COOPER ENERGY LIMITED
and its controlled entities

ABN 93 096 170 295

HALF-YEAR FINANCIAL REPORT

31 December 2022

Appendix 4D
Interim Financial Report

Cooper Energy Limited		
ABN 93 096 170 295	Report ending Corresponding period	31 December 2022 31 December 2021

Results for announcement to the market

	Percentage Change %	**Amount A$'000 Dec 22**	Amount A$'000 Dec 21
Revenue from ordinary activities	6%	**101,233**	95,385
Total loss for the period attributable to members	(5%)	**(6,252)**	(5,929)
Net tangible assets per share (inclusive of exploration and development expenditure capitalised)		**20.7 cents**	19.1 cents

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

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 from the Gippsland and Otway basins, and production of oil from the Cooper Basin. The Company's current operations and interests include:

- offshore gas 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 ("Casino Henry") gas fields;
- onshore oil production in the western flank of the Cooper/Eromanga Basin, South Australia;
- the Orbost Gas Processing Plant ("OGPP") located near the town of Orbost in eastern Victoria (the plant was acquired by Cooper Energy on 28 July 2022, and at 31 December 2022 remained under operatorship of the seller, APA Group ("APA"), subject to the transfer of the OGPP major hazard facility licence);
- the Athena Gas Plant located near Port Campbell in Western Victoria;
- the Manta gas and liquids field in the offshore Gippsland Basin;
- the Annie gas discovery in the offshore Otway Basin; and
- exploration and appraisal prospects in the Otway, Gippsland and Cooper/Eromanga basins.

The Company is the operator of all of its offshore gas activities and of the Athena Gas Plant, and will become operator of the OGPP following the transfer of the OGPP major hazard facility licence, expected in the first half of 2023.

Workforce

At 31 December 2022, the Company had 97.3 full time equivalent ("FTE") employees and 15.3 FTE contractors, compared with 89.9 FTE employees and 13.3 FTE contractors at 30 June 2022. Contractors are engaged via third parties in South Australia, Western Australia and Victoria. Contractor numbers fluctuate in line with project requirements.

Health Safety, Environment and Sustainability

No Lost Time Injuries ("LTI") were recorded during the FY23 first half, resulting in a Total Recordable Incident Frequency Rate ("TRIFR") of 0.00 at the end of the period, maintaining the TRIFR at the end of FY22 of 0.00. In line with industry practice, TRIFR statistics are calculated on a trailing 12-month basis.

There were no Tier 1 or Tier 2 process safety incidents and no reportable environmental incidents during H1 FY23.

33,230 Carbon Credit Units (a mixture of Australian Carbon Credit Units and International Units) were purchased and retired in October 2022, to fully offset the Company's FY22 scope-1 and scope-2 emissions as well as the directly controllable components of scope-3 emissions. A further 59,269 International Units were retired in December 2022 to fully offset the Company's H1 FY23 scope-1, scope-2 and directly controllable components of scope-3 emissions.

Production

H1 FY23 gas and oil production of 1.82 MMboe was a record for the Company and 16% higher than H1 FY22, mainly due to increased gas production from Sole.

Total gas production of 10.8 PJ was 17% higher than the corresponding H1 FY22. In the Gippsland Basin, increased Sole production resulted in a 21% increase in gas production to 8.7 PJ. In the Otway Basin, well optimisation and plant stability at the Athena Gas Plant contributed to a 5% increase in gas production to 2.0 PJ from 1.9 PJ in H1 FY22 (both net to Cooper Energy's 50% share).

Crude oil and condensate production from the Company's non-operated Western Flank assets was 56.5 kbbl, 18% lower than H1 FY22, mainly due to natural field decline and the one-off effects from a change in the crude oil marketing arrangements for PEL92. Revenue from 1 July 2022 is now recognised upon crude oil lifting ex-Port Bonython, whereas previously the point of sale was at the inlet to the South Australia Cooper Basin joint venture facilities at Moomba.

Commercial

Key commercial activities during H1 FY23 are summarised below.

New gas sales arrangements with AGL

On 10 November 2022, Cooper Energy and AGL executed a new long-term gas sales agreement ("GSA") to supply up to 10 PJ per annum to AGL, 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 Project ("OP3D"). This GSA, along with the rest of the Company's existing portfolio of medium and long-term GSAs, is not impacted by the Australian Government's A$12/GJ price cap announced on 9 December 2022.

Acquisition of the Orbost Gas Processing Plant and related events

On 20 June 2022, the Company announced the acquisition of the OGPP from APA for a total cash consideration between A$270.0 million and A$330.0 million. The transaction was completed on 28 July 2022, at which point Cooper Energy and

APA commenced a transitional services agreement (“TSA”). APA continue to operate the OGPP, pursuant to the TSA and on behalf of Cooper Energy, until the OGPP’s major hazard facility licence is transferred to Cooper Energy, expected in the first half of CY23.

The Company estimates transition costs of some A$20.0 million in FY23. Following seven months’ work on the transition, the Company expects to save around a quarter of this estimate, with OGPP total transition costs estimated to be close to A$15.0 million.

The total cash consideration for the OGPP acquisition is structured as a fixed payment of A$210.0 million paid on closing of the acquisition on 28 July 2022, a fixed payment of A$40.0 million paid on the 12-month anniversary of closing (on 28 July 2023), and a fixed payment of A$20.0 million paid on the 24 month anniversary of closing (on 28 July 2024).

In addition, two performance-linked incentive payments were agreed with APA, totalling up to A$60.0 million. These are linked to the average processing rate achieved by APA between 28 July 2022 and the date of the transfer of the major hazard facility licence, and are to be paid on 28 July 2024 and 28 July 2025 if triggered. Based on the average processing rate to 31 December 2022, including significant unplanned downtime at the OGPP during Q2 FY23 under APA’s operatorship, the Company is unlikely to pay more than A$100,000 of the additional performance-linked incentive payments.

To fund the acquisition and position the Company’s balance sheet for the next phase of growth, Cooper Energy successfully completed a fully underwritten A$244.0 million equity offering and secured a new fully underwritten A$400 million revolving corporate debt facility and A$20.0 million working capital facility.

Both of these capital initiatives were completed in Q1 FY23. The circa A$644.0 million aggregate new capital financing, excluding the additional A$120.0 million accordion feature as part of the new debt facility, ensured the Company was able to refinance its existing debt facility and meet the upfront consideration for the OGPP in Q1 FY23. It also positions the Company to accelerate its anticipated activity programme over the next three years including the Basker, Manta and Gummy (“BMG”) decommissioning and the OP3D growth project in the Otway Basin (further information on these two projects and their timing is provided below).

Exploration, appraisal, development and abandonment

Gippsland Basin (Offshore)

Cooper Energy is the operator and 100% interest holder for all of its Gippsland Basin upstream interests. As at 31 December 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.

OGPP acquisition

The acquisition of the OGPP (onshore Victoria) closed in Q1 FY23, as described above.

APA continue to operate the OGPP until the major hazard facility licence is transferred to the Company, expected in the first half of 2023. The plant’s performance continues to be impaired by foaming and fouling in the sulphur recovery unit’s two absorbers as well as the polishing unit, which has constrained processing rates and required regular maintenance and cleaning.

OGPP achieved an average gas processing rate of 47 TJ/day across H1 FY23. Gas processing rates are dependent on cycling of the polishing unit, with rates in excess of 60 TJ/d achieved for short periods of time. Cooper Energy technical personnel have engaged with APA to identify opportunities for improvement, aimed at the stabilisation of the plant and higher production, including potential refinements to the absorber units and polishing unit. Improvements in gas processing rates are planned and anticipated to continue, with improved plant stability and increased rates. This will be a key focus area for the Company when it becomes the OGPP operator following the transfer of the major hazard facility licence expected to occur within H2 FY23.

The Sole gas field continues to perform in line with expectations.

Exploration

Exploration in the Gippsland Basin during H1 FY23 has focussed on interpretation of new 3D seismic data covering the Manta Hub in retention licences VIC/RLs 13, 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 unrisked prospective resource potential of approximately 1 Tcf.

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

The cost to complete the well abandonment activities is expected to be approximately A$165 million on a 100% gross basis.

