

27 February 2017

## **Transformational first half sets Cooper Energy on 6 year growth plan**

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- **Statutory loss after tax of \$8.2 million reduced from FY16 H1 loss of \$34.1 million**
- **Significant items of \$(4.7) million principally due to international withdrawal**
- **Underlying loss after tax of \$3.5 million**
- **Transformational acquisition completed: gas business added, reserves and production upgraded**
- **Sole project achieves sales, development and equity structure milestones**
- **Portfolio concentration on Australia**
- **Conference call: 9:00 am AEDT**

Cooper Energy (ASX:COE) has announced its financial results for the six months to 31 December 2016 ("2017 first half") in a report featuring a reduced statutory loss accompanied by transformational change which delivered substantial upgrades to expected production, reserves and the company's scope of operations.

The changes included the company's acquisition of Santos' Victorian gas assets, announced in October 2016 and effective 1 January 2017, and near completion of Cooper Energy's withdrawal from international operations in February 2017. As a result, the 2017 first half was the last by the company in its previous guise where income was generated principally from non-operated Cooper Basin oil production, with interests in Indonesian and Tunisia.

The company's portfolio is now concentrated on Australia and, from 1 January, the large majority of the company's revenue is generated by the production of gas for south-east Australia.

Cooper Energy reported a statutory loss after tax of \$8.2 million which compares to the loss after tax of \$34.1 million recorded in the 2016 first half ("prior corresponding period"). The statutory result was recorded after significant non-operating items of \$(4.7) million, primarily being a provision associated with exit from Tunisian exploration licences and impairments to Indonesian oil properties, the sale of which is due to complete imminently.

Exclusive of significant items, the company recorded an underlying loss of \$3.5 million compared with 2016 first half underlying loss of \$1.3 million. The major factors in the movement between periods were lower oil sales volumes and additional costs associated with the acquisition and integration of gas assets during the period.

Managing Director David Maxwell highlighted the gas asset acquisition and progress of the Sole gas project as "standout events in a landmark period for Cooper Energy".

"Cooper Energy is now a gas supplier to south-east Australia. Our production for the current year has been upgraded by more than 3 times to 1 million boe and our Australian reserves have risen more than 8 times to exceed 11 million boe.

"We are now set for significant growth this year, which is expected to be the first instalment in a 6 year growth trajectory offered by our existing assets. Based on current plans and equity interests, this can take our production from last year's output of 0.3 million boe to exceed 10 million boe by 2022" he said.

Mr Maxwell said that the progress and results of the Sole gas project meant the company was now positioned to commence the finalisation of funding for Sole whilst retaining the maximum value exposure for its shareholders.

“Since 1 July we have increased our equity in the project to 100%, secured additional gas purchase commitments that support funding, finalised the development plan and, as we announced with APA Group earlier today, entered into Heads of Agreement to negotiate a transaction to separate the upstream and midstream elements of the project and substantially reduce the finance requirement for Cooper Energy.

“This enables us to approach project sanction and conduct the final phase of financing, having preserved 100% of the equity in Sole for our shareholders.”

“This outcome is largely attributable to the support of our shareholders, whose support for the \$63 million capital raising during the period enabled our acquisition of the Victorian gas assets, including the remaining 50% interest in the Sole gas field and the Orbost Gas Plant” said Mr Maxwell.

Further details on the status of the project were announced to the ASX earlier today.

The company is progressing applications to become operator of each of the Victorian gas assets acquired to date. This process is expected to be completed by June 2017.

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

The company enjoys strong cash flow and is executing a clear strategy driven by total shareholder return.

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### Conference call & webcast details:

9:00 am AEDT Monday 27 February (recording available via company’s website from 2:30 pm on the day)

**Webcast access:** <http://webcast.openbriefing.com/3492/>

**Conference ID number** 7136 1742

**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 listed below. For countries not listed below, the Australian Toll number provided above may be used.

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