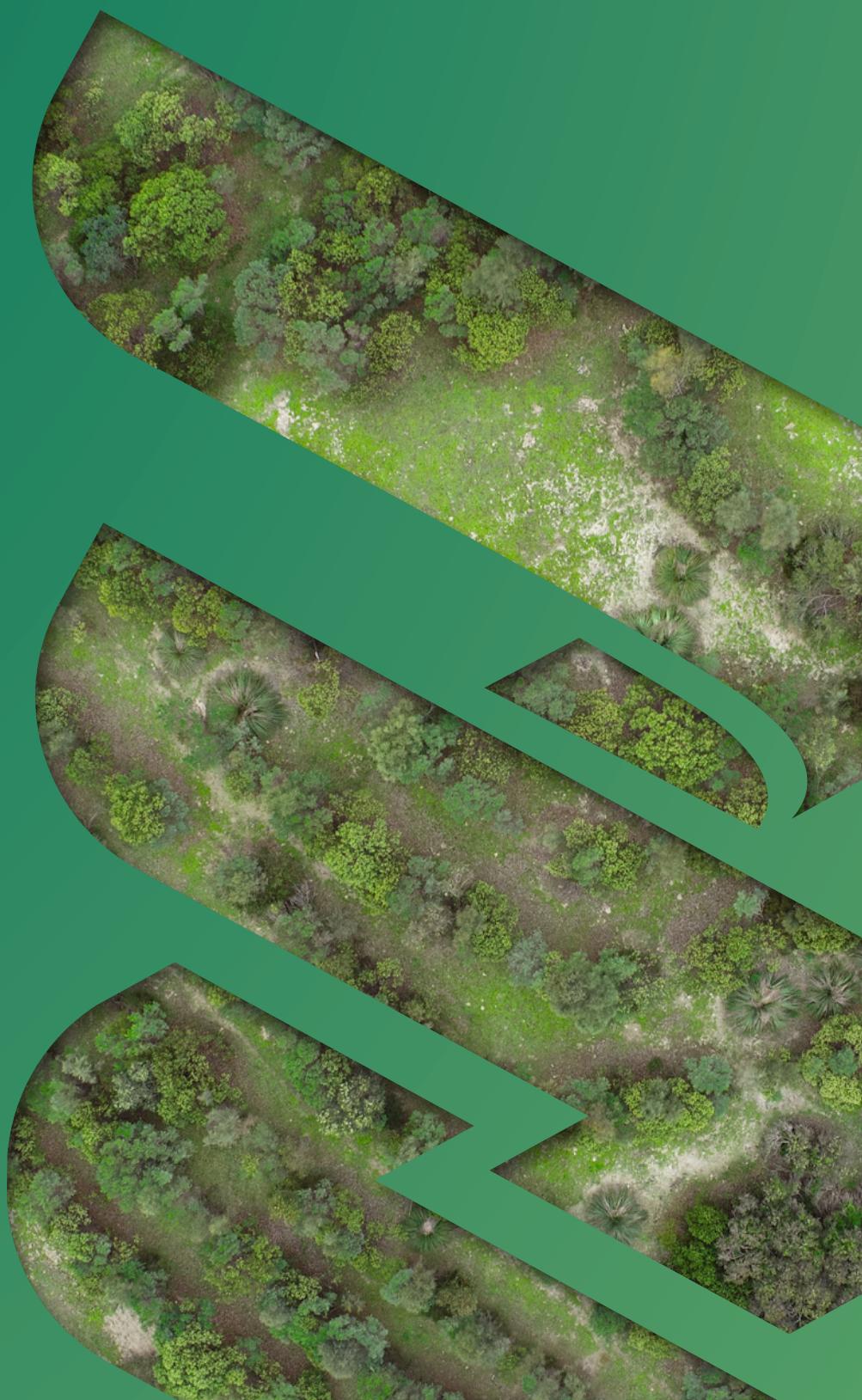


SUSTAINABILITY REPORT 2021



NET ZERO

Australia's First Carbon Neutral Domestic Gas Producer

COVER Biodiverse Carbon Coorong Project, South Australia

ACKNOWLEDGEMENT

Cooper Energy acknowledges the Kaurna people as the custodians of the Adelaide region of our Head Office. We also acknowledge the Whadjuk Noongar people on whose land our Perth office is based and the Eastern Maar people of the western district of Victoria, where our Athena Gas Plant is located.

SCOPE OF THIS REPORT

This report describes Cooper Energy's sustainability performance. It covers activities and assets owned by Cooper Energy from 1 July 2020 to 30 June 2021.

The terms 'the company' and 'Cooper Energy' are used in this report to refer to Cooper Energy Limited and/or its subsidiaries. The terms '2021', 'FY21' and the '2021 financial year' refer to the 12 months ended 30 June 2021 unless otherwise stated. Likewise references to 2020, FY20 or 2022, FY22 refer to the 12 months ending 30 June of that year.

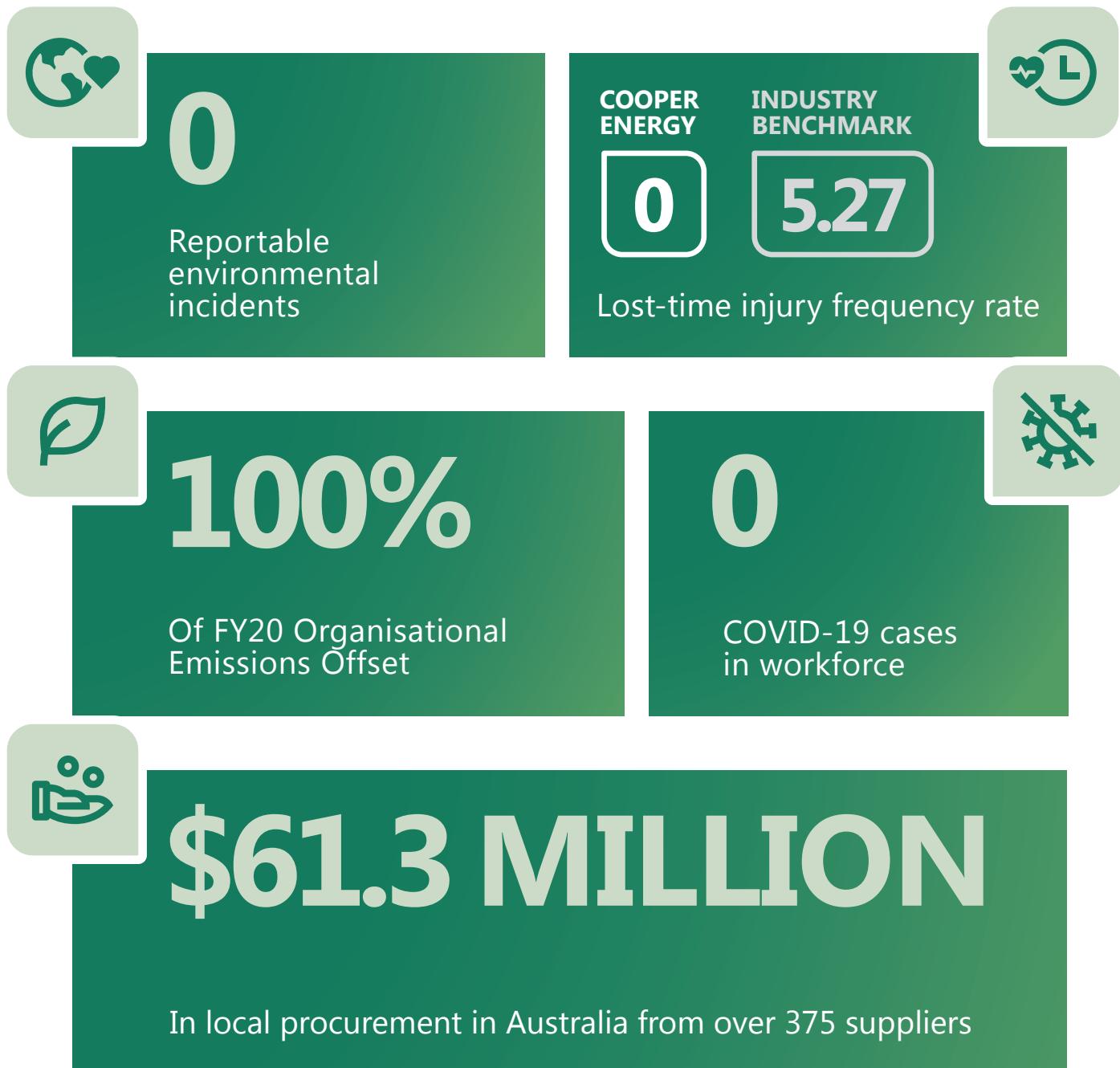
Terminology and abbreviations relevant to the Group, its accounts and the petroleum industry are included and described throughout the report.



