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Gas Sales Agreement with AGL for the next phase of Otway Basin development and exploration

Cooper Energy (ASX: COE) is pleased to announce it has entered into a long-term, gas sales agreement (GSA) with AGL (ASX: AGL) to supply up to 10 PJ of natural gas per annum, for a term of up to six years.

The GSA is conditional on an affirmative Final Investment Decision (FID) on the Otway Phase 3 Development (OP3D), which is targeted for H1 CY23¹.

The GSA volumes account for some 50% to 70% of the Cooper Energy share of Otway gas production from the commencement of production from the OP3D project.

Some of the key terms of the GSA are:

- 8 PJ per annum initial annual quantity mainly from the Annie gas field for the first three years and a declining tail
- Potential for increased volumes to an aggregate total of 10 PJ per annum over the six-year term, subject to exploration success
- Gas processed at the Cooper Energy-operated Athena Gas Plant
- First production targeted for 2025
- Market reflective contract terms and gas pricing

The price structure ensures a robust OP3D project whilst providing competitive gas to consumers.

Managing Director, David Maxwell said that the company was pleased to agree terms for the sale of gas with AGL on a basis which both supports the OP3D project and enables Cooper Energy to provide additional supplies of competitive gas to South-east Australia gas users.

“AGL is a high quality and value-adding partner of our growing business. We are pleased to agree terms to support the commercialisation of OP3D and continue to build our relationship with AGL. This agreement is a key step to unlock further debt capacity under our senior secured debt facility to support funding the project and delivery of additional gas to the domestic market.”

The OP3D project is soon to enter the front-end engineering and design phase.

Participating interests in the Casino Henry operations and the Athena Gas Plant are Cooper Energy (50% and Operator) and Mitsui (50%, through its subsidiaries).

¹ Subject to joint venture consent.

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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.