



7 March 2023

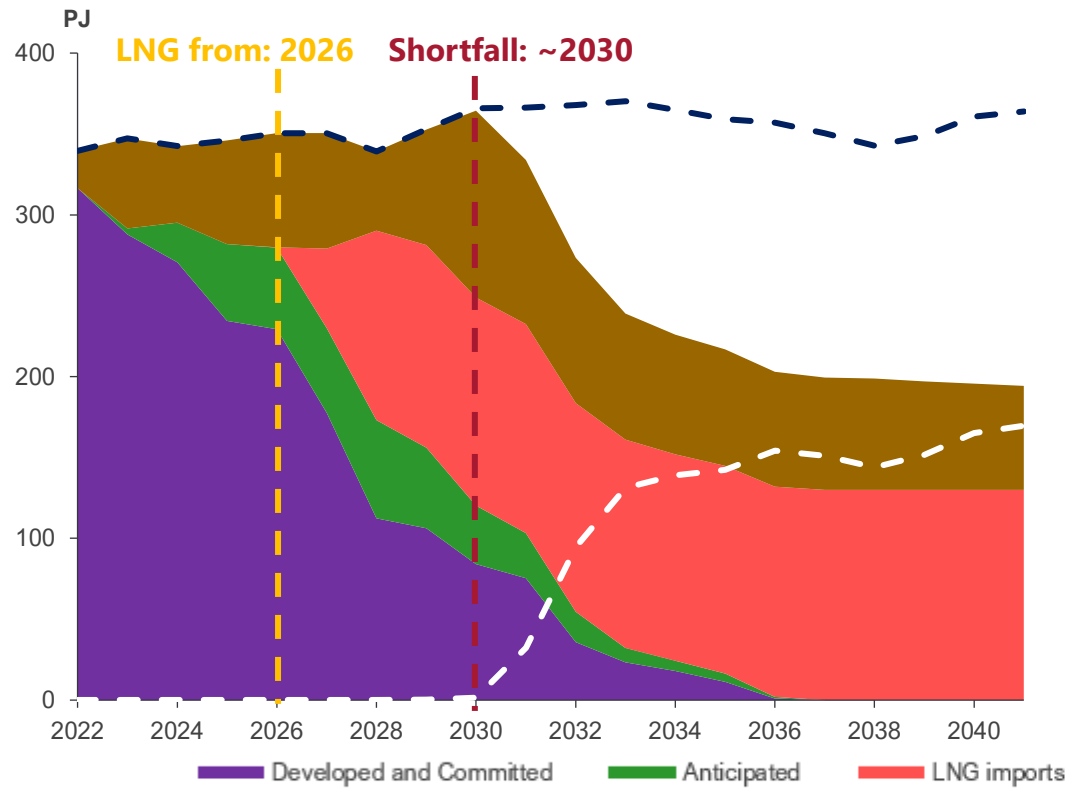
# Euroz Hartleys Rottnest Island Conference 2023



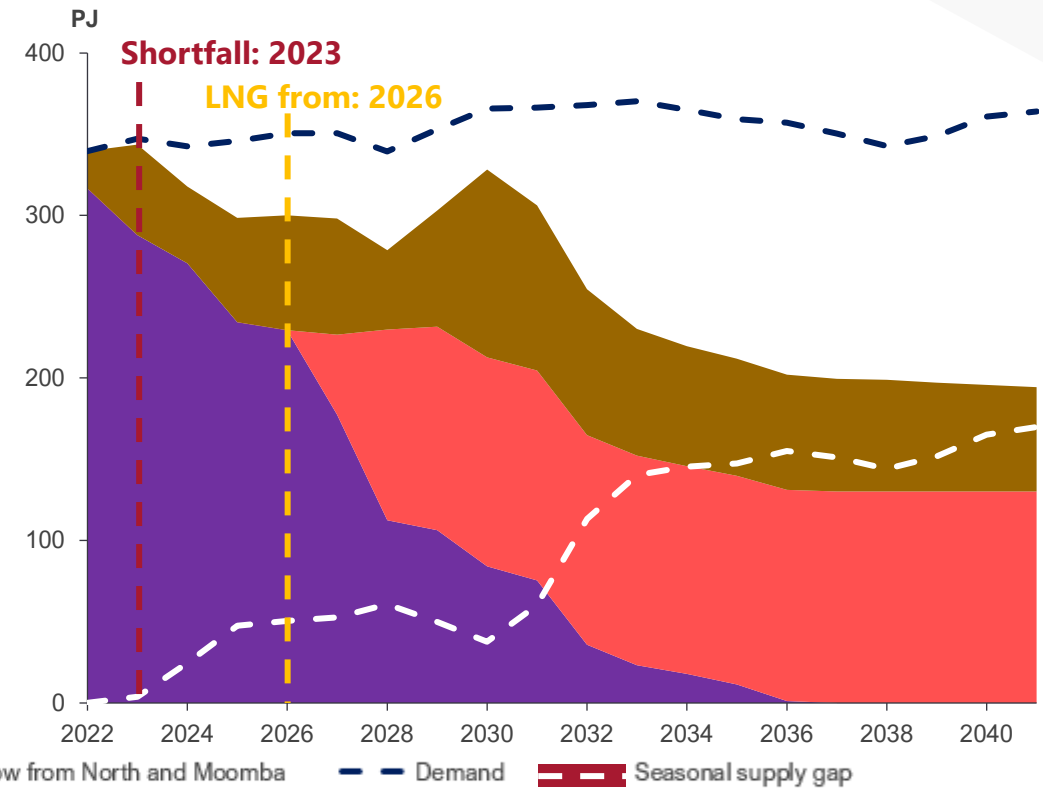
# Forecast gas demand and supply South-east Australia

## AEMO forecast sources of supply<sup>1</sup>

2022 AEMO Progressive Change scenario, PJ



2022 AEMO Progressive Change scenario—no anticipated development, PJ



**New gas investment stalled, shortfall accelerates to this winter, higher cost LNG imports sooner?**

# Government intervention

Mandatory code - an issue which is being addressed

## FINANCIAL REVIEW

**POSCO, Hancock-controlled Senex stalls \$1bn gas expansion over Albanese cap laws**

22 Dec 2022

## The Sydney Morning Herald

**Woodside warns drilling for more gas "hard to justify" due to government intervention**

25 Jan 2023

## THE AUSTRALIAN

**Gas market tinkering puts Geelong gas terminal "in limbo"**

21 Feb 2023

**ACCC forecast supply shortfall up to 30PJ in 2023**

ACCC Gas Inquiry Report, 27 Jan 2023

**"The truth of the matter is we will need gas for this country to continue for its energy security"**

Resources Minister Madeleine King, 15 Feb 2023

**"There is enormous frustration at how things have turned out. There's hardly any gas flowing to new customers in 2023 ... And bad luck if you're looking for a contract for 2024 onwards, it is just radio silence."**

