

Key features

- **Record quarterly production:** up 15% from the previous quarter to 0.99 MMboe
- **Sales volume:** up 10% to 0.98 MMboe
- **584 TJ gas sold at spot prices:** up 3% compared to previous quarter
- **Average gas price:** down 14% compared to previous quarter to A\$9.06/GJ
- **Revenue:** down 11% to A\$55.4 million, due to lower average gas prices and changes to the PEL92 oil lifting arrangements
- **Orbost Gas Processing Plant acquisition completed, A\$244 million equity raise and A\$400 million debt facility executed**
- **Orbost Gas Processing Plant integration progressing to plan:** including transfer of the Major Hazard Facility Licence

Comments from Managing Director, David Maxwell

“The operational momentum from the final quarter of FY22 has continued into the new financial year, with another quarter of record production. Quarterly revenue was impacted by 32% lower spot gas prices and a one-off adjustment to the timing and method for recognising oil revenue.

“Improving performance at the Orbost Gas Processing Plant (OGPP) led to a record average processing rate of 51.4 TJ/day for the quarter and zero third-party gas purchases.

“Opportunities for further improvements in OGPP performance are being identified, whilst we also advance the next gas production growth phase at a time when gas supply is tight and the outlook for gas prices is strong.

“Integration of the OGPP is progressing to plan, including the transfer of the Major Hazard Facility Licence. This work is being managed by a dedicated cross-functional team, working closely with the regulator. The handover of the licence is expected in the first half of calendar year 2023.

“Our relationship with our banking syndicate continues to grow. During the quarter we welcomed two additional international banks to the group, for a total of eight banks. These strong relationships position Cooper Energy well to pursue our upcoming program of work, and future growth opportunities. The syndicate values Cooper Energy’s carbon neutral accreditation, and we remain committed to net zero scope-1, scope-2 and controllable scope-3 emissions as we grow.”

Key performance metrics

<i>A\$ million unless indicated</i>	Sep Q1 FY22	Jun Q4 FY22	Sep Q1 FY23	Qtr on Qtr change	FY22	FY23	Change
Production (MMboe)	0.81	0.86	0.99	15%	0.81	0.99	22%
Sales volume (MMboe)	1.03	0.89	0.98	10%	1.03	0.98	(5%)
Sales revenue	48.1	61.9	55.4	(11%)	48.1	55.4	15%
Cash and cash equivalents	95.9	247.0	83.0	(66%)	95.9	83.0	(13%)
Net debt/(cash)	115.1	(89.0)	75.0	(184%)	115.1	75.0	(35%)
Average gas price (A\$/GJ)	7.41	10.54	9.06	(14%)	7.41	9.06	22%

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Production

Quarterly gas and oil production was 0.99 MMboe, 15% higher than the prior quarter, with strong performance across all assets and in particular at the Sole gas field which was 19% higher than the previous quarter.

Q1 FY23 was a record for Cooper Energy for quarterly production, beating the previous best of 0.88 MMboe in Q3 FY22 by 13%.

Production by product	Sep Q1 FY22	Jun Q4 FY22	Sep Q1 FY23	Qtr on Qtr change	FY22	FY23	Change
Sales gas (PJ)	4.8	5.1	5.9	15%	4.8	5.9	24%
Oil and condensate (kbbbl)	35.3	26.4	28.7	9%	35.3	28.7	(19%)
Total production (MMboe)	0.81	0.86	0.99	15%	0.81	0.99	22%

Gippsland Basin (Sole)

Sole gas production processed through the OGPP was 4.7 PJ, or 51.4 TJ/d, 19% higher than the prior quarter of 43.8 TJ/d.

The H₂S polisher unit was returned to service in early September with an average rate in September achieved of 55.9 TJ/d, after allowing for absorber cleans. With the polisher unit returning to service, APA moved to a 21-day absorber cleaning cycle with rates between cleans at 64 TJ/d and 36 TJ/d during cleans. Rates between cleans were limited to 64 TJ/d as a result of unplanned maintenance on one of the three sales gas compressors. This maintenance work was completed on 30 September.

