

24 January 2023

### Key features

- **Record YTD production and revenue:** production up 16% to 1.82 MMboe, revenue up 6% to \$101.2 million
- **Quarterly production:** down 16% from the previous quarter to 0.83 MMboe
- **Average gas price:** down 8% compared to previous quarter to \$8.38/GJ
- **Revenue:** down 17% to \$45.8 million, due to lower production and lower average gas prices
- **Orbost Gas Processing Plant operatorship transfer:** progressing to plan
- **New gas sales agreement:** signed with AGL, underpinning next Otway development
- **FY23 guidance:** production, u-EBITDAX and capital re-affirmed
- **CEO and MD appointment:** Ms Jane Norman to commence 20 March

### Comments from Managing Director, David Maxwell

“Year to date total production of 1.82 MMboe is 16% higher than the corresponding period in the previous year and revenue of \$101.2 million is 6% higher, both are records for the first half. However, compared to the previous quarter, total production and revenue were down, due mainly to interruptions at the Orbost Gas Processing Plant, operated by APA, and planned maintenance at the Athena Gas Plant. The Orbost plant performance was below expectations.

“Work is progressing to plan for the transfer of the major hazard facility license and operatorship of the Orbost plant to Cooper Energy within the first half of 2023. Engineering and operations work is also underway with the objective to improve the plant’s stability and rate when Cooper Energy takes over operatorship.

“The signing of the gas sales agreement with AGL in November was a key milestone and underpins the next development phase of our Otway Basin assets. The timing of this development will be reviewed after there is clarity on the proposed mandatory code of conduct associated with the gas market legislation passed by the Federal Government in late December.

“Ms Jane Norman will become the new CEO and Managing Director and is scheduled to commence with the Company on 20 March.”

### Key performance metrics

<i>\$ million unless indicated</i>	Dec Q2 FY22	Sep Q1 FY23	<b>Dec Q2 FY23</b>	<i>Qtr on Qtr change</i>	FY22 YTD	<b>FY23 YTD</b>	<i>Change</i>
Production (MMboe)	0.76	0.99	<b>0.83</b>	<i>(16%)</i>	1.57	<b>1.82</b>	<i>16%</i>
Sales volume (MMboe)	0.99	0.98	<b>0.85</b>	<i>(13%)</i>	2.02	<b>1.82</b>	<i>(10%)</i>
Average gas price (\$/GJ)	7.41	9.06	<b>8.38</b>	<i>(8%)</i>	7.44	<b>8.75</b>	<i>18%</i>
Sales revenue	47.3	55.4	<b>45.8</b>	<i>(17%)</i>	95.4	<b>101.2</b>	<i>6%</i>
Cash and cash equivalents	92.2	83.0	<b>87.7</b>	<i>6%</i>	92.2	<b>87.7</b>	<i>(5%)</i>
Net debt/(cash)	111.8	75.0	<b>70.3</b>	<i>(6%)</i>	111.8	<b>70.3</b>	<i>(37%)</i>

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## Production

Quarterly gas and oil production was 0.83 MMboe, 16% lower than the prior record quarter. This was due to unplanned downtime at Orbost Gas Processing Plant (OGPP), operated by APA, and planned maintenance at the Athena Gas Plant (AGP).

Production by product	Dec Q2 FY22	Sep Q1 FY23	Dec Q2 FY23	Qtr on Qtr change	FY22 YTD	FY23 YTD	Change
Sales gas (PJ)	4.4	5.9	4.9	(16%)	9.2	10.8	17%
Oil and condensate (kbbbl)	33.8	28.4	28.0	(1%)	68.9	56.5	(18%)
<b>Total production (MMboe)</b>	0.76	0.99	0.83	(16%)	1.57	1.82	16%

### Gippsland Basin (Sole)

Sole<sup>1</sup> gas production processed through OGPP was 4.0 PJ, or 43.7 TJ/d, 15% lower than the prior quarter of 51.4 TJ/d, due to several unplanned short-term plant trips.