Otway Basin (Offshore)
The Company's interests in the offshore Otway Basin as at 31 December 2022 comprised:

a) a 50% interest in and operatorship of production licences VIC/L24 and VIC/L30 containing the Casino Henry 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 the Martha gas field and part of the Black Watch gas field, 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 has been recommissioned to process gas from Casino Henry and other Otway Basin discoveries; and
f) a 10% non-operated interest in production licence VIC/L22 which holds the shut-in Minerva gas field, with Woodside the operator and 90% interest holder.

Exploration
A prospective resource update for six prospects (Elanora, Heera, Isabella, Juliet, Nestor and Pecten East) was announced to the ASX in February 2022. These prospects all show strong seismic amplitude support for the presence of gas and are located close to existing production infrastructure. Importantly, there has been a total of 17 exploration wells drilled (across all operators) in the offshore Otway Basin to date with seismic amplitude support, of which 16 have been successful.

Work continued during H1 FY23 to progress drilling options for testing the gas potential of these exploration prospects in conjunction with OP3D, the next phase of the Company's development of the offshore Otway portfolio discussed further below.

Development: Otway Phase 3 Development Project
During Q2 FY23, and following external assurance reviews, the OP3D project entered the develop phase.

Front end engineering and design ("FEED") commenced, incorporating field architecture and Athena Gas Plant process updates, flow assurance evaluations and commencement of tendering, based on a three well plan.

As at 31 December 2022, the planning basis is an Annie development well, together with Juliet and Nestor exploration wells which, in a success case, are expected to be completed as development wells. There remains an option to drill a fourth exploration well at the Elanora prospect.

The Federal Government's eastern Australia gas market intervention, announced on 9 December 2022, and in particular the proposed mandatory code of conduct including pricing principles, has impacted the timeframe for decisions on the OP3D project. The timing of FID for OP3D is now subject to the finalisation and an acceptable outcome from this proposed regulatory intervention, reconfirmation of the economics and joint venture alignment. For these reasons, timing of FID for the OP3D project and development of new gas supply is not yet known, but will be later than April/May 2023. The Company is nevertheless completing the main OP3D FEED workstreams, in order to position the project to proceed to FID as soon as acceptable arrangements are in place.

Otway Basin (Onshore)
The Company's interests in the onshore Otway Basin as at 31 December 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 Limited;
b) a 50% interest in PEP 168 in Victoria, with the remaining interest held by the operator, Beach Energy Limited; and
c) a 75% interest in PEP 171 in Victoria, with the remaining interest held by Vintage Energy Limited.

Exploration
The Dombey 3D seismic survey in PEL 494 was completed during FY22. The surveyed area is approximately 15 kilometres west of the town 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, 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 calendar year 2023.

Cooper Basin

The Company's interests in the Cooper Basin as at 31 December 2022 comprised a 25% interest in PRLs 85-104 (ex PEL92), with a 75% interest held by the operator, Beach Energy Limited.

Sale of oil interests to Bass Oil Limited

As announced by Bass Oil Limited (ASX: BAS, "Bass") on 12 July 2021, Cooper Energy agreed to sell its interest in the Worrior oil field (PPL 207), and certain other exploration permits to Bass for a cash consideration of A$0.65 million. The transaction included the Company's 30% interest in PRLs 231-233, its 20% interest in PRLs 183-190 and PRL 237, and its 19.165% interest in PRLs 207-209. The transaction was completed on 1 August 2022.

As a result of the sale of the Company's Indonesian production assets to Bass in October 2016, the Company currently holds 11.8 million Bass shares which, based on the 30-day volume weighted average price to 3 February 2023 of A$0.143/share, are currently worth around A$1.7 million.

Development and Exploration

Planning for completion and connection of the Bangalee oil field, discovered in April 2022, progressed in H1 FY23. It is projected to be online in Q3 FY23.

Two horizontal development wells will be drilled in Q3 FY23 at the Callawonga and Rincon oil fields. Callawonga-13, drilled in the first half of calendar 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 Rincon-4 horizontal well will also target undeveloped McKinlay Formation reserves. A successful outcome will result in the addition of reserves and new opportunities for future development well drilling.

Subsurface studies are progressing with a view to defining new exploration targets in ex-PEL92, ahead of the commencement of a drilling program in H1 FY24.

Other Activities

Vietnam nature-based carbon project

In November 2022, the Company announced participation in a A$1.1 million private-public-NGO partnership in 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.

Federal government intervention

In mid-December 2022 the Federal Government passed legislation, on an accelerated basis, imposing a A$12/GJ price cap applicable to new agreements entered into for the sale of gas by a producer to a buyer within the east coast gas market during calendar year 2023. Existing contracts are not impacted and the sale of gas into the short-term trading markets and the Victorian declared wholesale gas market are excluded from the price cap.

The A$12/GJ price cap for 2023 does not apply to Cooper Energy's existing portfolio of gas contracts, including the GSA signed with AGL in November 2022 that underpins OP3D. Nor does it impact Cooper Energy's spot sales, as the Company is a direct seller into the Victorian declared wholesale gas market.

The December 2022 legislation included provision to introduce a mandatory code of conduct on producers, with the intent to:

- regulate conduct relating to supplying or acquiring gas;
- require a person to supply gas in a particular circumstance; and
- deal with and resolve disputes between gas market sellers and buyers.

It is understood that the initial code will be developed in the first half of calendar year 2023, and is proposed to include a reasonable price provision linked to a binding arbitration process if parties fail to agree gas supply terms, including price.

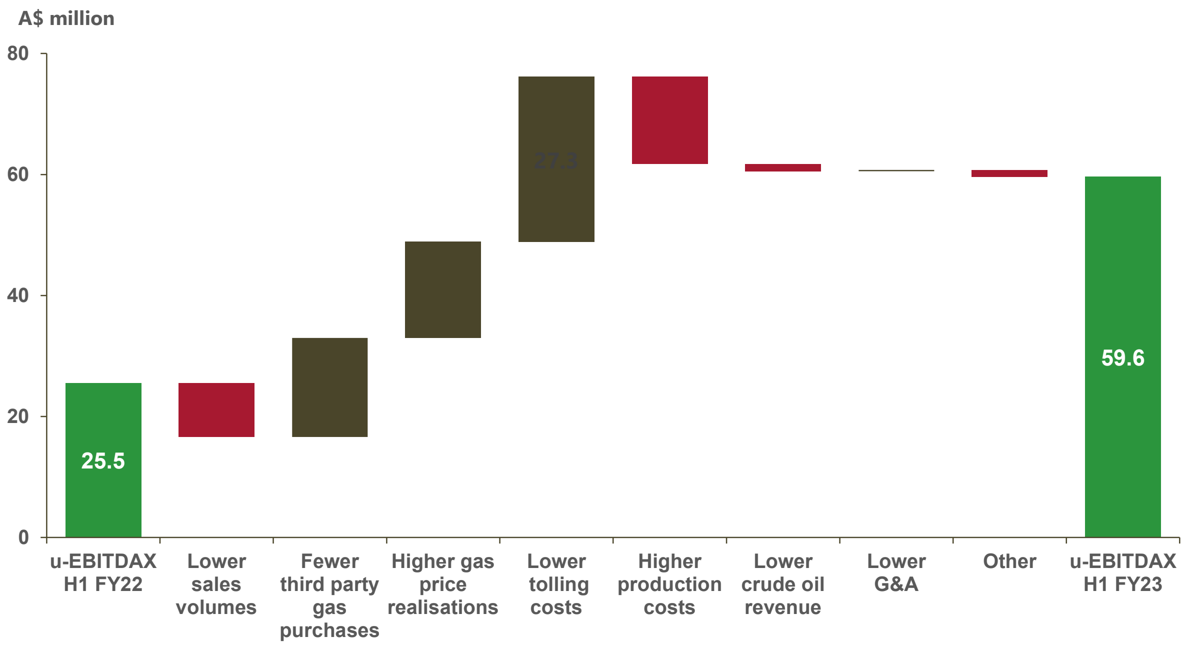
The timing of OP3D FID and other new gas supply opportunities is now subject to the finalisation of, and a satisfactory regulatory and commercial outcome under, this proposed legislation (as noted above).

