



Seven Oceans Pipelay Vessel at Crib Point, September 2018

# Conference call details

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2:30 pm AEDT Monday 15 October.

Recording available at [www.cooperenergy.com.au](http://www.cooperenergy.com.au) from 10:00 am Tuesday 16 October.

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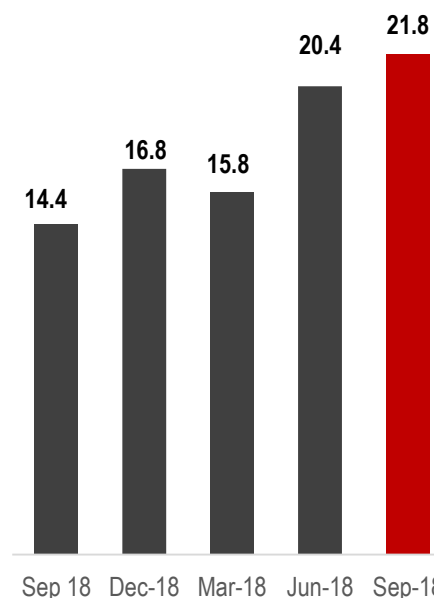
**P50** as it relates to costs is best estimate; **P90** as it relates to costs is high estimate

# Q1 FY18 Main features

## Increased revenue and production, new gas contracts, Sole within schedule and budget

- **Sales revenue** up 7% on June quarter and up 51% on pcp
- **Strong cash flow** from higher gas volumes, prices and oil margins
- **Production** up 6% on June quarter and down 14% on pcp
- **New gas contracts**; completion of competitive tender: new Casino Henry GSA for FY19 with Origin; additional 1 year GSA with O-I Australia
- **Sole Gas Project:**
  - 74% complete, advancing within budget with fixed price lump sum contracts till conclusion
  - Production wells completed; performance capability proven in excess of design, gas composition well within spec.
- **HSEC:** completed 182 days offshore campaign (including tow) with zero lost time injuries
- **Exploration and development**
  - Selection of gas exploration targets for FY19/20 advanced
  - Henry-2 preparations to increase production
  - Engagement with rig contractors ongoing to lock in 2019/20 program

**Sales revenue**  
\$ million, by quarter



# Q1 Financial

## Production, sales revenue up; Sole achieves critical milestone

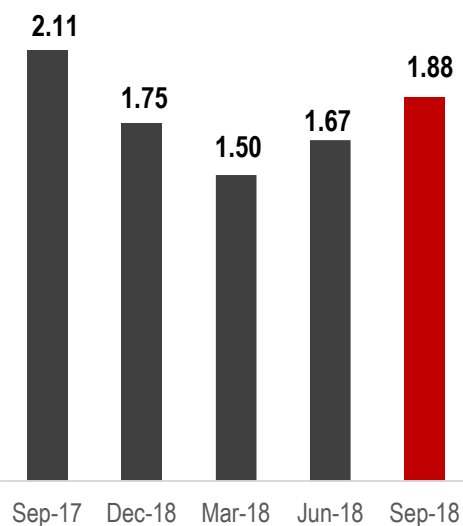
\$ million unless specified otherwise

		Sept qtr 18	Prior qtr Jun18	PCP qtr Sept 17	Change on prior qtr %	Change on pcp %
<b>Sales</b>						
Sales revenue		21.8	20.4	14.4	7%	51%
Average realised oil price	AUD/bbl	113.65	102.57	63.25	11%	80%
Oil direct operating cost	AUD/bbl	36.89	35.76	29.92	3%	23%
<b>Capital Expenditure (cash)</b>		<b>74.0</b>	65.9	32.9	12%	125%
<b>Cash</b>						
Cash and term deposits		203.8	236.9	242.4	-14%	-16%
Cash held in escrow		5.8	20.2	-	-71%	n/m
Total financial assets		211.5	259.3	243.0		
Total debt		153.2	125.9	-	22%	n/m
Net cash/(debt)		50.6	111.0	242.4	-54%	-79%