The polisher unit was taken offline on 30 September due to a progressive increase in the differential pressure across the unit and requires a change out of the media. It is expected that APA will continue to perform regular absorber cleans, on a two-to-three-week cycle and regularly change out the polisher media, currently estimated to be performed every 45 to 60 days. Based on this, the average production rate over a quarter is expected to be between 52 and 53 TJ/d in the near term.

Activities commenced on transferring the operator licenses from APA to Cooper Energy, including the Major Hazard Facility License. Engagement with the regulators has commenced, and it is expected that all licenses will be transferred to Cooper Energy in H1 CY23.

Otway Basin (Casino, Henry and Netherby)

Casino Henry and Netherby (CHN) gas production processed through the Athena Gas Plant was 1.15 PJ (net to COE's 50% share¹), or 12.5 TJ/d, 3% higher than the prior quarter of 12.3 TJ/d. Production in Q1 FY23 was impacted by gas plant interruptions which resulted in approximately three days of deferred production, while the optimisation of well cycling operations contributed to an overall improvement in aggregate average production compared to Q4 FY22.

Cooper Basin

Oil production of 27.6 kbbbl was 9% higher than the prior quarter. Production from PEL 92 contributed 27.2 kbbbl (Q4 FY22: 24.3 kbbbl) and the Worrior field in PPL 207² contributed 0.4 kbbbl (Q4 FY22: 1.1 kbbbl). The increase in PEL92 production compared to the previous quarter is largely due to an uplift in production from the Callawonga field.

¹ The CHN gas fields and the Athena Gas Plant are owned by Cooper Energy (50% and operator), and Mitsui (50% through its subsidiaries)

² As announced by Bass Oil (ASX:BAS) on 12 July 2021, Cooper Energy divested its interest in the Worrior oil field (PPL 207), along with a number of other Cooper Basin exploration permits for A\$0.65 million to Bass Oil. The transaction closed on 1 August 2022

Production by basin	Sep Q1 FY22	Jun Q4 FY22	Sep Q1 FY23	Qtr on Qtr change	FY22	FY23	Change
Gippsland Basin (Sole)							
Sales gas (PJ)	3.6	4.0	4.7	19%	3.6	4.7	33%
Otway Basin (CHN)							
Sales gas (PJ)	1.2	1.1	1.2	3%	1.2	1.2	(3%)
Condensate (kbbl)	0.6	1.0	1.1	9%	0.6	1.1	90%
Cooper Basin							
Oil (kbbl)	34.7	25.4	27.6	9%	34.7	27.6	(21%)
Total production (MMboe)	0.81	0.86	0.99	15%	0.81	0.99	22%

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

Exploration and development

Gippsland Basin

Exploration

The exploration focus in the Gippsland Basin has been on adding further potential to a future Manta Hub in VIC/RL13, 14, 15, and exploration permit VIC/P80. In combination with the Manta and Chimaera Deep prospects, the combined mean unrisked prospective resource potential is approximately 1 Tcf. The key prospect in VIC/P80 is Wobbegong, with a mean unrisked prospective resource potential of 236 Bcf.

New 3D seismic data covering these blocks was licenced from CGG during the quarter. This data was acquired in 2020 and processed using high end techniques to produce excellent quality data. Current work is focussed on interpreting this data.

BMG abandonment

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

Cooper Energy has commenced detailed planning and ordering long lead equipment. The Helix Q7000 intervention vessel is contracted to perform the works. The cost to complete the well abandonment activities is expected to be approximately A\$165 million on a 100% gross basis. Cooper Energy has a 90% net working interest in the BMG abandonment project with PT Pertamina Hulu Energi holding the remaining 10%.

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

Otway Basin (Offshore)

Development

Otway Phase-3 Development (OP3D) Project

OP3D is on track for a final investment decision in H2 FY23, targeting first gas in CY25. Planning work is well advanced on the offshore aspects, including drilling of new development and exploration wells and the required modifications to the plant. Entry into the front end engineering and design phase is planned for Q2 FY23. Orders for certain long lead items were made in the quarter.

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 the existing production infrastructure. There has been a total of 17 exploration wells drilled in the offshore Otway Basin to date with seismic amplitude support, of which 16 have been successful.

Work continued during the quarter to progress drilling options for testing the gas potential of these exploration prospects. The plan is to secure an offshore rig for a future campaign that will likely include drilling two to three exploration prospects.