Australian Industry Group CEO Innes Wilcox, 7 Feb 2023

**"..... analysis by the ACCC and AEMO, which forecasts potential supply shortfalls emerging from 2023."**

AEMO Information paper, 22 Feb 2023

**"....it's important that policies are in place that do not discourage investment in the domestic supply of gas .... gas is a very important transition fuel for the government's net-zero commitments."**

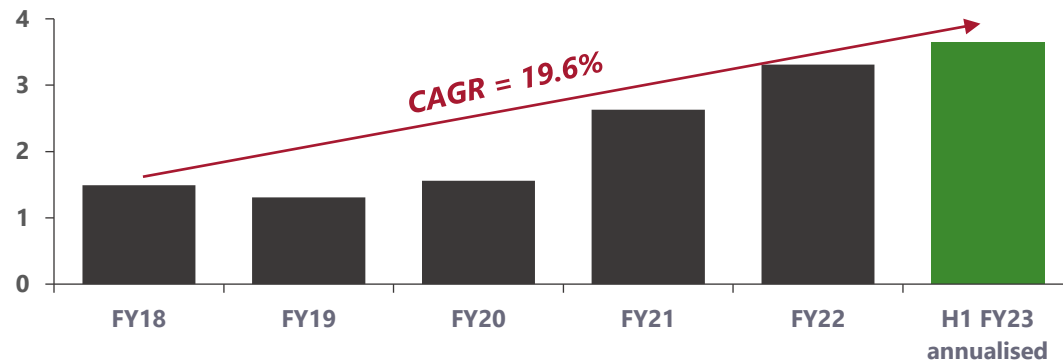
Treasury Secretary Steven Kennedy, 15 Feb 2023

**The Commonwealth Government's gas market intervention must incentivise new, cost competitive, close-to-market gas supply**

