

Sole gas project final investment decision

- FID declared after fully underwritten finance package secured
- Satisfies key condition precedent for APA-Orbost Gas Plant agreement
- Satisfies condition precedent to gas sales agreements
- 2P Reserve uplift of 43 million boe

Cooper Energy Limited (ASX:COE or “Cooper Energy” or “the Company”) has announced the declaration of a final investment decision (“FID”) for the Sole gas project today following the announcement of a fully underwritten finance package to complete funding for the project and to fund other opportunities and commitments in the Company’s portfolio.

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.

Cooper Energy Managing Director David Maxwell said that the announcement was a milestone for the Company. “Today’s FID declaration is the culmination of 5 years’ effort under our gas strategy to identify, secure and develop gas resources best placed to supply south-east Australia with a new source of gas supply.”

“We now have a fully funded gas project that is proceeding on schedule to deliver a new gas supply to south-east Australia in 2019” he said.

On current equities, Sole will deliver gas sales of 24 PJ or 4 million barrels of oil equivalent (“boe”), per annum to Cooper Energy, roughly four times the company’s production in FY17. Approximately 75% of the field’s gas has been contracted under long term agreements with AGL Energy, EnergyAustralia, Alinta Energy and O-I Australia.

APA Group; Orbost Gas Plant Transaction

Declaration of Sole FID fulfils one of the principal outstanding conditions for the completion of the agreement with APA Group announced 1 June, whereby APA will acquire, upgrade and operate the Orbost Gas Plant to process gas from Sole.

The other outstanding conditions include financial close for the debt financing and other regulatory approvals.

Gas Sales Agreements

The company’s gas sales agreements with AGL, EnergyAustralia, Alinta Energy and O-I Australia were subject to Sole FID. This condition precedent has accordingly been satisfied.

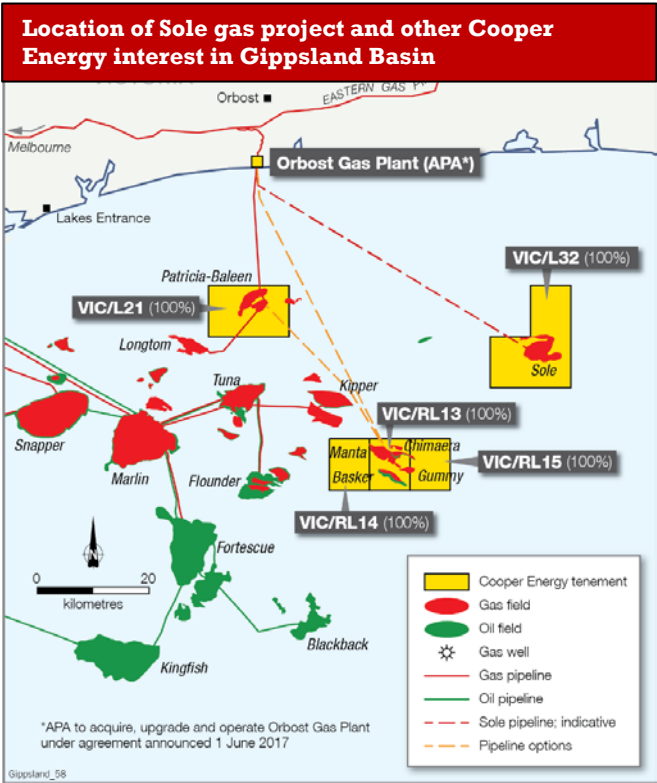
Reserves

Cooper Energy has elected to reclassify the 249 PJ Contingent Resource (2C) as Proved and Probable Reserves on the basis that FID has established the field as economic. The impact of the reclassification, which has been detailed in the reserves update announcement to the ASX today, is to increase Proved and Probable Reserves by 43 million boe. Cooper Energy’s total 2P Reserves post the upgrade are 54 million boe of which 305 PJ or 52 million boe are gas.

Background

Cooper Energy acquired a 50% interest in the Sole gas project and the Orbost Gas Plant from the previous 100% owner, Santos Limited in May 2015. This interest was increased to 100% with the acquisition of Santos' remaining interest effective from 1 January 2017.

Sole is located in VIC/L32 the Gippsland Basin, offshore Victoria, approximately 65 km from the Orbost Gas Plant. Cooper Energy is the Operator of VIC/L32.



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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 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.