Otway Basin (Onshore)

Exploration

The Dombey 3D seismic survey in PEL 494³ in the onshore Otway Basin was completed on 23 March 2022. The surveyed area is located approximately 15 kilometres west of Penola and covers 165 square kilometres. Processing of the new 3D seismic data is progressing, and it is expected the data will be ready for interpretation at the end of 2022.

In PEP 168⁴, the existing 3D surveys within the permit are being reprocessed. The data is expected to be ready for interpretation in early 2023.

Cooper Basin

Exploration

In ex-PEL 92 (PRLs 85-104)⁵, onshore South Australia, integration of the 2022 exploration drilling results has been completed including the Bangalee-1 new field discovery. Work has progressed to define the 2023 exploration and appraisal program; the program could include up to three oil exploration wells likely to be drilled in first half of 2023.

Financial

Production/sales volume and revenue

Total gas and oil volumes sold were 10% higher than the previous quarter, largely due to the higher average processing rates at the OGPP, as noted above.

Total gas sales revenue was 6% lower at A\$53.1 million, due to a 14% lower average realised gas price of A\$9.06/GJ. The lower average realised gas price in Q1 FY23 arose largely from the combination of lower average spot prices, and a slightly larger relative portion of contracted gas volumes.

In the Gippsland Basin the surplus gas supply relative to the Sole term contracts resulted in 340 TJ of gas (Q4 FY22: 322 TJ) sold at spot prices at an average spot price of A\$18.63/GJ (Q4 FY22: A\$32.32/GJ). In the Otway Basin 248 TJ of gas (Q4 FY22: 243 TJ) was sold into the spot market at an average price of A\$24.17/GJ (Q4 FY22: A\$29.13/GJ).

During the quarter, 90% of gas was sold into GSAs with the remainder sold on spot (Q4 FY22: 89%).

The crude oil marketing arrangements for PEL92 have changed as of 1 July 2022. Previously the oil was sold at the inlet to the South Australia Cooper Basin joint venture facilities at Moomba. For FY23 onwards, revenue is recognised upon sale ex-Port Bonython. The first lifting under the new arrangements occurred in mid-August. All production that is yet to be shipped is recorded as oil inventory until sold.

³ Cooper Energy 30%, Beach Energy 70% and operator

⁴ Cooper Energy 50%, Beach Energy 50% and operator

⁵ Cooper Energy 25%, Beach Energy 75% and operator

PEL92 production for Q1 FY23 was 296 bbls/d (Q4 FY22: 268 bbls/d), with volumes sold of 15,193 bbls (Q4 FY22: 25,438 bbls) at an average oil price realisation of A\$149.03/bbl (Q4 FY22: A\$165.38/bbl) for total revenue A\$2.3MM (Q4 FY22 A\$5.5MM). Crude oil inventory at 30 September 2022 was 12,018 bbls (30 June 2022: nil).

		Sep Q1 FY22	Jun Q4 FY22	Sep Q1 FY23	Qtr on Qtr change	FY22	FY23	Change
Sales volume								
Gas	PJ	6.1	5.3	5.9	11%	6.1	5.9	(3%)
Oil	kbbl	34.4	25.4	15.2	(40%)	34.4	15.2	(56%)
Condensate	kbbl	0.6	1.0	0.7	(30%)	0.6	0.7	17%
Total sales volume	MMboe	1.03	0.89	0.98	10%	1.03	0.98	(5%)
Sales revenue (A\$ million)								
Gas		45.0	56.4	53.1	(6%)	45.0	53.1	18%
Oil and condensate		3.1	5.5	2.3	(58%)	3.1	2.3	(26%)
Total sales revenue		48.1	61.9	55.4	(11%)	48.1	55.4	15%
Average realised prices								
Gas	A\$/GJ	7.41	10.54	9.06	(14%)	7.41	9.06	22%
Oil and condensate	A\$/boe	87.50	165.38	146.59	(11%)	87.50	146.59	68%

