Acquisitions & Capital Raising

Group CEO – Andrew Bennett

14 October 2021

COG Financial Services Limited

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The release of the Presentation to the ASX has been authorised by COG CEO, Andrew Bennett.

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Executive Summary

COG to purchase an additional 24% interest in Westlawn Finance Limited (Westlawn) and the remaining 30% of Platform Consolidated Group Pty Limited (PCG)

Acquisitions Overview

- COG to acquire additional interests in two existing portfolio businesses including:
  - An additional 24% interest in Westlawn taking ownership interest from 51% to 75%; and
  - An additional 30% interest in PCG taking ownership to 100% and together, (the **Acquisitions**)
- Both businesses have been performing strongly and further enhance COG's business model through increased ownership
- COG intends to acquire the remaining 25% of Westlawn over the next 3-5 years

Funding & Impact

- Total consideration of ~$24.3 million to be funded through existing cash and up to a ~$20.0 million equity capital raising:
  - Westlawn 24% interest to cost $9.3 million cash; and
  - PCG 30% interest to cost ~$15 million, split cash (50%) and COG shares (50%)[1]
- Consideration represents a 4.4x EV/ normalized EBITDA multiple for Westlawn and a 4.9x EV/ normalized EBITDA multiple for PCG
- Acquisitions are step-up in nature and given existing subsidiaries of COG, are expected to be mid-teen earnings accretive on an EBITDA and full year run rate basis
- Upon completion, they will enable synergies to be realised across the group in a shorter time frame

Outlook

- Strong start to FY22 with unaudited Q1 results up 147% on pcp
- Q1 FY22 NPATA of approximately $4.7 million
- Acquisitions supportive of growth in returns to capital going forward

Note 1: Ordinary shares issued at the COG 30-day VWAP prior to acquisition settlement.

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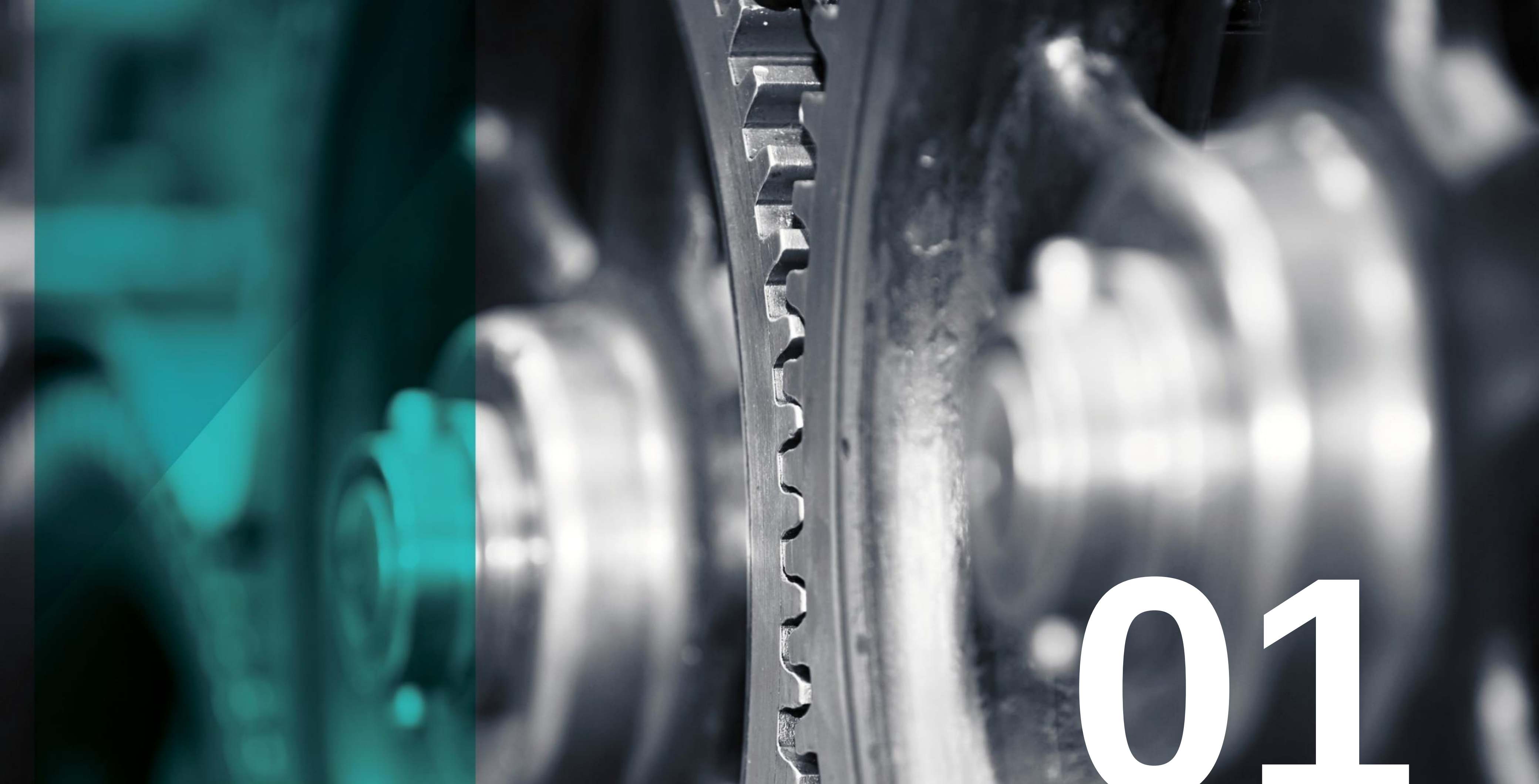
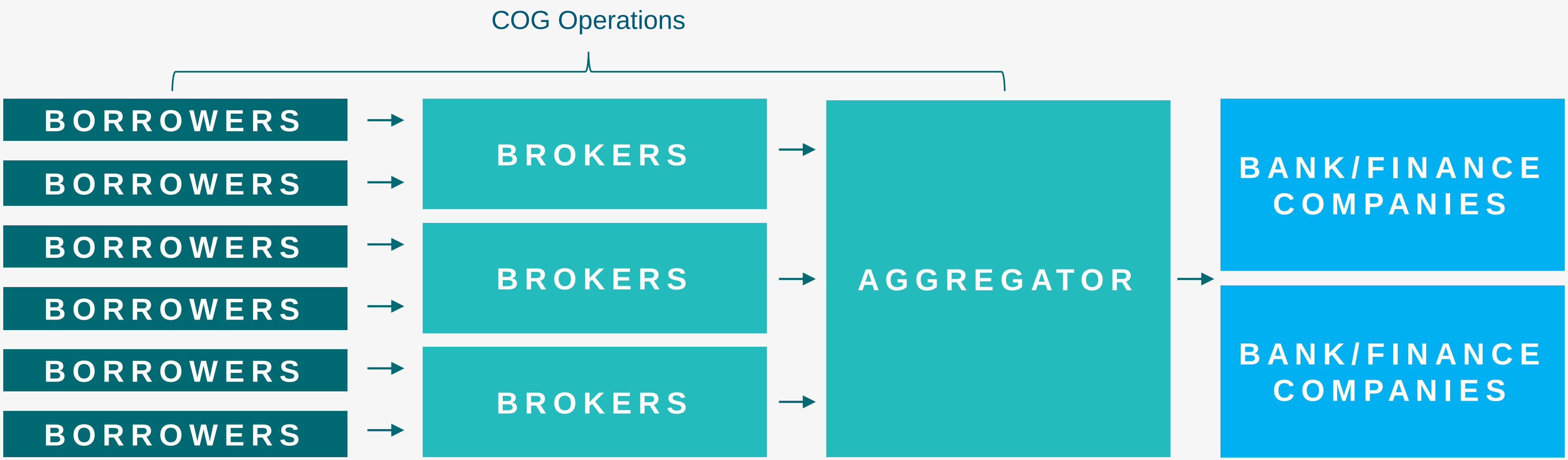