It is expected that APA will continue to perform regular absorber cleans, on a two-to-three-week cycle and regularly change out the polisher media as required. In the near term, the average production rate is expected to be around 52 TJ/d. Cooper Energy technical personnel have engaged with APA to identify opportunities for improvement, aimed at stabilisation of the plant and higher production, including potential refinements to the absorber units and polishing unit.

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

The Casino, Henry and Netherby (CHN)<sup>2</sup> gas production processed through AGP<sup>2</sup> was 0.9 PJ (net to Cooper Energy's 50% share), 23% lower than the prior quarter due mainly to a planned AGP annual 10-day maintenance shutdown. This resulted in average production of 9.7 TJ/day, compared to 12.5 TJ/day in Q1 FY23.

### Cooper Basin

Oil production was 27.4 kbbbl (297 bbls/d), in line with the prior quarter (Q1 FY23: 27.4 kbbbl, or 296 bbls/d), with all oil production now attributable to PEL 92<sup>2</sup> following the Q1 FY23 closing of the Worrior field sale.

Production by basin	Dec Q2 FY22	Sep Q1 FY23	Dec Q2 FY23	Qtr on Qtr change	FY22 YTD	FY23 YTD	Change
<b>Gippsland Basin (Sole)</b>							
Sales gas (PJ)	3.7	4.7	4.0	(15%)	7.3	8.7	21%
<b>Otway Basin (CHN)</b>							
Sales gas (PJ)	0.8	1.2	0.9	(23%)	1.9	2.0	5%
Condensate (kbbbl)	0.5	1.1	0.7	(36%)	1.1	1.8	64%
<b>Cooper Basin</b>							
Oil (kbbbl)	33.3	27.4	27.4	(0%)	67.8	54.7	(19%)
<b>Total production (MMboe)</b>	0.76	0.99	0.83	(16%)	1.57	1.82	16%

Note: Cooper Basin production data for the current quarter is preliminary, awaiting December reconciled data

<sup>1</sup> Cooper Energy 100% and operator

<sup>2</sup> Cooper Energy 25%, Beach Energy 75% and operator

# Exploration and development

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## Gippsland Basin

### **Exploration**

Interpretation of new 3D seismic data has been progressing during the quarter, covering the Manta Hub in retention licences VIC/RLs13, 14, 15, and exploration permit VIC/P80. This data was processed using high-end techniques to produce excellent quality seismic data.

The Manta Hub, which includes the Wobbegong, Manta Deep and Chimaera Deep prospects, has a mean unrisks prospective resource potential of approximately 1 Tcf.

### **OGPP operatorship and integration**

Cooper Energy submitted the major hazard facility license (MHFL) transfer application for OGPP to WorkSafe Victoria in early December, with the application currently under review by the regulator. Submissions for other licenses, including the export pipeline license, were also made during the quarter. Subject to regulatory approval, the planned transfer of OGPP operatorship from APA to Cooper Energy remains on track for the first half of calendar year 2023.

### **BMG abandonment**

The Basker, Manta and Gummy (BMG) abandonment project involves decommissioning seven wells and associated subsea infrastructure in the BMG fields in the Gippsland Basin. The BMG permits<sup>3</sup> contain the proven Manta gas field and the Manta Deep prospect.

The detailed planning and ordering of long lead equipment for the abandonment project is progressing to plan. The Helix Q7000 intervention vessel has been contracted to perform the works. The cost to complete the well abandonment activities is expected to be approximately \$165 million on a 100% gross basis.

The plan is to plug the BMG wells by 31 December 2023 and remove the remaining infrastructure by 31 December 2026, in accordance with regulatory requirements.