# Q1 FY18 production

## Uplift from Casino Henry workover

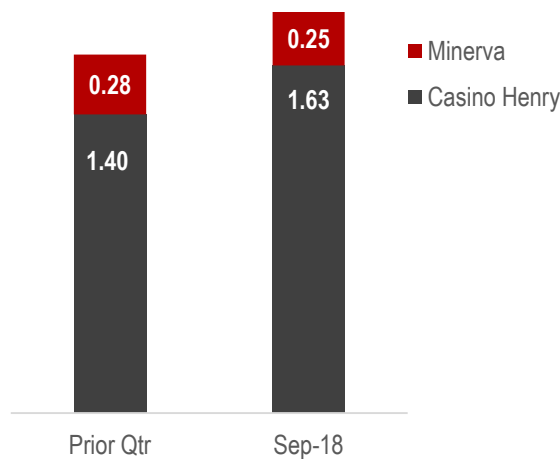
**Gas production**  
PJ by quarter



### Gas

- Up 12% on previous quarter after successful Casino-5 workover

**Gas production by field**  
PJ by quarter



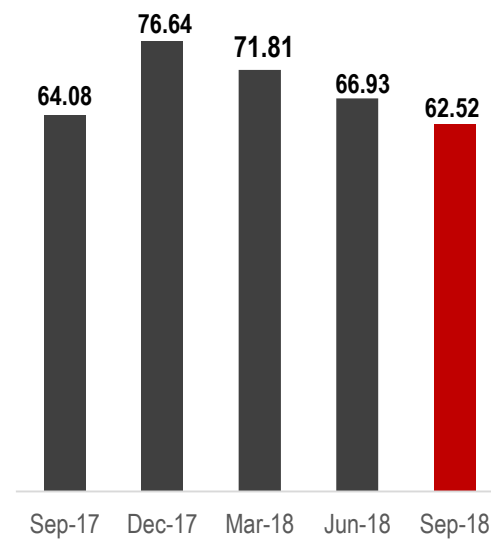
### Gas field production

- Casino Henry gross 33.3 TJ/day vs 26.7 TJ/day in prior quarter
- Minerva gross production 27.1 TJ/day vs 30.7 TJ/day in prior quarter

### Q2 Outlook

- Iona scheduled maintenance in late October
- Temporary umbilical reconfiguration prior to control system upgrade in Q4

**Crude oil & condensate production**  
'000 bbl by quarter



### Crude oil & condensate

- Down 7% on previous quarter

### Q2 Outlook

- PEL 92 production optimisation in second half

# Sole Gas Project

74% complete end-September

## Drilling & well completion

- Drilling workstream completed, Sole-3 & Sole-4 awaiting connection to the subsea pipeline
- Sole-4 flowback completed successfully on 5 August
- Lab analysis of gas confirmed H<sub>2</sub>S 1,000 ppm, well within plant design, in line with Sole-2
- Sole-2 abandoned

## Pipelay

- Welding of 65 km of pipe completed
- Pipelay commenced October; expect to complete within month

## Umbilical

- Delivery expected December for February installation

## Project progress

- 74% complete end-September
- Capex incurred to date \$250 million
- Offshore project continues to track within P50 budget
- Plant upgrade works continuing with the majority of process equipment now installed.
- First gas production expected to commence in July 2019.



Sole-4 flowback



Orbost Gas Plant site works (APA Group)

# Sole Gas Project: current operations

22 km of pipelay completed by Subsea7.