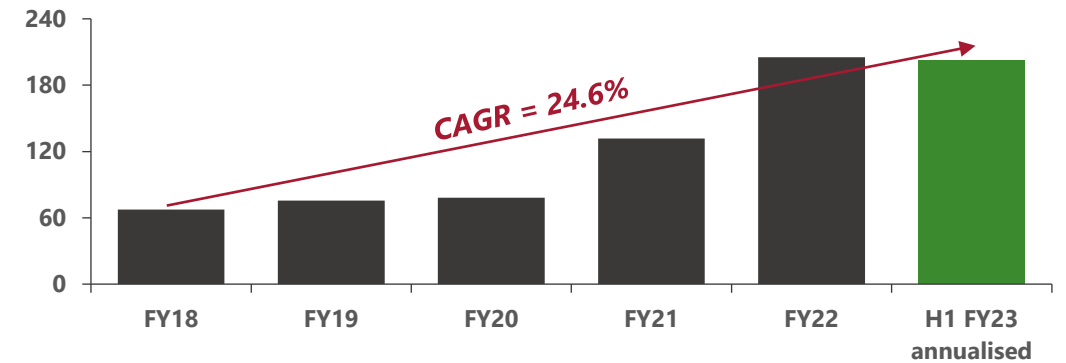
# Cooper Energy growth, last five years

Sustained growth in production and cashflow

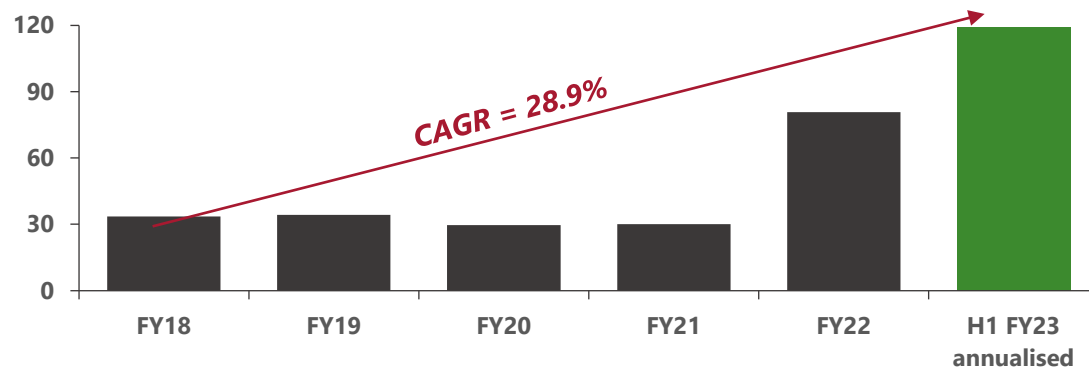
Production, MMboe/year



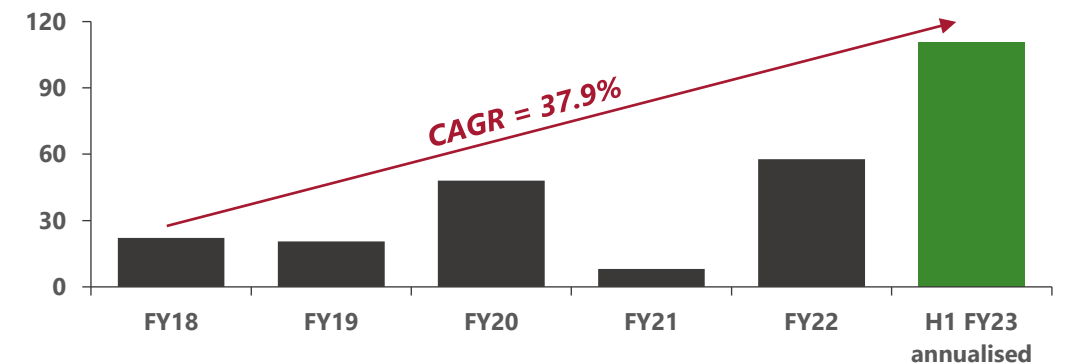
Revenue, A\$ million/year



u-EBITDAX, A\$ million/year

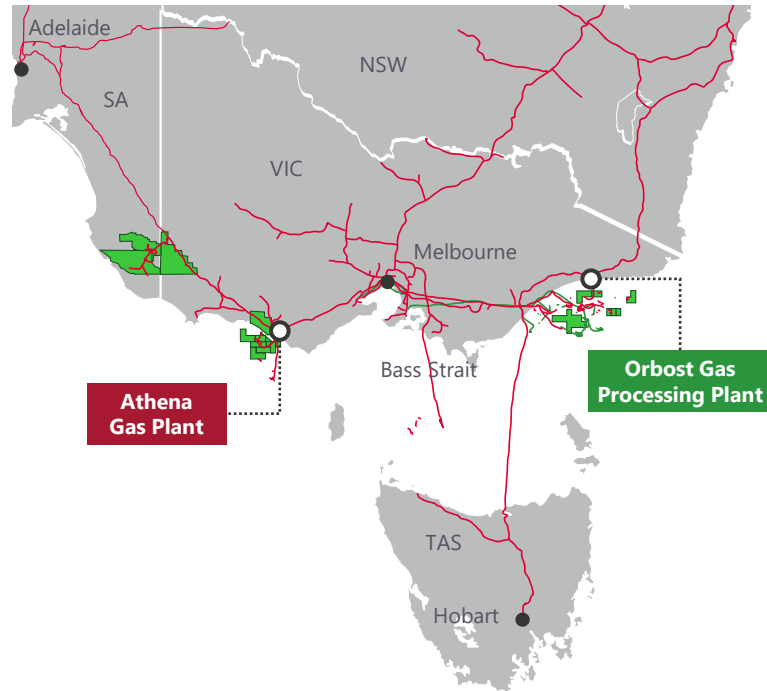


Operating cashflow, A\$ million/year








# Twin hub access to South-east Australia gas market

Strengthened operating expertise across integrated upstream and midstream gas projects



## Otway Basin

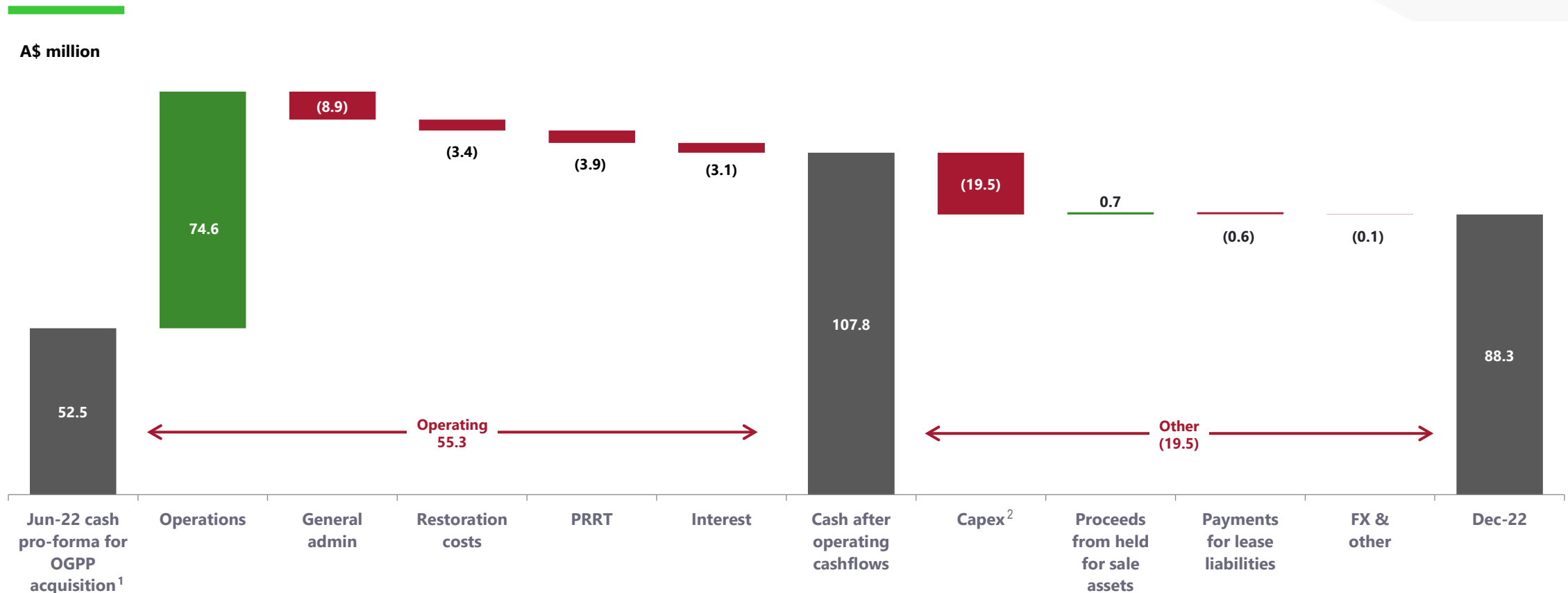
## Gippsland Basin

	Otway Basin	Gippsland Basin
<b>Ownership</b>	<ul style="list-style-type: none"> <li>Cooper Energy 50% and operator</li> <li>Mitsui E&amp;P Australia 50%</li> </ul>	<ul style="list-style-type: none"> <li>100% owned and operated by Cooper Energy (post transfer of Major Hazard Facilities Licence)</li> </ul>
<b>Upstream</b>	<ul style="list-style-type: none"> <li>Casino/Henry/Netherby 23 PJ of 2P gas fields<sup>1</sup></li> <li>OP3D 67 PJe of 2C &amp; 325 Bcf of unrisksed mean resource potential (FID s.t. resolution of gas market intervention, economics &amp; JV alignment)<sup>2,3,4</sup></li> </ul>	<ul style="list-style-type: none"> <li>Sole 212 PJ of 2P gas field<sup>1</sup></li> <li>Manta 156 PJe of 2C development (subject to FID)<sup>6</sup></li> <li>~945 Bcf of unrisksed mean resource potential<sup>3,4,7</sup></li> </ul>
<b>Midstream</b>	<ul style="list-style-type: none"> <li>AGP processing capacity up to ~150 TJ/day<sup>5</sup></li> <li>Third-party gas processing opportunities possible</li> </ul>	<ul style="list-style-type: none"> <li>OGPP processing capacity of up to ~68 TJ/day<sup>8</sup></li> <li>Third-party gas processing opportunities possible</li> </ul>
<b>GSA's</b>		   
<b>Spot</b>	<ul style="list-style-type: none"> <li>965 TJ sold into spot market in CY22</li> <li>Average price of \$19.81/GJ</li> </ul>	<ul style="list-style-type: none"> <li>1,600 TJ sold into spot market in CY22</li> <li>Average price of \$16.11/GJ</li> </ul>