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OUR FY21 SUSTAINABILITY PERFORMANCE



FOREWORD

DAVID MAXWELL



Cooper Energy is proud to be an enabler in society's transition to a cleaner energy future. We have voluntarily become Australia's first Carbon Active certified carbon neutral domestic gas producer.

From FY20, we have fully offset our Scope 1, Scope 2, and directly controllable Scope 3 emissions. Following a comprehensive review, we partnered with one of Australia's most reputable environmental enterprises – Greening Australia through their subsidiary Biodiverse Carbon. We have invested in Australian Carbon Credit Units (ACCUUs), issued by the Australian Government's Clean Energy Regulator. Each ACCU represents one tonne of carbon dioxide equivalent stored or

avoided by an approved Emissions Reduction Fund abatement project. In our case, the initial project is the revegetation of 600 ha of degraded land in the Coorong area of South Australia.

Climate Active is a partnership between the Australian Government and Australian businesses to drive voluntary climate action. Climate Active certifies firms that have achieved net zero carbon emissions. Cooper Energy's carbon-neutral claim was independently audited through the certification process to ensure it met the Climate Active Carbon Neutral Standard requirements.

Meeting the community's demand for reliable energy comes with enormous responsibilities. It requires juggling the multiple challenges of:

- Helping to prevent blackouts and brownouts (which cause households and businesses to buy diesel backup generators thus defeating the purpose of emissions reductions).
- Supporting manufacturing businesses to make the products we use every day. For example, plastics for vaccine syringes, glasses, cardboard boxes, and fertilisers to support food production.
- Reducing emissions to as low as reasonably possible to protect the environment.
- Ensuring we provide good quality and safe jobs (particularly in regional Australia), support local businesses and communities while delivering commercial returns for our shareholders.

It is highly desirable to have a world with affordable, zero emissions and reliable energy without fossil fuels. However, we are not there yet and the transition will take many years. It is unrealistic to dismiss the complexities of the transition. This is why a clear pathway is critical.

Fossil fuels still account for 72% (65% coal, 7% gas) of Eastern Australia's electricity generation. Renewables make up the remaining 28% with 11% solar, 10% wind and 7% hydro. The mainland state that has progressed the furthest down the electricity energy transition is South Australia, where renewables provide 61% of electricity generation, gas 38% and the balance is imported from other states. Notably, gas is more significant in providing dispatchable and reliable power in a renewables dominated grid.

The Australian Energy Market Operator (AEMO) has modelled various renewable energy transition scenarios and what this means for gas powered electricity generators. Gas demand in Australia grows under all realistic scenarios.

With the accelerated retirement of coal fired generators, demand increases for other energy sources for electricity generation. Notably, the faster the transition, the more likely the National Energy Market (NEM) grid will struggle to meet or dispatch electricity supply effectively and reliably.

As a result, gas powered generation becomes more critical to energy security.

Cooper Energy is one of many companies leading the charge in responding to climate change. We support Australia's prosperity in the new 'net zero emissions' economy while supporting jobs and businesses, especially in regional Australia.

Natural gas is a good friend to renewables. It not only provides the firming energy supply needed when the wind does not blow, and the sun does not shine. It also supports Australia's critical minerals, which are essential for clean energy technologies and standard technologies like smart phones. As one of the dispatchable energy resources (with pumped hydro and batteries) gas is required to meet our future energy demands.

The gas sector remains an essential part of the new energy economy. It continually adapts to new technologies, partnerships, and methods while supporting regional jobs and regional economies.

We must continue to support Australia's prosperity. At the same time, we are moving along the path of reducing emissions and taking steps to become increasingly sustainable. Not only is this what society demands, it is the right thing to do.



Figure 1: Eastern Australia's Electricity Mix. opennem.org.au

OUR APPROACH TO SUSTAINABILITY

COOPER ENERGY ADOPTS THE UNITED NATIONS DEFINITION:

SUSTAINABLE DEVELOPMENT IS DEVELOPMENT THAT MEETS THE NEEDS OF THE PRESENT WITHOUT COMPROMISING THE ABILITY OF FUTURE GENERATIONS TO MEET THEIR OWN NEEDS

'Red-necked Avocet Seagull, Coorong, South Australia.'



THE COOPER ENERGY VALUES

Cooper Energy's corporate culture is driven by a set of core values.

The Cooper Energy Values inform our decision making and guide our behaviours. Our independently conducted and benchmarked staff survey consistently reflects the importance of these values to our team and their confidence in the company's leaders and the business's clear and promising strategic direction.

The Cooper Energy Values can be found at [Our-Company/Values](#).



CARE

Prioritising safety, health, the environment and community.



INTEGRITY

Striving to be consistent, staying true to our values and accountable for our actions.



FAIRNESS & RESPECT

Valuing diversity & difference, acting without prejudice and communicating with courtesy.



TRANSPARENCY

Being honest, addressing problems and being clear with our communications.



COLLABORATION

Sharing ideas and knowledge, encouraging cooperation, listening to our stakeholders and building long-term relationships.



AWARENESS

Taking account of all identified key issues in our decisions, and considering future impacts.



COMMITMENT

Staying focused on the core objectives, making pragmatic, quality technical and commercial decisions and being decisive with the courage of our convictions.

GOVERNANCE

The Cooper Energy Board has oversight of corporate governance. The Board's responsibilities are discharged per applicable legislation.

To clearly articulate the responsibilities of the Board, Committees of the Board and Management, the Company has adopted charters to outline the roles of each of these bodies. These charters are reviewed regularly, as occurred during FY21.

The Company's Board Charter sets out (amongst other things):

- the roles and responsibilities of the Board;
- the matters expressly reserved to the Board; and
- the matters delegated to Management.

A copy of the Board Charter is located at: [Board-Charter](#)

The Board has established four Committees to assist it with carrying out its responsibilities – the Audit Committee, the Risk and Sustainability Committee, the People and Remuneration Committee, and the Governance & Nomination Committee. Each Committee has been assigned responsibilities by the Board as set out in the Charter for that Committee, these can be found at: [Corporate-Governance](#)

Cooper Energy is committed to diligently executing its corporate governance obligations.

A formal framework of charters, codes and policies provides compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations and effective management and supervision of the Company's affairs. That framework includes the following core documents:

- Code of Conduct
- Risk Management Protocol
- Equal Opportunity and Diversity Code
- Whistleblower Policy
- Cooper Energy Values
- Privacy Policy

These documents are published internally, and many are posted publicly at: [Corporate-Governance](#)

RISK MANAGEMENT

Cooper Energy's policy is to achieve best practice in management and decision-making by managing risk for the benefit of all stakeholders in a manner consistent with the Cooper Energy Values. 'Best practice' recognises the Company's activities, size and assets and takes into account fitness for purpose regarding these attributes.

The Company recognises that business decisions entail calculated risks, and managing the risks within sensible tolerances is fundamental to:

- protecting our people, communities, environment, assets and reputation;
- ensuring good governance and legal compliance; and
- realising opportunities and delivering long-term shareholder value.

Risk management is part of all strategic, line and functional management responsibilities. It is an integral part of decision making and underpins the Company's culture. The Company's risk management policies and procedures are regularly reviewed and updated as appropriate, as occurred during FY21.

The Executive Leadership Team regularly performs risk assessments. A summary of top corporate risks is reported at each meeting of the Board's Risk and Sustainability Committee.

The Risk and Sustainability Committee is chaired by Mr Hector Gordon and, at end-FY21, comprised four non-executive directors who are considered independent. Under the terms of its Charter, the Chairman of the Risk and Sustainability Committee must not be the Board's Chairman.