## Otway Basin (Offshore)

During the quarter, following external assurance reviews, the OP3D project entered the develop phase. Front end engineering and design (FEED) commenced, incorporating field architecture and AGP process updates, flow assurance evaluations and commencement of tendering, based on a three well plan. The planning basis is an Annie development well, and Juliet and Nestor exploration wells which in a success case are expected to be completed as development wells. There is the option to drill a fourth exploration well at the Elanora prospect.

The Federal Government's gas market intervention legislation, introduced in late December, and in particular the associated proposed mandatory code of conduct, are expected to impact the timeframe for OP3D decisions.

## Otway Basin (Onshore)

The Dombey 3D seismic survey in PEL 494<sup>4</sup> in the onshore Otway Basin was completed in March 2022. The surveyed area is approximately 15 kilometres west of Penola, covering 165 square kilometres. Processing of the new 3D seismic data is expected to be ready for interpretation during Q4 FY23. Interpretation of the 3D seismic data will delineate the resource potential of the Dombey gas field and identify new exploration opportunities.

In PEP 168<sup>5</sup>, the existing 3D seismic surveys within the permit are being reprocessed. The aim of the reprocessing is to identify new exploration prospects for future drilling and tieback to existing onshore gas production facilities. The final re-processed 3D seismic data is expected to be completed and ready for interpretation in mid-CY23.

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<sup>3</sup> Cooper Energy 100% and operator

<sup>4</sup> Cooper Energy 30%, Beach Energy 70% and operator

<sup>5</sup> Cooper Energy 50%, Beach Energy 50% and operator

## Cooper Basin

In ex-PEL 92 (PRLs 85-104)<sup>6</sup>, onshore South Australia, subsurface studies are progressing with a view to defining new exploration targets ahead of the commencement of a drilling program in mid-2023.

Drilling of two further horizontal oil development wells in H2 FY23 at the Callawonga and Rincon oil fields was approved in the December quarter. Callawonga-13, drilled in 2021, is the only existing horizontal development well in PEL 92. It targeted the largely undeveloped McKinlay Formation and demonstrated that additional reserves can be accessed by drilling infield horizontal wells. The joint venture will drill a second horizontal well at Callawonga-23.

The Rincon-4 horizontal well will also target undeveloped McKinlay Formation reserves. As was the case at Callawonga, a successful outcome will result in the addition of reserves, and new opportunities for future development well drilling.

Planning for completion and connection of the Bangalee oil field, discovered in April 2022, progressed in the December quarter. It is projected to be online in Q3 FY23.

## Financial

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### Production/sales volume and revenue

Total gas and oil volumes sold were 13% lower than the previous quarter, largely due to lower average processing rates at the OGPP and the AGP.

Total gas sales revenue was 20% lower at \$42.3 million, due to the lower processing rates and 8% lower average realised gas price of \$8.38/GJ. The lower average realised gas price in Q2 FY23 was due to the combination of lower average spot prices and a slightly increased relative portion of contracted gas volumes. During the quarter 92% of gas was sold into GSAs, with the remainder sold on spot (Q1 FY23: 90%).

In the Gippsland Basin the surplus gas supply relative to the Sole term contracts resulted in 155 TJ of gas (Q1 FY23: 340 TJ) sold at spot prices at an average spot price of \$15.95/GJ (Q1 FY23: \$18.63/GJ). In the course of Q2 FY23 123 TJ was purchased from the spot market to fulfil Sole contract nominations (Q1 FY23: nil). In the Otway Basin 230 TJ of gas (Q1 FY23: 248 TJ) was sold into the spot market at an average price of \$17.18/GJ (Q1 FY23: \$24.17/GJ).

PEL92 production for Q2 FY23 was 297 bbls/d (Q1 FY23: 296 bbls/d), with volumes sold of 20,652 bbls (Q1 FY23: 15,193 bbls) at an average oil price realisation of \$145.53/bbl (Q1 FY23: \$149.03/bbl) for total revenue of \$3.5MM (Q1 FY23 \$2.3MM). Crude oil inventory at 31 December 2022 was 18,856 bbls (30 September 2022: 12,018 bbls).

