

Key features

16 July 2024

- **Q4 FY24 production and revenue:** total production up 1% from previous quarter to 63.9 TJe/d, revenue up 2% to \$57.3 million from previous quarter
- **Orbost Improvement Project:** continues to deliver results with record absorber runtime of 6 weeks between cleans achieved
- **BMG wells decommissioning:** completed in May, with the expected final cost of the programme being slightly less than A\$270 million
- **Bairnsdale Power station agreement:** with Alinta Energy to supply as-available gas during times of elevated electricity demand, highlighting the opportunity to provide shaped gas products to customers

Comments from Managing Director and CEO, Jane Norman

“Total quarterly production and revenue continued to rise during the June quarter. Further progress was made on improvement initiatives at Orbost, while Athena production rebounded following its planned maintenance shutdown in the March quarter. Total production increased 1% on the March quarter and 4% for the whole of FY24 versus FY23.

“Production from Sole in late May and much of June was impacted by pipeline constraints which, while frustrating, have now been resolved. The Orbost Improvement Project continues to achieve sulphur processing improvements, with the time between absorber cleans now extending to 4-6 weeks. Performance of the polisher unit has also notably improved since insulation was installed around the unit in June. The OGPP team are heavily focused on achieving further reliability and sulphur processing improvements and we are confident that we will see the benefits of those efforts in increased production over the September quarter.

“Completing the BMG wells decommissioning programme in May was a significant milestone for the Company, and I’m pleased that our team delivered a technically challenging project without incident. With that now behind us, we are focused on the East Coast Supply Project to backfill the Athena Gas Plant. Recent tightness in the Southern Australian gas markets, as noted in AEMO’s Threat Notice issued in June, highlights yet again the need for new gas supply and the importance of the East Coast Supply Project.”

Key performance metrics¹

<i>\$ million unless indicated</i>	Jun Q4 FY23	Mar Q3 FY24	Jun Q4 FY24	Qtr on Qtr change	FY23	FY24 YTD	Change
Production (PJc)	5.34	5.74	5.81	1%	21.81	22.74	4%
Sales volume (PJc)	5.43	5.77	5.95	3%	21.97	23.37	6%
Average gas price (\$/GJ) ²	8.61	9.24	9.19	(1%)	8.59	8.83	3%
Sales revenue	48.9	55.9	57.3	2%	196.9	219.1	11%
Cash and cash equivalents	77.1	53.3	14.5	(73%)	77.1	14.5	(81%)
Net debt	80.9	164.7	250.5	52%	80.9	250.5	210%

¹ Quarterly and FY24 YTD figures are unaudited and subject to production allocation reconciliations. FY23 figures represent final audited results

² Average realised gas price across both Gippsland and Otway basins, including spot sales

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Production

Quarterly gas and oil production averaged 63.9 TJe/d, or 5.81 PJe (0.95 MMboe) for the quarter, 1% higher than the prior quarter on a daily average basis. Total group production for FY24 of 22.74 PJe, or 62.1 TJe/d, was within the FY24 guidance range of 60.5 – 64.0 TJe/d.

Production by product	Jun Q4 FY23	Mar Q3 FY24	Jun Q4 FY24	Qtr on Qtr change	FY23	FY24 YTD	Change
Sales gas (PJ)	5.1	5.5	5.6	2%	21.1	21.9	4%
Oil and condensate (kbbl)	32.1	32.8	28.6	(13%)	120.1	131.8	10%
Total production (PJe)	5.34	5.74	5.81	1%	21.81	22.74	4%
Total production (MMboe)	0.87	0.94	0.95	1%	3.56	3.72	4%

Gippsland Basin (Sole)³

Sole gas production processed through the OGPP averaged 51.2 TJ/d, or 4.7 PJ for the quarter, 2% lower than the prior quarter of 52.0 TJ/d. The reduction in rate was largely a result of pipeline restrictions caused by a build-up of liquids, starting in late May and continuing through June. These issues have since been resolved.

