

A transformational FY22 and clear pathway to growth

- **Record revenue and underlying EBITDAX:** revenue up 56% to \$205.4 million, underlying EBITDAX up 169% to \$80.7 million
- **Underlying net profit after tax:** \$14.4 million up from \$25.9 million loss (FY21)
- **Record production:** up 26% to 3.31 MMboe
- **FY22 guidance beaten:** underlying EBITDAX of \$80.7 million, above the guidance range of \$70.0 – 78.0 million
- **Balance sheet strength:** \$244 million equity raise and new \$420 million debt facility established
- **Athena Gas Plant:** commissioned on schedule and on budget
- **Orbost Gas Processing Plant:** acquired from APA, completing the twin hub gas strategy
- **Growth and leverage to East Coast gas:** FY23 focussed on next phase of growth
- **FY23 guidance:** underlying EBITDAX up circa 50% at the low end, versus FY22
- **Carbon neutral:** maintained Climate Active carbon neutral certification, Australia's first net zero gas and oil producer
- **Results webcast:** scheduled for 8.30am ACST (Adelaide) / 9.00am AEST (Sydney, Melbourne)

Cooper Energy Limited (ASX:COE, the “Company”) announces record full-year production, revenue and underlying EBITDAX and underlying profit.

Adjustments to the Sole gas sales agreements (GSAs), improved performance at the Orbost Gas Processing Plant (OGPP), and gas supplied at higher spot gas prices helped drive significant increases in: full year production to 3.31 MMboe; a 56% increase in revenue to \$205.4 million; and a 169% increase in underlying EBITDAX. The Company recorded an underlying net profit after tax of \$14.4 million (FY21: \$25.9 million loss).

Managing Director David Maxwell said “the business imperatives achieved in FY22, and the supply of increasing gas volumes to the Australian East Coast domestic gas market, underpin the significant contrast to where the business was 12 months ago.

“FY22 was a transformative year for Cooper Energy. We are positioned as a competitive integrated business operating our two integrated gas hubs, with the commensurate step change in cash generation for future growth.

“Becoming a gas plant operator following the refurbishment and commissioning of the Athena Gas Plant, and the acquisition of the OGPP, were key imperatives and enormous milestones for the company.

“All the elements of a successful gas business are now in place and the pathway for further sustained growth has been set.

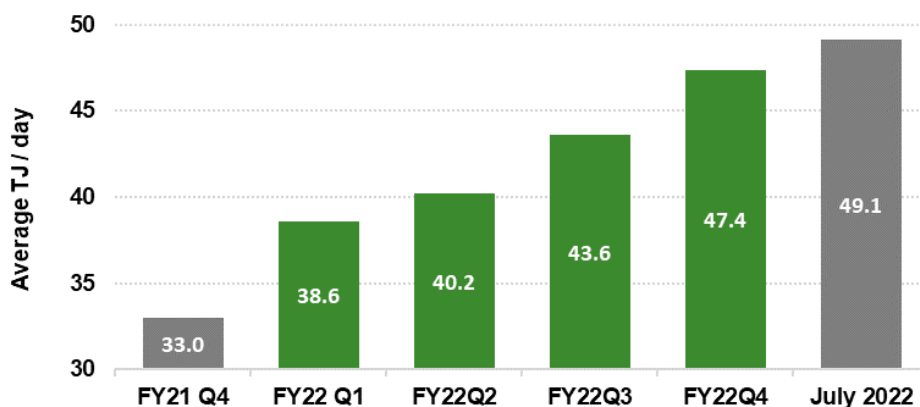
“OGPP plant performance grew quarter on quarter. This, together with the restructured portfolio, enabled us to sell gas into a higher price spot market, driving a significant increase in earnings in the second half of the year.

“Our net zero credentials, industry leading HSE performance, and increased liquidity have Cooper Energy building momentum for material growth.” Mr Maxwell said.

FY22 underlying EBITDAX was \$80.7 million, exceeding full year FY22 guidance of \$70.0 – 78.0 million (a range which had been revised upward twice in H2 FY22). FY22 production of 3.31 MMboe and capex spend of \$19.5 million both met guidance.

Improving Orbest Gas Processing Plant performance, and Phase 2B works

OGPP performance has improved significantly in FY22, and the processing rate continues to steadily increase in FY23 as illustrated below. The average rate for the full FY22 period was 41.6 TJ/d.



During March and April, the OGPP was shut down for 14 days while the operator (APA Group) executed the following:

- the Phase 2B works, which comprised the installation of the solids removal package (SRP) aimed at improving plant reliability and increased sustainable production rates. Tie-in and commissioning of the SRP will be completed later in FY23; and
- the installation and commissioning of the gas ‘polishing’ unit.

The total cost to Cooper Energy for the Phase 2B works was \$15 million, largely funded from escrowed funds.