As outlined in the Q1 FY23 quarterly report, changes to the crude oil marketing arrangements came into effect on 1 July 2022. The change in methodology makes comparisons difficult and explains the variance in oil sales in the table below when comparing FY22 and FY23 YTD data.

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<sup>6</sup> Cooper Energy 25%, Beach Energy 75% and operator

		Dec Q2 FY22	Sep Q1 FY23	Dec Q2 FY23	Qtr on Qtr change	FY22 YTD	FY23 YTD	Change
<b>Sales volume</b>								
Gas	PJ	5.9	5.9	<b>5.1</b>	(14%)	11.9	<b>10.9</b>	(8%)
Oil	kbbl	32.8	15.5	<b>20.7</b>	34%	67.4	<b>36.2</b>	(46%)
Condensate	kbbl	0.5	1.1	<b>0.7</b>	(36%)	0.9	<b>1.8</b>	100%
Total sales volume	MMboe	0.99	0.98	<b>0.85</b>	(13%)	2.0	<b>1.8</b>	(10%)
<b>Sales revenue (\$ million)</b>								
Gas <sup>7</sup>		43.7	53.1	<b>42.3</b>	(20%)	88.7	<b>95.4</b>	8%
Oil and condensate		3.6	2.3	<b>3.5</b>	52%	6.7	<b>5.8</b>	(13%)
Total sales revenue		47.3	55.4	<b>45.8</b>	(17%)	95.4	<b>101.2</b>	6%
<b>Average realised prices</b>								
Gas	\$/GJ	7.41	9.06	<b>8.38</b>	(8%)	7.44	<b>8.75</b>	18%
Oil and condensate	\$/boe	114.44	146.59	<b>144.39</b>	(2%)	97.80	<b>145.36</b>	49%

The tables below summarise GSA sales and gas sources utilised to service term contract customer requirements.

<b>Sole GSA sales and sources</b>		Sep Q1 FY23	Dec Q2 FY23		Sep Q1 FY23	Dec Q2 FY23
Sole GSA sales	PJ	4.4	<b>4.0</b>	TJ/d (average)	47	<b>43</b>
Sole spot sales	PJ	0.3	<b>0.2<sup>a</sup></b>	TJ/d (average)	3	<b>2</b>
<i>Comprising:</i>						
OGPP processing	PJ	4.7	<b>4.1</b>	TJ/d (average)	50	<b>44</b>
Third-party gas purchases	PJ	0.0	<b>0.1<sup>b</sup></b>	TJ/d (average)	0	<b>1</b>

<sup>a</sup>Sole spot sales were 155 TJ in Q2 FY23 (rounded to 0.2 PJ). Total spot sales for the quarter were 386 TJ which included 230 TJ of spot sales from CHN

<sup>b</sup>Third-party gas purchases were 128 TJ in Q2 FY23 (nil in Q1 FY23)

<b>CHN GSA sales and sources</b>		Sep Q1 FY23	Dec Q2 FY23		Sep Q1 FY23	Dec Q2 FY23
CHN GSA sales	PJ	0.9	<b>0.7</b>	TJ/d (average)	10	<b>7</b>
CHN spot sales	PJ	0.2	<b>0.2</b>	TJ/d (average)	3	<b>2</b>

<sup>7</sup> Includes sale of third-party gas purchases

## Capital expenditure

Capital expenditure incurred of \$13.3 million was 39% higher than the prior quarter, largely attributed to OGPP integration costs and Phase 2B works, and stay in business capex in the Gippsland Basin, along with OP3D exploration spend in the Otway Basin. Further commentary is contained in the *Exploration and development* section above.

