

Key features

- **Record quarterly production, sales volume and revenue:** Total production up 23% to 0.81 MMboe, sales volume up 6% to 1.03 MMboe and revenue up 2% to \$48.1 million
- **Athena Gas Plant commissioned:** Processing of Otway Basin gas on schedule for Q2 FY22
- **Improving performance at OGPP¹:** 39 TJ/day average processing rate (Q4 FY21: 33 TJ/day)
- **OGPP¹ Phase 2B works commenced:** New spray nozzles installed in the sulphur absorbers; filtration system installation on schedule for Q3 FY22
- **Reduced third-party gas purchases:** Accounted for 22% of total gas sales (Q4 FY21: 33%)
- **New gas sale arrangements with AGL:** New Otway Basin Gas Sales Agreement and Sole amendments
- **Deutsche Bank entered lending syndicate:** Further validation of gas strategy and growth prospects
- **2021 [Sustainability Report](#) released:** Describes sustainability performance and approach

Comments from Managing Director, David Maxwell

“Cooper Energy’s strong momentum from FY21 has continued into the new financial year. It was another quarter of record production, sales volume and revenue, and key milestones were achieved.

“In the Otway Basin, the Athena Gas Plant was successfully commissioned. This low-cost facility will soon be processing our Casino, Henry and Netherby gas and will provide significant capacity for future developments. In the Gippsland Basin, testing and tuning of new spray nozzles at the Orbost Gas Processing Plant is continuing.

“New gas sale arrangements with AGL and our portfolio approach to managing customer requirements have further strengthened our foundation. Third-party gas purchases to support customer requirements accounted for 22% of total gas sales, down from 33% in the prior quarter.

“We have welcomed Deutsche Bank to our lending syndicate. Strong relationships with our lenders position Cooper Energy well to pursue future growth opportunities,” Mr Maxwell said.

Key performance metrics

<i>\$ million unless indicated</i>	Sep. Q1 FY21	Jun. Q4 FY21	Sep. Q1 FY22	Qtr on Qtr change	FY21 YTD	FY22 YTD	Change
Production (MMboe)	0.68	0.66	0.81	23%	0.68	0.81	20%
Sales volume (MMboe)	0.68	0.97	1.03	6%	0.68	1.03	51%
Sales revenue	24.0	47.1	48.1	2%	24.0	48.1	100%
Cash and cash equivalents	133.6	91.3	95.9	5%	133.6	95.9	(28%)
Net Debt	95.8	126.7	115.1	(9%)	95.8	115.1	20%
Ave. gas price (\$/GJ)	5.61	7.54	7.41	(2%)	5.61	7.41	33%

1. Orbost Gas Processing Plant, owned and operated by APA Group (APA; ASX: APA)

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Financial

Sales volume and revenue

Record quarterly sales volume of 1.03 MMboe was 6% higher than the prior quarter, with Sole gas sales during the peak winter demand period up 10% to 5.5 PJ (59 TJ/day average). Record quarterly sales revenue of \$48.1 million was 2% higher than the prior quarter. The average realised gas price was down 2% to \$7.41/GJ and the average realised oil and condensate price was down 19% to \$87.5/boe.

		Sep. Q1 FY21	Jun. Q4 FY21	Sep. Q1 FY22	Qtr on Qtr change	FY21 YTD	FY22 YTD	Change
Sales volume								
Gas ¹	PJ	3.9	5.7	6.1	7%	3.9	6.1	56%
Oil	kbbl	40.0	37.9	34.4	(9%)	40.0	34.4	(14%)
Condensate	kbbl	0.5	0.2	0.6	224%	0.5	0.6	30%
Total sales volume	MMboe	0.68	0.97	1.03	6%	0.68	1.03	51%
Sales revenue (\$ million)								
Gas ¹		21.8	43.0	45.0	5%	21.8	45.0	106%
Oil and condensate		2.2	4.1	3.1	(25%)	2.2	3.1	39%
Total sales revenue		24.0	47.1	48.1	2%	24.0	48.1	100%
Ave. realised prices								
Gas	\$/GJ	5.61	7.54	7.41	(2%)	5.61	7.41	33%
Oil and condensate	\$/boe	54.3	107.6	87.5	(19%)	54.3	87.5	61%

1. Includes sale of third-party gas purchases of 1.9 PJ in Q4 FY21 and 1.3 PJ in Q1 FY22

New gas sale arrangements have been agreed with AGL Energy Limited (AGL; ASX: AGL), including a new gas sales agreement (GSA) for all developed and uncontracted volumes from the Otway Basin and amendments to the existing Sole GSA, as announced on 13 September 2021. The new arrangements will reduce Cooper Energy's reliance on third-party gas purchases when processing rates at OGPP are insufficient to satisfy Sole customer requirements. Further commentary is contained in the *Commercial, corporate and subsequent events* section on page 7.