01

Overview

The structure of the broking segment



SME customers: transport, engineering, construction, heavy industry customers

Brokers own the relationship with the borrowers – this is critical/most valuable

Aggregators are the bridge between brokers and banks optimising transaction volumes

The majors – drive the industry. Source of the funding

COG Financial Services Limited

COG is an ASX listed provider of asset finance broking and aggregation services & near-prime commercial & consumer lending

Finance Broking & Aggregation

- Australia's largest equipment finance broking and aggregation group, with an estimated 18% market share of broker originated asset finance
- Driven by an acquisition-led finance broker and aggregation platform strategy, with founder-vendors retaining an equity exposure to their businesses
- Aggregation services provided to COG equity owned brokers and independent network member brokers

Lending

- Provider of near-prime commercial & consumer lending to SMEs through its subsidiary Westlawn Finance Limited
- Distributed through Westlawn's branch network and brokers, including COG's own broker network
- Funded through the issue of unsecured notes and a Managed Investment Scheme (MIS), a scalable / capital light funding structure as compared to other non-banks

COG is Australia's Biggest Asset Finance Broking Group and delivers its own product via Westlawn

Australia's biggest asset finance broker and aggregator and trusted leader in SME and auto finance

Westlawn

Westlawn Finance Ltd (75% owned)[1]
Debentures and Managed Investment Schemes

FINANCE[2]
Management Fees and Net Interest Margin

ASX:COG

Banks, Non-Banks, Insurance Companies

FINANCE & INSURANCE
Brokerage Fees

BORROWERS / ASSETS FINANCED

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Note: 1. Following completion of Acquisitions
Note: 2. Finance and operating leases, chattel mortgages, secured and unsecured loans

The evolution of broking

PRE-1990

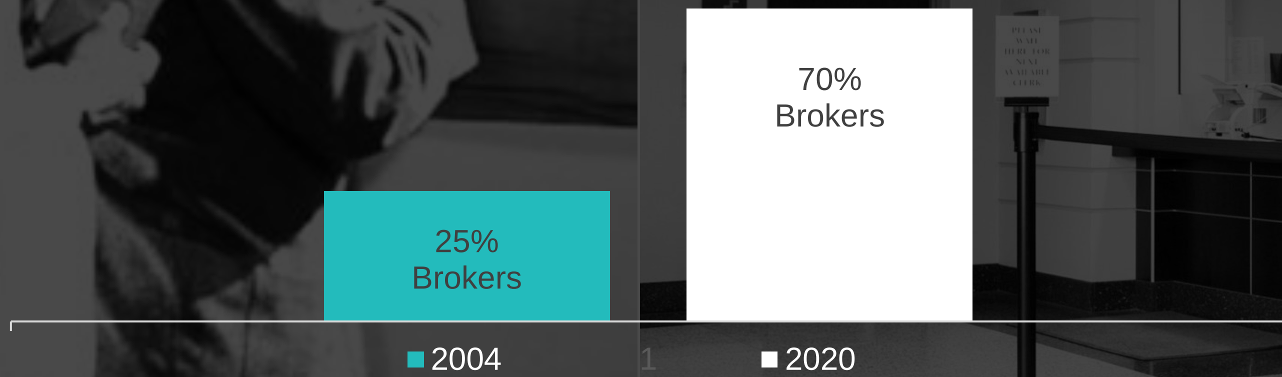
Banks had branch networks.

100% of bank loans assets generated by branches.

NOW

Banks are replacing branches with ATMs.

30% of bank loans assets generated by branches.



According to East & Partners, this megatrend is the same for asset finance.

Source: rba.gov.au/publications/fsr/2004/sep/box-d.htmltheadviser.com.au/breaking-news/41061-broker-market-share-surpasses-60

Brokers are small businesses

Lots of small businesses, each lacking scale and efficient back office.

COG buys >50%.
We give them access to systems and back office support so that they can focus on sales.

We add our own finance product to increase funding options available to the broker

Same model as the Big Players in insurance broking sector.

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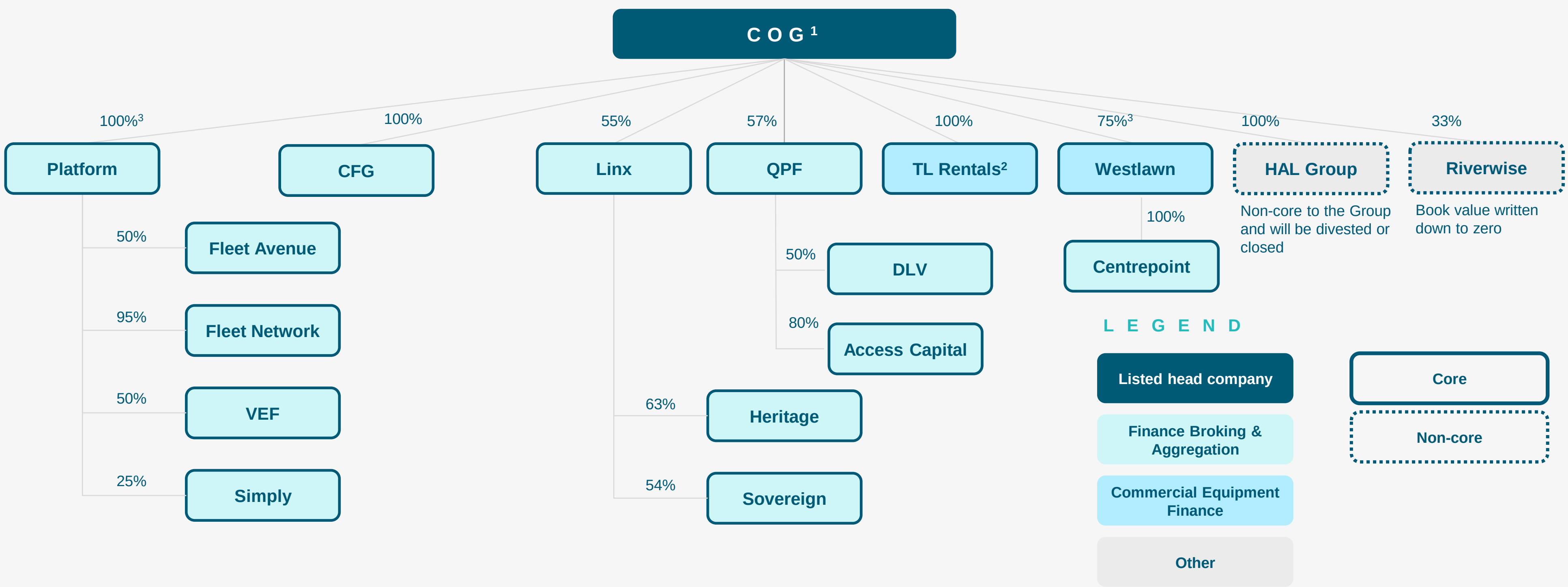
COG Group Structure

COG has acquired full ownership or majority stakes in a number of asset finance broking businesses over the last 6 years built around high turnover geographic clusters

Group structure diagram including key subsidiaries



Notes: 1. Head office expenses are reported in the “Other” segment.
2. Legally owned by HAL Group but reported in the Lending segment.
3. Ownership percentage after completion of Acquisitions

COG has a successful track record of acquiring and integrating brokers and aggregators

Prior to 2015

Investment entity
COG (then known as Armidale Investment Corporation) is an investment entity with fully owned and majority owned subsidiaries, including TL Rentals and HAL

Dec 2015

Platform Consolidated Group
Acquisition of 60% of Platform (asset finance broker and aggregator) for $23m. Ownership subsequently increased to 70% in July 2018

May 2016

Broker roll-up strategy
Announced broker roll-up strategy with active efforts to identify possible acquisitions

Oct 2016

Acquisition of Linx and QPF
Acquisition of 50% of Linx (Melbourne headquartered equipment finance, insurance and mortgage broker) and QPF (Brisbane headquartered equipment and vendor finance broker) for $34m