Welded pipe stalks awaiting spooling at Crib Point



Seven Oceans spooling pipe at Crib Point prior to lay of first section



# Exploration and development

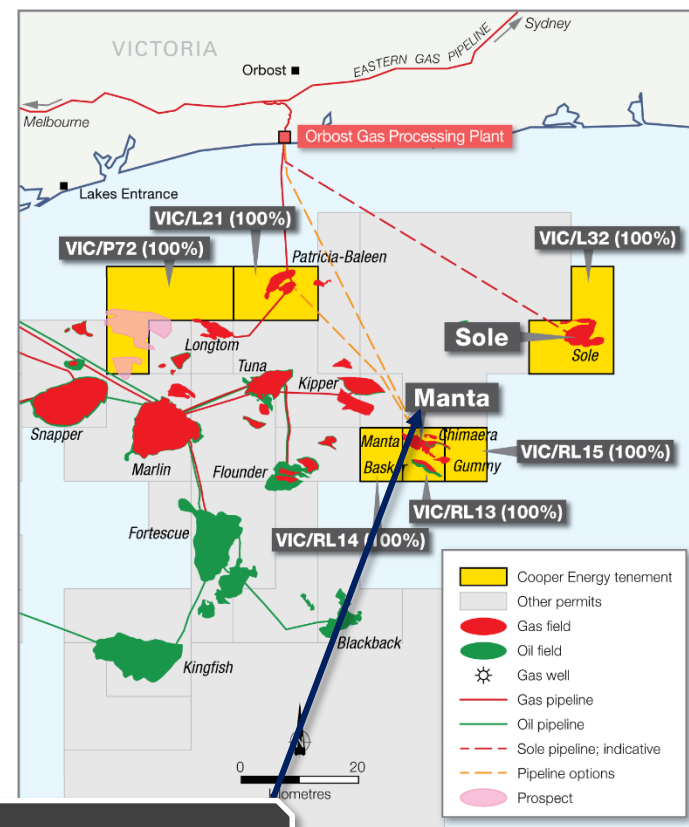
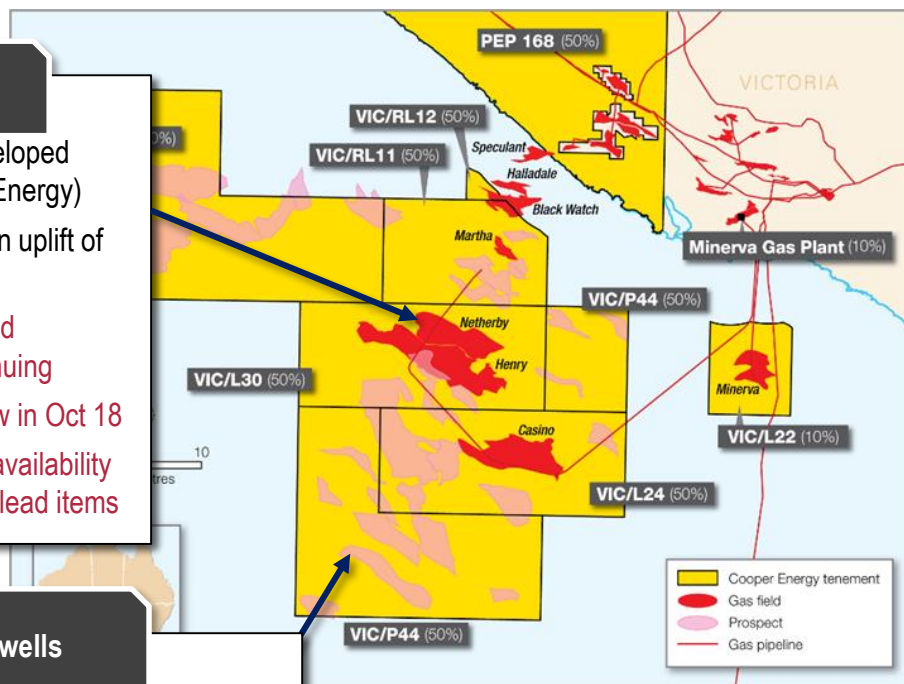
Advancing exploration and development plans and engaging rig contractors to determine availability and timing.

## Henry-2 sidetrack <sup>1</sup>

- To produce 24 PJ undeveloped reserves (net to Cooper Energy)
- Targeting initial production uplift of ~20 TJ/day gross
- Front end engineering and subsurface studies continuing
- Pre-FID assurance review in Oct 18
- Timing influenced by rig availability and procurement of long lead items

## Otway gas exploration wells

- VIC/P44 proven prospectivity for gas, infrastructure in place
- Among most competitive gas supply sources for south-east Australia
- Several low risk exploration targets identified
- Joint venture progressing studies to drill up to 2 targets in calendar 2019<sup>1</sup>

