

14 August 2023

## FY23 Non-cash impairment

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Cooper Energy Limited (“Cooper Energy”, or the Company) (ASX:COE) today announced it is expected to recognise a non-cash pre-tax impairment of approximately A\$20 – 33 million against the current carrying value of the Casino Henry Netherby cash generating unit (“CGU”), subject to finalisation of the full year accounts and external audit process.

The Casino Henry Netherby CGU comprises the Casino Henry Netherby producing gas fields, the Athena Gas Plant, and the Annie gas discovery.

The full year impairments do not have a cash impact and do not affect Cooper Energy’s underlying business. Nor do they impact the ability to progress the OP3D project as part of the wider Otway growth strategy, which remains a highly compelling business opportunity for the Otway joint venture.

A number of factors have contributed to the impairment of the Casino Henry Netherby CGU, including:

- Delays to target FID of OP3D due to partner misalignment, together with uncertainty on future gas price regulation as a result of the Federal Government’s consultation for the Mandatory Gas Code of Conduct;
- The impact of inflationary pressures on certain costs, including drilling rigs, support vessels, helicopter support and other estimated costs, including CO<sub>2</sub> removal, for the Annie-only development scenario;
- Increases to estimates for decommissioning leading to an increase in the carrying value for the CGU; and
- The weakening of the Australian dollar.

The Casino Henry Netherby CGU is also subject to a legacy gas pricing structure, related to the September 2021 amendments to the Sole gas sales agreement.

Pursuant to *AASB136 Impairment of assets*, the fair value estimate of the CGU excludes any economic benefit from the planned broader Otway Phase 3 Development, namely the inclusion of the Juliet and Nestor prospective resource targets, which each carry estimated chances of geological success of over 80%. In addition, no residual value has been assumed in the fair value estimate for the Athena Gas Plant, or the benefits that would arise from any potential re-purposing of the plant such as conversion into either a gas storage or a carbon capture and storage facility.

Further detail will be provided in the Company’s FY23 full year results, to be released 29 August 2023.

For more information, please contact our team for investors and media.

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