Acquisition of Consolidated Finance Group
Acquisition of 80% of CFG (asset finance aggregator) for $15m

Apr 2017

Change in company name
Company name changed to Consolidated Operations Group

May 2017

Consolidated accounting policy
Investment Entity accounting updated to consolidated basis to reflect change in business model

Sep 2018

Acquisition of Westlawn – Tranche 1
Acquisition of 32% of Westlawn (finance company) for $14m

Sep 2020

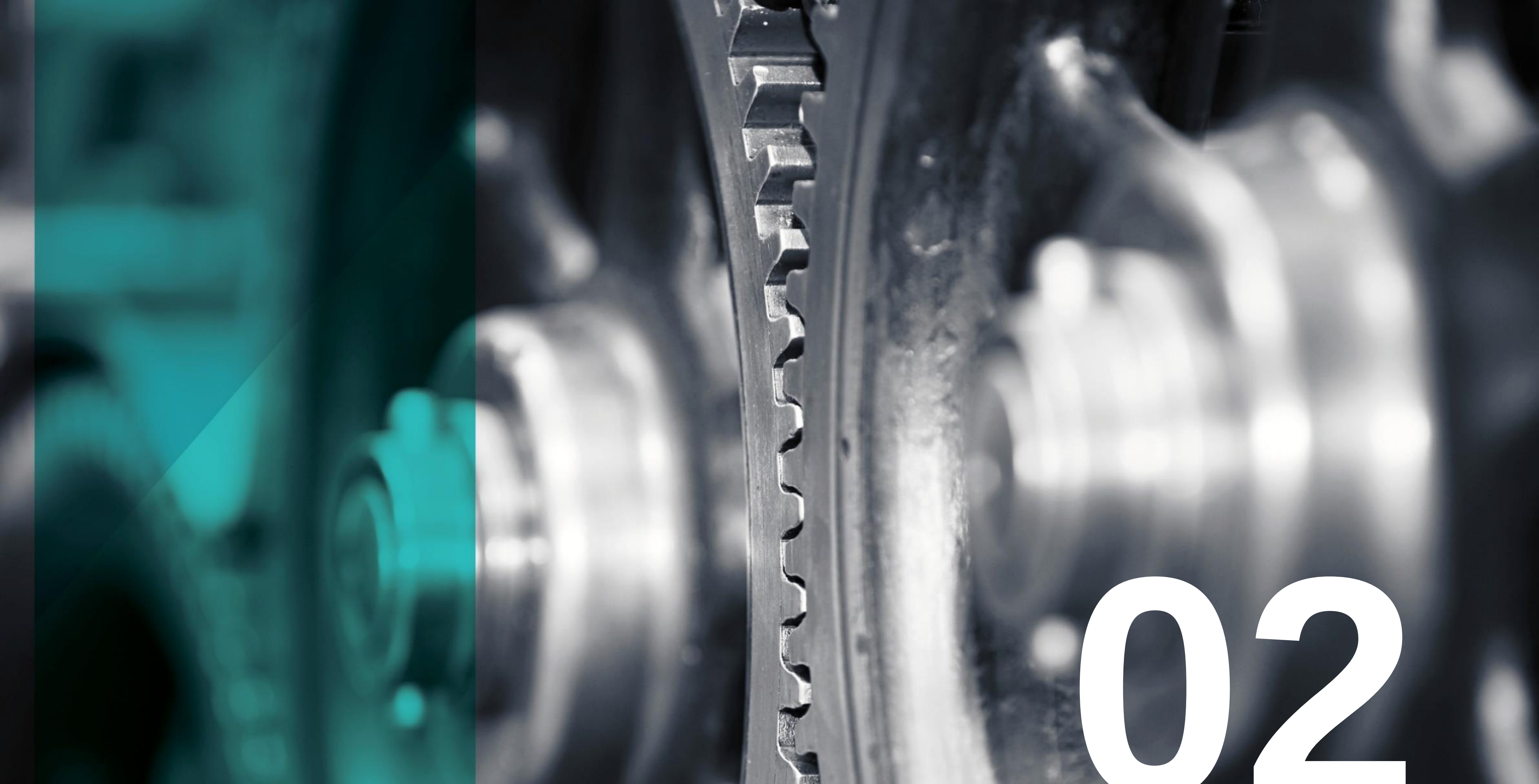
Acquisition of Westlawn – Tranche 2
Acquisition of 19% of Westlawn (finance company) for $7.5m

Oct 2020

Acquisition of additional interest in QPF, following the acquisition by QPF of Access Capital. Taking COG's total interest in QPF to 57%

Acquisition of additional 5% interest in Linx
Taking COG's total interest in Linx to 55%

Apr 2021



02

Asset Finance Broking Overview

A Strong Proprietary Platform

COG has developed its own proprietary software system to assist asset finance brokers:

- Manage their clients
- Capture borrower data
- Provide real-time quotes
- Submit finance applications to funders electronically
- Deliver end of month reporting
- Monitor broker budgets against actual income

COG's proprietary system has been built with the latest technology ensuring its foundational build was developed to allow for future growth and expansion.

It will continue to be a point of difference for COG from its competitors and increased future spend on system functionality will see COG cement its position as the largest asset finance broking group in Australia.