The Risk and Sustainability Committee's Charter is located at: [Risk-and-Sustainability-Committee-Charter](#)

As per the terms of its Charter, the role of the Risk and Sustainability Committee is to assist the Board to fulfil its oversight responsibilities concerning:

- risk management;
- the Company's sustainability policies and practices;
- insurance; and
- internal audit of non-financial matters.

**COOPER ENERGY
IS COMMITTED
TO DILIGENTLY
EXECUTING ITS
CORPORATE
GOVERNANCE
OBLIGATIONS**



ETHICS AND BUSINESS CONDUCT

Transparency, Integrity and Accountability are just three of the Cooper Energy Values vital to the way we do business.

The Cooper Energy Values are consistent with conducting our business honestly and ethically, in compliance with the laws of jurisdictions where we operate and with zero tolerance for bribery and corruption. Cooper Energy supports and encourages a culture of integrity and transparency.

The Company's Code of Conduct sets out the standards of behaviour expected of all its employees, directors, officers, contractors and consultants. Under this Code, all personnel are expected to act in accordance with the Cooper Energy Values and:

- operate with care, prioritising the safety and health of all personnel and the environment and the communities in which Cooper Energy operates;
- act honestly and with high standards of personal integrity, including treating other personnel with respect;
- comply with the laws and regulations that apply to Cooper Energy and its operations;
- not knowingly participate in any illegal or unethical activity;
- not misuse or take advantage of the property or information of, or their position in, Cooper Energy for personal gain or to cause detriment to Cooper Energy;
- act in the best interests of Cooper Energy and not enter into any arrangement or participate in any activity that would conflict with Cooper Energy's best interests or that would be likely to affect Cooper Energy's reputation negatively; and
- strive to be a good corporate citizen and achieve community respect, including dealing fairly with customers and suppliers.

The Code of Conduct is located at:

Code-of-Conduct

Cooper Energy has a range of codes and procedures that underpin this Code. These codes and procedures are designed to foster and maintain ethical business conduct within Cooper Energy. They govern workplace and human resources practices, handling confidential information, insider trading, risk management, and legal compliance. These documents are published internally, and many are posted publicly at:

Corporate-Governance

The key requirements of the Company's Anti-Bribery and Corruption Code are:

- Personnel must not offer, promise, give, accept or request a bribe and must not cause a bribe to be given, offered, promised or accepted by another person. If any personnel is offered a bribe, it must be refused and reported immediately to the General Counsel.
- Facilitation payments by Cooper Energy and its personnel are prohibited.
- Payment of, soliciting or receiving secret commissions by Cooper Energy and its personnel is prohibited.
- Money laundering by Cooper Energy and its personnel is prohibited.
- Personnel must comply with the requirements set out in this Code regarding gifts, entertainment, hospitality, donations, community investment and sponsorships.
- All personnel have responsibility for prevention, detecting and reporting breaches of this Code.

This Code is available at:

Anti-Bribery-and-Corruption-Code

**TRANSPARENCY,
INTEGRITY AND
ACCOUNTABILITY
ARE EMBEDDED IN
OUR VALUES AND
ARE KEY TO THE WAY
WE DO BUSINESS**





Athena Gas Plant Team

OUR PEOPLE

FY21 has seen further growth in Cooper Energy's total employee numbers due to the Athena Gas Plant completion project in Victoria. Despite the challenging global environment, the business has maintained its ability to operate with little disruption. The Company retains its mix of staff and contractors to support our onshore and offshore projects.

Our operating model

The Cooper Energy organisational structure and operating model is based on nine principles: Alignment with Strategy, One Team, Simplify, Create Asset Accountability, Encourage Agility, Ensure Scalability, Codify Decisions, Separate Governance and Centralise Scarce Excellence. The structure comprises a matrix organisation of line and functional disciplines designed to optimise value and effective delivery. We work with a flexible resourcing model to assist in meeting the needs specific to our work programme.

Culture

The Company's culture derives from firmly embedded values and a one-team approach. The Cooper Energy Values need to be demonstrated by all employees and contractors via their behaviour and work ethic. Achievement against objectives and behaviours are measured as part of our performance review cycle. Cooper Energy encourages staff to give back to others and supports employees to participate in two paid days per year of volunteering within our communities.

Talent resourcing

Our recruitment strategy focuses on ensuring we obtain the required skills and experience whilst at the same time aligning with the Cooper Energy Values. During the year, Cooper Energy increased its permanent employees from 80 to 90 employees, as at 30 June 2021. Most of this increase is related to the completion of recruitment for our Athena Gas Plant in Victoria. Our contractor numbers vary, as our goal is to maintain sufficient workforce flexibility to respond effectively to the changing demands of a project based business.

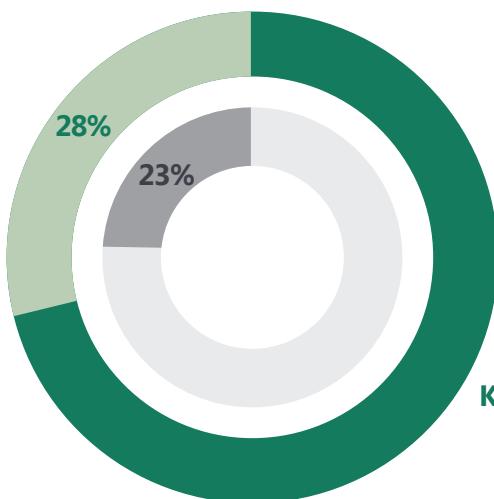
Engagement and enablement

Our workforce is highly engaged, and a high level of discretionary effort is evident, as confirmed by our most recent employee survey undertaken in FY21 by an independent organisation. The study is structured around two major dimensions – engagement, the 'want to' and enablement, the 'can do'. The Company's engagement score is particularly encouraging. It continues to sit high on global benchmarks, including benchmarking against high performing oil and gas companies.

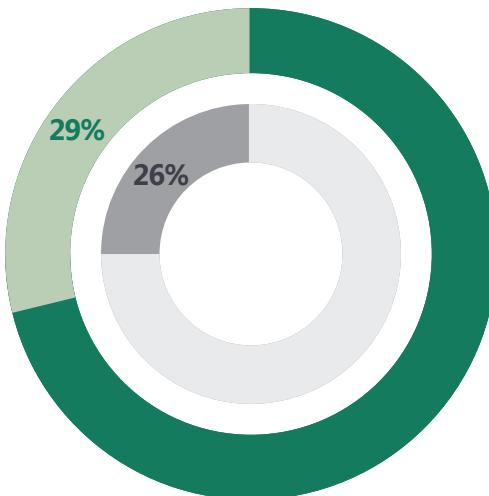
Diversity and inclusion

Cooper Energy is committed to diversity and inclusion, which contributes to some of the Cooper Energy Values. Gender diversity exists across all levels of the organisation, including the Board of Directors, the Executive Leadership Team, staff and contractors.

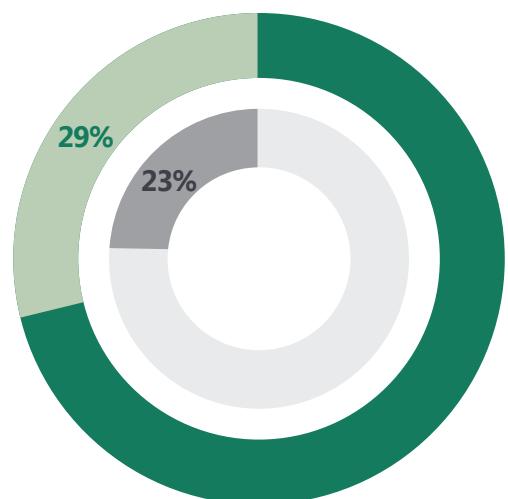
COMPANY GENDER DIVERSITY



KEY MANAGEMENT PERSONNEL GENDER DIVERSITY



BOARD OF DIRECTORS GENDER DIVERSITY



COOPER ENERGY

	Women
	Men

WGEA BENCHMARK

	Women
---	-------

The industry benchmark is the Workplace Gender Equity Agency (WGEA) Mining Division, which includes our oil and gas peers.