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

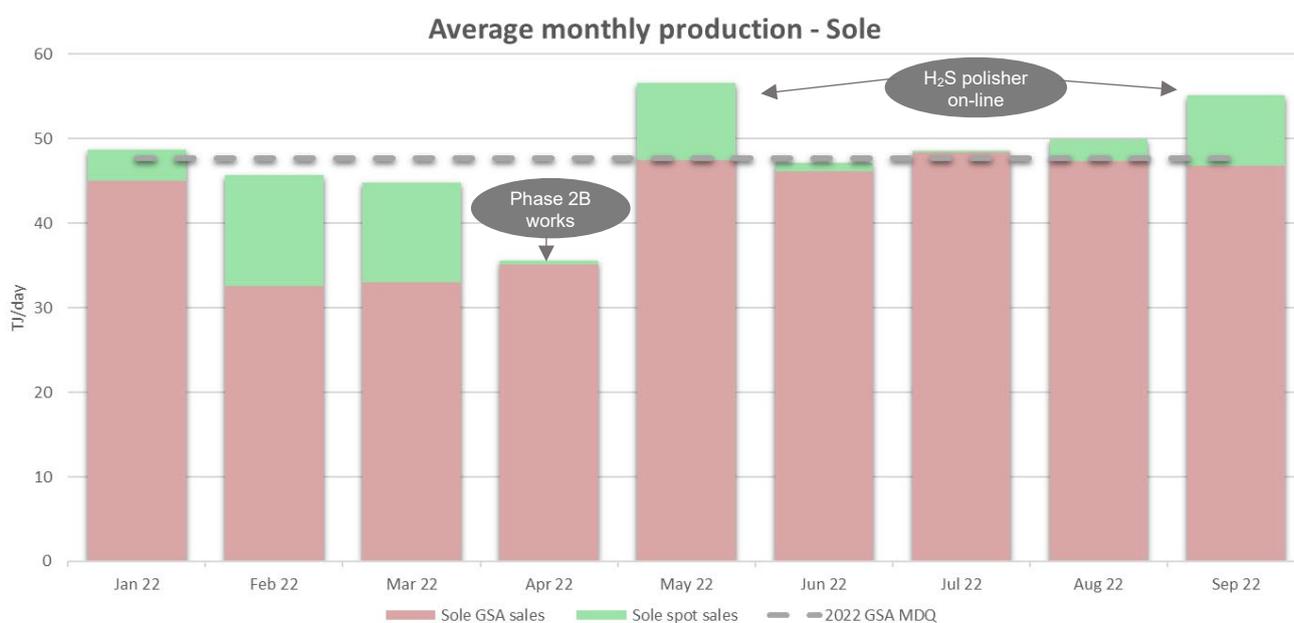
Sole GSA sales and sources		Jun Q4 FY22	Sep Q1 FY23		Jun Q4 FY22	Sep Q1 FY23
Sole GSA sales	PJ	3.9	4.4	TJ/d (average)	43	47
Sole spot sales	PJ	0.3	0.3¹	TJ/d (average)	3	3
<i>Comprising:</i>						
OGPP processing	PJ	4.0	4.7	TJ/d (average)	43	50
Third-party gas purchases	PJ	0.2	0.0²	TJ/d (average)	2	0

¹Sole spot sales were 340 TJ in Q1 FY23 (rounded to 0.3 PJ). Total spot sales for the quarter were 588 TJ which included 248 TJ of spot sales from Casino, Henry and Netherby

²Third-party gas purchases were 0 TJ in Q1 FY23

CHN GSA sales and sources		Jun Q4 FY22	Sep Q1 FY23		Jun Q4 FY22	Sep Q1 FY23
CHN GSA sales	PJ	0.9	0.9	TJ/d (average)	10	10
CHN spot sales	PJ	0.2	0.2	TJ/d (average)	3	3

The continued improved performance at OGPP meant that Cooper Energy was not required to purchase any third-party gas during Q1 FY23, compared to 1.3 PJ in Q1 FY22, and 0.2 PJ in Q4 FY22. As a result of the improved production rates, Cooper Energy maintained its net surplus gas supply position, and has been able to sell 1.4 PJ into the spot market from Sole since 1 January 2022 (represented by the green shaded area on the following graph) at an average price of A\$16.38/GJ. Additionally, 735 TJ has been sold into the spot market from CHN at an average price of A\$20.74/GJ.