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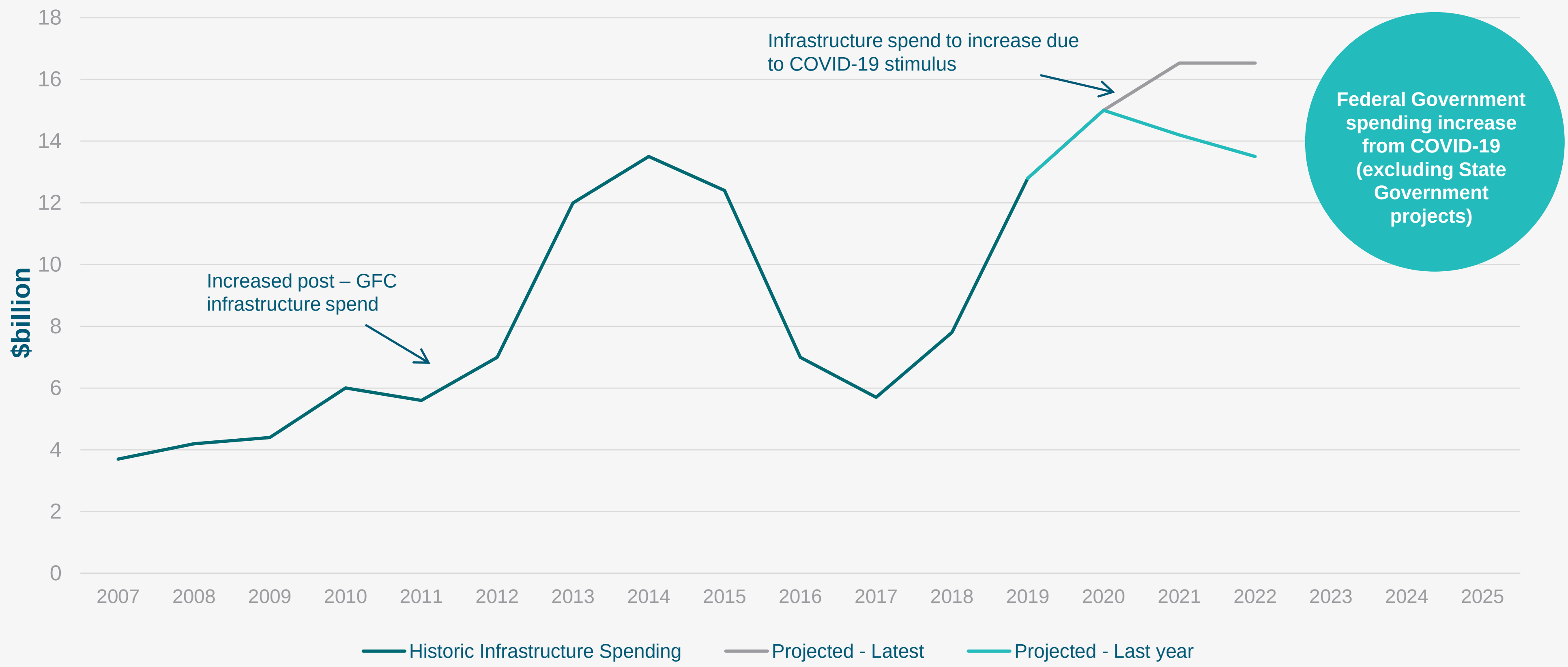
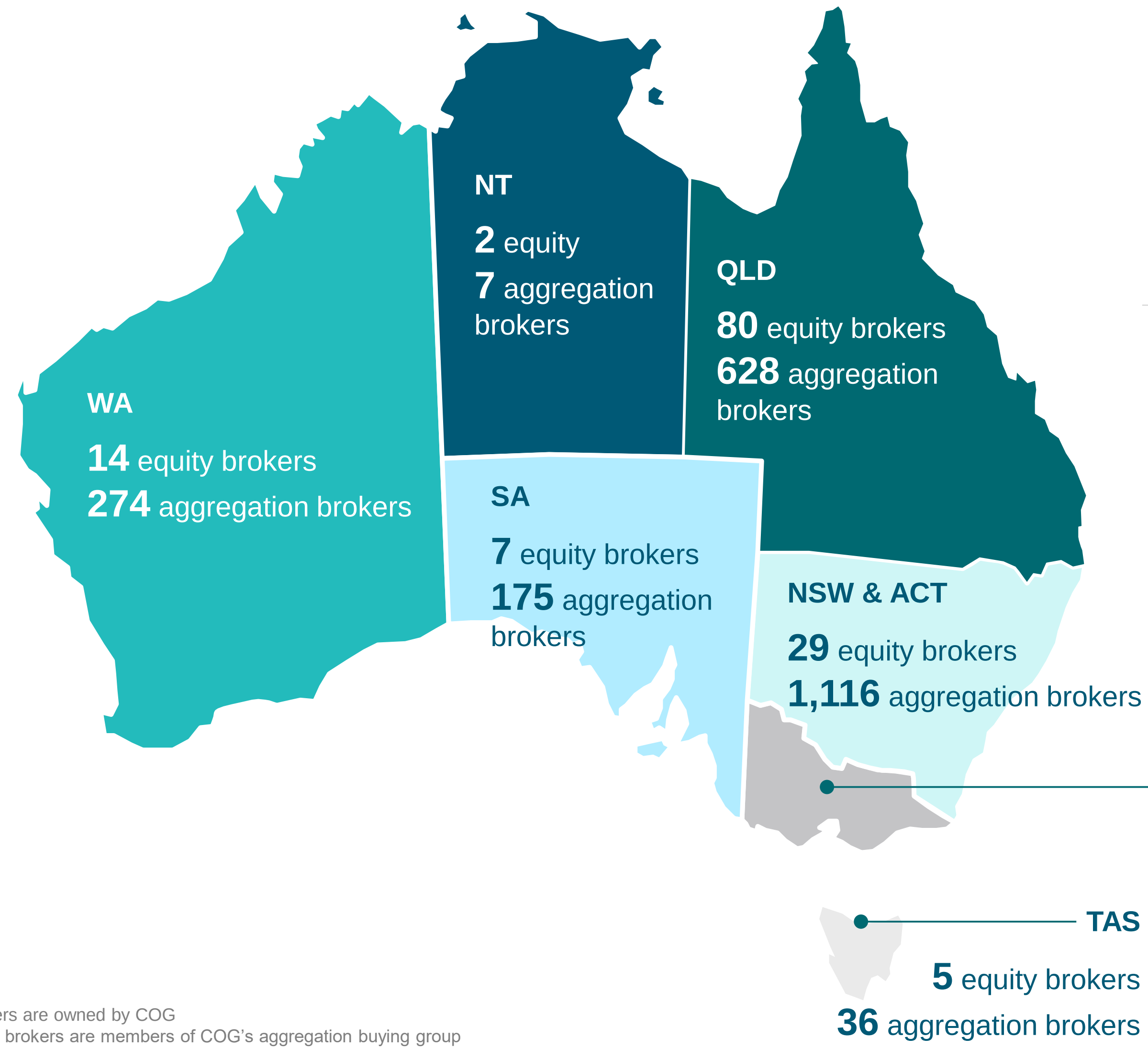
COG Exposed to the coming Infrastructure COVID Stimulus

Major Transport Infrastructure Projects in Australia

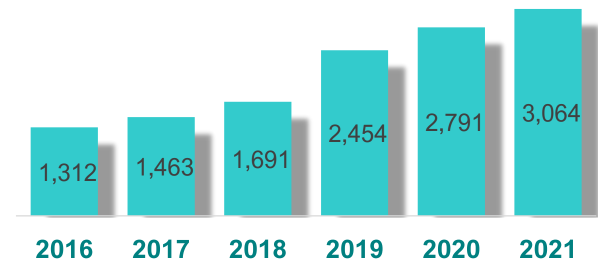


Source: Datamonitor and the Government's Building our Future report Oct 2020.

National Asset Finance Broking Network - Broker Footprint



Growth in Aggregation Brokers



1. Equity brokers are owned by COG
2. Aggregation brokers are members of COG's aggregation buying group

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Broker Services and Group NAF

Australia's largest asset finance broking and aggregation group

COG PROVIDES AGGREGATION SERVICES TO:

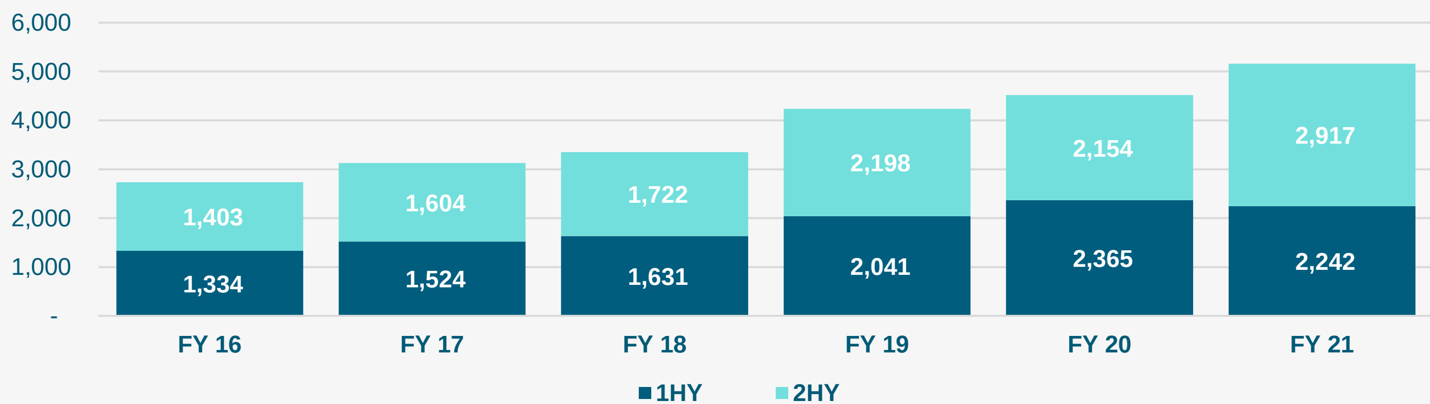
- Independent network member finance brokers
- COG equity owned finance brokers

In FY 21 Total net asset financed (NAF) settled increased by 14% to $5.16 billion

COG OFFERS FINANCE BROKERS

- Access to wider panel of financiers and volume-based incentives
- Improved service offering and profitability
- Compliance and processing services
- Credit workflow and CRM software 1
- Annual asset finance broker conference
- Succession planning

Group Net Asset Financed ($ million)