The table below summarises Sole GSA sales and gas sources utilised to service Sole customer requirements.

Sole GSA sales and gas sources		Jun. Q4 FY21	Sep. Q1 FY22		Jun. Q4 FY21	Sep. Q1 FY22
Sole GSA sales	PJ	4.9	5.5	TJ/day (average)	54	59
<i>Comprising:</i>						
OGPP processing	PJ	3.0	3.6	TJ/day (average)	33	39
Otway Basin supply	PJ	–	0.6	TJ/day (average)	–	6
Third-party gas purchases	PJ	1.9	1.3	TJ/day (average)	21	14

During the quarter, the average cost of third-party gas purchased, net of the contributions received from APA, was materially less than Cooper Energy's average realised gas price. Third-party gas purchases accounted for 22% of total gas sales during the quarter (Q4 FY21: 33%).

Capital expenditure

Incurred capital expenditure of \$5.8 million was 19% lower than the prior quarter, with the majority of spend related to the Athena Gas Plant (Cooper Energy: 50% and operator; Mitsui E&P Australia: 50%). The Athena Gas Plant is being upgraded to provide processing capacity for the Casino, Henry and Netherby (CHN) fields and future Otway Basin developments. Further commentary is contained in the *Exploration and development* section on page 5.

\$ million	Sep. Q1 FY21	Jun. Q4 FY21	Sep. Q1 FY22	Qtr on Qtr change	FY21 YTD	FY22 YTD	Change
Exploration and appraisal	1.1	(1.0)	0.5	(153%)	1.1	0.5	(52%)
Development	4.6	8.2	5.3	(36%)	4.6	5.3	15%
Total capital expenditure	5.7	7.2	5.8	(19%)	5.7	5.8	2%

By basin	Sep. Q1 FY22		
\$ million	Exploration	Development	Total
Otway Basin	0.3	4.9	5.2
Gippsland Basin	0.1	0.1	0.2
Cooper Basin	0.1	0.1	0.3
Other	-	0.1	0.1
Total capital expenditure	0.5	5.3	5.8

NB. Negative figures relate to contractual close-outs from prior campaigns

Liquidity

Following a detailed due diligence process, Deutsche Bank AG (Deutsche) took over ABN AMRO's loan exposure in Cooper Energy's reserves-based lending facility, effective 30 September 2021. This follows ABN AMRO's announcement in 2020 of its plans for an orderly exit of corporate finance and lending activities outside of Europe. Cooper Energy's lending syndicate now comprises ANZ, Deutsche, ING, NAB and Natixis.

As at 30 September 2021, Cooper Energy had cash reserves of \$95.9 million (Q4 FY21: \$91.3 million) and drawn debt of \$211.0 million (Q4 FY21: \$218.0 million), as summarised below.

\$ million	Sep. Q1 FY21	Jun. Q4 FY21	Sep. Q1 FY22	Qtr on Qtr change	FY21 YTD	FY22 YTD	Change
Cash and cash equivalents	133.6	91.3	95.9	5%	133.6	95.9	(28%)
Drawn debt	229.4	218.0	211.0	(3%)	229.4	211.0	(8%)
Net debt	95.8	126.7	115.1	(9%)	95.8	115.1	20%

Material impacts on cash reserves during the quarter include²:

- customer receipts less payments to suppliers of ~\$22 million;
- quarterly debt principal repayment of \$7.0 million and net interest payments (including leases) of \$2.7 million;
- rehabilitation costs and Petroleum Resource Rent Tax payments of \$1.5 million; and
- capital expenditure of \$6.3 million.

Hedging

No oil hedges were in place during the quarter. Subsequent to quarter-end, zero-cost collars were entered to hedge oil production in October, November and December 2021. A total of 30,942 bbl of forecast oil production is hedged for this period with a floor price of US\$70/bbl and a cap price of US\$79/bbl.