Orbest Improvement Project initiatives continued during the quarter including installation of a mist eliminator in absorber one and a new 4-nozzle spray header in absorber two. Trials of absorber packing material were undertaken and are ongoing to assess impacts on absorber performance and overall plant reliability. Heat tracing and insulation were installed around the polisher unit in June and have significantly reduced water condensation and improved polisher performance and run life.

Polisher unit media achieved a record life of nearly 5 months and was reloaded in mid-May to maintain higher processing rates and extend the runtime between absorber cleans. With the support of the polisher unit and other improvement initiatives, a record absorber runtime of 6 weeks between cleans was achieved over the quarter, compared to the previous typical absorber runtime of 2 – 3 weeks.

Further Orbest Improvement Project initiatives are being progressed to improve the reliability of the OGPP and maximise production rates, including further clean-in-place trials for the absorber beds. A decision on the installation of a third absorber remains under evaluation.

Otway Basin (Casino, Henry and Netherby)⁴

CHN gas production processed through the AGP averaged 10.7 TJ/d, or 1.0 PJ for the quarter (both net to Cooper Energy), 21% higher than the prior quarter of 8.8 TJ/d, which included a 10-day planned maintenance shutdown.

After the maintenance shutdown in Q3 FY24, the AGP has demonstrated stable operation with zero reliability loss over the two months of May and June.

Cooper Basin⁵

Oil production in the Cooper Basin averaged 305 bbls/d (net to Cooper Energy), 13% lower than the prior quarter of 351 bbl/d. The lower production is mainly from natural field decline and a heavy rain event at the end of March, resulting in well downtime and loss of production.

Production by basin	Jun Q4 FY23	Mar Q3 FY24	Jun Q4 FY24	Qtr on Qtr change	FY23	FY24 YTD	Change
Gippsland Basin (Sole)							
Sales gas (PJ)	4.2	4.7	4.7	(2%)	17.2	18.1	5%
Otway Basin (CHN)							

³ Cooper Energy 100% and operator

⁴ Cooper Energy 50% and operator

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

Sales gas (PJ)	0.9	0.8	1.0	21%	3.9	3.8	(2%)
Condensate (kbbl)	0.82	0.77	0.91	19%	3.6	3.6	2%
Cooper Basin							
Oil (kbbl) ⁶	31.3	32.0	27.7	(13%)	116.6	128.1	10%
Total production (PJe)	5.34	5.74	5.81	1%	21.81	22.74	4%
Total production (MMboe)	0.87	0.94	0.95	1%	3.56	3.72	4%

Exploration and development

Gippsland Basin

BMG decommissioning

The BMG decommissioning programme was successfully completed in the second half of May. The Helix Q7000 vessel went off-hire and departed from the BMG site on 28 May.

The BMG wells decommissioning programme incurred more than 360,000 worker-hours with no lost time injuries and no significant environmental incidents. The success of this decommissioning project highlights the Company's commitment to health, safety and environment, and strong engineering capability.

The total cost of the BMG wells decommissioning programme is expected to be slightly less than A\$270 million, with the final value subject to remaining invoice reconciliation. Decommissioning costs were funded from cash on hand, organic cash generation and the existing senior debt facility.

Gippsland Basin farm-out

Cooper Energy has begun a process to bring a partner into VIC/P80 and VIC/L13, 14 & 15 (Cooper Energy 100%) for the next phase of Gippsland gas exploration and development. The opportunity covers 185 PJ⁷ of 2C discovered resource and more than 1.3 Tcf⁸ of prospective resource. This brownfield project is expected to have a low cost to develop and a clear commercialisation pathway via existing infrastructure.

Gas storage opportunities

The shut in Patricia Baleen field in VIC/RI16 (Cooper Energy 100%) is being studied to potentially repurpose the field for gas storage. During the quarter Cooper Energy tested the existing subsea equipment. The results of these tests are being integrated into the Company's assessment of gas storage potential.

Otway Basin (Offshore)

Cooper Energy continues to progress the East Coast Supply Project ("ECSP"), formally referred to as OP3D, which intends to maximise use of existing Otway Basin infrastructure and bring much-needed gas supply to Southeast Australia.