\$ million	Dec Q2 FY22	Sep Q1 FY23	Dec Q2 FY23	Qtr on Qtr change	FY22	FY23	Change
Exploration and appraisal	1.4	8.1	6.9	(15%)	1.4	15.0	N/M
Development	5.7	1.5	6.4	327%	10.2	7.9	(23%)
Total capital expenditure	7.1	9.6 <sup>8</sup>	13.3	39%	11.6	22.9	97%

By basin, \$ million	Q2 FY23			YTD FY23		
	Exploration	Development	Total	Exploration	Development	Total
Otway Basin	6.5	0.1	6.6	10.7	-	10.7
Gippsland Basin	0.2	5.6	5.8	4.0	7.2	11.2
Cooper Basin	0.2	0.3	0.5	0.3	0.4	0.7
Other	-	0.4	0.4	-	0.3	0.3
Total capital expenditure	6.9	6.4	13.3	15.0	7.9	22.9

## Liquidity

As at 31 December 2022, Cooper Energy had cash reserves of \$87.7 million (Q1 FY23: \$83.0 million), with drawn debt unchanged at \$158.0 million (Q1 FY23: \$158.0 million), as summarised below.

\$ million	Dec Q2 FY22	Sep Q1 FY23	Dec Q2 FY23	Qtr on Qtr change	FY22	FY23	Change
Cash and cash equivalents	92.2	83.0	87.7	6%	92.2	87.7	(5%)
Drawn debt	204.0	158.0	158.0	0%	204.0	158.0	(23%)
Net debt/(cash)	111.8	75.0	70.3	(6%)	111.8	70.3	(37%)

Material impacts on cash reserves during the quarter included:

- customer receipts less payments to suppliers of \$21.8 million;
- rehabilitation costs and petroleum resource rent tax payments of \$3.6 million;
- capital expenditure of \$5.8 million;
- net interest payments (including leases) of \$1.7 million; and
- transaction costs associated with borrowings of \$3.8 million.

## Guidance

The guidance for FY23 remains unchanged from that announced on 22 August 2022, namely FY23 production of 3.7 – 4.0 MMboe, underlying EBITDAX of \$120 – 150 million and capital expenditure of \$28 – 33 million<sup>9</sup>.

<sup>8</sup> Q1 FY23 capital expenditure spend on Annie has been reclassified from Development to Exploration and Appraisal for accounting purposes.

<sup>9</sup> Capital expenditure guidance excludes abandonment expenditure, as well as transition and integration costs associated with the acquisition of the OGPP (a portion of which is expected to be capitalized).

## Commercial, corporate and subsequent events

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### **Ms Jane Norman to become Managing Director and CEO**

Ms Jane Norman will become Managing Director and CEO of Cooper Energy, as announced on 19 December 2022 (following the announcement of the retirement of David Maxwell). Ms Norman will commence with the Company on 20 March.

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

Cooper Energy entered into a long-term GSA with AGL to supply up to 10 PJ per annum, for a term of up to six years, as announced on 10 November 2022. The GSA is conditional on an affirmative final investment decision on OP3D.

### **2022 Annual General Meeting**

The Cooper Energy 2022 Annual General Meeting (AGM) was held on Thursday, 10 November 2022. A replay of the AGM, and copies of the Chairman's address, the Managing Director's address and presentation, and results of voting can be viewed on the Company website.

### **Vietnam nature-based carbon project**

During the quarter, the Company announced its participation in a \$1.1 million private-public-NGO partnership for nature-based carbon projects in Vietnam. The Department of Foreign Affairs and Trade is providing funding and support to the project through the Business Partnerships Platform. A matching contribution will be provided by Cooper Energy and the other implementation partners.

The pilot phase is focused on development of a circa 700-hectare reforestation carbon project scheduled for implementation in 2024. Subject to a detailed feasibility study, more than one million trees will be planted. The project has the potential for significant scale expansion within Vietnam, supporting Cooper Energy's commitment to remain net zero for scope-1, scope-2 and controllable scope-3 emissions.