2. Figures unaudited and subject to change

Production

Record quarterly oil and gas production of 0.81 MMboe was 23% higher than the prior quarter, mainly due to improved performance at OGPP which enabled higher Sole production, and uninterrupted processing of CHN gas at the Iona Gas Plant (owned and operated by Lochard Energy).

Gippsland Basin (Sole)

Sole gas production of 3.6 PJ was 19% higher than the prior quarter. Average production of 39 TJ/day compares with 33 TJ/day during the prior quarter. More frequent cleaning of OGPP's sulphur absorbers to maximise the average production profile through winter saw improved stability and higher average processing rates. Cleaning cycles were extended slightly as the quarter progressed.

New spray nozzles were installed in the sulphur absorbers during the quarter. Testing and tuning is underway, after which performance outcomes will be assessed.

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

Otway Basin (Casino, Henry and Netherby)

CHN gas production of 1.2 PJ was 51% higher than the prior quarter. Average production of 13 TJ/day compares with 9 TJ/day during the prior quarter.

Increased production was due to uninterrupted processing of CHN gas at the Iona Gas Plant. Periodic interruptions were experienced during the prior quarter due to sustained high withdrawal rates from the Iona storage facility, which required that all available compression be used for gas withdrawal purposes. Higher withdrawal rates were mainly a result of increased demand for gas-fired generation to offset curtailment of electricity generation at the Yallourn Power Station.

Cooper Basin

Oil production of 34.7 kbbl was 8% lower than the prior quarter, mainly due to natural field decline. Production from PEL 92 contributed 33.6 kbbl (Q4 FY21: 37.1 kbbl) and the Worrior field in PPL 207 contributed 1.1 kbbl (Q4 FY21: 1.1 kbbl).

Production by product		Sep. Q1 FY21	Jun. Q4 FY21	Sep. Q1 FY22	Qtr on Qtr change	FY21 YTD	FY22 YTD	Change
Sales gas	PJ	3.9	3.8	4.8	25%	3.9	4.8	23%
Oil and condensate	kbbl	41.3	37.9	35.3	(7%)	41.3	35.3	(15%)
Total production	MMboe	0.68	0.66	0.81	23%	0.68	0.81	20%

Production by basin		Sep. Q1 FY21	Jun. Q4 FY21	Sep. Q1 FY22	Qtr on Qtr change	FY21 YTD	FY22 YTD	Change
Gippsland Basin (Sole)								
Sales gas	PJ	2.6	3.0	3.6	19%	2.6	3.6	39%
Otway Basin (CHN)								
Sales gas	PJ	1.3	0.8	1.2	51%	1.3	1.2	(9%)
Condensate	kbbl	0.5	0.2	0.6	132%	0.5	0.6	20%
Cooper Basin								
Oil	kbbl	40.9	37.7	34.7	(8%)	40.9	34.7	(15%)
Total production	MMboe	0.68	0.66	0.81	23%	0.68	0.81	20%

NB. Preliminary Cooper Basin production data for the current quarter

Exploration and development

Gippsland Basin

Development

Orbost Gas Processing Plant

The Phase 2B capital works at OGPP commenced during the quarter. The works aim to improve plant reliability and increase sustainable production rates through:

- installation of spray nozzles in the sulphur absorbers to suppress foaming and reduce fouling; and
- installation of solids removal technology to prevent fouling within the sulphur absorbers.

The first absorber was fitted with the new spray nozzle in late August. Mode testing and solution rebalancing was subsequently undertaken and processing rates reached 45 TJ/day on 16 September 2021.

Both absorbers were cleaned from late September to early October, with the new spray nozzle installed in the second absorber during this period. Both absorbers were brought back online and processing rates reached 45 TJ/day on 5 October 2021. Testing and tuning of the nozzles is being undertaken, after which performance improvement outcomes will be assessed.

Installation of the solids removal technology is on schedule for Q3 FY22.

Exploration

The exploration focus in the Gippsland Basin has been on VIC/RL13, 14 and 15. Additional prospectivity has been identified to the west of Gummy-1. Work is ongoing to assess the prospectivity of the discovered Gummy field volumes and the deeper Gummy prospect. Gummy is within four kilometres of the Manta field, which has the additional Manta Deep prospect.

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.

The BMG abandonment project is currently in FEED, with activities focused on selecting optimal methodologies and technologies for safe and cost-effective delivery of the decommissioning objectives. Details of scope of works and cost estimates will be announced at FID, which is expected in FY22.