Cooper Energy is presently targeting a three-well programme as part of the ECSP, comprising Elanora with a side-track to Isabella, Juliet and Annie-2. This could develop 65 PJ⁹ gross 2C resource (32.4 PJ net to Cooper Energy) through the Annie-2 well and 358 Bcf¹⁰ (179 Bcf net to Cooper Energy) of gross mean unrisks prospective resource on success in the two exploration wells. The Company remains committed to at least one firm well, with options to drill additional subsea development and/or exploration/appraisal wells, within the Otway rig consortium agreement.

⁶ Cooper Basin production data is preliminary for the current quarter, awaiting June reconciled data.

⁷ Contingent Resources for Manta gas and liquids announced to ASX on 12 August 2019, Contingent Resources for Gummy gas and liquids announced to ASX on 25 August 2023, 100% share

⁸ The Low (P90), Mid (P50), Mean and High (P10) prospective resource estimates, and net share of each prospect, were announced to ASX on 15 May 2023 (Gummy Deep), 13 April 2022 (Wobbecong) and for Manta Deep and Chimaera East prospects on 4 May 2016)

⁹ Indicative only, not guidance. Projects are preliminary in nature and not yet sanctioned. Annie 2C resource is included on a gross basis as part of the Otway Basin 2C number in the FY23 Reserves and Contingent Resources ASX release on the 25 August 2023

¹⁰ The Low (P90), Mid (P50), Mean and High (P10) prospective resource estimates, and net share of each prospect, were announced to ASX on 9 February 2022

The ECSP is expected to be funded from a range of sources including organic cash generation and the existing secured bank debt facility. The Company recently commenced a process to extend the maturity of its bank facilities by two years to 2029 and maximise the funding available under those facilities. Additionally, the Company continues to engage with several gas customers to support new domestic gas supply through a range of funding options, which could include prepayments.

The ECSP can be connected to Cooper Energy's existing gas processing infrastructure at the AGP, which has ~150 TJ/d of total capacity (100% gross), with first gas targeted for 2028.

Financial

Sales volume and revenue

Total Q4 FY24 gas and oil volumes sold averaged 65.4 TJe/d, or 5.95 PJe for the quarter, 3% higher than the previous quarter of 63.4 TJe/d or 5.77 PJe.

Surplus Gippsland gas production, relative to Sole term contracts, resulted in spot gas sales of 530 TJ (Q3 FY24: 1,084 TJ). Short-term production impacts due to the pipeline restrictions mentioned above and the Orbost Improvement Project initiatives resulted in gas purchases of 149 TJ to meet contractual requirements, an increase on the previous quarter (Q3 FY24: 84 TJ).

Total gas and oil sales revenue was 2% higher at \$57.3 million driven by higher AGP volumes and oil prices. The average realised gas price across both basins was relatively flat at \$9.19/GJ, versus \$9.24/GJ in Q3 FY24.

Despite realising higher average prices for spot sales in Q4 FY24 than Q3 FY24, spot volumes sold were lower, impacting the overall average realised gas price. During the quarter 91% of gas production was sold into term contracts (Q3 FY24: 81%).

PEL 92 volumes sold were 26,851 bbls (Q3 FY24: 26,025 bbls), at an average oil price realisation of A\$153.22/bbl (Q3 FY24: A\$144.66/bbl).

Total liquids revenue, including condensate, was \$4.2 million in the quarter (Q3 FY24 \$4.1 million). Crude oil inventory at 30 June 2024 was 8,990 bbls (31 March 2024: 9,982 bbls).

		Jun Q4 FY23	Mar Q3 FY24	Jun Q4 FY24	Qtr on Qtr change	FY23	FY24 YTD	Change
Sales volume								
Gas	PJ	5.3	5.6	5.8	3%	21.4	22.5	5%
Oil	kbbl	25.5	26.0	26.9	3%	88.1	143.2	63%
Condensate	kbbl	0.8	0.8	0.9	12%	3.4	3.6	6%
Total sales volume	PJe	5.43	5.77	5.95	3%	21.97	23.37	6%
Sales revenue (\$ million)								
Gas ¹¹		45.4	51.8	53.1	2%	184.5	198.5	8%
Oil and condensate		3.5	4.1	4.2	3%	12.4	20.6	58%
Total sales revenue		48.9	55.9	57.3	2%	196.9	219.1	11%
Average realised prices								
Gas	\$/GJ	8.61	9.24	9.19	(1%)	8.59	8.83	3%
Oil and condensate	\$/boe	130.29	144.66	153.22	6%	136.59	138.97	2%

¹¹ Includes sale of third-party gas purchases

The tables below summarise gas sales and sources.

