

Gas sales agreement with AGL for Sole plus Manta option

23 March 2016

- **Binding HoA agreed with AGL Energy for up to 6.6 PJ/year**
- **60% of Cooper Energy's Sole 2C Resources¹ now subject to contract**
- **First commercial agreement for Manta gas project**
- **Gas marketing on track for FID requirements**

Cooper Energy (ASX:COE) announces its second gas supply agreement for the Sole gas field and its first commercial agreement for the nearby Manta field with the signing of a binding Heads of Agreement (HoA) with AGL Energy Limited (AGL). The agreement, which is subject to an affirmative Final Investment Decision (FID) provides for the supply of up to 53 PJ from Sole over 8 years, together with options for a two year extension and for supply of up to 4 PJ per annum from Manta.

Sole is currently the subject of Front End Engineering and Design (FEED) for a FID around the September quarter 2016. Cooper Energy and Santos Limited each hold a 50% interest in Sole and the Orbest Gas Plant which is planned to be used to process gas produced from Sole.

"We are very pleased to secure agreement with AGL on what is the cornerstone sales agreement for Sole" said Cooper Energy Managing Director David Maxwell. "AGL is among Australia's most important energy suppliers and we are delighted to have them as one of our customers in a growing gas portfolio."

AGL Energy is one of Australia's largest energy companies, with annual gas sales of more than 230 PJ to retail, business, wholesale and power generation customers. Under the agreement, Cooper Energy will supply AGL with up to 6.6 PJ per annum.

Current schedules anticipate first gas from the Sole gas project in the January quarter of 2019.

Cooper Energy now has a total of 73 PJ of its Sole gas subject to sales or extension agreements, which is 60% of the company's 2C contingent gas resources¹ of 121 PJ in the field.

Mr Maxwell said that the AGL contract was an important milestone in the path to an affirmative Final Investment Decision for Sole.

"The AGL contract, together with our HoA with O-I Australia, has us well on track to secure commitments for around 80% (10 PJs) of our share of Sole gas production prior to FID," he said.

The Sole gas field is located in VIC/RL3, offshore Victoria, approximately 62 kilometres from the Orbest Gas Plant, onshore Victoria. The field has been assessed by Cooper Energy as containing a 2C contingent gas resource of 241 PJ¹ (100% joint venture) of which Cooper Energy's share is 121 PJ. An affirmative FID for the Sole project will crystallise the translation of these Contingent Resources to Proved and Probable Reserves. On current equity levels, Cooper Energy anticipates the booking of Proved and Probable Reserves from Sole would deliver a 20 million barrel of oil equivalent uplift to Cooper Energy.

¹ As announced to the ASX on 26 November 2015. Cooper Energy is unaware of any new information that materially affects the information provided in the announcement of 26 November 2015 and all material assumptions and technical parameters underpinning the estimates provided in the announcement continue to apply and have not changed.

It is expected that the current FEED process will define and cost a simple development plan involving a subsea well, a subsea pipeline and modifications to the existing Orbost Gas Plant which is connected to the Eastern Gas Pipeline (see Figure 1 following). FEED was approximately 55% complete at end-February and progressing on schedule and within budget.

Mr Maxwell said the opportunity to use existing plant infrastructure was one of a number of factors favourable for the development of the field.

“The commercial realities of competitive markets still apply and producers commanding the best position on the cost curve can expect to possess the most economic outcome for buyer and seller.

“Sole is very well placed. The field offers conventionally sourced gas, close to market, using existing plant with the bonus of synergies and cost sharing with adjacent projects” he said. “In this context, AGL’s acquisition of an option for supply from Manta is important.” he said.

Cooper Energy is operator and 65% interest holder in the Manta gas project which lies within VIC/L26 and L/27 offshore Victoria approximately 57 kilometres from the Orbost Gas Plant. Manta is assessed to contain 2C Contingent Resource of 106 PJ² (100% joint venture share) of gas and with an associated 2C liquids resource of 2.6 million barrels². Cooper Energy is assessing potential pathways for the appraisal and development of the Manta project for production as early as 2021.

As previously announced, the company currently has a data room open in respect of its 50% interest in Sole and Orbost and 65% interest in Manta, for the purpose of facilitating alignment across projects and optimal funding outcomes.

Further comment and information	
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Notes on calculation of Contingent Resources:

Sole gas field

Contingent Resources have been assessed using probabilistic simulation modelling for the Kingfish Formation at the Sole Field. This methodology incorporates a range of uncertainty relating to each of the key reservoir input parameters to predict the likely range of outcomes. The conversion factor of 1PJ = 0.172MMboe has been used to convert from Sales Gas (PJ) to Oil Equivalent (MMboe). The date of the Sole Contingent Resource Assessment is 26 November 2015 and the assessment was announced to the ASX on 26 November 2015. Cooper Energy is not aware of any new information or data that materially affects the information provided in that release and all material assumptions and technical parameters underpinning the assessment provided in the announcement continues to apply.