Financial Performance

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

In order to provide a more meaningful comparison of operating results between periods, the calculation of underlying EBITDAX and of underlying net profit/(loss) after tax includes adjustments for items which are considered unrelated to the Company's underlying operating performance. Underlying EBITDAX and underlying net profit/(loss) after tax are not defined measures under International Financial Reporting Standards and are not audited. Reconciliations of underlying EBITDAX and of underlying net profit/(loss) after tax are included at the end of this review.

Cooper Energy recorded H1 FY23 underlying EBITDAX of A$59.6 million, a 134% jump on H1 FY22 underlying EBITDAX of A$25.5 million.



Factors which contributed to the movement in underlying EBITDAX between the periods included:

- higher gas sales revenue of A$7.0 million attributed to higher realised gas prices across the portfolio (A$8.75/GJ H1 FY23, versus A$7.44/GJ H1 FY22), offset by lower sales volumes compared to the previous half;
- production expenses were higher by A$14.4 million in H1 FY23, however more than offset by the A$27.3 million saving in tolling costs due to the cessation of tolling arrangements with APA following completion of the acquisition of OGPP on 28 July 2022;
- third-party product purchases and trading costs were lower by A$16.4 million in H1 FY23, due to the higher processing rates at OGPP;
- partly offset by lower crude oil sales revenue of A$1.1 million, due to lower volumes of lifted oil, noting that there was a one-off change in crude oil marketing arrangements for PEL92 as of 1 July 2022, with revenue recognised upon sale ex-Port Bonython instead of at the inlet to the South Australia Cooper Basin joint venture facilities at Moomba; and
- higher administration and other items of A$0.9 million.

Underlying loss after tax (exclusive of the items noted below) was A$1.2 million compared with an underlying loss after tax of A$6.0 million in H1 FY22. Factors driving the change in underlying loss, in addition to those listed above for underlying EBITDAX, included:

- higher amortisation and depreciation of A$24.2 million of gas and oil assets and property, plant and equipment, primarily due to higher production and the reset of restoration provisions as at 30 June 2022;
- higher net finance costs of A$7.4 million, mostly due to higher accretion expense of the Company's restoration provisions (which were reset at 30 June 2022);
- lower exploration and evaluation expense of A$0.1 million; and
- higher tax benefit of A$2.3 million.

Operating and Financial Review
For the half-year ended 31 December 2022

The Company's statutory loss after tax was A$6.3 million for the six months to December 2022, which compares with a loss after tax of A$5.9 million recorded in H1 FY22. The H1 FY23 statutory loss included a number of significant items considered to fall outside underlying operating performance, which affected the result by a total of A$5.1 million. These items comprise:

- share of OGPP reconfiguration and commissioning works under the APA TSA of A$0.4 million;
- OGPP acquisition costs of A$1.5 million;
- OGPP integration costs of A$0.4 million;
- non-cash restoration expense of A$4.0 million resulting from a reassessment of the Patricia Baleen, BMG and Minerva Field provisions;
- other expense of A$1.0 million in respect of the National Oil & Gas Australia Pty Ltd Commonwealth Government levy; and
- tax impact of the above items of A$2.2 million.

Accounting for the financing and acquisition of OGPP

The acquisition of the OGPP completed during the half, as noted above. Associated with this was the equity offering and new underwritten revolving corporate debt facility. The accounting impacts of the transaction are as follows:

- OGPP capitalised to property, plant and equipment at a value of A$374.0 million (including A$210.0 million of upfront consideration, A$58.1 million of deferred consideration and A$27.0 million of capitalised acquisition and transaction costs, and A$78.9 million in relation to the restoration obligations acquired);
- deferred consideration of A$58.1 million recognised as trade payables (with A$39.0 classified as a current payable and A$19.1 million as non-current). As noted above, the Company is unlikely to pay any significant portion of the up to A$60.0 million of additional performance linked incentive payments;
- transaction costs of A$15.1 million associated with the new debt facility are capitalised and net off against the current utilised amount. A$1.4 million of these costs are amortised to the income statement via the effective interest rate;
- gross new equity capital raised was A$244.0 million. After transaction costs of A$8.4 million, net cash proceeds were A$235.6 million. Of this, an after tax amount of A$179.5 million was recognised within reserves in equity in FY22 (and subsequently transferred to share capital in H1 FY23) and an after tax amount of A$58.6 million was recognised in H1 FY23. Costs of A$1.5 million incurred in H1 FY23 cannot be offset within share capital and are therefore included within the income statement.

Financial Performance		H1 FY23	H1 FY22	Change	%
Production volume	MMboe	1.8	1.6	0.2	16%
Sales volume	MMboe	1.8	2.0	(0.2)	(10%)
Revenue	A$ million	101.2	95.4	5.8	6%
Gross profit	A$ million	23.7	12.7	11.0	87%
Underlying EBITDAX*	A$ million	59.6	25.5	34.1	134%
Operating cash flow	A$ million	55.3	28.0	27.3	98%
Underlying profit/(loss) before tax	A$ million	(6.0)	(6.3)	0.3	5%
Underlying profit/(loss) after tax	A$ million	(1.2)	(6.0)	4.8	80%
Reported loss after tax	A$ million	(6.3)	(5.9)	(0.4)	(7%)
Cash, other financial assets and investments^	A$ million	89.1	93.2	(4.1)	(4%)

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

^ Compared to 30 June 2022 which is the relevant comparative balance

Operating cashflows for the period were A$55.3 million in H1 FY23, almost double the level for H1 FY22 of A$28.0 million. The main line items for operating cashflow comprised:

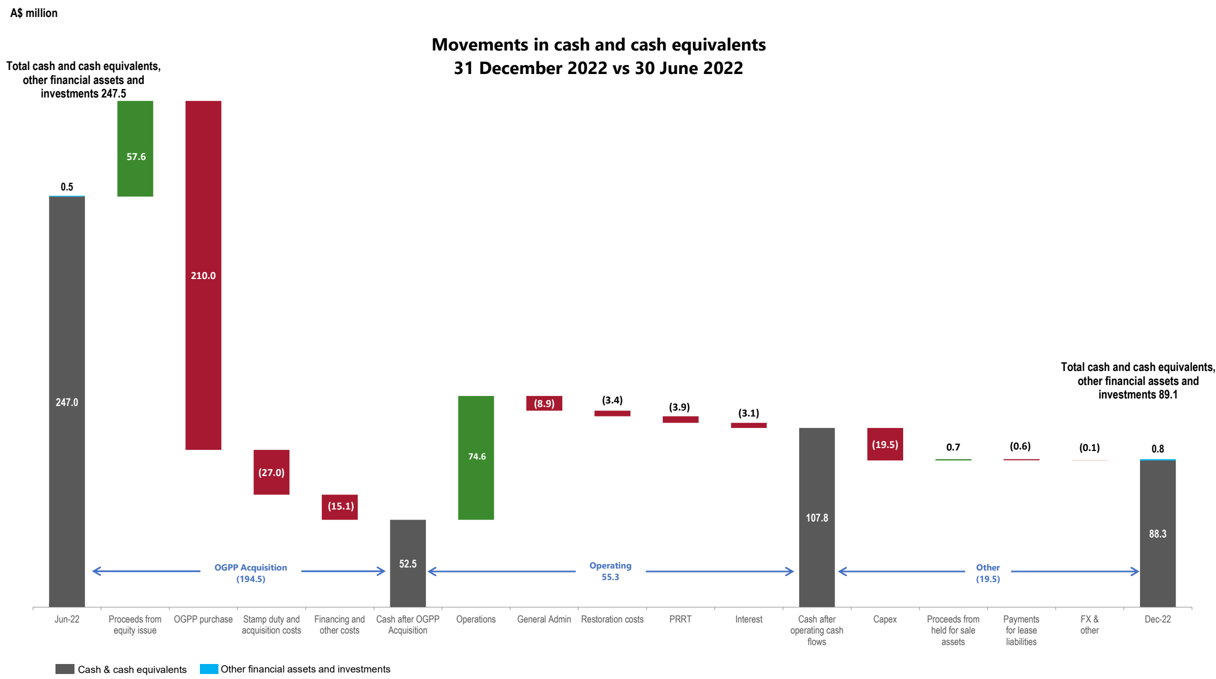
- cash generated from operations of A$74.6 million (H1 FY22: A$44.0 million);
- general administration costs of A$8.9 million (H1 FY22: A$8.8 million);
- restoration costs of A$3.4 million (H1 FY22: A$2.8 million);
- petroleum resource rent tax (PRRT) payments of A$3.9 million (H1 FY22: receipts of A$0.3 million); and
- net interest paid of A$3.1 million (H1 FY22: A$4.7 million).