**High spot prices mean small incremental volumes can have significant impact to cash generation**

# Group cash—bridge from June 2022 to December 2022

Substantial operating cashflow generation despite challenging Q2 FY23 at Orbost

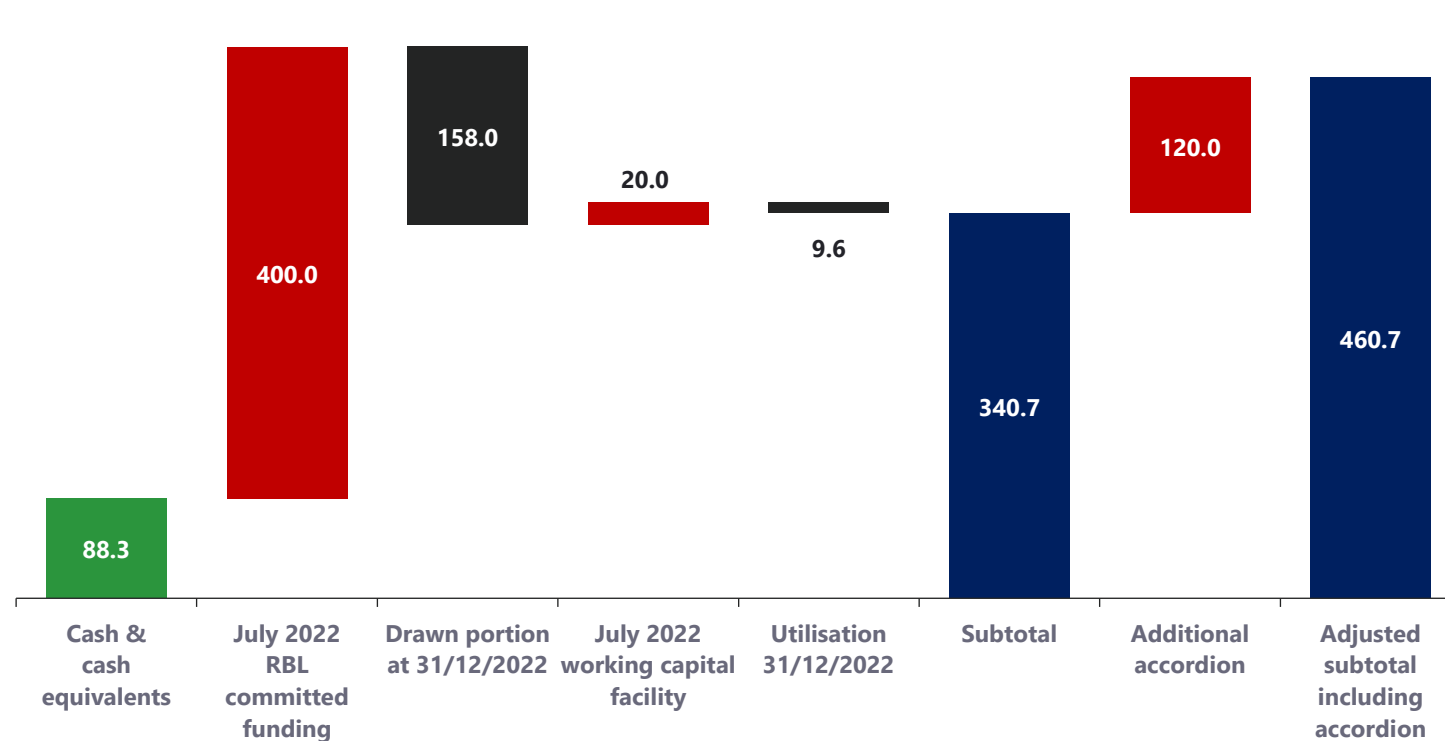


**Implies annualized underlying free cashflow of ~\$100 million before OGPP improvements<sup>3</sup>**

# Strong balance sheet/fully funded for organic growth

## New debt facility executed in July 2022

A\$ million



- \$400 million facility + \$20 million working capital facility executed in July 2022
  - improved terms, including lower cost of funds
  - strong banking syndicate including three additional large global RBL<sup>1</sup> lenders
  - additional \$120 million accordion
- Net zero strategic positioning ensures advantaged access to funding...
  - ...and lower cost

# OGPP performance improvement plan

Work and projects to increase stability and average rate

## A. Transfer of operatorship

- On track for Q4 FY23

## B. Improved operational discipline

Now to Dec 2023 (target) / Jun 2024 (baseline)

- Cooper Energy operational leadership
- Drive disciplined operating culture
- Raise operator capability
- Increase reliability and sustained improvement
  - higher uptime and reinstate polishing unit

## C. Plant engineering and technical solutions

Now to Jun 2024 (target) / Jun 2025 (baseline)

- High calibre dedicated engineering team identifying & implementing engineering solutions
  - absorber packing; polisher bed media; absorber distributors; antifoam solution and approach
- Commission solids removal package within H1 FY24
- Target achieving nameplate capacity (68 TJ/d)