Capital expenditure

Capital expenditure incurred of A\$9.6 million was twice the prior quarter, largely attributed to the acquisition of 3D seismic data in the Gippsland Basin, along with development spend in the Otway and Gippsland Basins. Further commentary is contained in the *Exploration and development* section above.

A\$ million	Sep Q1 FY22	Jun Q4 FY22	Sep Q1 FY23	Qtr on Qtr change	FY22	FY23	Change
Exploration and appraisal	0.5	2.1	4.3	105%	0.5	4.3	760%
Development	5.3	2.6	5.3	104%	5.3	5.3	0%
Total capital expenditure	5.8	4.7	9.6	104%	5.8	9.6	66%

By basin, A\$ million	Sep Q1 FY23		
	Exploration	Development	Total
Otway Basin	0.5	3.3	3.8
Gippsland Basin	3.7	1.6	5.3
Cooper Basin	0.2	0.2	0.3
Other	-	0.2	0.2
Total capital expenditure	4.3	5.3	9.6

Liquidity

As at 30 September 2022, Cooper Energy had cash reserves of A\$83.0 million (Q4 FY22: A\$247.0 million) and drawn debt of A\$158.0 million (Q4 FY22: A\$158.0 million), as summarised below.

A\$ million	Sep. Q1 FY22	Jun. Q4 FY22	Sep. Q1 FY23	Qtr on Qtr change	FY22	FY23	Change
Cash and cash equivalents	95.9	247.0	83.0	(66%)	95.9	83.0	(13%)
Drawn debt	211.0	158.0	158.0	0%	211.0	158.0	(25%)
Net debt/(cash)	115.1	(89.0)	75.0	(184%)	115.1	75.0	(35%)

Material impacts on cash reserves during the quarter included:

- customer receipts less payments to suppliers of A\$44.0 million;
- rehabilitation costs and Petroleum Resource Rent Tax payments of A\$3.7 million;
- capital expenditure of A\$6.7 million;
- net interest payments (including leases) of A\$2.7 million;
- proceeds from the retail portion of the recent equity issue of A\$59.3 million, net of costs;
- payment to APA of A\$210.0 million and associated costs of A\$27.2 million; and
- proceeds from the sale of certain non-operated Cooper Basin assets to Bass Oil of A\$0.7 million.

Commercial, corporate and subsequent events

Acquisition of the Orbost Gas Processing Plant and related events

On 20 June 2022, the Company announced the acquisition of the OGPP from APA Group (ASX:APA) for between A\$270 million and A\$330 million⁶. The transaction was completed on 28 July 2022, at which point Cooper Energy and APA commenced a Transitional Services Agreement (TSA)⁷.

APA Group will continue to operate the OGPP, pursuant to the TSA, on behalf of Cooper Energy, until the plant's Major Hazard Facilities License is transferred to Cooper Energy. During this transitional period there will be continuity of key people, systems and processes.

Cooper Energy has implemented a detailed plan to integrate the OGPP into the Company, with key operational staff offered similar roles at Cooper Energy.

As reported in the Q4 FY22 quarterly report, to fund the acquisition, and position the Company's balance sheet for the next phase of growth, Cooper Energy also:

- successfully completed a fully underwritten A\$244 million equity offering; and
- secured a new fully underwritten A\$400 million revolving corporate debt facility and A\$20 million working capital facility, refinancing the existing syndicated debt facility and providing additional funding capacity for the Company's near-term activities and growth objectives.

Both of these capital initiatives were completed in Q1 FY23.

The circa A\$644 million aggregate capital (excluding the additional A\$120 million included in an 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 activity programme over the next three years including OP3D and the BMG decommissioning.

In conjunction with the acquisition of the OGPP, the adjacent vacant land has also been acquired by Cooper Energy.