As at 30 June 2021 Cooper Energy had a total of:

- 25 women employees out of a total of 90 employees across the organisation (i.e. women comprised 28% of all employees);
- 2 women employees out of a total of 7 employees in senior executive positions (excluding the Managing Director) (ie. women comprised 29% of senior executives); and
- 2 women directors out of a total of 7 directors on the Board (including the Managing Director) (ie. women comprised 29% of the Board)^[1].

¹. Ms Giselle Collins was appointed to the Board in August 2021 (subject to confirmation by shareholders at Cooper Energy's 2021 AGM). As at the date of this Report, Cooper Energy has a total of three women directors out of a total of eight directors on the Board including the Managing Director (i.e. women comprise 38% of the Board).

Organisations with 100 or more staff employees are required by the Workplace Gender Equality Act 2012 to report annually to the Workplace Gender Equality Agency (WGEA) on the following six gender equality indicators. While Cooper Energy is just below this threshold and therefore is not obliged to report, an insight into Cooper Energy's standing against each of these indicators is provided below:

1. Overall composition of the workforce.

Cooper Energy sits above the industry benchmarks for gender diversity when measured at the Company's levels, key management personnel, and the Board of Directors.

2. Equal remuneration between women and men.

Our recruitment is based on the skills and experience required for the position. Both women and men are assessed equally on their ability to perform the role.

3. Availability and utility of employment terms, conditions and practices relating to flexible working arrangements for employees and working arrangements supporting employees with family and carers responsibilities.

Nine percent of employees are permanent part-time (including men and women), and 91% are full-time. Flexible working arrangements are available for our employees through our policy. Cooper Energy provides eight weeks paid parental leave to the primary caregiver plus five days Company paid Dad and partner leave after the birth of a child.

4. Composition of governing bodies.

The gender diversity of our overarching governing body, the Board of Directors, sits above the industry benchmark, with two of seven (29%) women directors as at 30 June 2021. This analysis considers the Chair, non-executive directors and the Managing Director. The representation of women on the Board increased to 38% with the appointment of Ms Giselle Collins as a new non-executive director effective 19 August 2021 (subject to confirmation by Shareholders at the Company's 2021 Annual General Meeting).

5. Consultation with employees on workplace gender equality issues.

Cooper Energy provides an open environment for matters of gender equality to be raised through management or the People and Remuneration team.

A Whistleblower Policy and Issue Resolution Procedure underpin our Code of Conduct, Equal Opportunity and Diversity Code and Bullying and Harassment Code (incorporating Sexual Harassment).

A confidential Employee Assistance Program (EAP) is provided to support staff and direct contractors, including concerns regarding gender equality issues.

The Company provides annual training on matters such as bullying and harassment, including sexual harassment. In May 2021 the Board and Key Management Personnel were externally briefed on the Respect@Work inquiry, including its findings and recommendations. Cooper Energy celebrated International Women's Day in 2021, reiterating our ongoing commitment to safe, respectful, and inclusive work environments.

6. Any other matters specified by the Minister for Women in a legislative instrument: sex-based harassment and discrimination.

No matters of significance were identified.

Learning and development

Our learning framework consists of a formal planning process with a review against development objectives, focusing on a 70:20:10 principle with 70% of training on the job, 20% from mentoring and exposure to various projects and 10% from formal training with external providers.

The framework incorporates leadership and management development, technical and regulatory operational requirements, competency-based training, compliance awareness and education and general business learning and development programs. In FY21, there has been a major focus on competency based training for our employees at the Athena Gas Plant in support of the commissioning of the Plant in late 2021. The Cooper Energy study assistance program supports undergraduate and postgraduate studies.

Cooper Energy partners with leading providers such as the Melbourne Business School to support its learning framework.

The Company maintains a cycle of performance and development reviews for all staff with open dialogue on objectives, development and career aspirations. Cooper Energy also encourages and facilitates career diversification that includes cross-functional opportunities.

The Company supports Science, Technology, Engineering and Mathematics students from the University of Adelaide through mentoring and assisting with relevant study projects. Cooper Energy actively supports industry forums, including speaking engagements and regular participation in round table and learning sessions.

IN FY21, THERE HAS BEEN A MAJOR FOCUS ON COMPETENCY BASED TRAINING FOR OUR EMPLOYEES AT THE ATHENA GAS PLANT IN SUPPORT OF THE COMMISSIONING OF THE PLANT IN LATE 2021



Dean Johnson- Operations Manager, on a visit to Athena Gas plant to discuss commissioning and training with the team.



HEALTH AND SAFETY

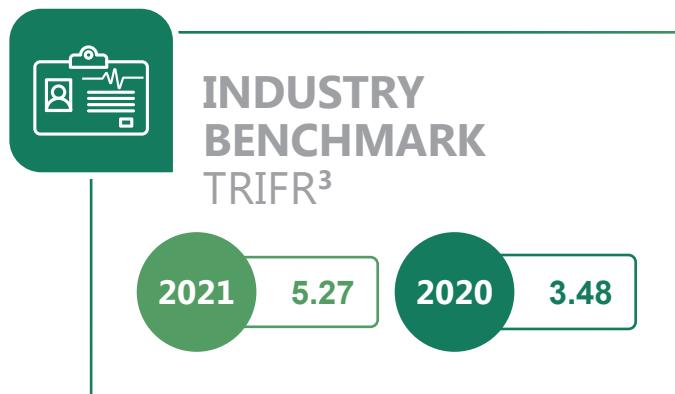
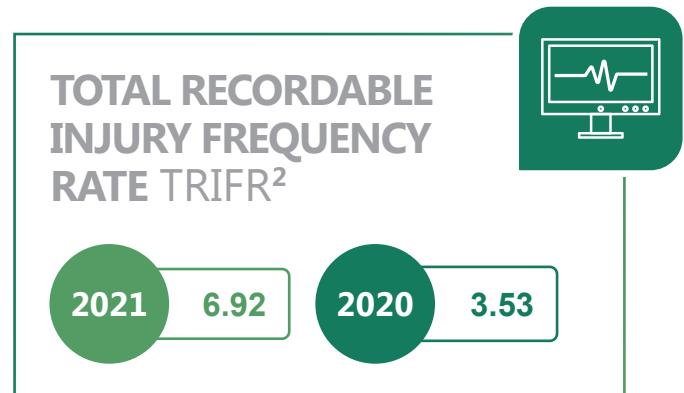
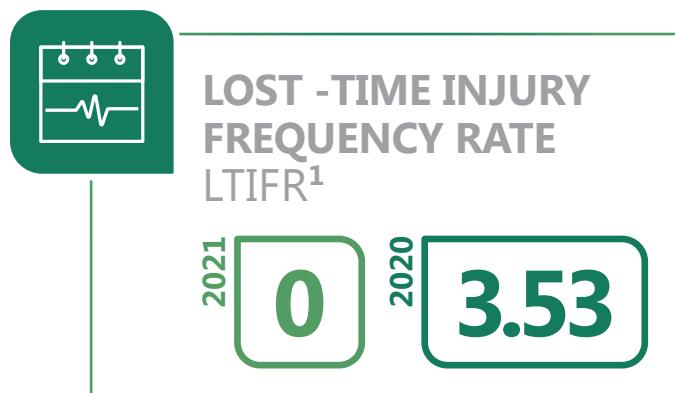
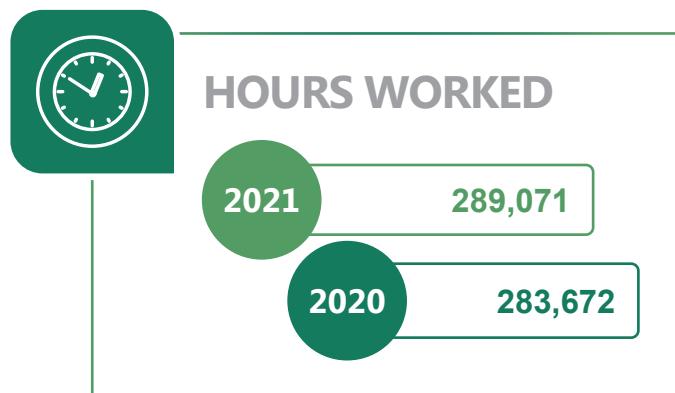
Care is a core Cooper Energy Value. The Health Safety Environment Policy sets out the commitment to the health and safety of our staff, contractors and communities in which we operate. Our HSE Policy is available at [Health-Safety-Environment](#).