## Target average processing rate<sup>1</sup>

High 50's TJ/d<sup>1</sup>

Mid 60's TJ/d<sup>1</sup>,  
or better if possible

**Key focus: addressing reliability and performance improvement at OGPP**



# Cooper Energy's strategic positioning as a domestic gas producer

Immediate focus on fixing Orbost and catalyzing near term organic growth

**Outstanding market fundamentals**

**Base business is set with integrated & operated twin hub**

**Visible near term growth in Otway**

**Operational, technical & commercial experience**

**Strong organic cash generation & balance sheet set for growth**

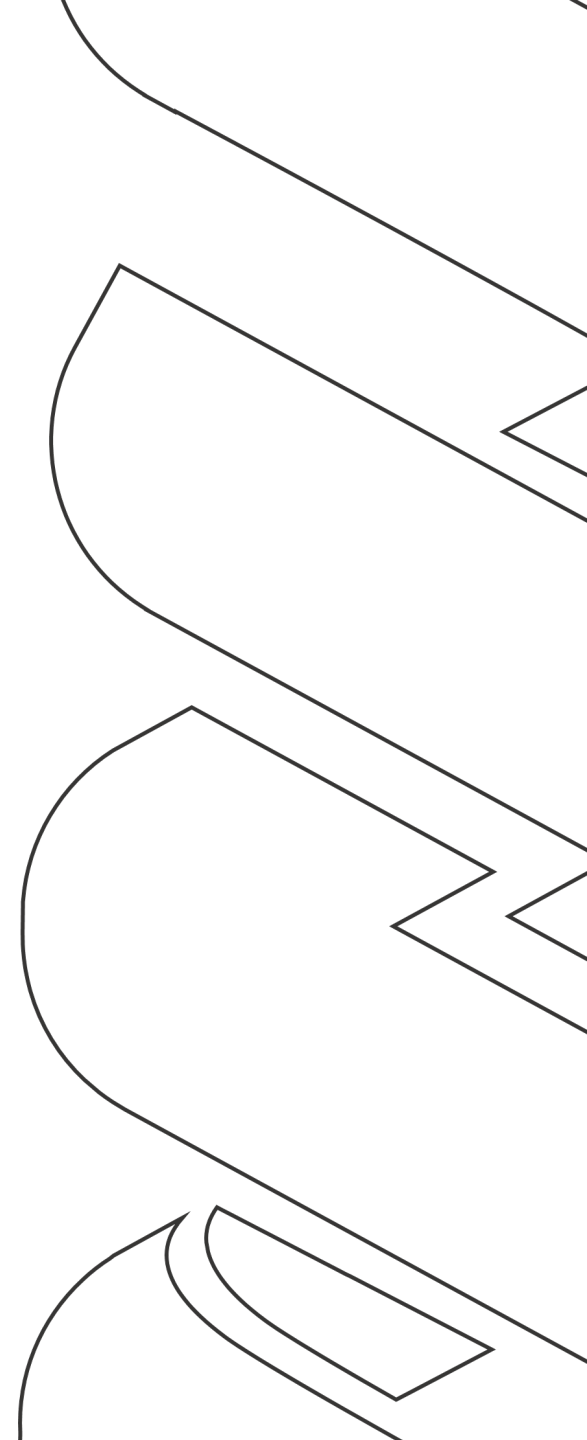
**Further organic running room in Gippsland**

**The business is set for its next phase under leadership of new CEO Jane Norman**



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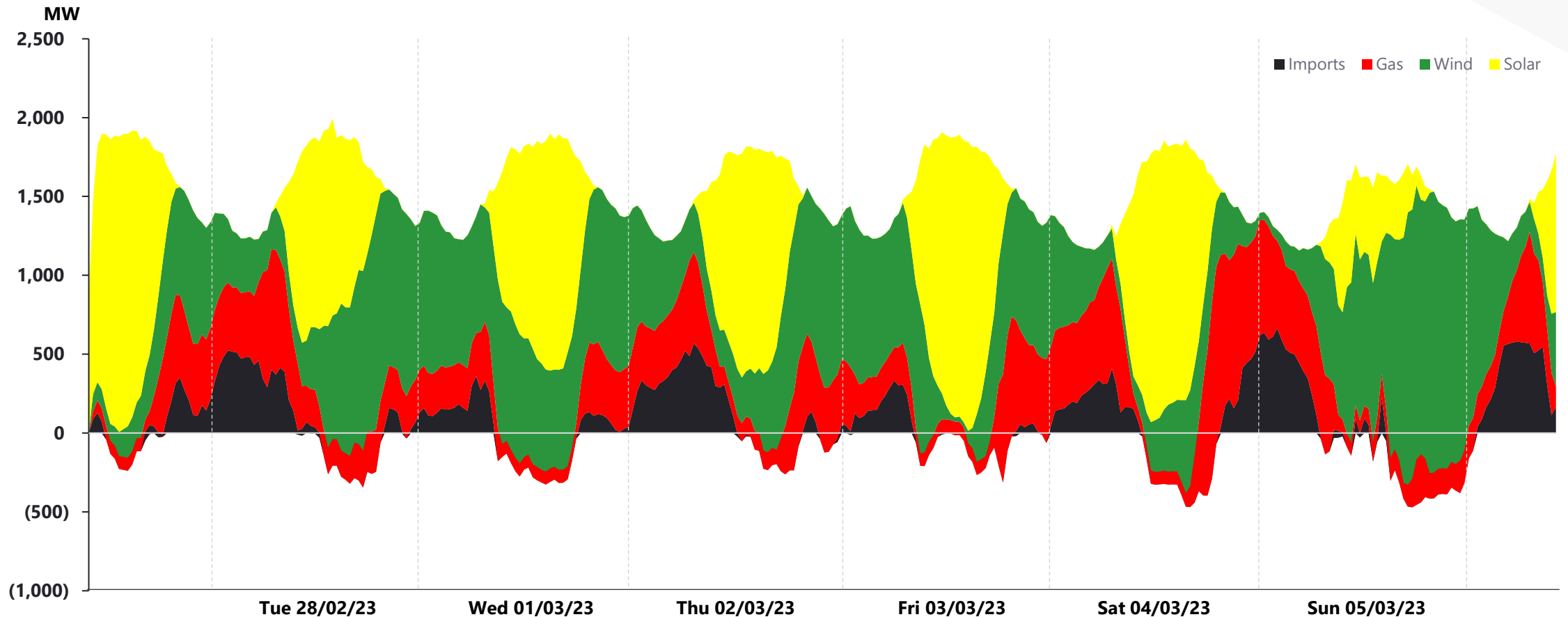
# Appendix