The polishing unit was commissioned in late April and taken offline in early June following performance issues. Root cause analysis of the performance issues is ongoing and will guide the process to bring the unit back online, expected by the end of August.

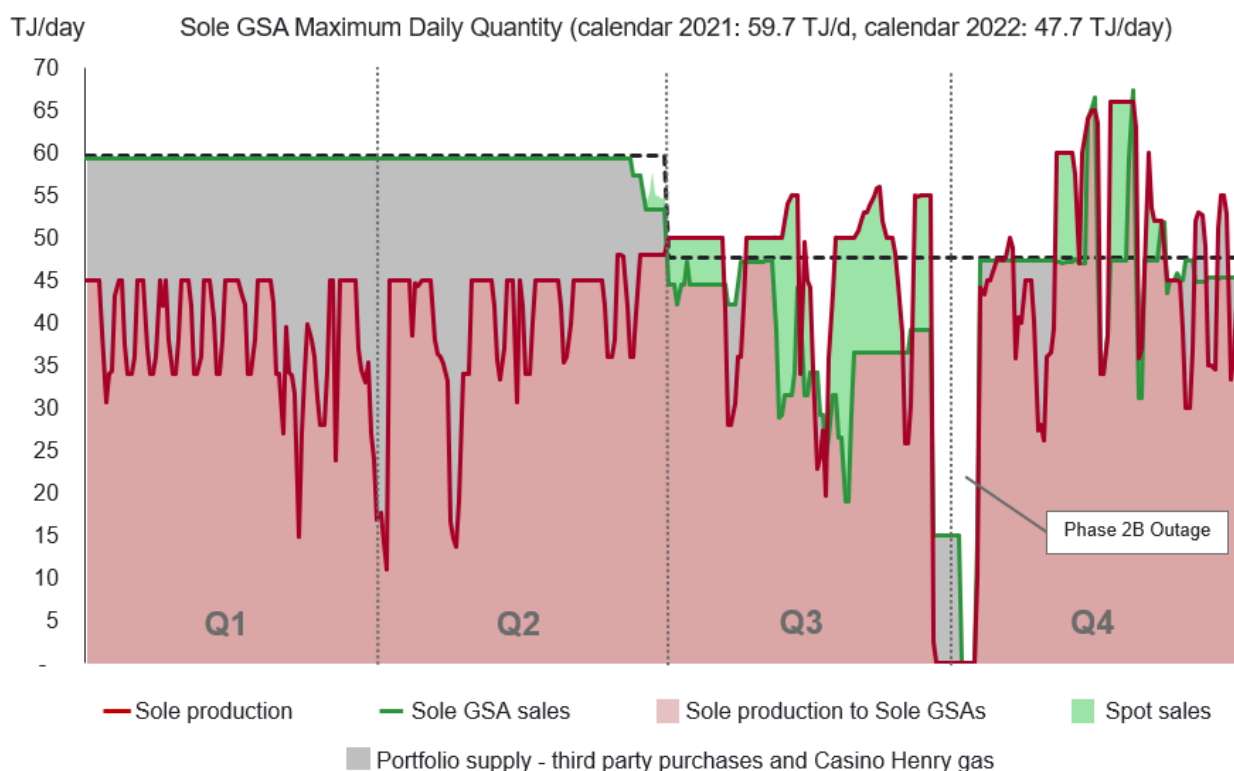
Gas portfolio creating value

Cooper Energy restructured its gas portfolio during FY22. From 1 January 2022, Cooper Energy’s obligations under the Sole GSAs were amended from a maximum daily quantity (MDQ) of 59.7 TJ/d to 47.7 TJ/d¹. Third party gas purchases were significantly reduced in the second half of FY22 due to the lower MDQ obligation, improved OGPP performance, and utilising the Otway Basin gas hub to deploy a portfolio approach to meeting contracted gas supply. The chart on the next page illustrates the contrast from 1 January. The grey shaded area demonstrates that third-party gas purchases were largely eliminated in H2 FY22.

The average cost of third-party gas purchased during FY22, net of the contributions received from APA, was \$7.71/GJ; less than Cooper Energy’s average realised gas price of \$8.24/GJ.

Cooper Energy is a net seller of surplus gas into the Victoria and Sydney spot markets. The green shaded area in the chart represents spot sales. From 1 January 2022 Cooper Energy sold 1.1 PJ of gas at an average spot price of \$19.06/GJ.

¹ [New gas sales arrangements with AGL announced on 13 September 2021](#)



Athena Gas Plant opens pathway for offshore Otway growth

The Athena Gas Plant Project achieved a critical milestone on 10 December 2021, with first gas from the Casino, Henry and Netherby (CHN) fields introduced to the plant. This followed the successful cutover of the pipeline from the Iona Gas Plant to the Athena Gas Plant, granting of a Major Hazard Facility Licence from WorkSafe Victoria, refurbishing key items of plant equipment, reinstating the work force and plant commissioning. First gas sales to customers commenced on 15 December 2021.