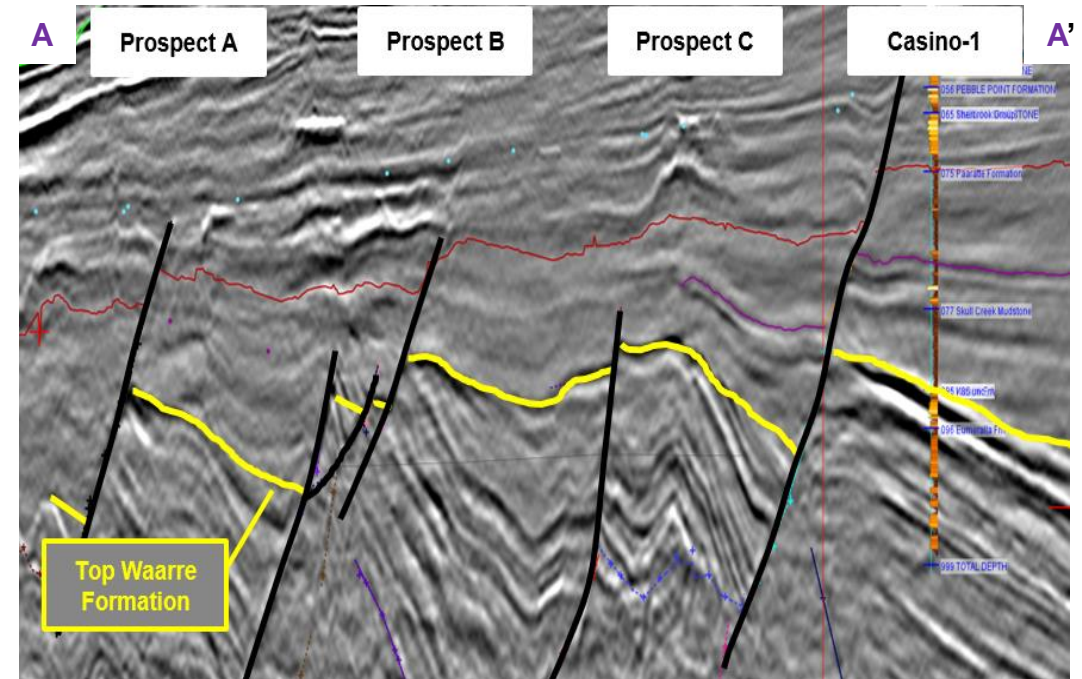
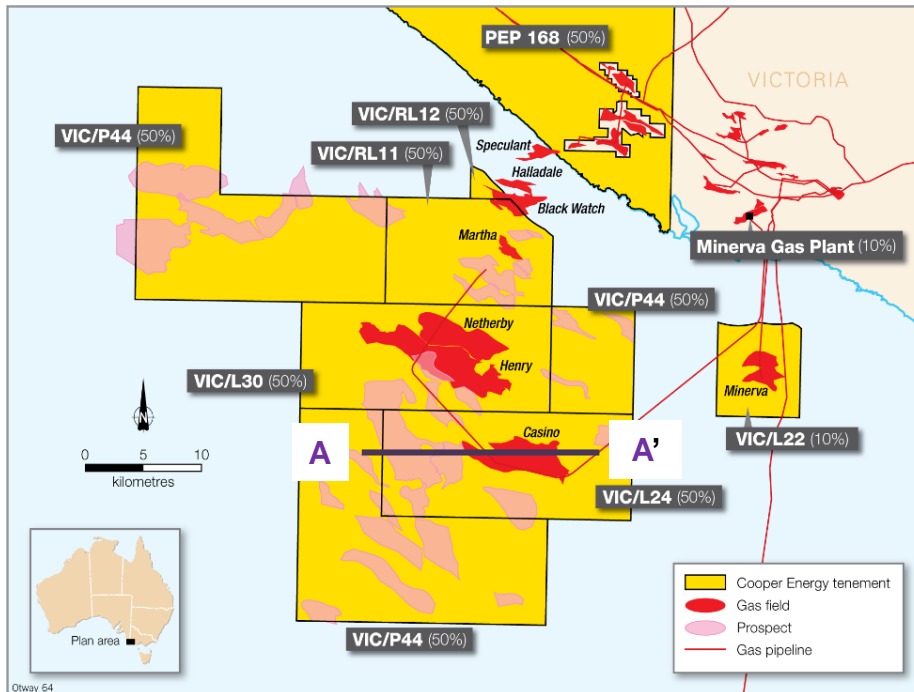


## Manta-3 appraisal & deep exploration

- Appraisal of Manta gas and liquids resources for development decision
- Exploration to test potential identified in underlying formation
- Planning for inclusion in campaign with Henry-2 sidetrack, subject to rig availability