# South Australia electricity supply

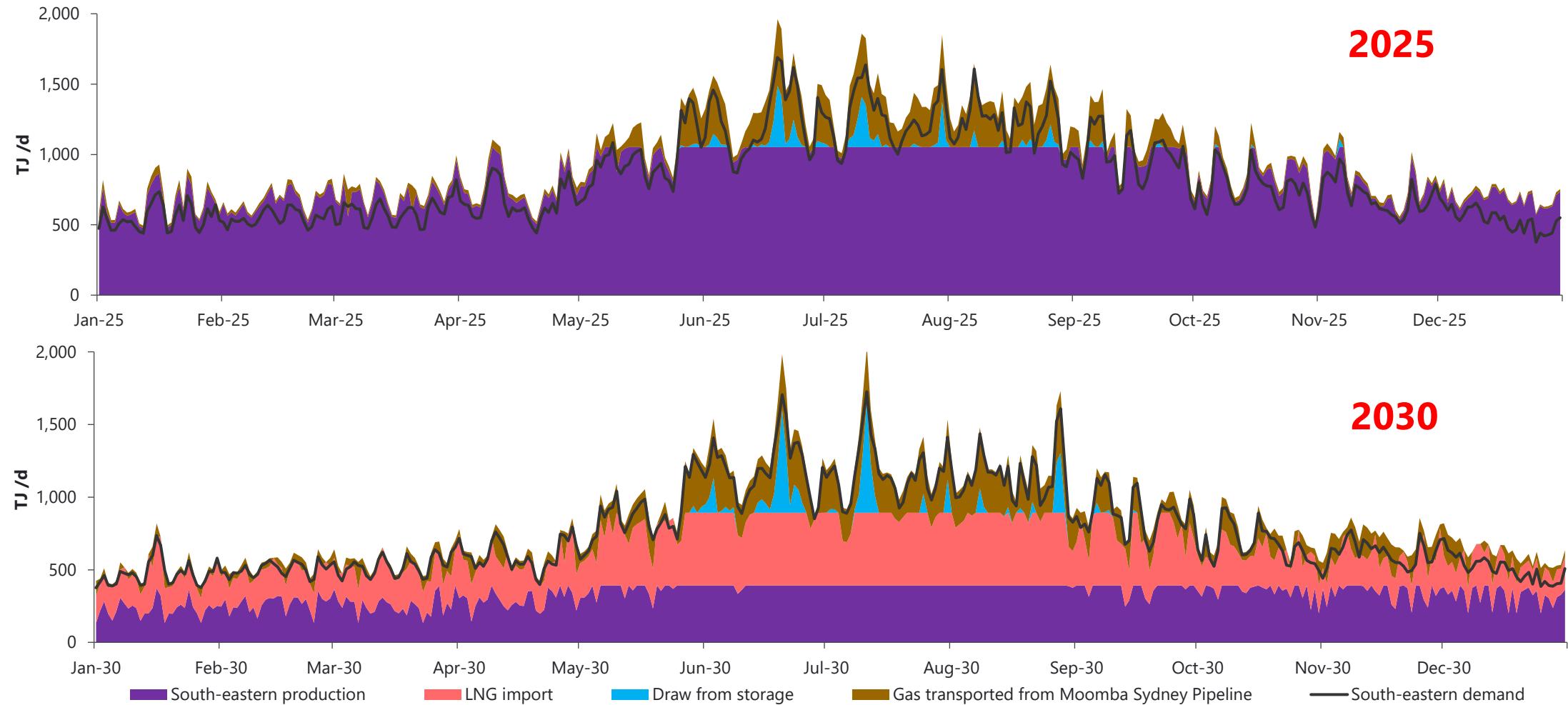
SA energy mix is a window to the future, where gas remains key amidst variable renewables

South Australian electricity supply by type, last week<sup>1</sup>



# Forecast gas supply options to meet South-eastern daily demand

Snapshot of the AEMO Step Change Scenario 2025 and 2030<sup>1</sup>



# Markets update

## South-east Australian spot gas prices, last twelve months

LTM Spot gas prices (\$/GJ)<sup>1</sup>



# Health, safety, environment and community

## Industry leading results through disciplined operations

### Safety

- ✓ Zero lost time injuries (H1 FY22: zero)
- ✓ Decrease in rolling 12 month TRIFR<sup>1</sup> to 0.00 (H1 FY22: 3.64)

### Environment

- ✓ No environmental incidents (H1 FY22: zero)

### Community

- ✓ Key focus is the areas where we operate
- ✓ Communities supportive of Cooper Energy

Safety metrics	H1 FY23	H1 FY22
Hours worked	102,958	122,057
Recordable incidents	0	0
Lost time injuries (LTI)	0	0
LTI frequency rate <sup>2</sup>	0.0	0.0
Total recordable injury frequency rate (TRIFR)	0.00	3.64
Industry TRIFR <sup>3</sup>	7.38	6.91

# Record production & financial metrics

## Step change in operating cashflow, continued deleveraging

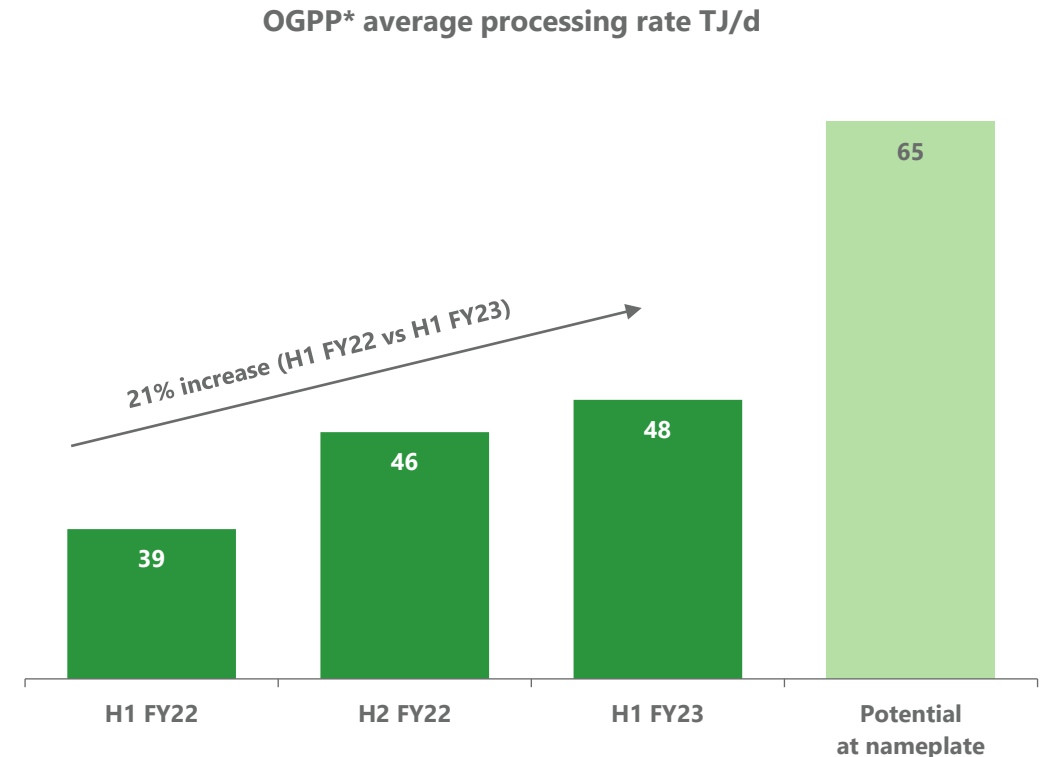
<i>\$ million unless indicated</i>	H1 FY23	H1 FY22	Change
Production (MMboe)	1.8	1.6	▲ 16%
Sales revenue	101.2	95.4	▲ 6%
Average realised gas price (\$/GJ)	8.75	7.44	▲ 18%
Underlying EBITDAX	59.6	25.5	▲ 134%
Statutory (loss) after tax	(6.3)	(5.9)	▼ 7%
Underlying profit/(loss) after tax	(1.2)	(6.0)	▲ 80%
Operating cash flow	55.3	28.0	▲ 98%
Capital expenditure	22.9	11.6	▲ 97%
	31-Dec-22	30-Jun-22	Change
Cash and cash equivalents	88.3	247.0 <sup>1</sup>	▼ 64%
Drawn debt	158.0	158.0	-
Net (debt)/cash	(69.7)	89.0	▼ 178%