Aggregation & Broker Brands

Consolidated Finance Group – Asset Finance Aggregation – 100% OWNED

centrepoint finance – 100% OWNED

PLATFORM FINANCE – 100% OWNED

linx AUSTRALIA GROUP – FINANCE INSURANCE MORTGAGE – 55% OWNED

QPF FINANCE GROUP – 57% OWNED

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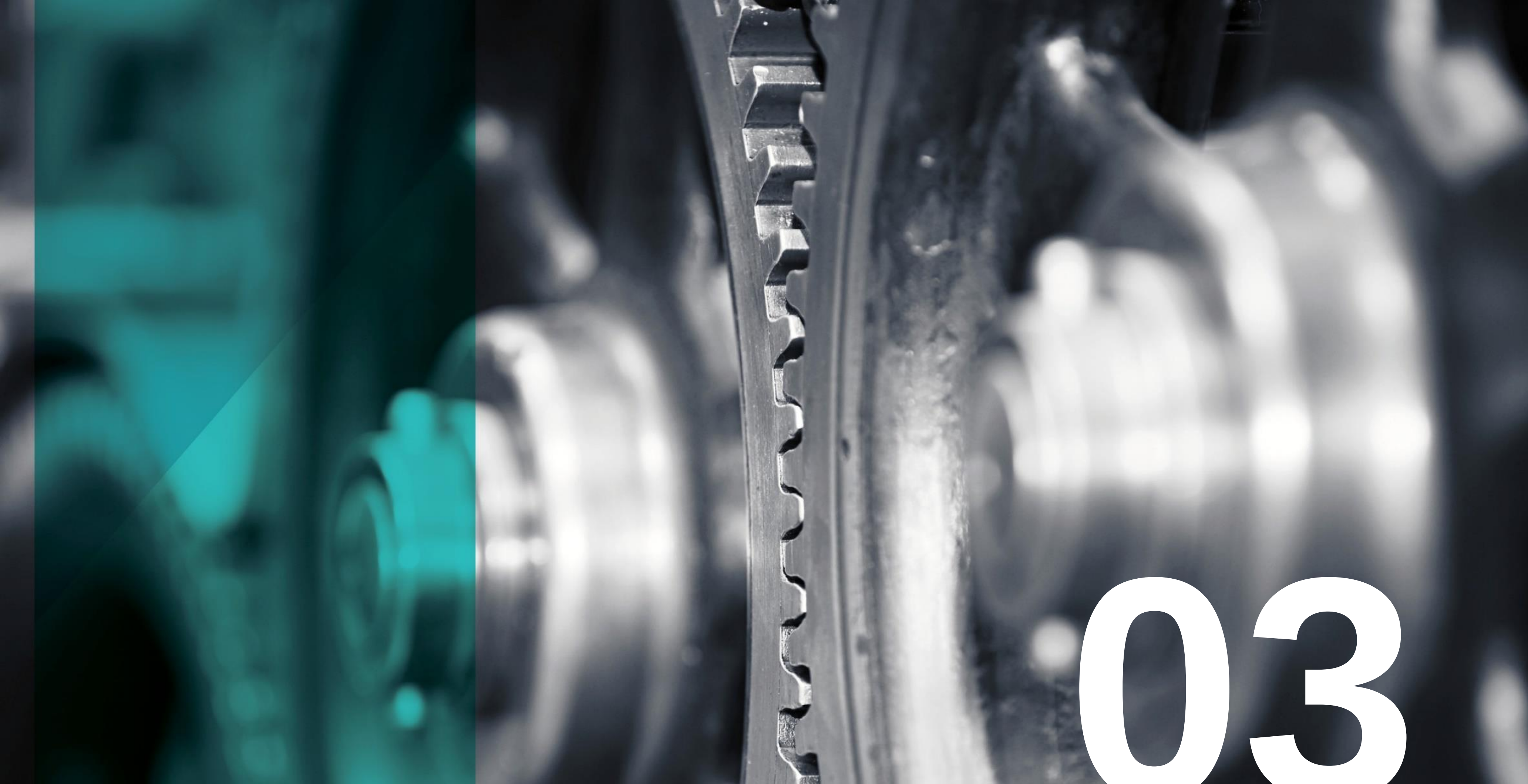

03

Lending

Outlook: Lending

COG lending is undertaken via its 75% owned finance company – Westlawn Finance Ltd.

Westlawn has operated a retail debenture program since 1960's but it requires capital to support and in 2021 Westlawn established a registered retail Managed Investment Scheme (the Westlawn Income Fund), which will operate along side the debenture program. This will allow Westlawn to grow loan assets under management as cash flows are reserved to cover expected credit losses therefore allowing Westlawn to grow a loan portfolio without the need for additional capital support.

The combination of these two funding vehicles will allow COG to continue to leverage its broker distribution channel to grow its own loan portfolio through Westlawn.

Westlawn Summary Financials

Westlawn Limited		FY17	FY18	FY19	FY20	FY21
Interest Income	$m	12.1	13.3	13.5	14.0	13.5
Non-Interest Income	$m	6.1	5.5	6.1	7.1	6.8
Gross Income	$m	18.3	18.8	19.5	21.1	22.2
Interest expense	$m	(5.8)	(5.5)	(5.3)	(5.5)	(4.8)
Net Interest Income	$m	6.4	7.8	8.1	8.5	8.7
bad debt write-offs	$m	(0.2)	(1.5)	(1.5)	(1.1)	(0.6)
Expenses	$m	(8.4)	(7.6)	(8.1)	(9.6)	(12.6)
PBT	$m	3.9	4.3	4.6	4.9	4.2
NPAT	$m	2.8	2.9	3.4	3.5	3.0
Equity book value	$m	19.2	21.8	33.0	33.9	34.5
Gross Loans (closing)	$m	167.8	173.4	179.5	188.1	187.7
Gross Loans (average)	$m	167.7	170.5	176.4	183.8	187.9
Gross yield	%	10.9%	11.0%	11.1%	11.5%	11.8%
NIM	%	3.8%	4.6%	4.6%	4.6%	4.6%
Bad debts/Gross Loans	%	(0.1%)	(0.9%)	(0.9%)	(0.6%)	(0.3%)
Cost/Income	%	(45.8%)	(40.2%)	(41.3%)	(45.6%)	(56.6%)
ROE	%	14.4%	13.3%	10.4%	10.3%	8.6%

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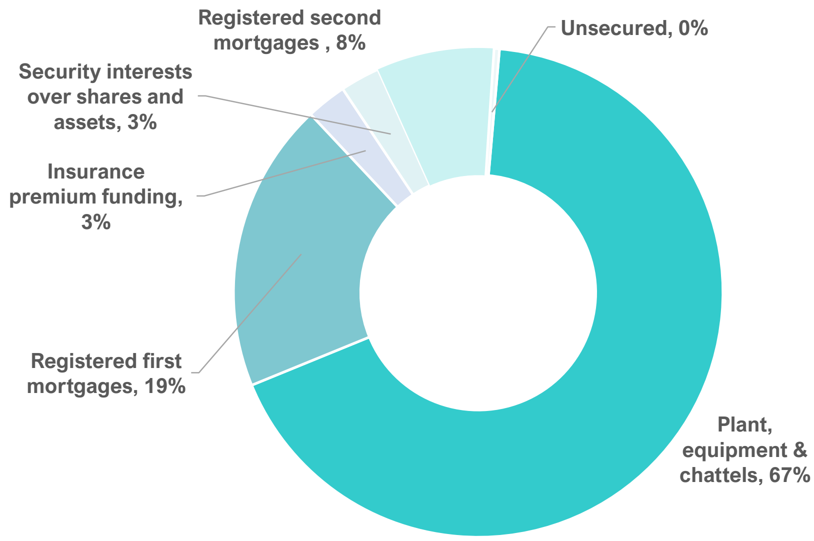
Outlook: Lending

The book is largely concentrated on asset backed contracts

Portfolio by product type (PV)



Book features

- The present value of the total lending book ($200.6m[1]) includes COG's 100% owned subsidiary TL Commercial's legacy portfolio of $61.2m ($52.7m of lease receivables, including unguaranteed residuals and $8.5m of chattel mortgages) and $139.4m of the acquired portfolio from Westlawn
- The SME Chattel Mortgage product is now originated by Westlawn (rather than TL Commercial), eliminating the duplication of credit and servicing functions
- Westlawn has substantial cash balances available to satisfy increasing demand for loan originations
- TL Commercial book is in run-off over the next 4 years and the internally funded lease contracts and secondary income will convert to approximately $18.0m in pre-tax free cash flow

Funding

- Established unsecured debenture program operated by Westlawn Finance Limited continues to provide a reliable source of funding
- Westlawn Managed Investment Scheme is operating and commenced receiving investment funds in December 2020 (current balance of approximately $15.3m)

Before deducting for the expected credit loss provision

Outlook: Lending (cont.)