# Exploration: Otway Basin offshore

Proven gas province with infrastructure in place and close to markets

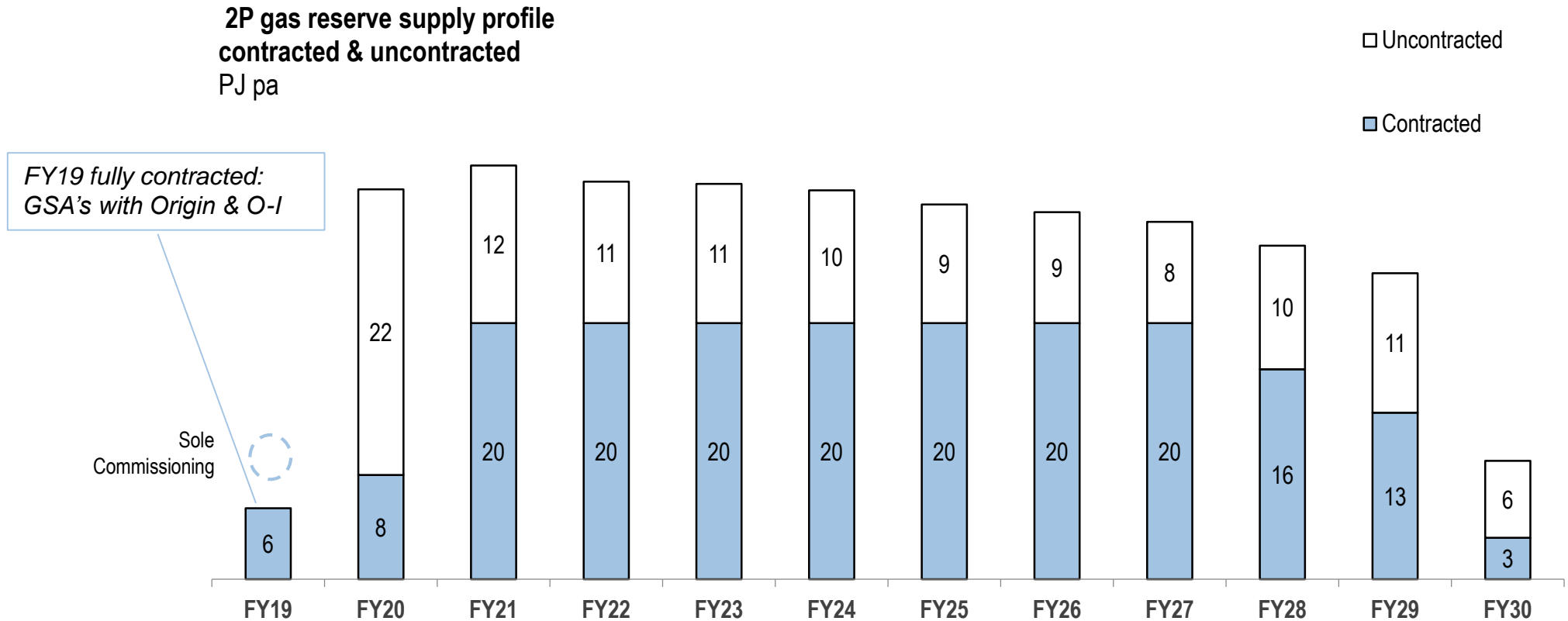


- Several prospects on trend with producing fields high graded as potential candidates for 2020 drilling campaign
- Easily defined 3-way structural traps
- Completed 3D seismic inversion study validates Direct Hydrocarbon Indicators (“DHI”) suggesting reduced risk
- Prospects are adjacent to existing infrastructure and tie-in points which facilitates accelerated time to first gas

# Gas marketing

CY19 gas contracting completed at current market prices after competitive tender.

119 PJ of uncontracted 2P reserves still available to market



## FY19 Casino Henry gas now fully contracted

- Competitive tender resulted in CY 19 contract with Origin Energy

### Note

#### 1. Assumes:

- Sole sales from July 2019
- Henry development well FY20 H1, subject to rig availability & JV approval
- No exploration success

#### 2. All numbers rounded and Cooper Energy equity share

# Update summary

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## 1. Strong September quarter, revenue growth and cash flow

New gas contracts, increased gas volumes and higher oil prices.

## 2. Sole past critical milestones, under budget with start up in ~ 9 months

Wells completed, proven with performance and composition better than plant design

Offshore project three-quarters complete, remaining work under fixed price/lump sum

## 3. New contract at current market prices for Otway gas in CY19

New contract with Origin after competitive tender

Preparing for marketing of Sole gas available from mid-CY19

## 4. Drilling and development activity for the next wave of growth being firmed up

Rig contractor engagement is advanced

Otway exploration targets being confirmed for JV selection and approval

Henry development proceeding to pre-FID assurance



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Appendices

# Profile of contracted and uncontracted gas by project

Existing reserves and resources offer growth over 6 years before exploration upside



Assumes:

- March quarter 2019 first Sole gas to plant. Sole gas sales from July 2019
- Manta subject to Manta-3 appraisal well; Manta profile illustrates all Manta gas (106 PJ 2C) as uncontracted (including 4 PJ pa option held by AGL)
- Henry development well required for Casino Henry, expect to drill Dec qtr 2019
- No exploration success

Note: all numbers rounded