Financing, investing and other cash flows for the period were A$214.0 million (H1 FY22: A$27.0 million) and primarily included:

- the OGPP upfront acquisition cost of A$210.0 million, plus other acquisition and financing costs of A$27.0 million (H1 FY22: nil);
- remaining net proceeds from the equity issue, being the non-institutional portion of the entitlement offer, of A$57.6 million (H1 FY22: nil);
- exploration, intangibles, development and property, plant and equipment costs of A$19.5 million, mainly in relation to the OP3D select phase, OGPP, Athena Gas Plant and general exploration and evaluation activity (H1 FY22: A$12.8 million);

- proceeds from held for sale assets of A$0.7 million (H1 FY22: nil);
- repayment of lease liability of A$0.6 million (H1 FY22: A$0.6 million);
- net repayment of borrowings of nil (H1 FY22: A$14.0 million);
- prepaid financing costs of A$15.1 million (H1 FY22: nil); and
- foreign exchange revaluation and other of A$0.1 million (H1 FY22: A$0.3 million).

Excluding the one-off impacts associated with the OGPP acquisition and financing, cash and cash equivalents increased by A$35.8 million over the period, as summarised in the chart below.



Financial Position

Financial Position		31 Dec 2022	30 Jun 2022	Change	%
Total assets	A$ million	1,358.8	1,200.0	158.8	13%
Total liabilities	A$ million	805.2	701.5	103.7	15%
Total equity	A$ million	553.6	498.4	55.2	11%
Net (debt)/cash	A$ million	(69.7)	89.0	(158.7)	(178%)

Total Assets

Total assets increased by A$158.8 million from A$1,200.0 million at 30 June 2022 to A$1,358.8 million at 31 December 2022.

At 31 December 2022, the Company held cash and cash equivalents of A$88.3 million and investments of A$0.8 million.

Gas and oil assets decreased by A$45.3 million from A$595.3 million to A$550.0 million, mainly as a result of amortisation driven by production in the half year. Exploration and evaluation assets increased by A$14.8 million from A$164.9 million to A$179.7 million, as a result of general exploration and evaluation activity.

Total Liabilities

Total liabilities increased by A$103.7 million from A$701.5 million at 30 June 2022 to A$805.2 million at 31 December 2022.

Provisions increased by A$60.2 million from A$476.6 million to A$536.9 million, primarily driven by the recognition of the OGPP restoration provision. Employee provisions increased by A$0.3 million from A$3.3 million to A$3.6 million.

Total Equity

Total equity increased by A$55.2 million from A$498.4 million to A$553.6 million. In comparing equity at 31 December 2022 to 30 June 2022, the key movements were:

- higher contributed equity of A$238.4 million due to transfer of proceeds from the institutional portion of the June 2022 equity raise from reserves, shares issued under the non-institutional portion of the entitlement offer in July 2022 plus vesting of performance rights during the period;

- lower reserves of A$177.0 million due to transfer of proceeds from the institutional portion of the June 2022 equity raise to share capital; and
- higher accumulated losses of A$6.2 million due to the statutory loss for the period.

Strategy & outlook

Executive leadership changes

On 19 December 2022, the Company announced the appointment of Ms Jane Norman in the role of Chief Executive Officer and Managing Director. Ms Norman will commence working at the Company on 20 March 2023.

FY23 Full Year Outlook

Cooper Energy's purpose is to contribute to Australia's energy needs by commercialising gas and oil resources with a focus on South-eastern Australia domestic gas, and other areas in Australia where the Company can add value. Cooper Energy operates with an emphasis on care, shareholder value and sustainability.

Cooper Energy will deliver this 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 ESG, including the Company's certified net zero position 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.

At the start of FY23 the key planned activities and deliverables for the year, along with the progress to the end of December, are as follows:

FY23 key planned activities & deliverables	Progress at 31 December 2022
• safely transition operatorship of OGPP to Cooper Energy, following transfer of the major hazard facility licence	on target
• increase the uptime, stability and average processing rates at OGPP, thereby maximising production of the Company's Gippsland Basin natural gas reserves and supply into the South-east Australian gas market	core focus area leading up to and once we operate the OGPP
• commissioning and start-up of the sulphur recovery unit at OGPP, to further increase production rates and improve stability	as soon as practical, targeting H1 FY24
• consolidate Cooper Energy's net zero position, minimising scope-1, scope-2 and controllable scope-3 emissions across the portfolio (including OGPP), securing offsets against residual Group emissions, including the development of partnerships to progress both existing and new offset projects	on target
• 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	timing subject to an acceptable outcome from the Government's proposed regulatory intervention, reconfirmation of economics and joint venture alignment
• progressing other exploration, appraisal and development activities within Cooper Energy's existing portfolio of growth opportunities, across the Company's twin gas hubs	core ongoing activity

Operating philosophy for OGPP

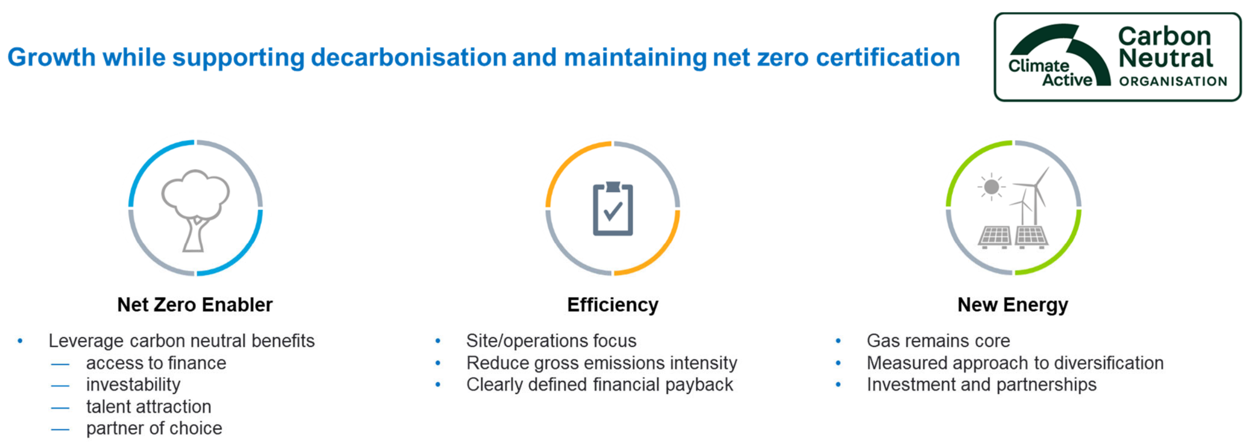
Cooper Energy's approach to operating the OGPP will be driven by adherence to a strong operating discipline supported by experienced internal and external technical expertise.

The Company has added the requisite technical and operational knowledge to address the performance issues at the OGPP, and will leverage key learnings from the Athena Gas Plant and the significant technical experience of the Company's technical and engineering staff. This knowledge base is built from the breadth of sector experience amongst existing Cooper Energy staff, the integration team, retention of OGPP operating staff and select key contractors/third party experts.

Three separate workstreams were established in H1 FY23 to facilitate the transition of operatorship of OGPP to Cooper Energy and to address the performance issues at the plant. The operational and engineering/technical workstreams, and the estimated associated production outcomes, are described in the following graphic.