⁶ Acquisition of Orbost Gas Processing Plant, equity raise, and new debt facility announced to the ASX on 20 June 2022 [link](#)

⁷ Orbost Gas Processing Plant transaction completes, announced to the ASX on 28 July 2022 [link](#)

Cooper Basin divestiture of certain non-core assets to Bass Oil Limited

The divestiture of certain non-core Cooper Basin assets was also finalised on 1 August 2022. As announced by Bass Oil (ASX:BAS) on 12 July 2021, Cooper Energy divested its interest in the Worrior oil field (PPL 207), and some other Cooper Basin exploration permits for A\$0.65 million to Bass Oil. The transaction comprised a 30% interest in PRLs 231-233 and PPL 207, a 20% interest in PRLs 183-190 and PRL 237, and a 19.17% interest in PRLs 207-209. The transaction did not include the PEL 92 oil assets, which have provided the majority of Cooper Energy's oil production and revenue in the Cooper Basin.

Full year results for the financial year ended 30 June 2022

On 22 August, the Company announced record FY22 full year results including record production of 3.31 MMboe (26% increase), record revenue of A\$205 million (56% increase), record underlying EBITDAX of A\$80.7 million (169% increase) and record operating cashflow of A\$57.8 million (614% increase). Full details of the results including the FY22 Annual Financial Report, full year results presentation (including FY23 guidance) and updated Reserves and Contingent Resources statement can be found on the Company [Website](#).

Intended retirement of Mr David Maxwell

As announced on 17 October, Mr David Maxwell has flagged his intention retire as Managing Director and Chief Executive Officer in the course of 2023, following the appointment of his successor and an appropriate transition phase. The board of directors has retained Russell Reynolds Associates to facilitate this phase of the succession process. In the meantime, Mr Maxwell will continue to lead the company.

2022 Annual General Meeting

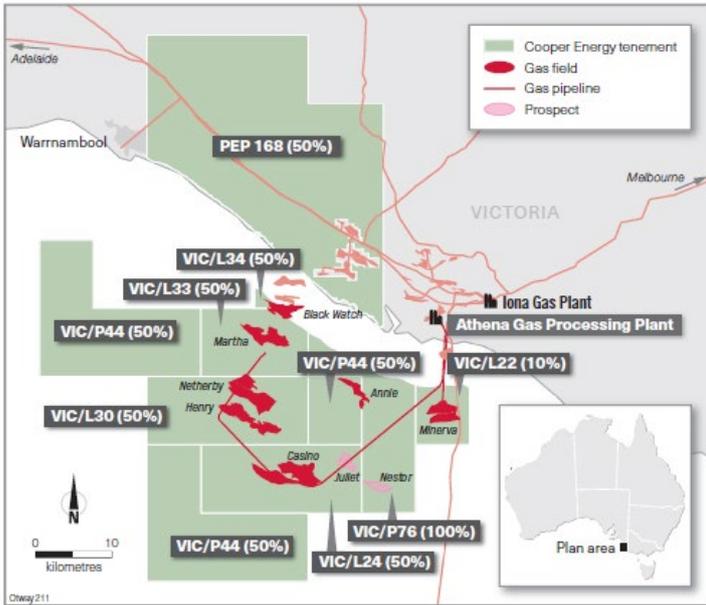
Cooper Energy will hold its 2022 Annual General Meeting (AGM) on Thursday, 10 November 2022 at 10.30 am (Australian Central Daylight Time). The AGM will be held in person at U City Function Centre (Uniting Communities Building) Level 1, 43 Franklin Street, Adelaide, and virtually via online platform <https://webcast.openbriefing.com/9082>.

The AGM explanatory memorandum can be viewed here: [Link](#) and the proxy voting form here: [Link](#).

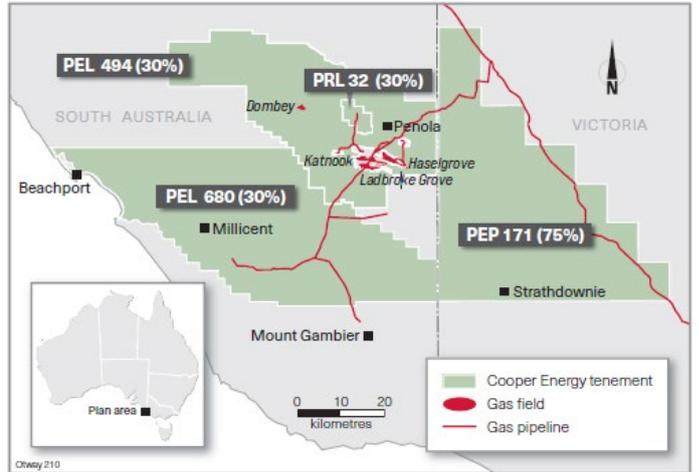
Cooper Energy tenements

Please refer to Cooper Energy's 2022 [Annual Report](#) for further information regarding tenement interests.