The plan is to plug the BMG wells by no later than 31 December 2023 and remove the remaining infrastructure by no later than 31 December 2026.

Otway Basin (Offshore)

Development

Athena Gas Plant Project

Commissioning of the Athena Gas Plant was completed during the quarter. The plant is now operational and ready to receive CHN gas once the pipeline cutover has been completed. Cutover of processing from the Iona Gas Plant to the Athena Gas Plant and commencement of gas processing is on schedule for Q2 FY22.

Once operational, the Athena Gas Plant will be an integral asset within Cooper Energy's gas portfolio, with expected benefits including:

- the ability to produce CHN gas at a higher rate due to the plant's lower inlet pressure relative to the Iona Gas Plant;
- lower operating costs relative to current tariffs paid for gas processed through the Iona Gas Plant;
- additional gas processing capacity (total plant capacity of ~150 TJ/day) to support Otway Basin gas developments such as the Otway Phase 3 Development (OP3D) and future discoveries; and

- enhanced gas production and marketing flexibility, with the ability to offer firm gas supply and manage Sole customer requirements using Cooper Energy's Otway Basin gas if required.

On 25 October 2021, Cooper Energy released a presentation which provides an overview of the Athena Gas Plant and prospectivity within the offshore Otway Basin. The presentation can be viewed here: [Link](#)

Otway Phase-3 Development Project

The OP3D project involves development of the Annie gas discovery and Henry gas field to produce more than 120 PJ of gas through the Athena Gas Plant. OP3D is currently in the Select phase and preparing to enter FEED. The timing for an FID will be made having regard to optimisation for market timing, drilling rig availability and funding optimisation.

Exploration

Reprocessing of 3D seismic data covering VIC/P76, VIC/P44, VIC/L24, VIC/L30, VIC/L33 and VIC/L34 was completed during the quarter. Review and interpretation of the reprocessed data is now underway. The initial focus will be on the key prospects Elanora, Juliet, Nestor and Isabella. Wells on these prospects will be assessed for inclusion in future drilling campaigns. All prospects show strong seismic amplitude support for the presence of gas and are close to production infrastructure.

Otway Basin (Onshore)

Exploration

The Dombey 3D seismic acquisition in PEL 494 (Cooper Energy 30%; Beach Energy 70% and operator) is expected to be conducted from mid-Q2 FY22 through Q3 FY22 and will cover the Dombey gas discovery in the Penola Trough.

The onshore Victorian permit moratorium was lifted during the quarter and the work program for PEP 171 and PEP 168 will come into force after the Victorian Government enacts new Petroleum Regulations, which is expected in Q2 FY22.

Cooper Basin

Exploration

In PEL 92, reprocessing of 3D seismic data has been completed. Interpretation of the data is now underway.

Commercial, corporate and subsequent events

New gas sale arrangements with AGL

Cooper Energy and AGL have entered a new 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, as announced on 13 September 2021. These new arrangements will take effect from 1 January 2022 and will reduce the requirement for third-party gas purchases.

The new Otway Basin GSA is for supply of all developed and uncontracted volumes from the existing CHN wells. The term is the earlier of cessation of production from the existing wells or first production from 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 22 PJ 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	January 2021	December 2021	2
Visy Glass	CHN	December 2021	December 2022	1
AGL	CHN	January 2022	Refer footnote 2	Remaining production

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

2. End date is the earlier of cessation of production from the existing CHN wells, or first production from OP3D

Executive leadership changes

On 7 July 2021, Cooper Energy announced that Chief Financial Officer (CFO) Virginia Suttell would leave the company effective 30 September 2021. On 1 September 2021, it was announced that David Di Blasio has been appointed Acting CFO while the search for a replacement CFO continues.

David joined Cooper Energy in 2019 as Finance Manager and has managed all aspects of the finance function. Prior to Cooper Energy, David held senior finance roles over a 13-year period with Santos and before that worked in audit and assurance at PwC. David is a Chartered Accountant and holds an MBA and Bachelor of Commerce degree from the University of South Australia.