RISKS

Trend lower as funding model transitions to Managed Investment Scheme.

ORIGINATIONS

To increase as the economy recovers from COVID – 19.

CAPITAL LEVELS

Sufficient to significantly grow originations because Managed Investment Schemes have a lower requirement for capital.

ROE

To increase, off lower relative capital requirements.

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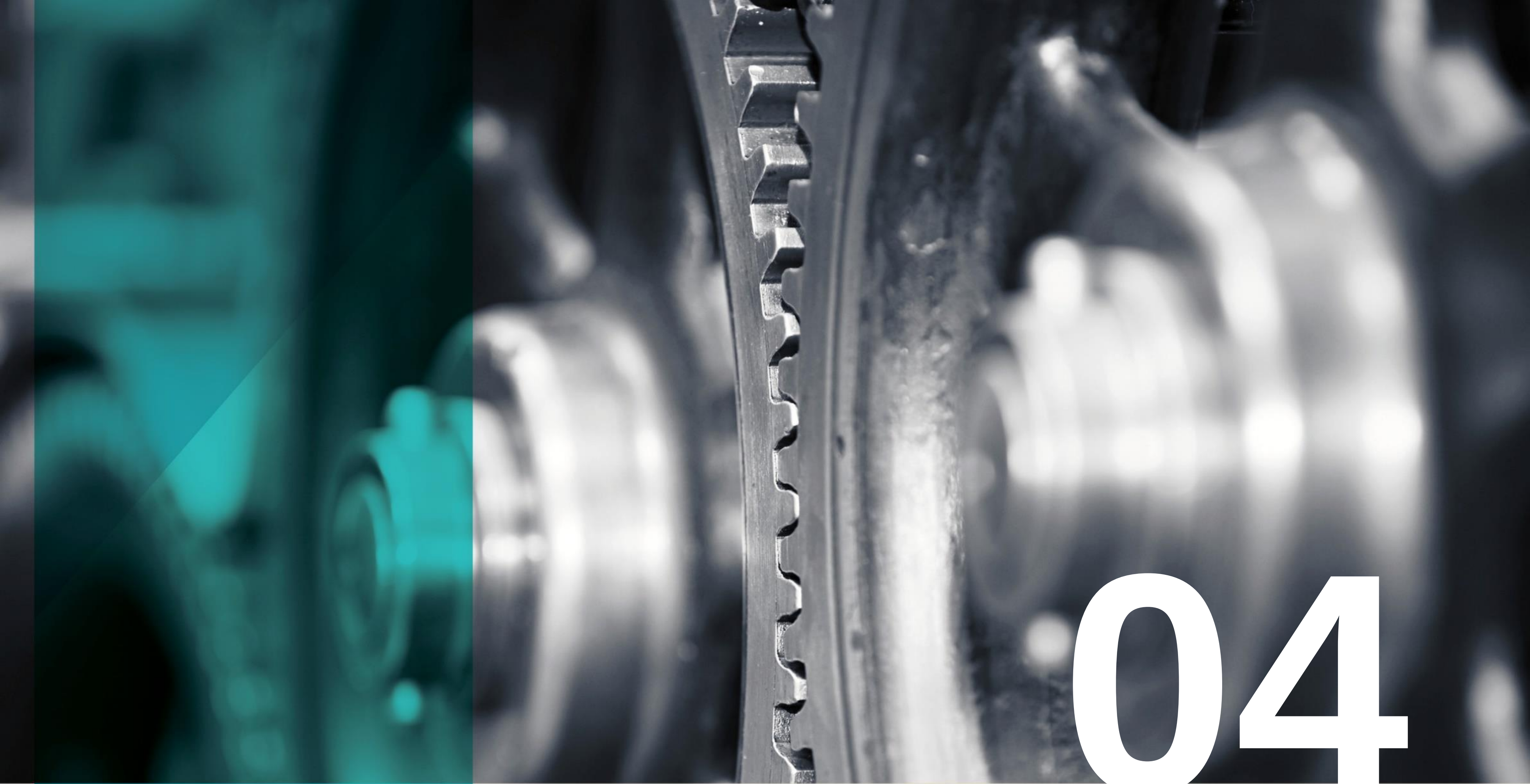

04

Financial Information

FY21 Highlights – Strong performance across all business units

Final **dividend declared** of **6.0** (FY20: 1.5[3,4]) cents per share, an increase of **295%** from FY20, reflecting a payout ratio of **62%** (FY20: 28%[5])

- Continued to invest surplus funds into consolidating COG as Australia's largest asset finance broker distribution network
- Acquisitions completed for controlling interests in Westlawn Finance Limited and Access Capital Pty Limited
- Progressing implementation of strategic plan focusing on systems, customer service and expansion of COG's in-house lending products
- MIS established by Westlawn Finance Limited
- Strong acquisition pipeline

Revenue[1]

$269.8m

▲ **+21%** on pcp

EBITDA[2]

$33.5m

▲ **+57%** on pcp

NPATA[2]

$19.5m

▲ **+132%** on pcp

EPSA[2, 3]

12.0cps

▲ **+110%** on pcp

[1] Excludes interest income of $1.1m and dividend received from associates of $0.7m
[2] Underlying basis attributable to shareholders. Excludes impairment charge (FY21 $37.8m, FY20 $12.0m), loss on deemed sale and reacquisition of investment at fair value (FY21 $5.0m, FY20 $nil), gain from a bargain purchase (FY21 $0.4m, FY20 $nil), fraud provision (FY21 $0.3m, FY20 $nil), non-cash change in accounting estimate adjustment (FY21 $nil, FY20 $3.9m), redundancy and restructuring costs (FY21 $0.3m, FY20 $0.9m) and transaction costs (FY21 $0.2m, FY20 $0.7m).
[3] On a post share consolidation basis
[4] Dividends fully franked
[5] Total dividends divided by NPATA

Finance Broking & Aggregation – Strong bottom line despite challenging trade conditions (Covid & supply constraints)

Revenue growth of $35.6m includes organic growth of 15% (+30.0m), consolidation of Access Capital (+$2.8m) and government subsidies received [3]

EBITDA margin rises to 13.8% (FY20: 10.9%), largely due to the consolidation of Access Capital (with a larger margin) and cost savings in response to COVID-19

Depreciation and amortisation includes $6.3m amortisation of identified intangibles on acquisition of controlled entities (FY20: $6.1m) and $1.6m impact of AASB *16 Leases* adoption (FY20: $1.5m)

EBITDA to shareholders includes $0.8m contribution from acquisitions made during FY21 (FY20: $2.3m)

Cash generation to shareholders

For the year ended 30 June	2021 $m	2020 $m	Pcp Change
Revenue to shareholders	147.7	122.0	21%
EBITDA to shareholders	18.7	11.1	68%
(-) Rent expense to shareholders [4]	(1.1)	(1.1)	0%
(-) Capital expenditure to shareholders	(1.1)	(0.6)	83%
Cash EBITDA to shareholders	**16.5**	**9.4**	**76%**
(-) Tax expense to shareholders	(4.0)	(1.5)	167%
Cash generation to shareholders	**12.5**	**7.9**	**58%**