- Gas revenue up 8% to \$95.7 million; oil and condensate revenue down 17% to \$5.5 million
- Total cash cost of sales was ~\$2.19/GJe, excluding
  - \$5.6 million OGPP toll in July 2022
  - third-party gas purchases and trading costs of \$3.2 million
- u-EBITDAX more than doubled versus H1 FY22, operating cashflow almost doubled
  - three key factors: increased gas prices, ownership of Orbest and reset of Sole contracted gas
- Higher capex reflecting OGPP integration and FEED spend on OP3D

# Gippsland Basin

## Sole production/Orbost Gas Processing Plant\*

- Q1 FY23 average rate 51 TJ/d
  - 56 TJ/d (average) processing rate in September
- Q2 FY23 impacted by unplanned plant outages and maintenance
  - 44 TJ/d (average) processing rate
  - polisher unit re-start in January has been delayed
- Performance unacceptable in Q2 FY23 – notwithstanding 21% ↑ in H1 FY23 versus PCP
  - experienced Cooper Energy gas plant manager now based on site
  - accelerated gas plant engineering workstreams
- Polisher unit to enable incremental spot volumes
  - potential upside beyond current average processing rates



**Engineering & Operations: focused on actions while OGPP is under APA's operatorship and near-term optimisation /improvement activities post MHFL transfer in Q4 FY23**

\*Orbost Gas Processing Plant operated by APA until MHFL transfer to Cooper Energy planned for Q4 FY23



# Basker Manta Gummy abandonment

## Gippsland Basin subsea decommissioning on track

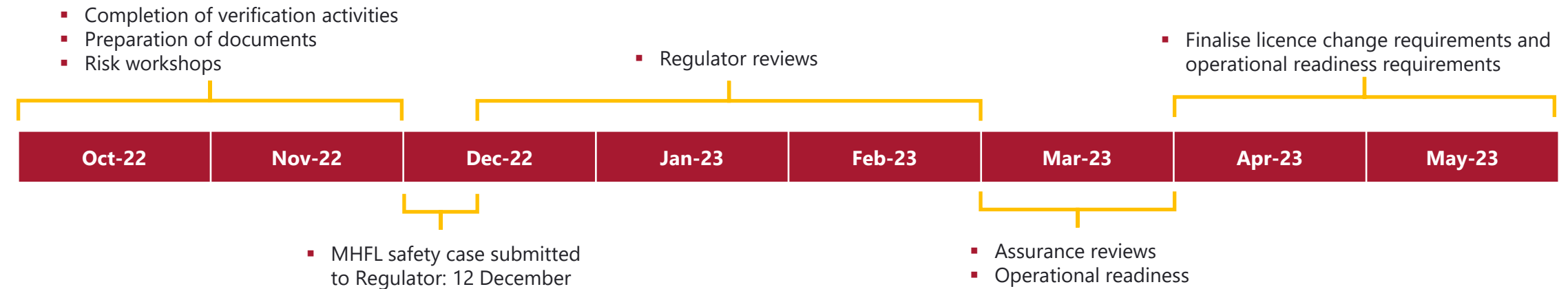
- Decommissioning seven wells and associated subsea infrastructure
- Helix Q7000 intervention vessel contracted
  - terms agreed in Sep 2020
- Plan to plug the BMG wells by 31 December 2023 and remove the remaining infrastructure by 31 December 2026
  - in accordance with regulatory requirements
- P50 estimate for well abandonment activities: ~\$165 million on a 100% gross basis



# Transition of operatorship at OGPP

## Transfer of the MHFL remains on track for Q4 FY23

- Regulators engaged and in support of process for all licence transfer plans
- Landholder engagement ongoing
- Transition costs tracking ~20% below budget
- Experienced Cooper Energy gas plant manager now on site working with APA
- Regular scheduled calls between Cooper Energy office and Orbost Plant



**Operations & Engineering are influencing outcomes now and working to have an immediate impact upon transfer of operatorship**



# Energy transition strategy

## Growth while supporting decarbonisation and maintaining net zero certification

### Three pronged approach to maintain net zero certification in step with the portfolio of growth projects

- Scope-1, scope-2 and controllable scope-3 emissions fully offset since FY20
- November 2022 announced participation in a nature-based carbon project in Vietnam
  - potential for significant scale expansion
- Progressing a range of partnerships, opportunities and emissions reduction initiatives to maintain net zero



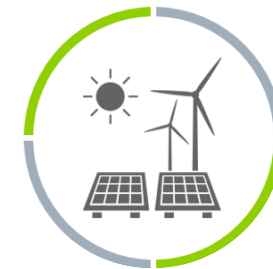
#### Net Zero Enabler

- Leverage carbon neutral benefits
  - access to finance
  - investability
  - talent attraction
  - partner of choice



#### Efficiency

- Site/operations focus
- Reduce gross emissions intensity
- Clearly defined financial payback

