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29 August 2017

Finance package secures Sole FID and funds gas capex

- Total funding package for Sole development and identified capital expenditure in current operations
- \$250 million debt facility fully underwritten by ANZ and Natixis and \$15 million working capital facility provided by ANZ
- Fully underwritten entitlement offer to raise approximately \$135 million
- Sole FID declared
- Proven and Probable Reserves increase by 43 million boe (362%) to 54 million boe
- Funding for near term opportunities to lift gas production increase

Cooper Energy Limited (ASX:COE) (“COE” or “Cooper Energy” or “the Company”) announces that the Final Investment Decision (FID) has been declared for the Sole gas project with the execution of a fully underwritten finance package.

The finance package includes a A\$250 million senior secured bank debt facility fully underwritten by Australia and New Zealand Banking Group (“ANZ”) and Natixis, Hong Kong Branch, (“Natixis”), a senior secured A\$15 million working capital facility provided by ANZ and a fully underwritten accelerated non-renounceable entitlement offer to raise approximately \$135 million.

The finance package will fund the remaining Sole gas project capital cost, as well as provide additional funding and liquidity requirements associated with bank finance and capital expenditure identified for the Company’s offshore and onshore Otway Basin and Cooper Basin operations and maintenance of the offshore Gippsland Basin facilities.

The Sole gas project involves development of the field to commence supply of gas to south-east Australia in 2019. Under agreements announced on 1 June 2017, APA Group will acquire the Orbost Gas Plant and undertake the \$250 million plant upgrade and process gas from the Sole field and other fields. Cooper Energy, the 100% interest holder in the Sole gas field, is responsible for the \$355 million offshore development and shore crossing to the Orbost Gas Plant.

The financing and achievement of the FID milestone satisfies a key outstanding condition precedent of the agreement with APA Group and Cooper Energy’s gas supply contracts with AGL Energy, EnergyAustralia, Alinta Energy and O-I Australia.

Cooper Energy Managing Director David Maxwell said “the package announced today allows FID for Sole and the pursuit of other near term gas opportunities at a time of great market need. Our reserves have increased nearly four times and the development of Sole sets the Company on a growth trajectory offering a five-fold increase in production in the years to 2020.”

“The fully underwritten debt facility from major banks, ANZ and Natixis, underscores the quality of the Sole project and of the other opportunities in our portfolio which includes 112 PJ of uncontracted gas, as well as the Manta opportunity, in south-east Australia” said Mr Maxwell.

“Gas prices have consolidated in recent months and this, together with the ongoing enquiry levels for our uncontracted gas, provides high confidence in the business case for incremental development of our existing gas operations”.

Cooper Energy's Proven and Probable (2P) reserves have been upgraded¹ from 11.7 million barrels of oil equivalent at 30 June 2017 to 54.1 million barrels of oil equivalent as a result of the re-classification of Sole's 2C Contingent Resource of 249 petajoules of gas.

Debt facility

ANZ and Natixis have committed to jointly underwrite a \$250 million senior secured Reserve-Based Lending ("RBL") facility at competitive margins and a seven-year tenor. In addition, ANZ is providing a \$15 million working capital facility.

Mr Maxwell said that the project facilities had been selected after an extensive assessment of bank and non-bank debt financing options in Australian and international capital markets.

"We have chosen a debt finance option with a competitive interest rate, terms and flexibility for repayment, which is consistent with the quality of the Sole gas project. Together with the equity raising, this provides a finance solution which retains a prudently geared balance sheet, delivers superior outcomes for shareholders than non-bank debt finance options and gives the Company some capital flexibility for other commitments and opportunities within our asset portfolio." said Mr Maxwell.

Entitlement Offer

The equity component of the finance package consists of a 2 for 5 fully underwritten accelerated non-renounceable entitlement offer of new fully paid ordinary shares in Cooper Energy ("New Shares") to raise approximately \$135 million ("Entitlement Offer") comprised of:

- an accelerated institutional component to be conducted today and tomorrow ("Institutional Entitlement Offer"); and
- a retail component which is anticipated to open on 5 September 2017 and close on 19 September 2017 ("Retail Entitlement Offer").