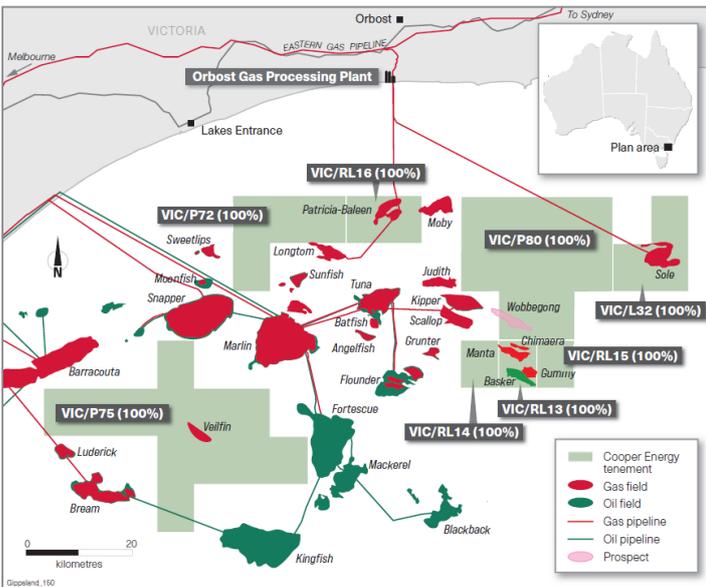
Otway Basin (Victoria):



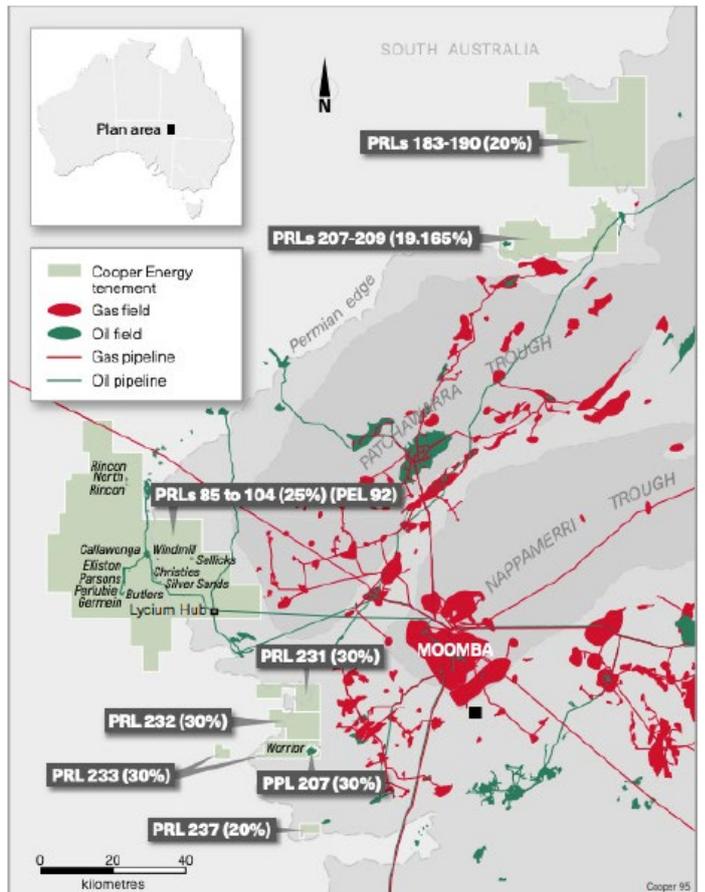
Otway Basin (onshore):



Gippsland Basin:



Cooper Basin:



Terms, abbreviations and conversion factors

Terms and abbreviations

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

Conversion factors

Gas	1 PJ	= 0.163 MMboe
Oil	1 bbl	= 1 boe
Condensate	1 bbl	= 0.935 boe

Disclaimer

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

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