Our people are supported by our strong commitment to health and safety and constantly improving systems and processes. The Company's Golden Rules and our

obligation to stop unsafe work are endorsed by our Executive Leadership Team and our Board of Directors.

This year saw our personal safety record improve with neither staff nor contractors seriously hurt with lost-time injuries during the year. Unfortunately, two of our contractors received minor injuries which required medical treatment. Both made full recoveries.

Our safety performance during 2021 saw us ahead of our peers with no lost-time injuries and no Tier 1 or 2 process safety events.



¹ LTIFR Number of Lost-Time Incidents (LTI) including fatalities multiplied by 1,000,000 and then divided by Total hours worked during last 12 months

² TRIFR Total Recordable Injury Frequency Rate. All recordable incident data (Medical Treatment Injuries + Restricted Work Cases + Lost-Time Injuries + Fatalities) multiplied by 1,000,000 then divided by total hours worked during the last 12 months

³ Industry TRIFR is the National Offshore Petroleum Safety and Management Authority (NOPSEMA) benchmark for offshore Australian operations

COVID-19

The continuing response to COVID-19 has been managed effectively, with Cooper Energy staff and contractors adapting to remote work when required with minimal disruption. The Cooper Energy Pandemic Response Team (PRT) comprises representatives across the three states where we operate and has the support of an independent medical professional.

This team continues to operate and advise the Board of Directors, Managing Director, Executive Leadership Team and the broader organisation. The constantly changing information across multiple jurisdictions requires both interpretation and practical measures for implementation.

COVID-19 management plans have been set up for all sites with ongoing verification of effectiveness. To date, Cooper Energy has not had any COVID-19 cases.

The ongoing management of staff wellbeing has been a key focus during the COVID-19 pandemic, with additional measures to ensure that teams keep in touch and look out for each other during extended periods away from the office.

Cooper Energy actively participates in the Australian Petroleum Production & Exploration Association (APPEA) COVID-19 working group, which has been a helpful forum for operators across Australia to share information and challenges so companies can leverage the practices of others.



**THE ONGOING
MANAGEMENT OF
STAFF WELL-BEING
HAS BEEN A KEY
FOCUS DURING
THE PANDEMIC**

ENVIRONMENT

ENVIRONMENTAL INITIATIVES

Coorong (Morella) Biodiversity Project

Through our partnership with Greening Australia's Biodiverse Carbon, Cooper Energy has committed to the Coorong Biodiversity Project in the south-east of South Australia.

Offsets generated from this project are Australian Carbon Credit Units (ACCUs) which have been retired as part of Cooper Energy's carbon neutral certification for FY20 and FY21. The project includes reforestation and restoration of over 600 hectares of native vegetation and wildlife habitat, including large areas of subcoastal wetland, Mallee and woodland on the shores of the Coorong National Park.

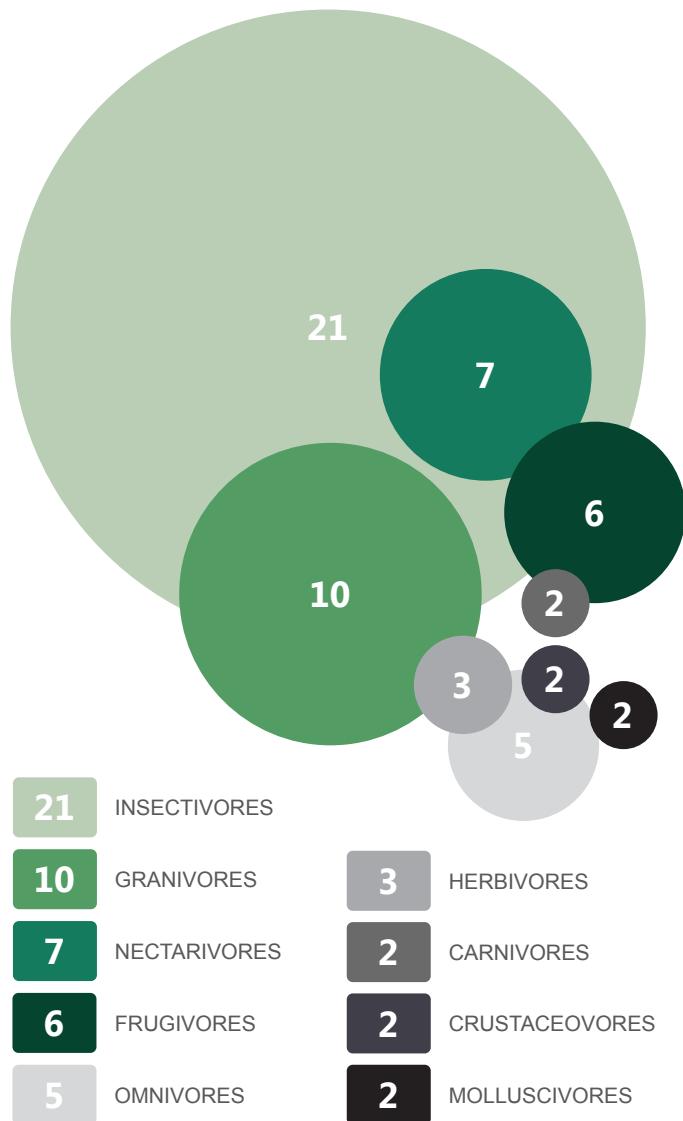
The project aims to restore native vegetation on land that was previously covered by introduced pasture grasses. As well as sequestering thousands of tonnes of CO₂, the project restores habitats for a wide range of fauna, including several regionally and nationally threatened species. These species require complex habitats with suitable food sources, shelter, burrowing or nesting opportunities and reduced pest pressures.

Biodiverse Carbon has established restoration monitoring to assess how well the program is tracking towards restoring these complex habitats. This started with baseline surveys before planting and has progressed to standardised bushland condition monitoring to measure important habitat aspects such as hollows, leaf litter, plant diversity and weed abundance.

Bird and infrared sensor camera monitoring have been incorporated to see which species have begun using the site over time.

The monitoring has shown encouraging trends, particularly in bird species which have moved into the site or become more numerous. An interesting way to consider a site's diversity is to consider birds diets. Birds have unique dietary preferences and the diversity of their diets makes them indicators of habitat diversity. The following chart, from the 2020 survey, shows that whilst the site supports many nectarivores,

TOTAL BIRD NUMBERS OBSERVED DURING A 2020 SURVEY, GROUPED BY DIET PREFERENCE



frugivores, granivores and herbivores, which can predominantly live directly off the plants, there is also an array of carnivores, omnivores and insectivores which are further up the food chain and rely on healthy populations of other animals to survive. One can also see crustaceovores and molluscivores, which are the shorebirds living along the lakes' edges.

Over time, the aim is to get these monitoring indicators as close as possible to the values in the adjacent Conservation Park, thus returning the land to native bush indistinguishable from hundred year old bushland. The ongoing support through carbon sequestration programs allows this project and others to invest in long-term programs to achieve these ambitious goals.

ENVIRONMENTAL INITIATIVES



2020 South Australian Premier's Award for Environment

Cooper Energy was awarded the 2020 South Australian Premier's Award in Energy and Mining for exceptional performance in the field of Environment. The award celebrates Cooper Energy becoming Australia's first carbon neutral domestic gas company and recognises the partnerships developed to achieve the milestone.

The Premier's Awards aim to demonstrate and acknowledge the work the sectors are doing to achieve environmental and community balance whilst taking global leadership in renewable energy solutions and innovative technologies.



Climate Active Certification

We share in the dual challenge of delivering energy to support the community's health and prosperity while doing our part to protect the climate for current and future generations.

Following Cooper Energy's Net Zero 2020 announcement in the 2020 Sustainability Report, the Company achieved Climate Active carbon neutral certification in June 2021. Climate Active is a partnership between the Australian Government and Australian businesses to drive voluntary climate action. Climate Active certifies businesses that have achieved net zero carbon emissions. Cooper Energy's carbon neutral claim was independently audited through the certification process to meet the Climate Active Carbon Neutral Standard.