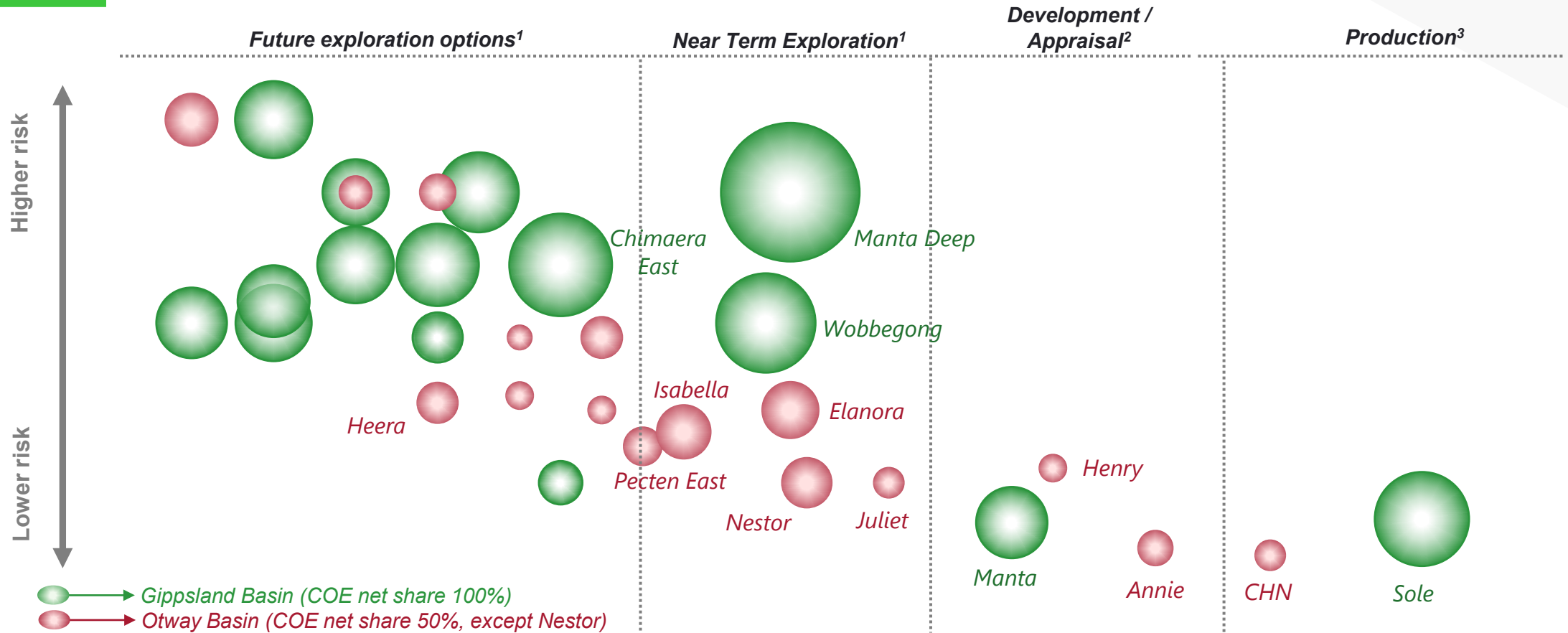


#### New Energy

- Gas remains core
- Measured approach to diversification
- Investment and partnerships which add value for Cooper Energy

# Growth pathway: maturing a broad portfolio of opportunities

High graded offshore exploration and appraisal prospects to feed Cooper Energy's twin gas hubs



40 MMboe 2P reserves, 37 MMboe 2C resources and > 1Tcf mean resource potential, close to market, and with a clear pathway to commercialisation via operated gas plants

# Disclaimer

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This document contains forward looking statements. These statements are subject to risks associated with the oil and gas industry. The Company believes the expectations reflected in these statements are reasonable. A range of variables or changes in underlying assumptions may affect these statements and may cause actual results to differ. These variables or changes include but are not limited to price, demand, currency, geotechnical factors, drilling and production results, development progress, operating results, engineering estimates, reserve estimates, environmental risks, physical risks, regulatory developments, approvals and cost estimates.

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The following are non-IFRS measures: EBITDAX (earnings before interest, tax, depreciation, depletion, exploration, evaluation and impairment); EBITDA (earnings before interest, tax, depreciation, depletion and impairment); EBIT (earnings before interest and tax); underlying profit; and free cash flow (operating cash flows less investing cash flows net of acquisitions and disposals and major growth capex less lease liability payments). The Company presents these measures to provide an understanding of the Company's performance. They are not audited but are from financial statements reviewed by the Company's auditor. Underlying profit excludes the impacts of asset acquisitions and disposals, impairments, hedging, and items that fluctuate between periods.

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.

Approved and authorised for release by David Maxwell, Managing Director, Cooper Energy Limited, Level 8, 70 Franklin Street, Adelaide 5000.

Footnotes are located at the end of the presentation on slide 22.

## **Key Contacts**

**Investor enquiries:** Morgan Wright, Investor Relations Lead. +61 437 569 711

**Media enquiries:** Bindi Gove, Head of External Affairs. +61 406 644 913

# Footnotes

## By page

### Slide 2

1. AEMO 2022 Gas Statement of Opportunities. Projected annual adequacy in south-eastern region, Progressive Change scenario, with existing, committed, and anticipated developments, 2022-41 (PJ)

### Slide 5

1. Reserves and contingent resources at 30 June 2022 announced to the ASX on 22 August 2022
2. Prospective resource unrisks mean includes Elanora, Isabella, Heera, Pecten East, Nestor and Juliet, announced to the ASX on 9 February 2022
3. Prospective resources of the unrisks volume estimated to be recoverable from the prospect attributable to the Cooper Energy joint venture interest.
4. The estimated quantities of petroleum that may be potentially recovered by the application of future development project(s) relate to undiscovered accumulations.
5. 150 TJ/day represents the nameplate capacity, however additional capital expenditure would be required on the Athena Gas Plant in order to achieve this rate
6. Contingent resource for the Manta gas and liquids resource was announced to ASX on 12 August 2019
7. Prospective resources for Manta Deep and Chimaera East were announced to the ASX on 4 May 2016. PJ to Bcf conversion is 1.127. Prospective resources for the Wobbecong prospect were announced to the ASX on 13 April 2022. Wobbecong PJ to Bcf conversion 1.006
8. 68 TJ/day represents the nameplate capacity, however additional capital expenditure would be required on the Orbost Gas Processing Plant in order to achieve this rate

### Slide 6

1. Based on cash balances as at 30 June 2022 of A\$247.0 million, plus net proceeds from the retail portion of the June/July 2022 equity raise of A\$57.6 million, less A\$210.0 million up front cash consideration to APA for the acquisition of the OGPP, A\$27.0 million of stamp duty and other acquisition costs, and A\$15.1 million of financing and other costs
2. Capex comprises development, E&E, PPE, and intangibles
3. This is not formal cashflow guidance

### Slide 7

1. Reserves based lending facility

### Slide 8

1. This is not formal production guidance for Sole/Orbost

### Slide 11

1. Opennem.org.au data

### Slide 12

1. AEMO 2022 Gas Statement of Opportunities

### Slide 13

1. AEMO data

### Slide 14

1. Total recordable injury frequency rate (TRIFR) is recordable incidents (Medical Treatment Injuries + Restricted Work/Transfer Case + Lost Time Injuries + Fatalities) per million hours worked. Calculated on a rolling 12-month basis
2. Per million hours worked
3. Industry TRIFR is the NOPSEMA benchmark for offshore Australian operations

### Slide 15

1. Includes \$178 million being the institutional portion of the \$244 million equity raise. The retail portion was received on 14 July

### Slide 20

1. Bubble size of exploration prospects is based on unrisks mean recoverable resource estimate (Cooper Energy net share)
2. Bubble size of Henry, Manta and Annie bubble size is based on 2C Contingent Resources estimate (Cooper Energy net share) at 30 June 2022
3. Bubble size of Casino-Henry-Netherby (CHN) and Sole is based on 2P Reserves estimate (Cooper Energy net share) at 30 June 2022