For the year ended 30 June	2021[1, 2] $m	2020[1] $m	Pcp Change
Revenue	229.6	194.0	18%
EBITDA	31.6	21.1	50%
Net interest	(0.4)	(0.3)	33%
Depreciation	(1.9)	(2.1)	-10%
Amortisation (exc acquired intangibles)	(0.6)	(0.8)	-25%
Share of results from associates	0.1	-	-%
NPBT (before amortisation of acquired intangibles	**28.8**	**17.9**	**61%**
Amortisation of acquired intangibles	(6.3)	(6.1)	3%
NPBT	**22.5**	**11.8**	**91%**
EBITDA to shareholders	**18.7**	**11.1**	**68%**

1. Underlying basis before tax- excluding redundancy and restructuring costs (FY21 $0.1m, FY20 $0.2m), transaction costs (FY21 $0.2m, FY20 $0.1m) and impairment charge (FY21 $nil, FY20 $1.1m)
2. On 2 November 2020 COG acquired 80% of Access Capital Limited (Access Capital) through its subsidiary QPF Finance Group. FY21 includes the contribution from Access Capital for the period from 2 November 2020 through 30 June 2021
3. Government subsidies after tax, attributable to members are $1.1m (FY20: $1.3m)
4. Recognised as 'depreciation' and 'interest expense' under AASB 16 *Leases*, both below the EBITDA line

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Lending – Westlawn is paving the way for growth in Lending[1]

Revenue growth of $13.1m primarily comprised of Westlawn contribution (net of intercompany eliminations) of $16.9m, government subsidies of $0.6m, partially offset by $4.4m in lower originations due to the impact of COVID-19 pandemic on trading

EBITDA margin rose to 63.7% (FY20: 57.3%) largely due to the consolidation of Westlawn (with a larger margin), lower funding cost and cost savings in response to COVID-19. Also reflects a partial release of the Expected Credit Loss provision due to reduced delinquency and enhanced economic outlook

Depreciation and amortisation includes $1.7m amortisation of identified intangibles on acquisition of Westlawn (FY20 $nil)

Share of Associates in FY20 relates to Westlawn (which has been consolidated from FY21 onwards)

NPBT includes contribution from Westlawn (net of intercompany eliminations) of $2.6m in FY21 (FY20: $0.6m), government subsidies of $0.6m, lower funding costs and costs savings in response to the COVID-19 pandemic

Cash generation to shareholders

For the year ended 30 June	2021 $m	2020 $m	Pcp Change
Revenue to shareholders	25.7	21.1	22%
EBITDA to shareholders	17.3	12.1	43%
(-) Funding costs to shareholders	(4.6)	(7.9)	-42%
(-) Rent expense to shareholders	(0.1)	-	-%
(-) Capital expenditure to shareholders	(0.6)	(0.7)	-14%
Cash EBITDA to shareholders	**12.0**	**3.5**	**243%**
(-) Tax expense to shareholders	(3.4)	0.3	-1233%
Cash generation to shareholders	**8.6**	**3.8**	**126%**

For the year ended 30 June	2021[2, 3] $m	2020[2] $m	Pcp Change
Revenue[4]	34.2	21.1	62%
EBITDA	21.8	12.1	80%
Dividend income	0.1	-	-%
Net interest	(6.0)	(7.9)	-24%
Depreciation	(0.4)	(0.1)	300%
Amortisation (exc acquired intangibles)	(0.2)	(0.1)	100%
Share of results from associates	-	0.6	-100%
NPBT (before amortisation of acquired intangibles	**15.3**	**4.6**	**233%**
Amortisation of acquired intangibles	(1.7)	-	-%
NPBT	**13.6**	**4.6**	**196%**
EBITDA to shareholders	**17.3**	**12.1**	**43%**

1. Lending includes 51% of Westlawn and 100% of TL Commercial.
2. Underlying basis before tax - excluding redundancy and restructuring costs (FY21 $0.1m, FY20 $0.7m), impairment loss (FY21 $1.1m, FY20 $nil), fraud provision (FY21 $0.3m, FY20 $nil) and non-cash cash in accounting estimate adjustment (FY21 $nil, FY20 $3.9m)
3. Effective 1 July 2020 COG acquired an additional 19.02% of Westlawn Finance Limited (Westlawn), resulting in a total controlling interest of 51%. FY21 includes the contribution from Westlawn for the full period
4. Revenue excludes interest income (FY21 $1.0m, FY20 $nil) and dividend income (FY21 $0.1m, FY20 $nil).

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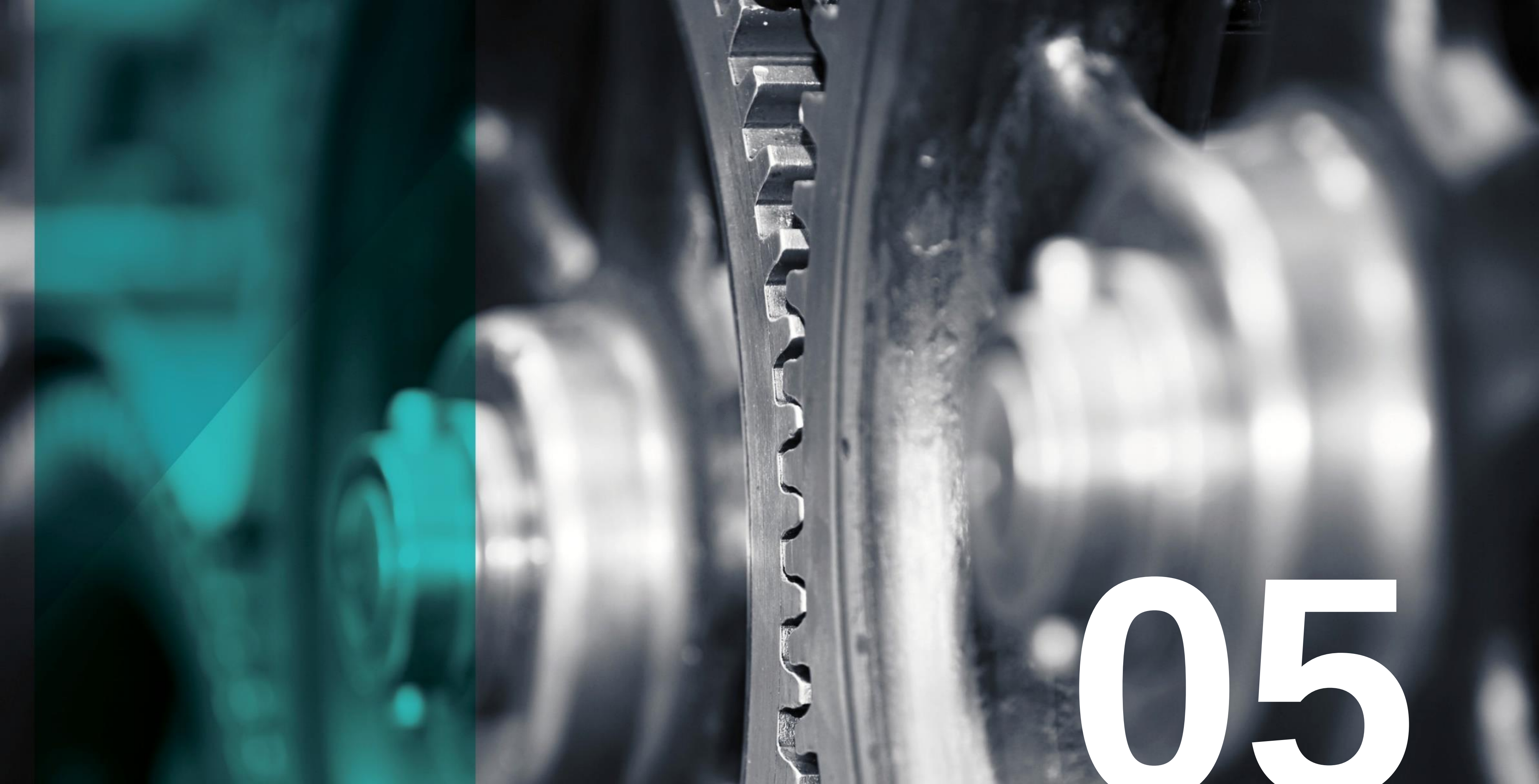