Manta gas and oil field

Contingent and Prospective Resources have been assessed using deterministic simulation modelling and probabilistic resource estimation for the Intra-Latrobe and Golden Beach Sub-Group in the Manta field. This methodology incorporates a range of uncertainty relating to each of the key reservoir input parameters to predict the likely range of outcomes. The conversion factor of 1PJ = 0.172MMboe has been used to convert from Sales Gas (PJ) to Oil Equivalent (MMboe). Contingent Resources for the Manta Field have been aggregated by arithmetic summation. The date of the Manta Contingent Resource assessment is 16 July 2015 and the assessment was announced to the ASX on 16 July 2015. Cooper Energy is not aware of any new information or data that materially affects the information provided in that release and all material assumptions and technical parameters underpinning the assessment provided in the announcement continues to apply.

About Cooper Energy Limited (ASX:COE) is an ASX listed exploration and production company featuring low cost oil production in the Cooper Basin and gas resources and infrastructure in the Gippsland basin it is working to develop to Eastern Australia’s emerging supply needs. The company has a management and Board team with a proven track record in building resource companies, a strong balance sheet and is executing a clear shareholder-return driven strategy to create value from opportunities in the Australian energy market. www.cooperenergy.com.au

² As announced to the ASX on 16 July 2015. Cooper Energy is unaware of any new information that materially affects the information provided in the announcement of 16 July 2015 and all material assumptions and technical parameters underpinning the estimates provided in the releases continue to apply and have not changed.

Figure 1: Indicative Schematic Overview of Sole Gas Field Development

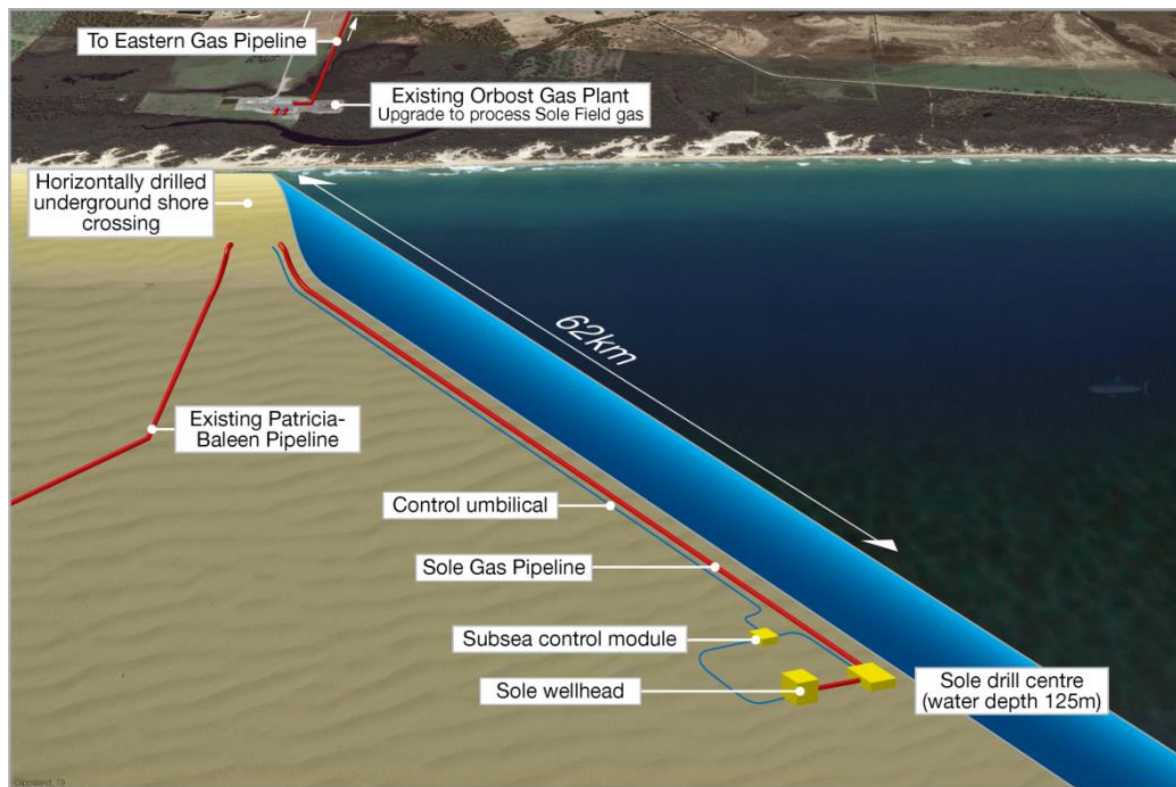


Figure 2: Location of Sole and Manta projects, Orbost Gas Plant, Gippsland Basin, Australia

