

12 February 2018

FY18 First half results:

Gas strategy delivering growth; value milestones approaching

- Net profit after tax of \$19.8 million up from loss of \$8.2 million
- Significant items of \$17.6 million including value realised from Orbost Gas Processing Facility
- Underlying profit of \$2.2 million up from pcp loss of \$3.5 million
- Underlying EBITDA up 433% to \$13.0 million
- Cash generation up 264% with cash from operating activities of \$10.0 million
- Sole gas project within budget and schedule after FID in August
- Production and project milestones imminent with rig operations from March
- Conference call and webcast 9 am AEDT

Cooper Energy has announced a strong turnaround in first half results with growth of 200% or more in net profit, operating cash flow, production and reserves as the company realised gains from delivery of its gas strategy.

Net profit after tax for the period of \$19.8 million for the six months ended 31 December 2017 compares with the loss of \$8.2 million recorded in the previous corresponding period. The profit result includes significant items of \$17.6 million, the major item of which was gain on sale of the Orbost Gas Processing Facility. Sale of the facility, which Cooper Energy acquired from Santos with the Sole gas field, was completed in October 2017. Profit before tax increased from a loss of \$5.3 million to a profit of \$21.3 million.

Full details of significant items and a reconciliation to underlying profit is included in the half year report lodged with the ASX today.

Exclusive of significant items, underlying EBITDA of \$13.0 million for the six months to December increased 433% from the previous corresponding period loss of \$3.9 million. The company recorded an underlying profit of \$2.2 million compared with the underlying loss of \$3.5 million in the 2017 first half.

Cash generation increased substantially, with net cash from operating activities of \$10.0 million for the period compared with the outflow of \$6.1 million in the previous first half. Cash generation from the Otway Basin gas production acquired in January 2017, and higher oil revenues, were responsible for the growth in cash flow. The cash flow was recorded after Petroleum Resource Rent Tax payments of \$4.8 million (zero in the pcp).

Cooper Energy Managing Director David Maxwell said the company's results for the FY18 first half featured "a combination of financial growth and gains arising from our gas strategy and a long list of milestones achieved."

"The gain on sale of the Orbost Gas Processing Facility, while not included within underlying profit, is attributable to the gas strategy we have been executing since 2012 and the value this has created in what was the non-operational Patricia Baleen gas plant.

"We were delighted to reach agreement with APA to acquire the plant, which we expect will continue to grow in significance and economic value through the upgrade work APA is conducting for the Sole gas project and through processing gas from other Gippsland Basin gas fields such as Manta" he said.

“At the underlying level, the increased revenue, cash generation and profit are but the first instalment of the three year growth profile we expect from the commencement of new gas contracts and increase in production from the Otway Basin and as we deliver the Sole gas project” Mr Maxwell said.

“We are focussed on delivering full value to our shareholders for this outlook and the position that we have secured in south-east Australian gas supply. At the same time, we are working to mature resources such as Manta and the potential in our offshore and onshore Otway portfolio to deliver a second phase of growth to 2023” he said.

Mr Maxwell noted the numerous achievements during FY18 first half included:

- completion of the APA gas plant transaction;
- Sole gas project Final Investment Decision;
- regulatory acceptance for Cooper Energy to operate offshore exploration, development and production licences;
- a 362% upgrade to 2P reserves at 25 August;
- completion of a \$135 million capital raising to partially fund Sole and other operations;
- financial close of the company’s \$265 million senior secured debt facilities with ANZ and Natixis; and
- agreement on a new supply contract for Casino Henry gas to apply from 1 March 2018.

The new Casino Henry gas contract is the 5th term gas supply contract negotiated by Cooper Energy since August 2015. The company’s supply portfolio now includes agreements with O-I Australia, AGL Energy, EnergyAustralia, Alinta Energy and Origin Energy.

The capital raising, combined with the initial debt drawdown, had contributed to a rise in cash balance from \$147.5 million at the beginning of the period to \$283.2 million at 31 December. Borrowings at 31 December were \$79.4 million, net of pre-paid fees.

The Sole gas project was 28% complete at 31 December, within schedule and cost for the delivery of first gas to the Orbost Gas Processing Facility from March 2019. Subsequent progress has taken the project to 30% complete at 31 January.

Mr Maxwell said “plans for the coming four months include a number of landmark events. In March we start supplying gas from Casino Henry under a new contract and workover the Casino-5 well. In April and May we expect to drill and complete the production wells for the Sole gas project and soon after we expect to commence marketing of Sole’s 63 PJ of uncontracted gas”. Cooper Energy has a 100% interest in the Sole gas field.

The company affirmed production guidance for the current financial year of 1.4 million barrels of oil equivalent which compares to 1 million barrels of oil equivalent in the preceding 12 months. Production for the first half of 0.81 MMboe was 406% above the 2017 first half with the increase due to the addition of Otway Basin gas production from 1 January and a 6% lift in Cooper Basin oil production.

Further comment and information:	
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About Cooper Energy Limited (ASX: COE) is an ASX listed 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-focussed acreage and assets, including well located reserves, resources and processing plant, in the Otway and Gippsland basins. The most significant resource, the Sole gas field in the Gippsland Basin, is currently being developed to provide a new source of gas supply for south-east Australia from 2019.

A presentation on the results will be made via conference call and webcast commencing at 9:00 AEDT Monday 12 February with recording accessible on the company's website from 2:30 pm AEDT. Details are as follows:

Webcast access:

<http://webcast.openbriefing.com/4237/>

Conference call:

The conference call can be accessed by the telephone numbers below and quotation of the specified Conference ID number.

Conference ID number: 418 4339

Australia Toll: +61 2 8038 5221 (can be used if dialing from international location)

Australia Toll-free: 1800 123 296

International:

Toll-free dial in numbers for each country are listed below. For countries not listed below, the Australian Toll number provided above may be used.

Canada	1855 5616 766	New Zealand	0800 452 782
China	4001 203 085	Singapore	800 616 2288
Hong Kong	800 908 865	United Kingdom	0808 234 0757
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