### **Key Management Personnel incentives**

During the quarter, the rights to shares pertaining to the long-term incentive plan (LTIP) for relevant key management personnel were tested in accordance with the Cooper Energy LTIP rules. The performance rights and share appreciation rights granted in December 2019 and tested in December 2022 did not meet performance hurdles and have therefore lapsed. Rights granted in December 2018 which were retested in December 2022 also lapsed after not meeting performance hurdles.

### **Half year results for the period ending 31 December 2022**

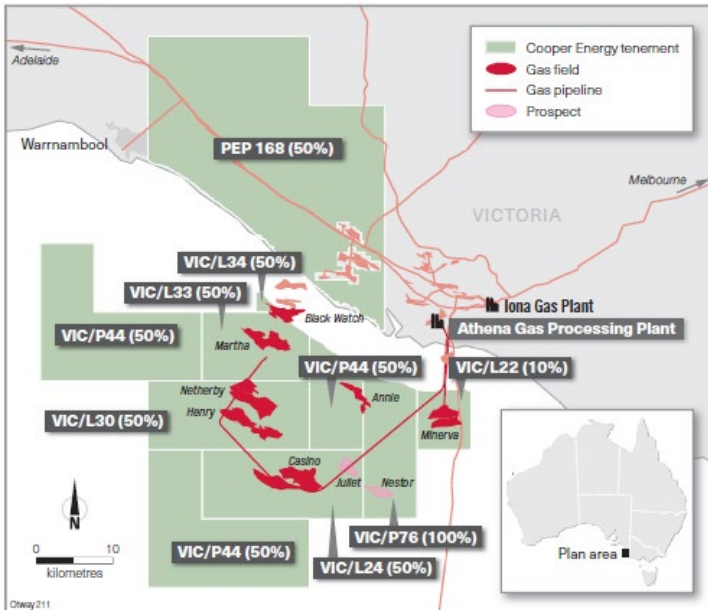
Half year results for the period to 31 December 2022 will be announced to the market on 28 February 2023, with an accompanying conference call and Q&A session. Further details will be provided prior to the event.



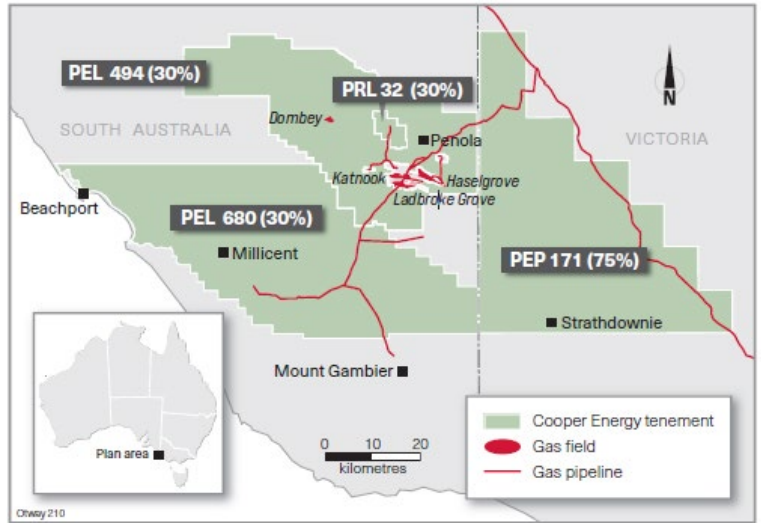
# Cooper Energy tenements

Please refer to Cooper Energy's 2022 Annual Report for further information regarding tenement interests.