05

Capital Raising

Equity Raising Summary

Placement Details	▪ Institutional Placement (**Equity Raising** or **Placement**) to professional and sophisticated investors to raise up to approximately $20.0 million (the **Offer**) ▪ The Placement of up to approximately 14.8 million ordinary shares (**New Shares**) to be issued using COG's 15% placement capacity pursuant to ASX Listing Rule 7.1
Placement Price	▪ New Shares will be issued at a fixed price of $1.35 per New Share (**Issue Price**), representing a discount of – 1.5% to COG's last closing price on 13 October 2021 of $1.37; and – 3.2% to the 20-day volume weighted average price (**VWAP**) of $1.3951
Ranking	▪ New Shares issued under the Placement will rank equally with COG's existing shares
Major Shareholder Participation	▪ GEGM Investments Pty Limited (entities associated with COG Director, Cameron McCullagh) intends to participate in the Placement and subscribe for up to approximately $4.0 million of New Shares which will be subject to COG shareholder approval at the upcoming AGM ▪ Substantial institutional shareholders, NAOS Asset Management, Sandon Capital and Thorney Opportunities Limited have all committed to participate in the Placement
Lead Manager	▪ Ord Minnett Limited is Sole Lead Manager and Bookrunner to the Placement ▪ Petra Capital is acting as Co-Manager to the Placement

Use of Funds and Timetable

$m	
Sources	
Institutional Placement	$20.0
Total Sources	**$20.0**
Uses	
Acquisition of interest in Westlawn Finance	$9.3
Acquisition of interest in Platform Consolidated Group	$7.5
Working capital to provide flexibility to pursue future acquisitions and offer costs	$3.2
Total Uses	**$20.0**

Note: Acquisition of Platform Consolidated Group to cost $15.0 million with $7.5 million paid in cash and $7.5 million paid via the issue of ordinary shares in COG at the 30-day VWAP prior to acquisition settlement.

Event	Date (2021)
Trading halt and announcement of Acquisition and Institutional Placement	Thursday, 14 October
Institutional Placement opens (10:00am Sydney time)	Thursday, 14 October
Institutional Placement closes (2:00pm Sydney time)	Thursday, 14 October
Trading halt lifted – shares recommence trading on ASX	Friday, 15 October
Settlement of Institutional Placement	Wednesday, 20 October
Allotment and normal trading of New Shares under the Institutional Placement	Thursday, 21 October

Note: All dates and times are indicative and COG reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws. All times and dates are in reference to Sydney, Australia time.

COG Financial Services Limited

International Selling Restrictions

This document does not constitute an offer of new ordinary shares of COG ("New Shares") in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

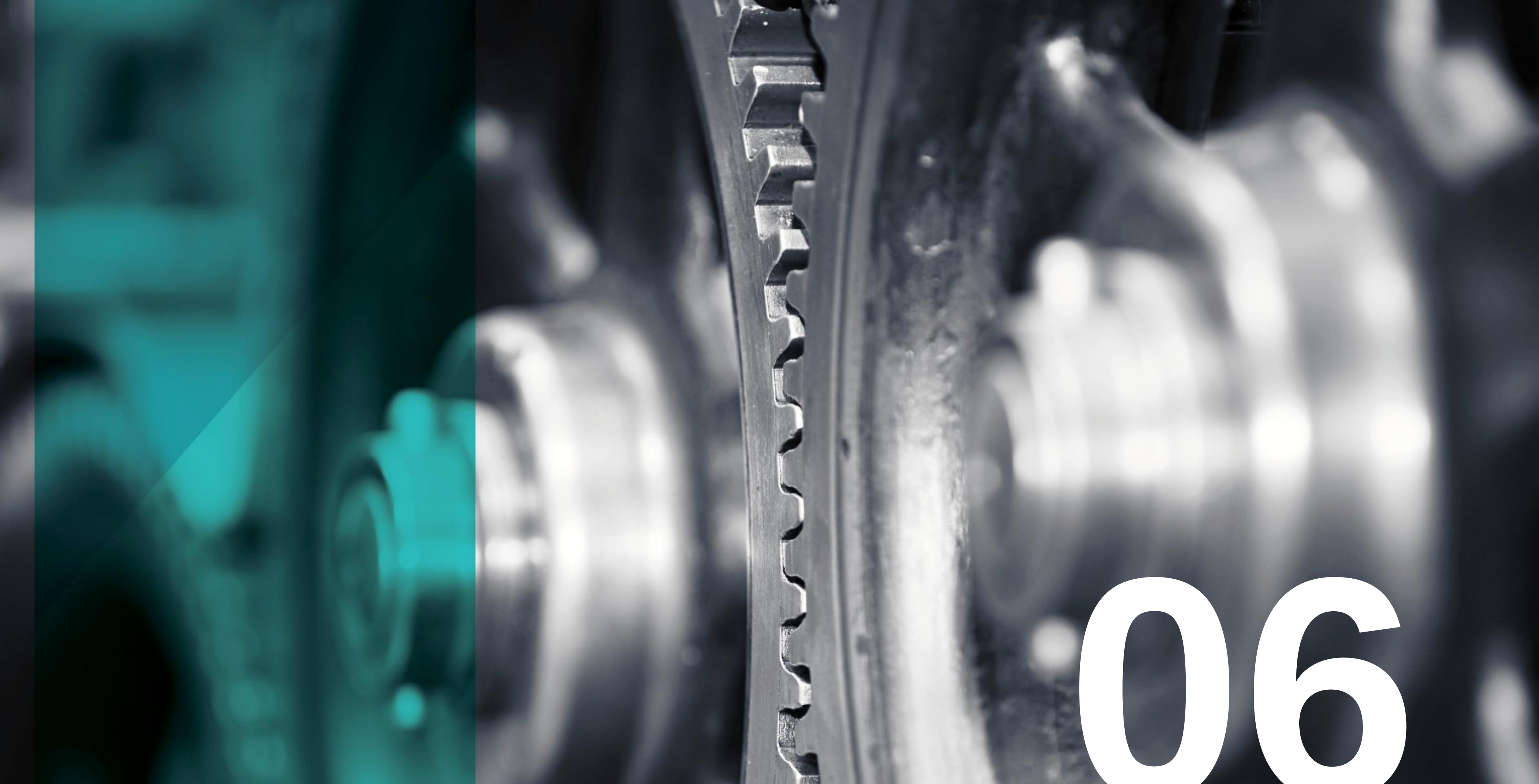
Singapore

This document and any other material relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer of sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, please return this document immediately. You may no forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

COG Financial Services Limited



06 Key Risks

Key Risks

Securities Market	Shares in COG are listed on the ASX and the price will be subject to market conditions including movements in international share markets, local interest rates and exchange rates, domestic and international economic conditions, government taxation, market supply and demand and other legal, regulatory or policy changes.
Economic Factors	The operating and financial performance of COG is influenced by a variety of general economic and business conditions including the levels of consumer confidence and spending, business confidence and investment, employment, inflation, interest rates, exchange rates, access to debt and capital markets, fiscal policy, monetary policy and regulatory policies. A prolonged deterioration in any number of the above factors may have a material adverse impact on COG's business and financial performance.
Unforeseen Expenses	While COG is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of COG may be adversely affected.
Additional Capital Requirements	COG's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to COG on favourable terms or at all. If adequate funds are not available on acceptable terms, COG may not be able to take advantage of opportunities or otherwise respond to competitive pressures.
Regulatory & Government	Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes and Government policies in Australia, may have an adverse effect on the assets, operations and ultimately the financial performance of COG and the market price of its securities.
Insurance	COG maintains insurance within ranges of coverage COG believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance however, can be given that COG will be able to continue to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

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