioned in-situ. Significant assumptions and estimates outlined above are inherently subjective. Changes in these assumptions can lead to significant changes in the restoration provision. In this context, the disclosures in the financial report provide particularly important information about the assumptions made in the calculation of the restoration provision and uncertainties at 30 June 2022. As a result, we consider the restoration provision calculation and the related disclosures in the financial report to be a key audit matter. For the same reasons, we consider it important to draw attention to the information in Note 16.	We assessed the restoration obligation provisions prepared by the Group, evaluating the assumptions and methodologies used and the estimates made. Our audit procedures included: ► Engaging our Climate Change and Sustainability Services specialists to assist in our audit process. ► Evaluating the restoration cost estimates based on the relevant current legal and regulatory requirements. ► Assessing the qualifications and expertise of external specialists engaged by the Group to assist in the formulation of gross restoration cost estimates. ► Assessing the competence, capability and objectivity of the Group's internal experts used in the determination of the restoration provision. ► Comparing the timing of the future cash outflows against the anticipated end of field lives, cross-checking these dates were consistent to the Group's reserves estimates and its impairment trigger testing models. ► Evaluating the appropriateness of the inflation and discount rates used to calculate the provision. ► Evaluating the appropriateness of management's methodology for estimating future costs. For a sample of locations within the Group, we assessed the reasonableness of key assumptions in the estimation of future costs. ► Testing the mathematical accuracy of the restoration provision calculations and the sensitivity analysis. We also considered the adequacy and completeness of the financial report disclosure of the assumptions, key estimates and judgements applied by the Group.

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Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 30 June 2022 Annual Report other than the financial report and our auditor's report thereon. We obtained the Directors' Report and the Overall Financial Review that are to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ► Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ► Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ► Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ► Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ► Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ► Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on the audit of the remuneration report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 40 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Cooper Energy Limited for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001.*

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Darryn Hall
Partner
Adelaide
22 August 2022

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Auditor's Independence Declaration to the Directors of Cooper Energy Limited

As lead auditor for the audit of the financial report of Cooper Energy Limited for the financial year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Cooper Energy Limited and the entities it controlled during the financial year.

Ernst & Young

Darryn Hall
Partner
Adelaide
22 August 2022

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Abbreviations and Terms

This Report uses terms and abbreviations relevant to the Group, its accounts and the petroleum industry.

The terms “the Company” and “Cooper Energy” and “the Group” are used in the report to refer to Cooper Energy Limited and/or its subsidiaries. The terms “2022”, or “2022 financial year” refer to the 12 months ended 30 June 2022 unless otherwise stated. References to “2021”, or other years refer to the 12 months ended 30 June of that year.

$: Australian dollars unless specified otherwise

bbls: barrels of oil

boe: barrels of oil equivalent

EBITDAX: earnings before interest, tax, depreciation, amortisation, restoration, exploration and evaluation expense and impairment

HSEC: health, safety, environment and community

kbbl: thousand barrels of oil

LTI: lost time injury

LTIFR: lost time injury frequency rate: lost time injuries per million hours worked

MMbbl: million barrels of oil

MMboe: million barrels of oil equivalent

NPAT: net profit after tax

PJ: petajoules

TJ: terajoules

TRCFR: total recordable case frequency rate. Recordable cases per million hours worked

VWAP: volume weighted average price

2P: best estimate of reserves. The sum of proved plus probable reserves

2C: best estimate of contingent resources

Corporate Directory

Directors

John C Conde AO, Chairman
David P Maxwell, Managing Director
Timothy G Bednall
Victoria J Binns
Giselle M Collins (appointed 19 August 2021)
Elizabeth A Donaghey
Hector M Gordon
Jeffrey W Schneider

Company Secretary

Amelia Jalleh

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