Operational and engineering/technical workstreams

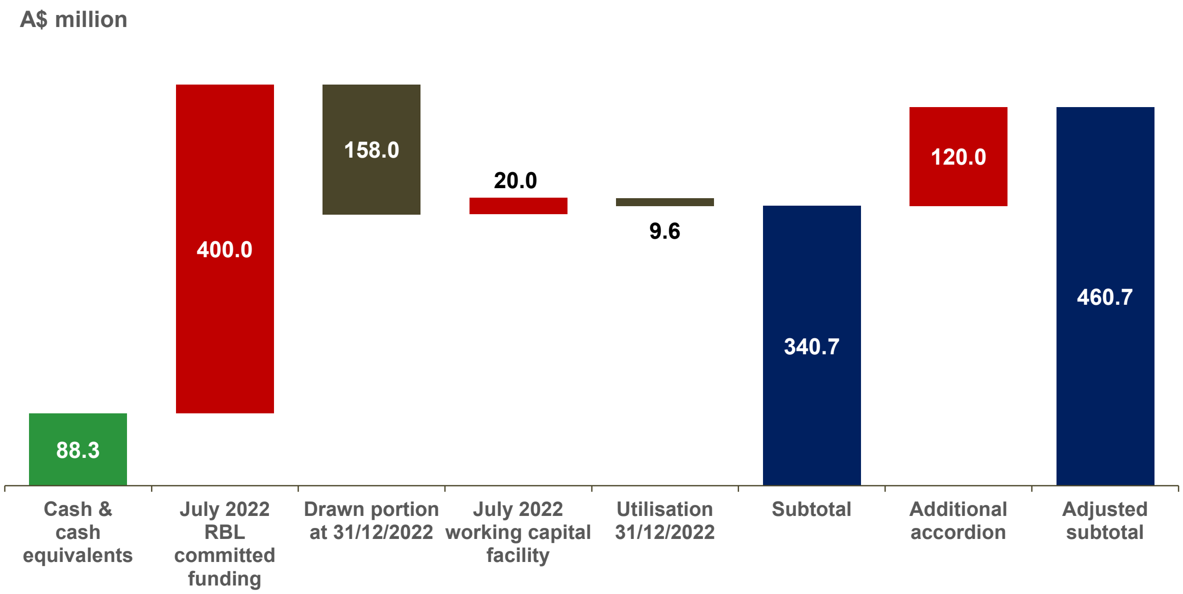
Approach to energy transition
Cooper Energy's strategic positioning with respect to energy transition is built upon three broad pillars, with a view to ensuring the Company is able to continue to grow and thrive amidst the changing energy markets. The three pillar strategy is illustrated below:



Under the left hand pillar, Cooper Energy has been certified net zero by Climate Active for three financial years now, namely FY20, FY21 and FY21. This has generated significant competitive advantages to the Company, including as an employer of choice in a tight and growing tighter labour market, and in terms of access to the senior secured bank debt market. As an example of the latter, in Q1 FY23 the Company was able to expand its commercial bank group from five banks to eight banks, scaling back individual bank demand and enlarging the overall debt facility (see further below).

Funding and Capital Management

At 31 December 2022, the Company had cash reserves of A$88.3 million and drawn debt of A$158.0 million. The Company has a reserves based lending debt facility with a limit of A$400.0 million (excluding a A$120.0 million accordion facility), to be used for general corporate purposes. Management plans to utilise the facility to part fund the BMG abandonment project as well as a portion of the planned OP3D development in the Otway Basin. The Company has additional liquidity of A$20.0 million through a working capital facility to be used for general business purposes, of which around A$9.6 million has been utilised in respect of bank guarantees as at 31 December 2022. The facility also includes an additional amount of up to $120 million, under an accordion facility, subject to certain terms and conditions. The Company's liquidity position is illustrated in the following chart:



Further information is detailed in the Basis of preparation and accounting policies section of the Financial Statements.

The Company continues to assess accretive funding options as it pursues growth opportunities.

Risk Management

Cooper Energy manages risks in accordance with its risk management process with the objective of ensuring risks inherent in gas and oil exploration and production are identified, measured and managed to be kept as low as reasonably practicable. The Executive Leadership Team performs risk reviews on a regular basis and a summary is reported to the Risk and Sustainability Committee. This Board Committee oversees a non-financial audit program undertaken internally and/or in conjunction with appropriate external industry or field specialists.

Reconciliations for net loss to underlying net loss and underlying EBITDAX

Reconciliation to underlying EBITDAX[1,2]		**H1 FY23**	**H1 FY22**	**Change**	**%**
Underlying loss	A$ million	(1.2)	(6.0)	4.8	80%
Add back:					
Tax impact of underlying adjustments	A$ million	2.2	-	2.2	100%
Net finance costs	A$ million	5.0	4.7	0.3	6%
Accretion expense	A$ million	9.1	2.0	7.1	355%
Tax benefit	A$ million	(4.8)	(0.3)	(4.5)	(1,500%)
Depreciation	A$ million	18.5	1.1	17.4	1,582%
Amortisation	A$ million	30.8	24.0	6.8	28%
Exploration and evaluation expense	A$ million	-	0.1	(0.1)	(100%)
Underlying EBITDAX	A$ million	59.6	25.5	34.1	134%

Reconciliation to underlying loss[2]		**H1 FY23**	**H1 FY22**	**Change**	**%**
Net loss after income tax	A$ million	(6.3)	(5.9)	0.4	(7%)
Adjusted for:					
OGPP reconfiguration and commissioning works	A$ million	0.4	6.3	(5.9)	(94%)
OGPP acquisition costs	A$ million	1.5	-	1.5	100%
OGPP integration costs	A$ million	0.4	-	0.4	100%
Restoration expense/(income)	A$ million	4.0	(6.4)	10.4	163%
NOGA levy	A$ million	1.0	-	1.0	100%
Tax impact of underlying adjustments	A$ million	(2.2)	-	(2.2)	(100%)
Underlying loss[2]	A$ million	(1.2)	(6.0)	4.8	80%

[1] Earnings before interest, tax, depreciation, amortisation, restoration, exploration and evaluation expense and impairment.

[2] No adjustment has been made, in calculating H1 FY23 underlying EBITDAX or underlying profit, for processing charges incurred at OGPP for the period 1 July 2022 to 28 July 2022 (i.e., the portion of the half year during which APA remained the owner and was charging a full processing fee to Cooper Energy including capital charge). Processing fees paid to APA in July were approximately A$5.6 million. The monthly average operating costs at OGPP for August to December 2022 was around A$2.2 million excluding depreciation and amortisation, and A$4.7 million including depreciation. No adjustment has been made for the temporary loss in revenue at PEL92 associated with the change in the crude marketing arrangements (previously oil was sold at the inlet to the South Australia Cooper Basin joint venture facilities at Moomba whereas, from 1 July 2022, revenue is recognised upon sale ex-Port Bonython). Total crude oil production in Q1 FY23 was 27,212 barrels, while liftings from Port Bonython were 15,193 bbls, a shortfall of A$1.8 million based on the average crude oil price realised in Q1 FY23. This is slightly offset by the associated cost of sales of $0.4 million that has been recognised as inventory under this new arrangement.

Directors' Report
For the half-year ended 31 December 2022

The Directors of Cooper Energy Limited ("the Company" or "Cooper Energy") present their report and the consolidated Financial Report for the half-year ended 31 December 2022. The dollar figures are expressed in Australian currency and to the nearest thousand unless otherwise indicated.

Directors

The names of the Directors in office during the half-year and as of the date of this report are:

John C Conde AO (Non-Executive Chairman)
David P Maxwell (Managing Director)
Timothy G Bednall (Non-Executive Director)
Victoria J Binns (Non-Executive Director)
Giselle M Collins (Non-Executive Director)
Elizabeth A Donaghey (Non-Executive Director)
Hector M Gordon (Non-Executive Director)
Jeffrey W Schneider (Non-Executive Director)

Principal Activities

The Company 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 half-year.

Review and Results of Operations

A review of the operations of the Company can be found in the Operating and Financial Review on page 3.

Significant Events After the Balance Date

Refer to Note 15 of the Notes to the Consolidated Financial Statements.

Auditor's Independence Declaration

Cooper Energy has obtained an independence declaration from the auditors, Ernst & Young, which forms part of this report.