CLIMATE ACTION POLICY

Our commitments in respect of climate are described in our Climate Action Policy, available at [Climate-Action-Policy](#)

We recognise the important role of renewables and the key role gas plays in complementing and supporting the deployment of these technologies.

Our commitments comprise the following:

- We are making our contribution to a low emissions economy by prioritising Environmental, Social and Governance with investment in offset projects and consideration of future sustainable energy projects;
- We identify, and where practicable, implement opportunities for greenhouse gas emission reduction within our operations and through our supply chain;
- We factor carbon pricing into business decisions and commercial models;
- We identify, manage and mitigate material climate change risks to our activities;
- We voluntarily align our climate change related disclosures, including our emissions, with the Task Force on Climate Related Financial Disclosures (TCFD) principles. This includes disclosure of our governance around climate change with respect to material short, medium and long term climate related risks and opportunities for our business. We consider the resilience of our strategy and our financial plans for different climate scenarios, including Paris aligned sub 2 degree scenarios;
- We align with our customers' sustainability and emissions reduction initiatives which will enable collaboration to address the broader challenge of reducing downstream Scope 3 emissions; and
- We work with governments and stakeholders in the design of climate change regulation and policies.

**WE IDENTIFY,
MANAGE AND
MITIGATE MATERIAL
CLIMATE CHANGE
RISKS TO OUR
ACTIVITIES**



ENVIRONMENTAL INITIATIVES

Under the Sea at Basker Manta Gummy

In partnership with Deakin University and the Australian Institute of Marine Science we have taken a deep dive into the marine habitats and communities at our Basker, Manta and Gummy fields.

The study was the first of its kind in south-eastern Australia and provided valuable information on the influence of built structures within the marine environment.

With a focus on species richness, abundance and density, the study involved analysis of hundreds of

hours of high-tech inspection video looking at subsea infrastructure in water depths of up to 260 metres. We found the facilities add structural complexity and provide shelter for a range of animals, including reef-associated species and fish of commercial value. Over 15,000 mobile animals across 70 different taxa were identified on or around the facilities.

The study contributes to a growing field of research discovering the ecological, social and economic value of built structures.



This imagery, captured by a remotely operated vehicle, shows a subsea tree surrounded by fish (Jackass morwong). The subsea tree is about the size of a minibus.



**THE STUDY AT BASKER
MANTA GUMMY WAS
THE FIRST OF ITS KIND
IN SOUTH-EASTERN
AUSTRALIA AND PROVIDED
VALUABLE INFORMATION
ON THE INFLUENCE OF
BUILT STRUCTURES WITHIN
THE MARINE ENVIRONMENT**

Recover – Repurpose – Recycle

Reduce waste generation through prevention, reduction, recycling, and reuse.

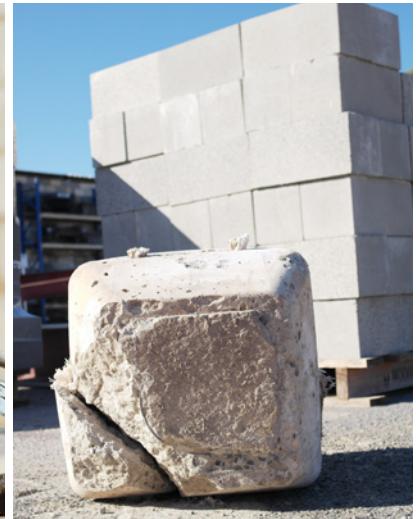
Under the Offshore Petroleum and Greenhouse Gas (OPGGS) Act 2006, titleholders are required to remove property from the title area when it is no longer in use. We integrate this requirement into our project planning and seek opportunities to reuse, repurpose and recycle recovered materials.

In early 2021, we undertook an offshore maintenance campaign in the Casino, Henry and Netherby fields in the offshore Otway Basin. The campaign involved replacing subsea electrical and hydraulic flying leads

with the primary objective to re-instate production from one of our wells. During project planning, the project team assessed how to recover the old equipment safely and in step with installing the new equipment.

We were able to tap into the circular economy by:

- Repurposing components of recovered flying leads for use on future projects and training of technicians.
- Recycling over 50 tonnes of concrete blocks and grout bags recovered from the seabed. These were turned into Besser Blocks, which will be used in construction throughout Western Australia.



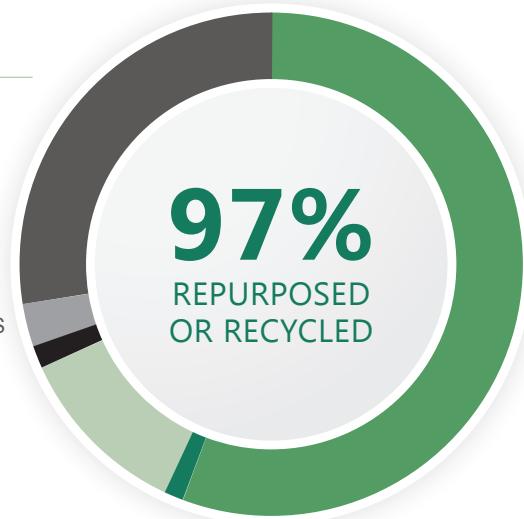
Left to right: Recovery of debris. Dismantling recovered hydraulic flying leads. Recycling concrete mattress blocks into building blocks.

**THANK YOU TO
OUR MAINTENANCE
PROJECT PARTNERS
FOR SEEKING
PATHWAYS FOR
RECOVERED MATERIALS
TO CONTRIBUTE TO THE
CIRCULAR ECONOMY**

THE STATS

28%	GROUT/SAND
3%	GENERAL WASTE
1%	FLYING LEADS
12%	WOODEN CABLE REELS
55%	CONCRETE
1%	LIQUID WASTE

% MATERIAL BY WEIGHT



ADAPTING TO THE IMPACTS OF CLIMATE CHANGE

Scenarios, risks, and opportunities

Cooper Energy uses various independent data, including the suite of reports published annually by the Australian Energy Market Operator (AEMO), to assess the impact of climate related scenarios on south-eastern Australian gas prices and gas demand. These include AEMO's Gas Statement of Opportunities (GSOO) Report, their Inputs Assumptions and Scenarios Report (IASR) and the associated workbooks. Many international reports lack sufficient granularity to make a reasonable assessment at the level of detail required.

As reported in the 2021 GSOO, south-eastern Australian gas demand is forecast to be essentially flat through to 2040. The lowest consumption is in the slow change scenario which is underpinned by life extension of coal fired electricity generation. The highest gas demand out to 2030 is in the hydrogen scenario, driven by investment in infrastructure that would initially be powered by natural gas, with the potential to fuel switch as hydrogen becomes an economically viable fuel source at scale. There are significant uncertainties as to when this switch might occur.

Cooper Energy references the AEMO Step Change scenario to assess resilience in a less than 2 degree Celsius temperature rise environment. This scenario is aligned with the 2020 IEA Sustainable Development Scenario, the RCP 2.6 pathway and a temperature rise of approximately 1.8 degrees Celsius by 2100.

Between 2020 and 2021 AEMO revised the gas prices associated with all its scenarios. The price forecasts associated with the Step Change and Hydrogen scenarios have been increased in the first part of the current decade and reduced slightly thereafter with a 3% reduction in 2030. Price forecasts associated with the Slow Change, Net Zero 2050 and Steady Progress scenarios have been increased significantly, by up to 14% over previous forecasts.

The changes do not materially impact the resilience of Cooper Energy's business under a sub 2 degree Celsius scenario, and enhance business prospects under the higher priced scenarios.

In 2021, the Energy Security Board has also released its post 2025 electricity market design paper which proposes a capacity market to underpin the reliability of the electricity generation system. While technology agnostic, if implemented, this is likely to increase the economic viability of gas generation projects.