Sole GSA sales and sources			Mar	Jun Q4 FY24	Mar Q3 FY24	Jun Q4 FY24
Sole GSA sales	PJ	3.7		4.3	TJ/d (average) 41	47
Sole spot sales ¹²	PJ	1.1		0.5	TJ/d (average) 12	6
Comprising:						
OGPP processing	PJ	4.7		4.7	TJ/d (average) 52	51
Third-party gas purchases ¹³	PJ	0.1		0.1	TJ/d (average) 1	2

CHN GSA sales and sources			Mar Q3 FY24	Jun Q4 FY24	Mar Q3 FY24	Jun Q4 FY24
CHN GSA sales	PJ	0.8		1	TJ/d (average) 9	11

Capital expenditure

Q4 FY24 incurred capital expenditure of \$12.9 million was higher than the prior quarter due to the order of the first subsea tree for the ECSP.

\$ million	Jun Q4 FY23	Mar Q3 FY24	Jun Q4 FY24	Qtr on Qtr change	FY23	FY24 YTD	Change
Exploration and appraisal	4.5	0.7	9.6	1,267%	25.1	14.7	(42%)
Development	5.6	2.4	3.3	38%	17.7	9.0	(49%)
Total capital expenditure	10.1	3.1	12.9	315%	42.8	23.7	(45%)

By basin, \$ million	Q4 FY24			FY24		
	Exploration	Development	Total	Exploration	Development	Total
Otway Basin	9.1	-	9.1	10.5	-	10.5
Gippsland Basin	0.1	2.1	2.2	1.0	5.8	6.8
Cooper Basin	0.4	0.8	1.2	3.2	2.8	6.0
Other	-	0.4	0.4	-	0.4	0.4
Total capital expenditure	9.6	3.3	12.9	14.7	9.0	23.7

Inclusive of the BMG wells abandonment spend in FY24, total capital and abandonment expenditure is on track to be within the FY24 guidance range of \$240 – 280 million.

Liquidity

As at 30 June 2024, Cooper Energy had cash reserves of \$14.5 million (Q3 FY24: \$53.3 million), with drawn debt at \$265.0 million (Q3 FY24: \$218.0 million), as summarised below.

\$ million	Jun Q4 FY23	Mar Q3 FY24	Jun Q4 FY24	Qtr on Qtr change	FY23	FY24 YTD	Change
Cash and cash equivalents	77.1	53.3	14.5	(73%)	77.1	14.5	(81%)
Drawn debt	158.0	218.0	265.0	22%	158.0	25.0	68%

¹² Sole spot sales were 530 TJ in Q4 FY24 (Q3 FY24: 1,084 TJ).

¹³ Third party purchases were 149 TJ in Q4 FY24 (Q3 FY24: 84 TJ).

Net debt	80.9	164.7	250.5	52%	80.9	250.5	210%
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Q4 FY24 quarterly cash generation was impacted by cash spend on the BMG wells decommissioning programme of \$92.7 million (Q3 FY24: \$74.6 million) and spend on the ECSP, including the long lead order for one subsea tree, of \$8.5 million (Q3 FY24: \$0.2 million).