The Athena Gas Plant is an integral asset in Cooper Energy's gas portfolio, positioning the Company's offshore Otway Basin assets for near term growth. In the second half of FY22, Cooper Energy announced an upgrade of the Otway Basin prospective resources² with new reprocessed 3D seismic data improving the quality of exploration prospect interpretation. The Company then reviewed the optimal growth plan for the basin. Development of the Annie gas field was determined as the best scenario to underpin the next Otway hub growth phase³, followed by exploration options with the potential to deliver ~580 Bcf of new cost competitive gas.

The ownership interests of the CHN fields comprises Cooper Energy (50% and Operator), Mitsui E&P Australia Pty Ltd (25%) and Peedamullah Petroleum Pty Ltd (25%). The ownership interests of the Athena Gas Plant comprise Cooper Energy (50% and Operator) and Athena Gas Processing Pty Ltd (50%). Cooper Energy is 100% owner and Operator of VIC/P76 which contains the Nestor prospect.

Orbost Gas Processing Plant acquired from APA - transforms the business

Cooper Energy announced the acquisition of the OGPP⁴ from APA on 20 June 2022 and the transaction completed on 28 July 2022. The acquisition was partnered with a A\$244 million equity raise and a new A\$400 million senior secured reserves based debt facility and A\$20 million working capital facility.

² [Otway Basin Exploration Prospective Resource Update announced 9 February 2022](#)

³ [Offshore Otway gas hub growth plan announced 18 May 2022](#)

⁴ [Orbost Gas Processing Plant acquisition announced 20 June 2022](#)

Cooper Energy and APA are now in a transition period during which Cooper Energy is the economic owner of the plant. APA will remain the operator until the OGPP Major Hazard Facility Licence is transferred to Cooper Energy.

The OGPP acquisition strengthens the Company's Gippsland Basin end-to-end capability to produce, process and deliver gas to domestic customers in south-east Australia. The acquisition also completes the establishment of Cooper Energy's twin hub gas supply position.

Capital management initiatives delivered - balance sheet strengthened

Cooper Energy's funding and liquidity position has been strengthened by the immediate cashflow uplift from owning the OGPP coupled with the enlarged debt facility and the A\$244 million equity raise. The Company's new A\$420 million senior secured revolving facility agreement was executed with a group of six domestic and international financial institutions. The facility is a flexible, group reserves-based style loan that has refinanced the A\$158 million drawn under the Company's 2017 facility, and provides the financial flexibility to accelerate other organic projects.

During FY22 Cooper Energy diversified its banking group by introducing a leading global bank into the original syndicate and welcomed an additional high calibre international lender to the new enlarged debt facility.

These capital initiatives, alongside the acquisition of OGPP, have set Cooper Energy up for the next exciting growth phase.

FY23 full-year guidance

Cooper Energy expects to continue the strong momentum built in the second half of FY22 and is guiding towards material growth in FY23. Expected growth is mainly driven by the increased margin and improving performance of OGPP following the acquisition from APA, and an increased contribution from the Otway Basin with a full year of processing at the Athena Gas Plant. Capital expenditure is expected to be higher with work progressing on the Otway phase three development.

FY23 full-year guidance is set out in the table below and further information is contained in the presentation released today.

	FY22	FY23 full-year guidance	Change %
Production	3.31 MMboe	3.7 to 4.0 MMboe	▲ 12% to 21%
Underlying EBITDAX	\$80.8 million	\$120 to 150 million	▲ 49% to 86%
Capital expenditure ¹	\$19.5 million	\$28 to 33 million	▲ 44% to 69%

¹ Capital expenditure guidance excludes abandonment expenditure. It also excludes transition and integration costs associated with the acquisition of the OGPP, a portion of which is expected to be capitalised.

Results webcast

Cooper Energy's Managing Director David Maxwell will lead a webcast to present and discuss the results this morning.

- **Time:** 8.30am ACST (Adelaide) / 9.00am AEST (Sydney, Melbourne)
- **Date:** Monday, 22 August 2022
- **Conference call link** (listen only): [Webcast link](#)
- **Registration link** (for Q&A participation): [Registration link](#)

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Cooper Energy Limited (ASX:COE) is an exploration and production company which generates revenue from gas supply to south-east Australia and low-cost Cooper Basin oil production. The company is an emerging player in the south-east Australian energy sector holding a portfolio of gas supply contracts and one of the most extensive portfolios of gas-focused acreage and assets, including well located reserves and resources in the Otway and Gippsland basins. These include the Sole gas field in the Gippsland Basin which recently became the first new offshore gas development in south-east Australia to commence production in several years, the Casino Henry operations in the offshore Otway Basin and undeveloped resources such as Manta and Annie.

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