CLIMATE RELATED FINANCIAL DISCLOSURES

Cooper Energy has aligned its climate change related disclosures with the Taskforce on Climate related Financial Disclosures (TCFD). These are summarised in the table below:

GOVERNANCE	
Disclose the organisation's governance around climate-related risks and opportunities	
Board oversight of climate-related risks and opportunities	Climate-related risks and opportunities are reported to the Risk and Sustainability Committee, a sub-committee of the Board. The Committee meets at least four times per annum.
Management role in assessing and managing climate-related risks and opportunities	Management conducts the risk assessment and includes it in the corporate risk register. This is reviewed and updated by the accountable General Manager on at least a six monthly basis, with top corporate risks regularly reviewed by the Executive Leadership Team.
STRATEGY	
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	
Climate related risks (opportunities and threats) were identified over the short, medium, and long term	Physical risks: Sea level rise (long term), increase in extreme heat days (medium-long term), increased bushfire risk.
Impacts of climate-related risks (opportunities and threats) on the organisation's businesses, strategy, and financial planning	Business Risk: Market impacts from the changing energy mix and potentially changing community sentiment towards gas.
The resilience of the organisation's strategy considering different climate scenarios, including a 2-degree or lower scenario	To test the resilience of its strategy, Cooper Energy compares its corporate assumptions for Eastern Australian gas price and demand under various climate scenarios. These include a below 2-degree scenario aligned with the IEA's Sustainable Development Scenario and the Paris Agreement (AEMO Step Change Scenario). This work indicates that the Company's business is robust under these assumptions. Eastern Australian gas demand is anticipated to be higher under several of the more radical transition scenarios out to 2040 than they would be under slower change scenarios. Forecast gas prices have increased between 2020 and 2021.

RISK MANAGEMENT

Disclose the organisation's governance around climate-related risks and opportunities

Processes for identifying and assessing climate-related risks	Climate-related risks and opportunities are included in Cooper Energy's Corporate Risk Register, which is reviewed by management and the Risk and Sustainability Committee periodically as part of a standard risk management process. The Risk Register is a comprehensive document describing causes, risks events, interim effects, and long-term consequences.
Processes for managing climate-related risks	The existing preventative and reactive risk controls are documented, along with their effectiveness in establishing an initial risk rating regarding likelihood, consequence and severity.
The process for identifying, assessing, and managing climate-related risk is integrated into the organisation's overall risk management	Future treatment actions are described to determine residual risk ranking. Depending on the initial and residual risk ranking, appropriate monitoring and follow-up actions are taken.

METRICS AND TARGETS

Disclose the organisation's governance around climate-related risks and opportunities

The organisation uses metrics to assess climate-related risks and opportunities in line with its strategy and risk management process	Modelling of Eastern Australian gas demand under various energy transition scenarios, including a below 2-degree scenario (AEMO Step Change Scenario) aligned with the IEA's Sustainable Development Scenario and the Paris Agreement. Assessment of sea-level rise models.
Scope 1, Scope 2, Scope 3 greenhouse gas (GHG) emissions and the related risks	Certified Carbon Neutral Organisation: 100% annual offset one year in arrears of Scope 1, Scope 2, and controllable elements of Scope 3 emissions (embedded energy and business travel). Certified since FY20. The Company is actively investigating with our customers what cost-effective measures might be pursued to partially offset or mitigate downstream Scope 3 emissions intensity. This includes progressing a carbon-neutral gas product certification.
Targets used by the organisation to manage climate-related risks and opportunities and performance against targets	100% annual offset one year in arrears of Scope 1, Scope 2, and controllable elements of Scope 3 emissions (embedded energy and business travel) to achieve certified organisational carbon neutrality. This has been achieved with FY20 emissions fully offset in early FY21 and FY21 emissions offset in early FY22. The Company is committed to maintaining this position as far as is reasonably and economically practical for the foreseeable future.

EMISSIONS SUMMARY

Cooper Energy has taken an industry leading approach in offsetting 100% of its Scope 1, Scope 2 and the small fraction of its Scope 3 emissions under its direct control. As described in our previous sustainability reports, the lowest cost and least emissions intensive gas for south-eastern Australia is gas sourced from south-eastern Australia.

Cooper Energy has achieved Net Zero in FY20 and FY21 on its own emissions with investment in Australian Carbon Credit Unit offsets from Biodiverse Carbon's Morella project in South Australia. The Company's objective is to retain this position for the foreseeable future.

We have a low overall emissions intensity with a gas dominated resource exclusively servicing the domestic market. The Company's overall emissions intensity today, in 2021, including all downstream customer

Scope 3 emissions is where the most forward-thinking international majors hope to be by 2032. We are actively working on collaborative proposals with our major customers to support their emissions reduction initiatives to leverage this industry leading position.

Cooper Energy accounts for emissions both on an Equity Share and Operational Control Basis.

For our carbon neutral certification, the Company's emissions boundary has been established using an equity share approach, accounting for greenhouse gas emissions according to its share of ownership in projects and licences. This approach recognises that oil and gas assets are generally owned in joint ventures with other companies, allowing emissions to be accounted for in a manner consistent with costs, revenues and production volumes.

Cooper Energy Greenhouse Gas Emissions – Equity Share Basis

Category	FY21	FY20*	FY19	Units
Scope 1 (direct) emissions	3,429	9,090	12,918	tonne CO ₂ -e
Scope 2 (electricity consumed) emissions	407	474	85	tonne CO ₂ -e
Scope 3 (controllable) emissions	504	923		tonne CO ₂ -e
Total Organisational Emissions	4,340	10,488		
Emissions Offset	-4,340	-10,488		tonne CO ₂ -e
Net Organisational Emissions	0	0		tonne CO₂-e
Total Scope 3 (including customer emissions)	962,762	537,212	534,213	tonne CO₂-e
Energy Produced	17,152	9,766	8,036	TJ
Total Emissions Intensity (Scope 1 + 2 + 3) after offsets	56.1	55.0	68.05	tonne CO ₂ -e / TJ
Total Emissions Intensity (Scope 1 + 2 + 3) after offsets	3.3	3.23	3.50	tonne CO ₂ -e / tonne hydrocarbon
Total Emissions Intensity (Scope 1 + 2 + 3)	7,308	7,140		tonne CO ₂ -e / million A\$ revenue

*Minor adjustments have been made to the previously reported Equity Share figures from FY20 to account for adjustments made following the carbon-neutral verification audit and carbon-neutral certification in early 2021. Offsets have been made against the revised figure to ensure net zero.

Scope 1 Emissions

Gross Scope 1 emissions reduced by 62.3% from FY20 levels on an equity share basis. This is due to lower offshore activity during FY21 and reflects the organisation's variable emissions profile.

Historically, the most significant contributor to our Scope 1 emissions has been diesel use from vessels or drilling rigs. The commissioning of the Athena Gas Plant in late 2021 will change this profile, and we expect to see gross Scope 1 emissions increase accordingly in subsequent years as we commence operatorship of the plant.

Scope 2 Emissions

Gross Scope 2 emissions decreased by 14% from FY20 levels on an equity share basis. The commissioning of the Athena Gas Plant in late 2021 will see an increase in electricity usage, which will be reflected in our gross Scope 2 emissions in subsequent years. Energy efficiency opportunities and technology options will be investigated to reduce this in the future.

Scope 3 Emissions

Cooper Energy has taken a forward-looking stance in becoming Australia's first certified carbon neutral domestic gas producer. Our organisational boundary includes what we define as 'controllable Scope 3' emissions, which include Scope 3 emissions that are within the business's direct control. These include emissions embedded in steel and concrete used in

construction and emissions generated from employee commuting and business travel. This provides us with the ability to do something about the indirect emissions we have control over now.

A key challenge for a growing gas producer is that most of our Scope 3 emissions are customer related and are emitted when our customers burn gas for electrical power generation, heating and cooking, or other industrial processes. That is, most of our Scope 3 emissions are our customers Scope 1 emissions.

We consider the most effective way to take meaningful action on Scope 3 emissions is to work collaboratively with customers. We anticipate that the alignment of our sustainability initiatives with that of our customers will be a crucial success factor as we tackle the dual challenge of supplying the community's energy needs while reducing Scope 3 emissions.

Scope 1 emissions are the direct emissions from sources Cooper Energy owns or controls. Scope 2 emissions are indirect emissions arising from the consumption of purchased electricity, steam, heat or cooling. Scope 3 emissions are all other indirect emissions that occur in Cooper Energy's value chain e.g. travel, purchased goods, and the emissions that our customers release when they use or combust our products. In general, Cooper Energy's Scope 3 emissions are the Scope 1 emissions of our customers and our suppliers.