Commercial, corporate and subsequent events

East Coast domestic gas market trends

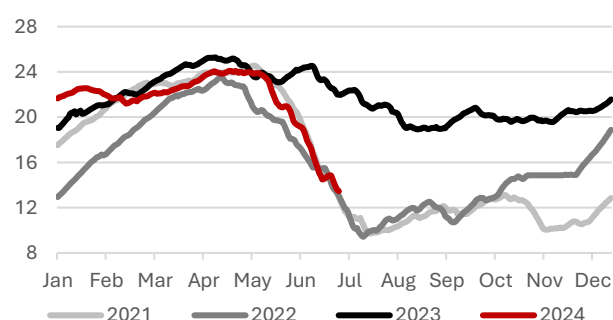
Reduced supply from the Longford Gas Plant and increased gas demand resulting from high levels of gas-powered generation contributed to increases in Southern Australian domestic gas prices during May and June. Victorian spot gas prices peaked at \$28/GJ in late June and averaged \$13.60/GJ over the quarter¹⁴, as can be seen in Chart 1 below. Gas levels at the Iona Underground Storage Facility fell approximately 40% between 1 May and 1 July, following a similar trend to 2021 and 2022, as can be seen in Chart 2 below¹⁵.

On 19 June AEMO issued an East Coast Gas System Risk or Threat Notice, highlighting that the supply of gas in all or part of the east coast gas system may be inadequate to meet demand during the winter peak demand period (through to 30 September).

Chart 1: 2024 DWGM Spot Gas Price (A\$), June Qtr¹⁵



Chart 2: Iona Underground Storage Balance (PJ)¹⁵



Updated Strategy

The Company set out its updated strategy and 10-year vision in its 4 June Investor Briefing presentation and webcast (refer: [link](#)). The new strategy seeks to capitalise on the Company's established infrastructure position in the structurally short East Coast domestic gas market by targeting:

- Production growth in a rising price environment
- Improved reliability and higher cash margins
- Top quartile total shareholder returns
- Playing our role as an enabler in the energy transition

The updated strategy is founded on the Company's belief that natural gas will maintain an important role in the energy mix and the Company's vision builds on its core business of gas exploration, production, processing and sales.

Bairnsdale Power Station Agreement

On 3 June Cooper Energy entered into an agreement with Alinta Energy to supply as-available gas to the Bairnsdale Power Station. The Bairnsdale Power station is a 94 MW open cycle gas peaker, located approximately 100kms from the Orbost Gas Plant. Gas will be supplied during times of elevated electricity demand. The agreement highlights the growing opportunity for Cooper Energy to provide shaped gas products to support the reliability of the electricity system, amidst growing variable renewables, and the Company will continue to explore similar agreements.

¹⁴ Simple average of Victorian DWGM prices at 6am price fix between 1 April and 30 June 2024

¹⁵ Source: AEMO, as at 5 July. DWGM is the Declared Wholesale Gas Market that covers most of Victoria

Pertamina

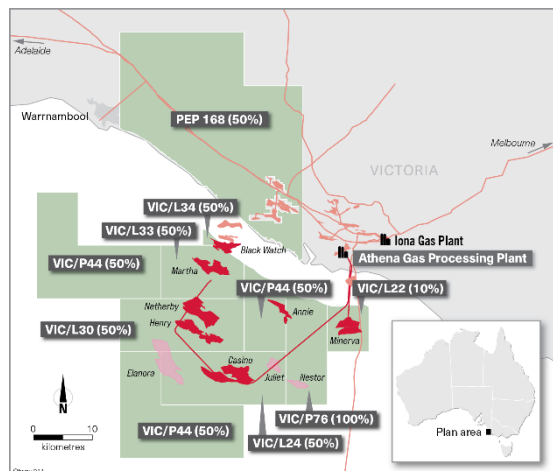
The Company continues to pursue its claim in the Supreme Court of Victoria (Court) against Indonesian state-owned enterprise PT Pertamina Hulu Energi (“Pertamina”), for Pertamina’s 10% share of the BMG decommissioning costs. This claim includes interest on the costs to date. An interlocutory hearing has been scheduled in late July 2024, regarding service of the writ and statement of claim.

Pertamina, via an Australian subsidiary, participated in the BMG oil project during its production life and Cooper Energy’s claim arises with respect to Pertamina’s obligations under the withdrawal and abandonment provisions of the BMG oil project joint operating and production agreement.