Rounding

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

Signed in accordance with a resolution of the directors

Mr John C Conde AO
Chairman

Mr David P Maxwell
Managing Director

28 February 2023

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Building a better working world

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

As lead auditor for the review of the half-year financial report of Cooper Energy Limited for the half-year ended 31 December 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 review;

b) no contraventions of any applicable code of professional conduct in relation to the review; and

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

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

Ernst & Young

Ernst & Young

Darryn Hall

Darryn Hall
Partner
Adelaide
28 February 2023

Consolidated Statement of Comprehensive Income
For the half-year ended 31 December 2022

	Notes	31 December 2022 $'000	31 December 2021 $'000
Revenue from gas and oil sales	4	**101,233**	95,385
Cost of sales	4	**(77,516)**	(82,715)
Gross profit		**23,717**	12,670
Other income	4	**-**	6,352
Other expenses	4	**(20,687)**	(18,566)
Finance income	12	**1,307**	228
Finance costs	12	**(15,399)**	(6,943)
Loss before tax		**(11,062)**	(6,259)
Income tax benefit	5	**1,603**	1,395
Petroleum resource rent tax benefit/(expense)	5	**3,207**	(1,065)
Total tax benefit		**4,810**	330
Loss after tax		**(6,252)**	(5,929)
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		**329**	(203)
Other comprehensive income/(expenditure) for the period net of tax		**329**	(203)
Total comprehensive loss for the period attributable to shareholders		**(5,923)**	(6,132)
		Cents	Cents
Basic loss per share		**(0.2)**	(0.4)
Diluted loss per share		**(0.2)**	(0.4)

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

Consolidated Statement of Financial Position

As at 31 December 2022

	Notes	31 December 2022 $'000	30 June 2022 $'000
Assets			
Current Assets			
Cash and cash equivalents		**88,327**	247,012
Trade and other receivables		**21,907**	30,467
Prepayments		**11,293**	12,854
Inventory		**1,772**	841
Total Current Assets		**123,299**	291,174
Non-Current Assets			
Other financial assets	14	**813**	484
Contract asset		**2,555**	2,062
Intangible assets		**1,239**	1,360
Right-of-use assets		**6,968**	7,520
Exploration and evaluation assets	7	**179,698**	164,909
Property, plant and equipment	6	**410,195**	59,232
Gas and oil assets	8	**549,966**	595,347
Deferred tax asset		**66,184**	63,563
Deferred petroleum resource rent tax asset		**17,912**	12,763
Total Non-Current Assets		**1,235,530**	907,240
Exploration assets classified as held for sale		**-**	1,558
Total Assets		**1,358,829**	1,199,972
Liabilities			
Current Liabilities			
Trade and other payables	9	**73,392**	32,752
Provisions	10	**160,176**	29,867
Lease liabilities		**1,318**	1,251
Interest bearing loans and borrowings	11	**-**	37,000
Total Current Liabilities		**234,886**	100,870
Non-Current Liabilities			
Trade and other payables	9	**19,076**	-
Provisions	10	**376,754**	446,754
Lease liabilities		**8,935**	9,612
Interest bearing loans and borrowings	11	**144,251**	121,000
Other financial liabilities	14	**3,237**	3,285
Deferred petroleum resource rent tax liability		**18,051**	19,118
Total Non-Current Liabilities		**570,304**	599,769
Liabilities directly associated with assets held for sale		**-**	908
Total Liabilities		**805,190**	701,547
Net Assets		**553,639**	498,425
Equity			
Contributed equity	13	**716,726**	478,261
Reserves		**20,626**	197,625
Accumulated losses		**(183,713)**	(177,461)
Total Equity		**553,639**	498,425

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

Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2022

	Issued Capital $'000	Reserves $'000	Accumulated Losses $'000	Total Equity $'000
Balance at 1 July 2022	**478,261**	**197,625**	**(177,461)**	**498,425**
Loss for the period	**-**	**-**	**(6,252)**	**(6,252)**
Other comprehensive income	**-**	**329**	**-**	**329**
Total comprehensive gain/(loss) for the period	**-**	**329**	**(6,252)**	**(5,923)**
Transactions with owners in their capacity as owners:				
Equity issue	**58,596**		**-**	**58,596**
Share based payments	**-**	**2,541**	**-**	**2,541**
Transferred to issued capital	**179,869**	**(179,869)**	**-**	**-**
Balance as at 31 December 2022	**716,726**	**20,626**	**(183,713)**	**553,639**

	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	-	-	(5,929)	(5,929)
Other comprehensive expense	-	(203)	-	(203)
Total comprehensive loss for the period	-	(203)	(5,929)	(6,132)
Transactions with owners in their capacity as owners:				
Share based payments	-	1,680	-	1,680
Transferred to issued capital	586	(586)	-	-
Balance as at 31 December 2021	478,261	15,009	(171,926)	321,344

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

Consolidated Statement of Cash Flows
For the half-year ended 31 December 2022

	31 December 2022 $'000	31 December 2021 $'000
Cash Flows from Operating Activities		
Receipts from customers	**108,584**	102,954
Payments to suppliers and employees	**(42,792)**	(67,811)
Payments for restoration	**(3,421)**	(2,762)
Petroleum resource rent tax (paid)/received	**(3,930)**	321
Interest received	**1,210**	228
Interest paid	**(4,337)**	(4,959)
Net cash flows from operating activities	**55,314**	27,971
Cash Flows from Investing Activities		
Payments for property, plant and equipment	**(242,911)**	(5,682)
Payments for intangibles	**(610)**	(294)
Payments for exploration and evaluation	**(12,324)**	(5,207)
Payments for gas and oil assets	**(723)**	(1,621)
Proceeds from held for sale assets	**650**	-
Net cash flows used in investing activities	**(255,918)**	(12,804)
Cash Flows from Financing Activities		
Repayment of lease liabilities	**(611)**	(555)
Transaction costs associated with borrowings	**(15,142)**	-
Proceeds from equity issue	**57,579**	-
Proceeds from borrowings	**158,000**	
Repayment of borrowings	**(158,000)**	(14,000)
Net cash flows used in financing activities	**41,826**	(14,555)
Net (decrease)/increase in cash held	**(158,778)**	612
Net foreign exchange differences	**93**	324
Cash and cash equivalents at 1 July	**247,012**	91,308
Cash and cash equivalents at 31 December	**88,327**	92,244

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

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2022

1. Corporate information

The consolidated financial report of Cooper Energy Limited ("Cooper Energy" or "the Group") for the half year ended 31 December 2022 was authorised for issue on 28 February 2023 in accordance with a resolution of the Directors. Cooper Energy Limited is a 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' Report.

2. Basis of preparation and accounting policies

This interim financial report for the half-year ended 31 December 2022 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Australian Corporations Act 2001.

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.

The half-year financial report does not include all notes of the type normally included within the annual financial report. It is recommended that the half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2022 and considered together with any public announcements made by Cooper Energy during the half-year ended 31 December 2022 in accordance with the continuous disclosure obligations of the ASX Listing Rules.

Accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

New standards, interpretations and amendments thereof, adopted by the Group

Accounting standards, amendments and interpretations applicable on 1 July 2022 have had no material impact on the Group's financial statements.

Plant acquisition

The Company entered executed a binding asset purchase agreement with APA Group for the purchase of the Orbost Gas Processing Plant (OGPP) on 20 June 2022. All conditions precedent to the closing of the transaction were completed by late July and the transaction closed, with Cooper Energy becoming the legal owner of the OGPP, on 28 July 2022.

Prior to 28 July 2022, the plant was owned by APA Group with the Company paying a processing toll.

Funding overview

The Group holds cash balances of $88.3 million and has drawn debt of $158.0 million as at the end of the reporting period with a further $242.0 million available and undrawn under a senior secured reserve based loan facility with an expected maturity date of September 2027. The Company also has a further $10.4 million availability under the Company's working capital facility. All debt covenants have been complied with to the date of this report.

Going concern basis

Existing cash reserves and forecast cash flows indicate the Company can fund its existing obligations for at least 12 months from the date of this report. It is the directors' view, having considered the matters set out above, that it is appropriate to prepare the financial statements on a going concern basis.