2021 Annual General Meeting

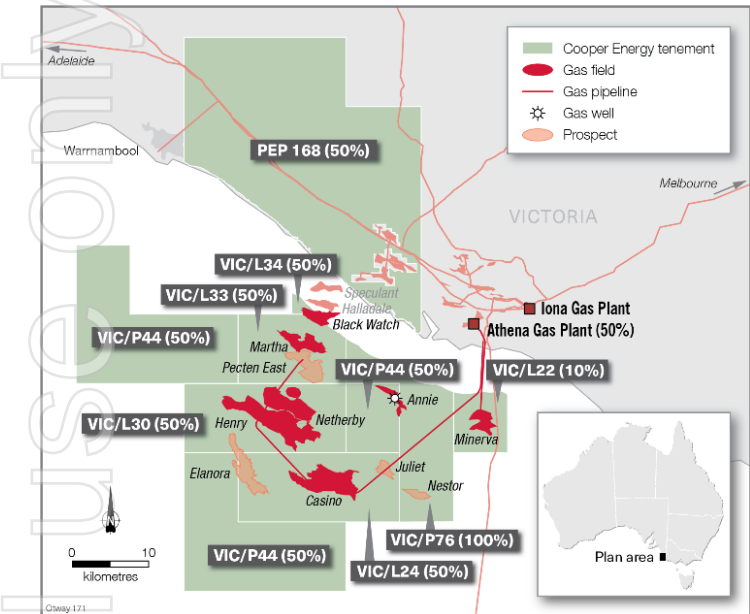
Cooper Energy will hold its 2021 Annual General Meeting (AGM) on Thursday, 11 November 2021 at 10.30 am (Australian Central Daylight Time). Due to the COVID-19 pandemic, the AGM will be held virtually on an online platform at <https://web.lumiagm.com> with meeting ID **373-924-797**.

The AGM Explanatory Memorandum and Proxy Form can be viewed here: [Link](#)

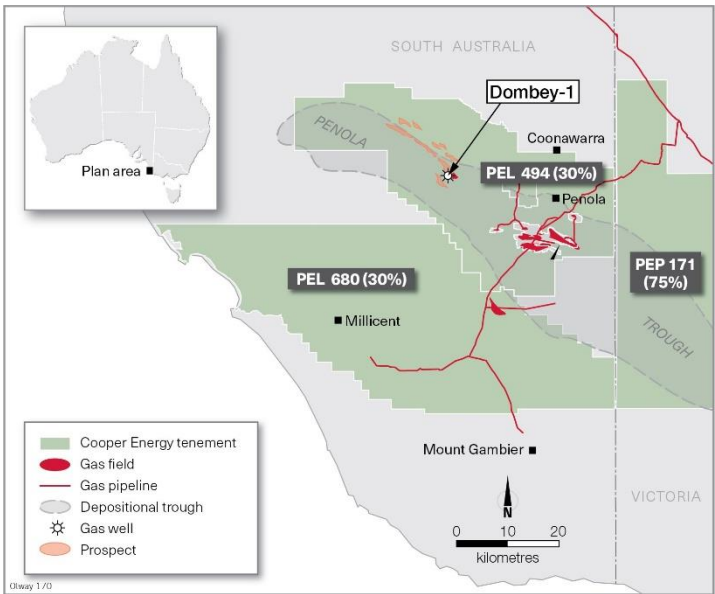
Cooper Energy tenements

Please refer to Cooper Energy's 2021 [Annual Report](#) for further information regarding tenement interests.

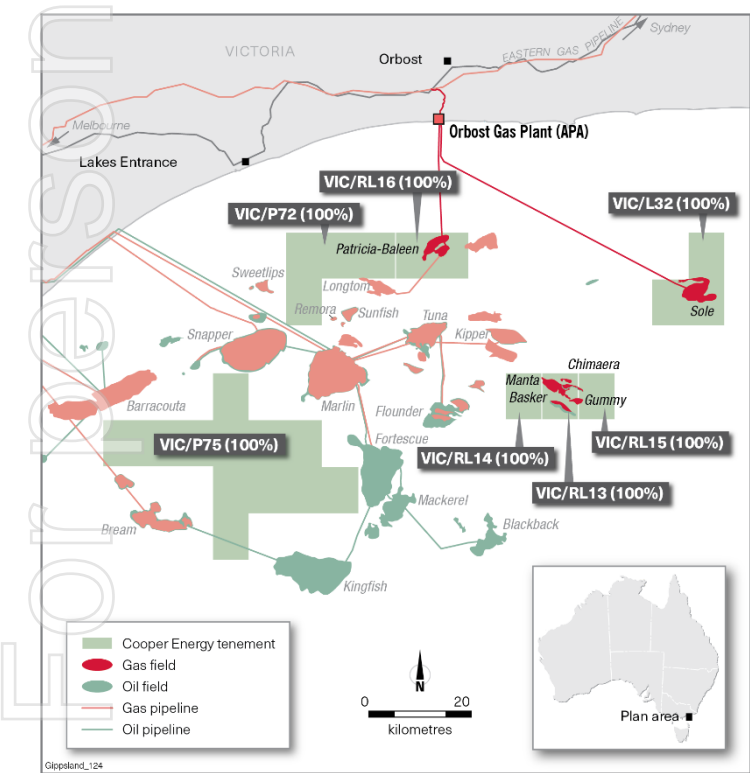
Otway Basin (Victoria):



