

13 September 2021

New gas sale arrangements with AGL

- **New Otway Basin Gas Sales Agreement signed for all developed and uncontracted volumes**
- **Existing Sole Gas Sales Agreement amended**
- **New arrangements reduce third-party gas purchases and optimise value**

Cooper Energy Limited (ASX: COE) and AGL Energy Limited (ASX: AGL) have agreed to enter into a new Gas Sales Agreement (GSA) for all developed and uncontracted volumes from the Casino, Henry and Netherby fields in the Otway Basin, and amendments to the existing Sole GSA. These new arrangements will take effect from 1 January 2022.

The new Otway Basin GSA is for supply of all developed and uncontracted volumes from the existing Casino, Henry and Netherby wells. The term is the earlier of cessation of production from the existing wells or first production from the Otway Phase 3 Development (OP3D). Pricing for the new GSA is consistent with the ACCC's July 2021 Gas Inquiry Interim Report range of \$6-8/GJ for contracted gas supply.

The Sole GSA has been amended so the Annual Contract Quantity (ACQ) is reduced from 12 PJ/year to 6 PJ/year and the term extended by two years to 31 December 2030. The amendments include a mechanism to increase the ACQ by up to 6 PJ/year from future Sole production increases, with the total incremental volume for AGL capped at 30 PJ. GSA pricing and other terms remain unchanged. Sole production above the previous total contracted volume of 22PJ in CY2022, or incremental volume not purchased by AGL, will be available to sell into new contracts.

Sole and Otway Basin GSAs are summarised in the table below.

Customer	Supply	GSA start	GSA end ¹	ACQ (PJ/year)
AGL (amended)	Sole	January 2022	December 2030	6
Energy Australia	Sole	January 2021	December 2025	5
Alinta Energy	Sole	January 2021	December 2024	2
Visy Glass	Sole	December 2020	December 2028	1
Visy Paper	Sole	December 2020	March 2025	2
AGL	CHN ²	January 2021	December 2021	2
Visy Glass	CHN ²	December 2021	December 2022	1
AGL	CHN ²	January 2022	Refer footnote 3	Remaining production

1. Extension rights or frameworks in place to agree extensions beyond GSA end dates

2. Existing Casino, Henry and Netherby wells in the Otway Basin

3. End date is the earlier of cessation of production from the existing Casino, Henry and Netherby wells, or first production from OP3D

There is a reduced requirement for third-party gas purchases in FY22 due to the new gas sale arrangements with AGL. Accordingly, the FY22 full-year sales volume guidance range has been narrowed. All other guidance is unchanged. The revised FY22 full-year guidance is provided below.

FY22 guidance	FY21	Original FY22 guidance	Revised FY22 guidance
Production	2.63 MMboe	3.0 – 3.6 MMboe	3.0 – 3.6 MMboe (n/c)
Sales volume	3.01 MMboe	3.7 – 4.3 MMboe	3.7 – 4.1 MMboe
Underlying EBITDAX	\$30.0 million	\$60 – 70 million	\$60 – 70 million (n/c)
Capital expenditure ¹	\$32.3 million	\$25 – 30 million	\$25 – 30 million (n/c)

1. Capital expenditure guidance excludes expenditure for Orbost Gas Processing Plant Phase 2B works (largely funded from escrow account); includes corporate expenditure on IT hardware and systems upgrades

Cooper Energy Managing Director, David Maxwell, said that the new gas sale arrangements with AGL are further demonstration of the flexibility within Cooper Energy's gas portfolio and the steps being taken to optimise value and position the company for future growth.

"We are pleased to be working closely with AGL and look forward to ongoing collaboration.

"The new gas sale arrangements are a further illustration of Cooper Energy taking decisive action to increase certainty and position the company for further growth", Mr Maxwell said.

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Cooper Energy Limited (ASX: COE) is an exploration and production company which generates revenue from gas supply to south-east Australia and low-cost Cooper Basin oil production. The company is an emerging player in the south-east 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 south-east Australia to commence production in several years, the Casino Henry operations in the offshore Otway Basin and undeveloped resources such as Manta and Annie.

Disclaimer: This announcement may contain forward looking statements that are subject to risk factors related to oil, gas and associated businesses. The expectations reflected in these statements are believed to be reasonable. However, they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to diverge materially, including in respect of: price fluctuations and currency fluctuations, drilling and production results, actual demand, reserve estimates, loss of market, competition in the industry, risks (environmental, physical, political etc.), developments (regulatory and fiscal etc.), economic and financial market conditions in Australia and elsewhere, changes in project timings, approvals and cost estimates.