3. Segment Reporting

Identification of reportable segments and types of activities

The Group has identified its reportable segments to be South-East Australia, Cooper Basin (based on the nature and geographic location of the assets) and Corporate. 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 producing gas assets and the OGPP (currently operated by APA Group until transfer of the major hazard facility licence to the Company expected prior to the end of the financial period ended 30 June 2023), the operated Casino Henry producing gas assets and the operated Athena Gas Plant. Revenue is derived from the sale of gas and condensate to six contracted customers and via spot sales. The segment also includes exploration and evaluation and care and maintenance activities ongoing in the Gippsland and Otway basins.

3. Segment Reporting continued

Cooper Basin
Exploration and evaluation of oil and gas and production and sale of crude oil in the Group's permits within the Cooper Basin. Revenue is derived from the sale of crude oil to IOR Energy Pty Ltd, Santos Limited (and its subsidiaries) and Beach Energy (Operations) Pty Ltd.

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 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 2022 Annual Financial Report.

The following table presents revenue and segment results for reportable segments:

	South-East Australia $'000	Cooper Basin $'000	Corporate and Other $'000	Consolidated $'000
Half-year ended 31 December 2022				
Revenue from gas and oil sales	**95,728**	**5,505**	**-**	**101,233**
Total revenue	**95,728**	**5,505**	**-**	**101,233**
Segment result before interest, tax, depreciation, amortisation and impairment	**60,682**	**3,727**	**(12,140)**	**52,269**
Depreciation and amortisation	**(46,632)**	**(981)**	**(1,626)**	**(49,239)**
Net finance costs	**(10,016)**	**(77)**	**(3,999)**	**(14,092)**
Profit/(loss) before tax	**4,034**	**2,669**	**(17,765)**	**(11,062)**
Income tax benefit	**-**	**-**	**1,603**	**1,603**
Petroleum resource rent tax benefit	**3,207**	**-**	**-**	**3,207**
Net profit/(loss) after tax	**7,241**	**2,669**	**(16,162)**	**(6,252)**
Segment assets	**558,092**	**25,245**	**775,492**	**1,358,829**
Segment liabilities	**632,364**	**4,608**	**168,218**	**805,190**

	South-East Australia $'000	Cooper Basin $'000	Corporate and Other $'000	Consolidated $'000
Half-year ended 31 December 2021				
Revenue from gas and oil sales	88,773	6,612	-	95,385
Total revenue	88,773	6,612	-	95,385
Segment result before interest, tax, depreciation, amortisation and impairment	30,978	3,357	(8,812)	25,523
Depreciation and amortisation	(22,386)	(1,187)	(1,494)	(25,067)
Net finance costs	(6,593)	(67)	(55)	(6,715)
Profit/(loss) before tax	1,999	2,103	(10,361)	(6,259)
Income tax benefit	-	-	1,395	1,395
Petroleum resource rent tax expense	(1,065)	-	-	(1,065)
Net profit/(loss) after tax	934	2,103	(8,966)	(5,929)
Segment assets	475,416	17,756	454,490	947,662
Segment liabilities	395,833	6,340	224,145	626,318

4. Revenues and Expenses

	31 December 2022 $'000	31 December 2021 $'000
Revenue from gas and oil sales		
Revenue from contracts with customers		
Gas and gas liquids revenue	**95,729**	88,774
Oil revenue from contracts with customers	**5,565**	7,410
Total revenue from contracts with customers	**101,294**	96,184
Other revenue		
Fair value movement on receivables	**(61)**	(799)
Total other revenue	**(61)**	(799)
Total revenue from gas and oil sales	**101,233**	95,385
Other income		
Restoration income	**-**	6,352
Total other income	**-**	6,352
Cost of sales		
Production expenses	**(26,926)**	(38,903)
Royalties	**(546)**	(670)
Third-party product purchases and trading costs	**(3,184)**	(19,569)
Amortisation of gas and oil assets	**(30,027)**	(23,450)
Depreciation of property, plant and equipment	**(17,583)**	(123)
Inventory movement	**750**	-
Total cost of sales	**(77,516)**	(82,715)
Other expenses		
Selling expense	**(130)**	(289)
General administration	**(8,617)**	(8,810)
Depreciation of property, plant and equipment	**(347)**	(383)
Restoration expense	**(4,003)**	-
Amortisation of intangibles	**(730)**	(559)
Depreciation of right-of-use assets	**(552)**	(552)
Care and maintenance	**(1,009)**	(1,569)
Exploration and evaluation expense	**-**	(114)
OGPP reconfiguration and commissioning works	**(446)**	(6,250)
Other (including new ventures)	**(4,853)**	(40)
Total other expenses	**(20,687)**	(18,566)
Employee benefits expense included in general administration		
Director and employee benefits	**(13,277)**	(11,500)
Share based payments	**(2,541)**	(1,680)
Superannuation expense	**(1,117)**	(1,025)
Total employee benefits expense (gross)	**(16,935)**	(14,205)

5. Income Tax Expense

The major components of income tax expense are:

	31 December 2022 $'000	31 December 2021 $'000
Consolidated Statement of Comprehensive Income		
Deferred income tax		
Recognition of tax gains/(losses)	**7,603**	6,095
Origination and reversal of temporary differences	**(6,000)**	(4,700)
Income tax benefit	**1,603**	1,395
Current petroleum resource rent tax		
Current year	**(3,009)**	(1,160)
	(3,009)	(1,160)
Deferred petroleum resource rent tax		
Origination and reversal of temporary differences	**6,216**	95
	6,216	95
Total petroleum resource rent tax benefit/(expense)	**3,207**	(1,065)
Total tax benefit	**4,810**	330
Numerical reconciliation between tax expense and pre-tax net profit		
Accounting loss before income tax	**(11,062)**	(6,259)
Income tax using the domestic corporation tax rate of 30% (2022: 30%)	**3,319**	1,878
(Increase)/decrease in income tax expense due to:		
Non-assessable income/non-deductible (expenditure)	**(796)**	(526)
Other	**1,221**	72
Recognition of royalty related income tax benefits	**(2,141)**	(29)
Total income tax benefit	**1,603**	1,395
Petroleum resource rent tax benefit/(expense)	**3,207**	(1,065)
Total tax benefit	**4,810**	330

6. Property, plant and equipment

	Production assets	Corporate assets	Total
	31 December 2022 $'000	31 December 2022 $'000	31 December 2022 $'000
Reconciliation of carrying amounts at beginning and end of period:			
Carrying amount at beginning of period	**55,928**	**3,304**	**59,232**
Assets acquired[1]	**374,016**	**-**	**374,016**
Additions	**6,055**	**163**	**6,218**
Restoration re-measurement	**(11,341)**	**-**	**(11,341)**
Depreciation	**(17,583)**	**(347)**	**(17,930)**
Carrying amount at end of period	**407,075**	**3,120**	**410,195**
Cost	**430,036**	**7,880**	**437,916**
Accumulated depreciation	**(22,961)**	**(4,760)**	**(27,721)**
Total	**407,075**	**3,120**	**410,195**

[1] Acquisition of OGPP includes $210.0 million upfront consideration, $58.1 million deferred consideration, $27.0 million capitalised acquisition and transaction costs and $78.9 million in relation to the restoration obligations acquired.

7. Exploration and evaluation assets

	31 December 2022 $'000
Reconciliation of carrying amounts at beginning and end of period:	
Carrying amount at beginning of period	**164,909**
Additions	**15,207**
Restoration re-measurement	**(418)**
Carrying amount at end of period	**179,698**

During the half-year the Group's exploration assets were assessed for impairment indicators in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*. There were no indicators of impairment identified. No impairment expense was recognised.

The sale to Bass Oil Limited of the Company's interests in several of its Cooper Basin exploration and production licences (PEL 93, PPL 207, PRL 237, PEL 100 and PEL 110) was completed on 1 August 2022 for a consideration of $0.65 million. The assets and associated liabilities were classified as held for sale and presented in separate lines in the Consolidated Statement of Financial Position as at 30 June 2022.