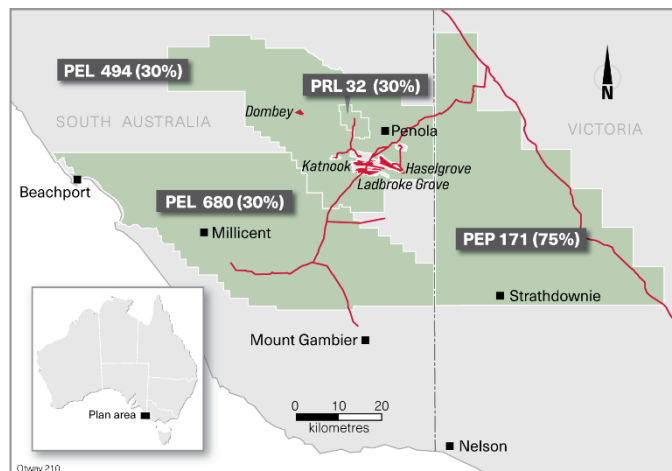
Cooper Energy tenements

Please refer to Cooper Energy's 2023 Annual Report for further information regarding tenement interests.

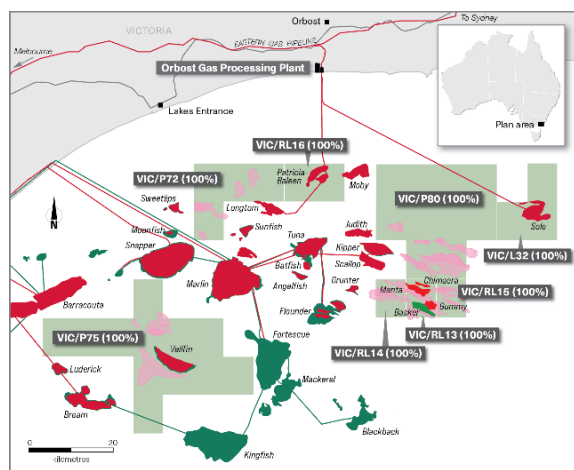
Otway Basin (Victoria):



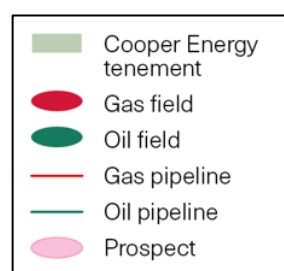
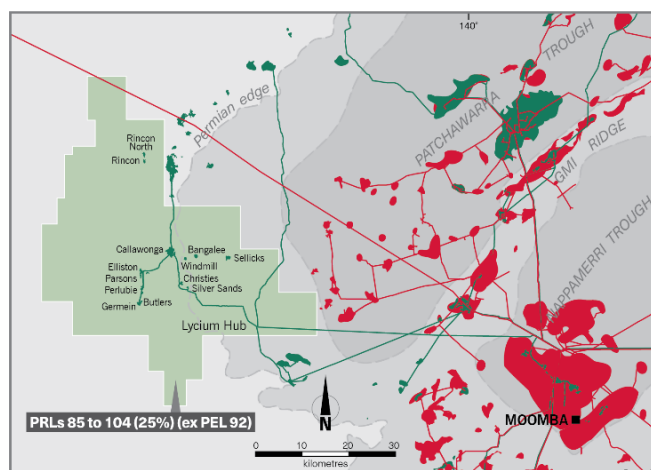
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Terms, abbreviations and conversion factors

Terms and abbreviations

\$	Australian dollars
AGP	Athena Gas Plant
bbls	Barrels
Bcf	Billion cubic feet
BMG	Basker, Manta and Gummy fields
CHN	Casino, Henry and Netherby fields
Cooper Energy or the Company	Cooper Energy Limited ABN 93 096 170 295
GJ	Gigajoules
GSA	Gas Sales Agreement
kbbl	Thousand barrels
MMboe	Million barrels of oil equivalent
OGPP	Orbost Gas Processing Plant
PEL	Petroleum Exploration Licence
PEP	Petroleum Exploration Permit
PJ	Petajoules
Tcf	Trillion cubic feet
TJ	Terajoules of gas
TJ/d	Terajoules of gas per day
DWGM	Declared Wholesale Gas Market

Conversion factors

Gas	1 PJ	= 0.163 MMboe
Oil	1 bbl	= 1 boe
	1 MMboe	= 6.11932 PJ
Condensate	1 bbl	= 1 boe

Disclaimer

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