Both the Institutional Entitlement Offer and the Retail Entitlement Offers are priced at \$0.295 per New Share ("Offer Price"). The Offer Price represents a discount of:

- 15.7% to \$0.350, being the last closing price of Cooper Energy shares on 25 August 2017; and
- 11.8% to the theoretical ex-rights price ("TERP") of \$0.334.²

The record date under the Entitlement Offer is 7pm (AEST) on 31 August 2017 ("Record Date"). Entitlements to subscribe for New Shares under the Entitlement Offer ("Entitlements") cannot be traded on the ASX.

The Entitlement Offer is fully underwritten by Euroz Securities Limited and Canaccord Genuity (Australia) Limited; Taylor Collison is acting as Co-Lead Manager.

The New Shares to be issued will rank equally with existing Cooper Energy shares on issue at the time of allotment.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer which opens today and closes on or before 30 August 2017.

Under the Institutional Entitlement Offer, eligible institutional shareholders can choose to take up all, part or none of their Entitlement. Entitlements not taken up under the Institutional Entitlement Offer, or Entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to eligible institutional investors at the Offer Price through a bookbuild process.

¹ Cooper Energy announced an update to its reserves and resources assessment as at 25 August 2017 on 29 August 2017. Cooper Energy is not aware of any new information or data that materially affects the information provided in that announcement

² TERP is calculated by adjusting for the bonus-element of the Entitlement Offer only based on the closing price of Cooper Energy shares on 25 August 2017

Cooper Energy shares have been placed in a trading halt while the Institutional Entitlement Offer is undertaken. It is expected that the trading halt will end at market open on 31 August 2017.

New Shares under the Institutional Entitlement Offer are expected to be issued on 8 September 2017. Cooper Energy will, upon issue of the New Shares under the Institutional Entitlement Offer, seek quotation of the New Shares on ASX.

Retail Entitlement Offer

Eligible retail shareholders with a registered address in Australia or New Zealand as at the Record Date (“Eligible Retail Shareholders”) have the opportunity to take up their Entitlement of New Shares at the Offer Price, on the terms and conditions outlined in the Retail Offer Booklet to be sent to Eligible Retail Shareholders on or around 5 September 2017. The Retail Entitlement Offer is anticipated to close on 19 September 2017.

Eligible Retail Shareholders can choose to take up all, part, or none of their Entitlements. Furthermore, the Retail Entitlement Offer will include a top up facility under which Eligible Retail Shareholders who take up their Entitlement in full may also apply for additional New Shares in the Retail Entitlement Offer that were not taken up by other Eligible Retail Shareholders, subject to a maximum amount as detailed in the Retail Offer Booklet. There is no guarantee that applicants under the top up facility will receive all or any of the additional New Shares for which they apply.

New Shares under the Retail Entitlement Offer are expected to be issued on 26 September 2017. Cooper Energy will, upon issue of the New Shares under the Retail Entitlement Offer, seek quotation of the New Shares on ASX.

Please note that shareholders with a registered address outside Australia or New Zealand on the Record Date are ineligible to participate in the Retail Entitlement Offer.

Further details about the finance package are provided in the investor presentation lodged with the ASX today.