8. Gas and Oil assets

	31 December 2022 $'000
Reconciliation of carrying amounts at beginning and end of period:	
Carrying amount at beginning of period	**595,347**
Additions	**947**
Amortisation	**(30,027)**
Restoration re-measurement	**(16,301)**
Carrying amount at end of period	**549,966**
Cost	**810,382**
Accumulated amortisation & impairment[1]	**(260,416)**
Total	**549,966**

[1] Includes impairment of $28.1 million recognised in the year ended 30 June 2020.

During the half-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.

9. Trade payables

	31 December 2022 $'000	30 June 2022 $'000
Current		
Trade payables	**17,009**	10,506
Deferred consideration[1]	**39,063**	-
Accruals (capital and operating expenditures)	**17,320**	22,246
	73,392	32,752
Non-Current		
Deferred consideration[1]	**19,076**	-

[1] Deferred consideration represents the fixed payment due 12 and 24 months after financial close of the OGPP acquisition which occurred on 28 July 2022. The Group records deferred consideration at the present value of consideration payments.

10. Provisions

	31 December 2022 $'000	30 June 2022 $'000
Current Liabilities		
Employee provisions	**3,121**	2,910
Restoration provisions	**157,055**	26,957
	160,176	29,867
Non-Current Liabilities		
Employee provisions	**437**	395
Restoration provisions	**376,317**	446,359
	376,754	446,754

	31 December 2022 $'000
Movement in carrying amount of the current restoration provision:	
Carrying amount at beginning of period	**26,957**
Restoration expenditure incurred	**(3,836)**
New provisions and changes in restoration assumptions (i)	**9,974**
Transferred from non-current provisions	**123,960**
Carrying amount at end of period	**157,055**
Movement in carrying amount of the non-current restoration provision:	
Carrying amount at beginning of period	**446,359**
Changes in provisions[1]	**(34,031)**
Provisions acquired	**78,887**
Transferred from/(to) current provisions	**(123,960)**
Increase through accretion	**9,062**
Carrying amount at end of period	**376,317**

[1] Changes in restoration assumptions results from a change in market-based inputs such as discount rates and foreign exchange rates as well as changes in gross cost estimates.

The discount rate used in the calculation of the provisions as at 31 December 2022 ranged from 3.21% to 4.39% (30 June 2022: 2.38% to 3.87%) reflecting a risk-free rate that aligns to the timing of restoration obligations. The increase in the risk-free rate reflects the change to relevant government bond rates since the last assessment.

From 2009 until 2014, Pertamina Hulu Energi Australia Pty Limited, a wholly owned subsidiary of PT Pertamina Hulu Energi ("Pertamina"), held a 10% interest in the BMG joint operating and production agreement ("JOA"). In October 2013, Pertamina withdrew from the JOA. In December 2022, Cooper Energy filed a claim in the Supreme Court of Victoria against Pertamina, seeking payment of an amount equal to 10% of the costs and expenses of the abandonment operations incurred and to be incurred, pursuant to their obligations under the withdrawal and abandonment provisions of the JOA.

11. Interest bearing loans and borrowings

	31 December 2022 $'000	30 June 2022 $'000
Current bank debt	**-**	37,000
Non-current bank debt[1]	**144,251**	121,000

[1]Net of capitalised transaction costs of $13.7 million (30 June 2022: nil)

In July 2022, Cooper Energy executed a $400.0 million senior secured reserve based lending facility, secured across a portfolio of producing assets, and a senior secured $20.0 million working capital facility. It is expected that the facility will be utilised to part fund the Company's share of the BMG abandonment project and a portion of the planned OP3D growth project in the Otway Basin. Cooper Energy is in compliance with all covenants at 31 December 2022. A summary of the Group's secured facilities is included below.

11. Interest bearing loans and borrowings continued

Facility	Senior secured reserve based lending facility	Working Capital Facility
Currency	Australian dollars	Australian Dollars
Limit	$400.0 million[1] (30 June 2022: $158.0 million)	$20.0 million (30 June 2022: $15.0 million)
Utilised amount	$158.0 million (30 June 2022: $158.0 million)	$9.6 million[3] (30 June 2022: $7.1 million)
Accounting balance	$144.3 million (30 June 2022: $158.0 million)	Nil (30 June 2022: Nil)
Effective interest rate	8.16% floating	Nil
Maturity[2]	30 September 2027[2]	30 September 2024

[1] As at 31 December 2022, $242.0 million of the original facility limit of $400.0 million remains available.
[2] Based on the facility repayment schedule, the reserves profile of the borrowing base assets and the facility maturity date.
[3] As at 31 December 2022, no cash amounts have been drawn, $9.6 million has been utilised by way of bank guarantees.

12. Net finance costs

	31 December 2022 $'000	31 December 2021 $'000
Finance Income		
Interest income	**1,307**	228
Finance Costs		
Accretion of restoration provision	**(9,062)**	(1,975)
Accretion of success fee liability	**(54)**	(9)
Finance costs associated with lease liabilities	**(255)**	(283)
Interest expense	**(6,028)**	(4,676)
Total finance costs	**(15,399)**	(6,943)
Net finance costs	**(14,092)**	(6,715)

13. Contributed equity

	31 December 2022 $'000	30 June 2022 $'000
Ordinary shares		
Issued and fully paid	**716,726**	478,261

	31 December 2022	
	Thousands	**$'000**
Movement in ordinary shares on issue		
At 1 July 2022	**1,632,735**	**478,261**
Equity Issues[1]	**248,855**	**58,596**
Transfer from reserves[2]	**747,097**	**179,508**
Issuance of shares for performance rights and share appreciation rights	**2,844**	**361**
At 31 December 2022	**2,631,531**	**716,726**

[1]In July 2022, the group raised $58.6 million (net of $2.4 million after tax costs) through a retail offering, being one component of a broader equity raising program which included an institutional placement which completed in June. The retail placement resulted in 248.9 million of shares issued on 14 July 2022.

[2]At the end of June 2022, 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. The institutional component was transferred from reserves to equity during the period.

14. Financial Instruments

Fair value hierarchy
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 at the end of each reporting period and based on the lowest level input that is significant to the fair value measurement as a whole.

Set out below are the carrying amounts and fair values of financial instruments held by the Group:

		Carrying amount		Fair value	
Consolidated	**Level**	**31 December 2022 $'000**	30 June 2022 $'000	**31 December 2022 $'000**	30 June 2022 $'000
Financial assets					
Trade and other receivables	**2**	**21,907**	30,467	**21,907**	30,467
Equity instruments	**1**	**813**	483	**813**	483
Escrow proceeds receivable	**2**	**-**	1	**-**	1
Financial liabilities					
Trade and other payables	**2**	**92,468**	32,752	**92,468**	32,752
Success fee financial liability	**3**	**3,237**	3,285	**3,237**	3,285
Interest bearing loans and borrowings	**2**	**144,251**	158,000	**161,117**	161,088

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 and measured at fair value through other comprehensive income based on an irrevocable election made at inception on an instrument basis. They 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. Hence they are 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 was 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, the funds were returned to the Group after financial close of the acquisition of the OGPP from APA Group in July 2022.

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 include: a probability of 33% that no payment is made and a probability of 67% the payment is made in 2026. The discount rate used in the calculation of the liability as at 31 December 2022 equalled 3.54% (30 June 2022: 3.27%). The financial liability is measured at fair value through profit and loss and valued using a discounted cash flow model and 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.

15. Subsequent events

There are no significant events subsequent to 31 December 2022 at the date of this report.

Directors' Declaration

In accordance with a resolution of the directors of Cooper Energy Limited, we 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 financial position at 31 December 2022 and the performance for the half-year ended on that date of the consolidated entity; and

   ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001; and

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

On behalf of the Board

Mr John C Conde AO
Chairman

Mr David P Maxwell
Managing Director

28 February 2023

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Independent Auditor's Review Report to the Members of Cooper Energy Limited

Conclusion

We have reviewed the accompanying half-year financial report of Cooper Energy Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' Responsibilities for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's Responsibilities for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Darryn Hall
Partner
Adelaide
28 February 2023

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

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David P Maxwell, Managing Director
Timothy G Bednall
Victoria J Binns
Giselle M Collins
Elizabeth A Donaghey
Hector M Gordon
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Amelia Jalleh

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