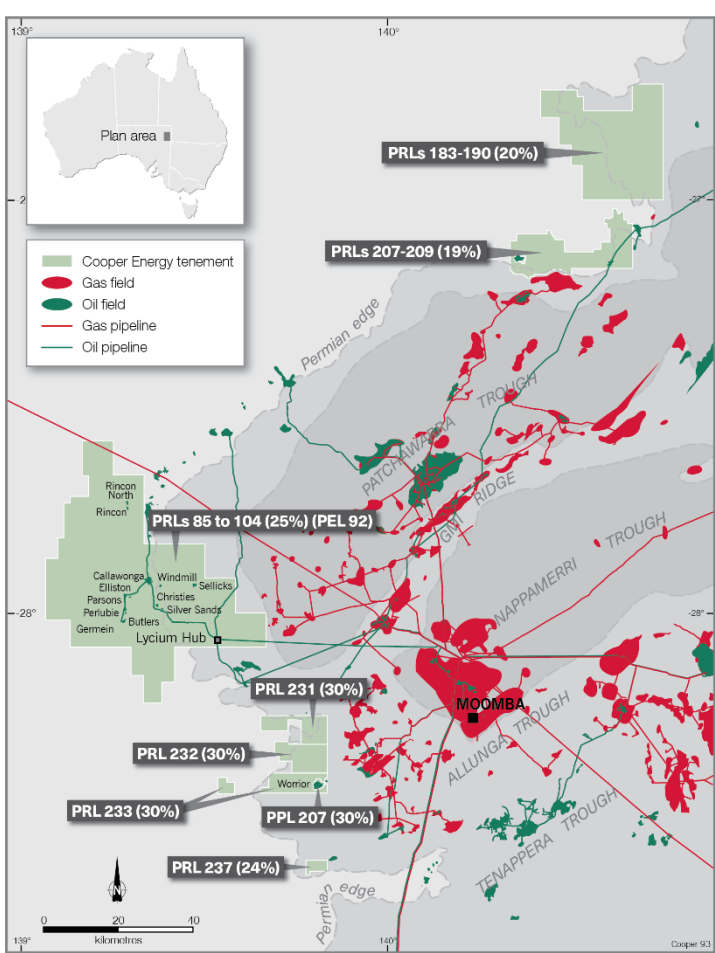
Otway Basin (onshore):



Gippsland Basin:



Cooper Basin:



Terms, abbreviations and conversion factors

Terms and abbreviations

\$	Australian dollars
APA	APA Group (ASX: APA)
bbl	Barrels
Bcf	Billion cubic feet of gas
bopd	Barrels of oil per day
BMG	Basker, Manta and Gummy fields
CHN	Casino, Henry and Netherby fields
Cooper Energy	Cooper Energy Limited ABN 93 096 170 295
FEED	Front End Engineering and Design
FID	Final Investment Decision
GSA	Gas Sales Agreement
kbbl	Thousand barrels
km	Kilometres
m	Metres
MMboe	Million barrels of oil equivalent
MMscf/day	Million standard cubic feet of gas per day
n/m	Not meaningful
NOPTA	National Offshore Petroleum Titles Administrator
OGPP	Orbost Gas Processing Plant
OP3D	Otway Phase 3 Development
PEL	Petroleum Exploration Licence
PEP	Petroleum Exploration Permit
PJ	Petajoules
PPL	Petroleum Production Licence
PRL	Petroleum Retention Lease
scf	Standard cubic feet of gas
TJ	Terajoules
YTD	Year to date

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.