Conference call details

| Conference call and webcast details: | | | | | | | | | | | | | | | | | |
|--------------------------------------|---|----------------|---------------|-------------|--------------|-------|--------------|-----------|--------------|-----------|-------------|----------------|---------------|-------|--------------|---------------|---------------|
| Time: | 11:00 am EST, Tuesday 29 August | | | | | | | | | | | | | | | | |
| Webcast | Access via company website home page (cooperenergy.com.au) or via the following address: http://webcast.openbriefing.com/3963/ | | | | | | | | | | | | | | | | |
| Conference call | Conference ID number: 7613 6555 | | | | | | | | | | | | | | | | |
| Australia: | Toll free: 1800 123 296 Toll: + 61 2 8038 5221 - (can be used if dialing from an international location) | | | | | | | | | | | | | | | | |
| International dial- in | Toll free: <table border="0"> <tr> <td>Canada</td> <td>1855 5616 766</td> <td>New Zealand</td> <td>0800 452 782</td> </tr> <tr> <td>China</td> <td>4001 203 085</td> <td>Singapore</td> <td>800 616 2288</td> </tr> <tr> <td>Hong Kong</td> <td>800 908 865</td> <td>United Kingdom</td> <td>0808 234 0757</td> </tr> <tr> <td>Japan</td> <td>0120 477 087</td> <td>United States</td> <td>1855 293 1544</td> </tr> </table> | 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 | Japan | 0120 477 087 | United States | 1855 293 1544 |
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| China | 4001 203 085 | Singapore | 800 616 2288 | | | | | | | | | | | | | | |
| Hong Kong | 800 908 865 | United Kingdom | 0808 234 0757 | | | | | | | | | | | | | | |
| Japan | 0120 477 087 | United States | 1855 293 1544 | | | | | | | | | | | | | | |

Retail Investor Enquiries

For further information in regard to the Retail Entitlement Offer, please contact the Cooper Energy Shareholder Information Line on 1300 655 248 (local call cost within Australia) or +61 3 9415 4887 (from outside Australia) at any time between 8.30am and 5.00pm (Sydney time), Monday to Friday.

Nothing contained in this announcement constitutes investment, legal tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.

Further information

Grant Samuel is acting as financial adviser to Cooper Energy, with Johnson Winter & Slattery acting as legal adviser on the Entitlement Offer and Gilbert + Tobin acting as legal adviser on the debt financing.

Euroz Securities Limited and Canaccord Genuity (Australia) Limited are acting as Joint Lead Managers to the Entitlement Offer and Taylor Collison is acting as Co-Lead Manager to the Entitlement Offer.

Further details about the Sole finance package and the Entitlement Offer are provided in the investor presentation lodged with the ASX today.

| Further comment and information: | |
|---|----------------------------|
| David Maxwell | Don Murchland |
| Managing Director | Investor Relations Advisor |
| +61 8 8100 4900 | +61 439 300 932 |

Key dates

| Event | Date |
|---|------------------------------|
| Announcement of Sole FID, debt facility and Entitlement Offer | Tuesday, 29 August 2017 |
| Institutional Entitlement Offer opens | Tuesday, 29 August 2017 |
| Institutional Entitlement Offer closes | Wednesday, 30 August 2017 |
| Shares recommence trading on ASX on an "ex-entitlement" basis | Thursday, 31 August 2017 |
| Record Date for the Entitlement Offer | Thursday, 31 August 2017 |
| Retail Entitlement Offer opens | Tuesday, 5 September 2017 |
| Retail Offer Booklet despatched | Tuesday, 5 September 2017 |
| Settlement of New Shares issued under the Institutional Entitlement Offer | Thursday, 7 September 2017 |
| Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer | Friday, 8 September 2017 |
| Retail Entitlement Offer closes (Retail Closing Date) | Tuesday, 19 September 2017 |
| Allotment of New Shares under the Retail Entitlement Offer | Tuesday, 26 September 2017 |
| New Shares issued under the Retail Entitlement Offer commence trading on ASX | Wednesday, 27 September 2017 |
| Despatch to Shareholders of holding statements under the Retail Entitlement Offer | Thursday, 28 September 2017 |

All dates and times referred to are based on Sydney time and are subject to change. COE reserves the right to vary these dates or to withdraw the Entitlement Offer at any time.

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This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer of securities for sale in the United States or any other jurisdiction. Any securities described in this announcement may not be offered or sold in the United States absent registration under the US Securities Act of 1933 or an exemption from registration.

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 and resources, in the Otway and Gippsland basins. The most significant resources, in the Gippsland Basin, are currently being commercialised to provide a new source of gas supply for south-east Australia from 2019.