Cooper Energy Greenhouse Gas Emissions – Operational Control Share Basis

For National Greenhouse and Energy Reporting purposes, the Company also reports on an operational control basis. Operational control calculations only consider activities where Cooper Energy is the Operator and do not consider the ownership share of these projects or participation in non-operated projects.

Category	FY21	FY20	FY19	Units
Scope 1 (direct) emissions	2,501	7,254	12,918	tonne CO ₂ -e
Scope 2 (electricity consumed) emissions	708	452	85	tonne CO ₂ -e
Energy Produced	21,233	14,710	11,721	TJ



COMMUNITY AND LOCAL ECONOMIES

Our work is connected to the communities where we operate. Adelaide is home to our head office, our projects and operations office is in Perth and our operated gas plant ‘Athena’ is in the Otway region of Victoria.

Beyond this, we have non-operated interests in the Gippsland region of south-eastern Victoria and the Cooper Basin in north-east South Australia. These are the places our people, our contractors, and most of our suppliers live and work. We do not have a Fly-In-Fly-Out workforce. We work in places where our kids go to school, our friends and family live, where we socialise and contribute to our local communities through our various connections.

We take a ‘no surprises’ and ‘long game’ approach. We keep our communities informed of our actions and we seek their feedback. Where possible, we engage them in decision-making and seek to have long-term harmonious relationships recognising the benefits of co-existence and diversity in local economies. In the Otway and Gippsland regions, for example, farming, tourism and the gas industry have operated alongside each other over decades – proving that risks can be managed and benefits can be accrued to local economies. Our business helps sustain local businesses and services – cafes, plumbing suppliers, accommodation providers, supermarkets, pharmacies, health services and schools.

We actively support local not-for-profit and charitable organisations through our Cooper Energy Legacy Foundation. In FY20 we launched our three-year agreement with Victoria’s Royal Flying Doctor Service (RFDS) to deliver improved health services in the Otway and Gippsland Regions. Our support saw the RFDS Victoria visit schools within bushfire affected communities to provide some fun and sense of normality. We are sponsoring health students to complete their studies and return to work in regional Victoria. We are providing health technology to remote areas to enable them to access Telehealth services.

Our support for the Warrnambool Surf Life Saving Club enabled them to purchase a new beach rescue buggy to assist in them covering the shoreline of over 20kms that they patrol to keep swimmers safe. We also supported the Timboon Men’s Shed, Heystesbury District Historical Society and Orbost Pony Club. We support up and coming STEM students through the Society of Petroleum Engineers and the Playford Trust Adelaide University Petroleum Engineering Scholarship.

We receive and welcome requests for funding to the Cooper Energy Legacy Foundation and are focused on three themes:

- Education – primarily where it is focused on minority or disadvantaged groups;
- Health – mental health, in particular, the health of children and young adults; and
- Sustainability – the marine and land environment in proximity to where we operate.



**OUR SUPPORT SAW
THE RFDS VICTORIA
VISIT SCHOOLS WITHIN
BUSHFIRE AFFECTED
COMMUNITIES TO
PROVIDE SOME FUN AND
SENSE OF NORMALITY**

CASE STUDY – ROYAL FLYING DOCTOR SERVICE AMBULANCE FIT-OUT

Cooper Energy's partnership with the Royal Flying Doctor Service (RFDS) included fitting out an ambulance, known as a Mobile Patient Care vehicle, to provide non-emergency transport.

The vehicle offers a range of transport options for patients, including admission, discharge, medical appointments and inter-facility transfers across hospitals, rehabilitation facilities, specialist medical services, nursing and retirement homes.

The vehicle operates from Warrnambool, servicing around 250km within the Barwon South West Health Service area which extends from the South Australian border in the west to Geelong in the east and up to Hamilton in the north.

The fit-out included a 'Stryker Power' stretcher and a heart monitor. The stretcher provides a safe and stable ride for patients and protects staff from injury. The heart monitor tracks a patient's vital signs allowing crews to take action should anything change during the journey.

The vehicle will travel 500,000km before it needs replacing. It will supplement services offered by the RFDS in the area. Community Consultations and the Primary Health Care Team are providing Telehealth services in the Portland and Hamilton regions and a Rural Women's GP service is offered in the Heywood area.



LOCAL CONTENT

As an ASX Australian based company, we commit to supporting local businesses in and around our offices and operations. In FY21 across Australia we procured over \$61.3 million in Australian goods and services from over 375 local suppliers. We have engaged local suppliers from Port Campbell to Portland, Victoria and from Perth to Adelaide.

COOPER ENERGY PRODUCT MIX

Cooper Energy's production is approximately 87% natural gas and condensate, all of which is used in domestic supply to south-eastern Australia. The remaining 13% is oil production from non-operated joint ventures in central Australia, sold to Victoria and Western Queensland refineries. Ultimately most of the produced oil is converted to diesel or petrol and distributed via local service stations.

ROLE OF NATURAL GAS

Cooper Energy supplies natural gas into the south-eastern Australia gas market. Reliable and competitively priced energy is crucial to the prosperity of south-eastern Australia. In Victoria alone, more than two million residential and business customers depend on gas every day for their heating and cooking. Together they account for over half of the gas use in Victoria. Australia's natural gas industry proudly supports Victoria's vibrant manufacturing and industrial sector, with local manufacturers using gas not only as an energy source but also as a critical raw material to produce Australian made goods. Victorian industries are the second largest users of gas in the State, after residents, accounting for a third of total gas use. Victoria's electricity market is a significant consumer of natural gas, using the unique benefits of gas to ramp up and down quickly to meet fluctuating demand and maintain the stability of the electricity grid.

Access to natural gas is critical to the ongoing success and wellbeing of the economy. Cooper Energy welcomed Victoria's lifting of the onshore conventional gas moratorium and supports the orderly restart of onshore conventional gas exploration and development.

Identifying new local supply is essential for the future of Victoria. We regarded the original ban on a proven, safe and highly regulated industry as illogical. It meant that Victorians had to rely increasingly on other states to solve their gas supply issues. The cheapest gas available to Victorian homes and businesses is the gas within the State, and lifting the moratorium is an excellent first step to developing it.

To maximise investment, jobs growth, tax revenue and regional development, Australia needs policies that support the industry to deliver more gas to households and businesses. The immense potential of Victoria's oil and gas reserves need to be converted into jobs and prosperity safely and sustainably.

RELIABLE AND COMPETITIVELY PRICED ENERGY IS CRUCIAL TO THE PROSPERITY OF SOUTH-EASTERN AUSTRALIA

JOBS, ROYALTIES AND TAXES

Cooper Energy employed 105.3 full-time equivalent personnel at 30 June 2021, comprising a mix of staff and contractors. Work at the Athena Gas Plant near Port Campbell has contributed to increased staff and contractor roles during the previous 12 months. Cooper Energy contributed \$1.0 million in royalties, \$1.3 million in Payroll Tax, \$53,000 in Fringe Benefits Taxes and \$11.1 million in Petroleum Resource Rent Tax in FY21 as detailed in the relevant statutory accounts.

This Sustainability Report ('Report') is issued by Cooper Energy Limited ABN 93 096 170 295 (ASX: COE).

Summary Information: This Report contains summary information about Cooper Energy and its activities as at the date of this Report. While all reasonable efforts are made to ensure accuracy and completeness, the information in this Report is a general background and does not purport to be complete. It should be read in conjunction with Cooper Energy's periodic reports and other continuous disclosure announcements released to the Australian Securities Exchange, which are available at www.asx.com.au.

Not financial product advice: This Report is for information purposes only and is not a prospectus under Australian law (and will not be lodged with the ASIC) or financial product or investment advice or a recommendation to acquire Cooper Energy shares (nor does it or will it form any part of any contract to acquire Cooper Energy shares).

Past and future performance: Past performance and pro forma historical financial information given in this Report is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. This Report may contain certain statements and projections provided by or on behalf of Cooper Energy with respect to anticipated future undertakings. Forward-looking statements, including projections, forecasts, guidance on future earnings and estimates, are provided as a general guide only, are subject to change without notice and should not be relied upon as an indication or guarantee of future performance. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.

Currency: All financial information is expressed in Australian dollars unless otherwise specified.

Authorisation: Approved and authorised for release to ASX by David Maxwell, Managing Director, Cooper Energy Limited.

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