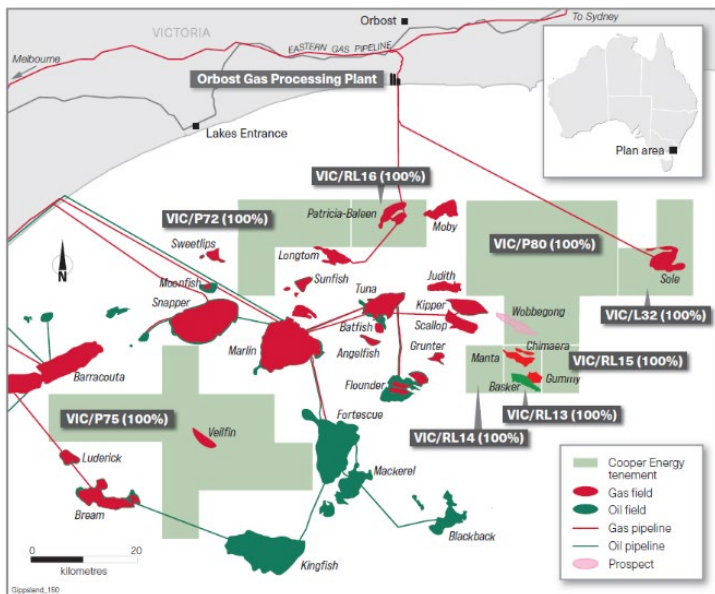
Otway Basin (Victoria):



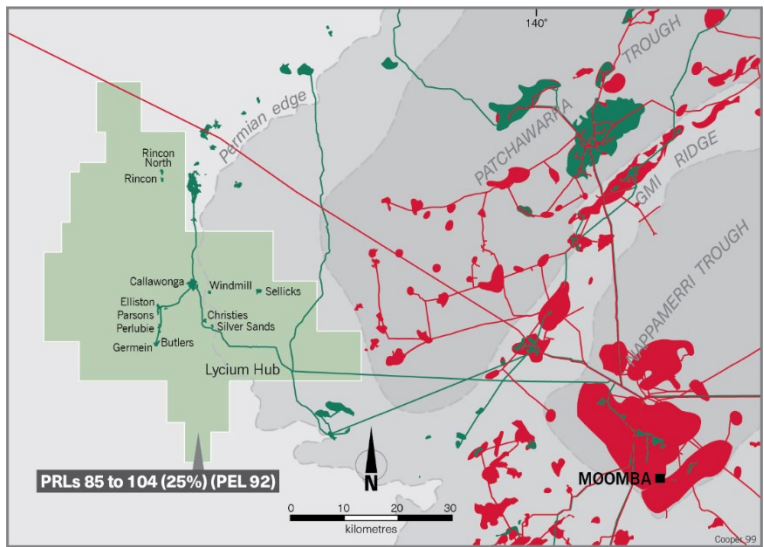
Otway Basin (onshore):



Gippsland Basin:



Cooper Basin:





## Terms, abbreviations and conversion factors

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### Terms and abbreviations

<b>\$</b>	Australian dollars
<b>APA</b>	APA Group (ASX: APA)
<b>bbl</b>	Barrels
<b>Bcf</b>	Billion cubic feet of gas
<b>BMG</b>	Basker, Manta and Gummy fields
<b>CHN</b>	Casino, Henry and Netherby fields
<b>Cooper Energy or the Company</b>	Cooper Energy Limited ABN 93 096 170 295
<b>ESD</b>	Emergency Shutdown
<b>GSA</b>	Gas Sales Agreement
<b>kbbl</b>	Thousand barrels
<b>MHFL</b>	Major Hazard Facility License
<b>MMboe</b>	Million barrels of oil equivalent
<b>OP3D</b>	Otway Phase 3 Development
<b>PEL</b>	Petroleum Exploration Licence
<b>PEP</b>	Petroleum Exploration Permit
<b>PJ</b>	Petajoules
<b>PPL</b>	Petroleum Production Licence
<b>PRL</b>	Petroleum Retention Lease
<b>Tcf</b>	Trillion cubic feet of gas
<b>TJ</b>	Terajoules of gas
<b>TJ/d</b>	Terajoules of gas per day

### Conversion factors

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

## Disclaimer

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

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