

14 December 2016

Fourth gas sales agreement for Sole Gas Project

- **Gas sales agreement signed with EnergyAustralia for 5 PJ pa**
- **Gas sales commitments increase to 14.6 PJ pa**

Cooper Energy (ASX:COE) announces the signing of a binding gas sales agreement with EnergyAustralia for the supply of 5 PJ per annum from the Sole gas field for a minimum of 5 years, with provision for a 3 year extension subject to the parties' agreement.

The agreement is conditional upon completion of the transaction for Cooper Energy to acquire Santos Ltd's Victorian Gas assets announced 24 October 2016 and an affirmative final investment decision (FID) for Sole.

The acquisition of Santos' share in Sole will result in Cooper Energy holding a 100% equity in the field, which is assessed to contain Contingent Resources (2C) of 241¹ PJ of gas. The agreement with EnergyAustralia is the fourth signed by Cooper Energy for the field and takes the annual contracted quantity to 14.6 PJ of the 25 PJ annual production anticipated from the field for the first 8 years.

Cooper Energy anticipates committing up to 85% of the annual volume prior to FID and is currently engaged in discussions with gas buyers on sale agreements for the remaining quantity.

The EnergyAustralia agreement follows agreements with O-I Australia, AGL and Alinta Energy. Cooper Energy Managing Director David Maxwell said that the latest agreement is another step in the company's strategy to build a portfolio of blue-chip gas contracts and a step closer to an affirmative FID for the Sole gas project.

"Our agreement to acquire Santos' Victorian assets has substantially expanded our gas contracting opportunity and we are delighted to add EnergyAustralia to our portfolio of gas supply customers" said Mr Maxwell.

"There is keen interest in contracting gas from Sole and we expect to finalise additional off-take contracts within the next few months. The market outlook is positive and, thanks to the strong support and commitments we have received from major energy retailers and industrial users, we are close to finalising a quality gas contract portfolio ahead of FID for the Sole project." he said.

EnergyAustralia Managing Director Catherine Tanna said the agreement reflected the company's commitment to investing in new sources of gas supply for its customers.

"Australia depends on reliable and affordable supplies of gas to warm homes, power businesses and to sustain jobs," Ms Tanna said. "And the reality is that if we're to move away from coal-fired power, we will require more gas-fired generation to balance increases in intermittent renewable energy."

¹ As announced to the ASX on 26 November 2015. Cooper Energy is not aware of any new information or data that materially affects the information provided in that release and all material assumptions and technical parameters underpinning the assessment provided in the announcement continues to apply.

Sole FID is expected to occur in the March quarter 2017, with first gas from the project scheduled by March 2019. Supply to EnergyAustralia under the agreement would commence 1 January 2020. The effective date for the Cooper Energy acquisition of Santos' Victorian gas assets is 1 January 2017.

The Sole gas field is located in VIC/RL3, offshore Victoria approximately 62 kilometres from the Orbost Gas Plant, onshore Victoria, where Sole gas will be processed and delivered to the Eastern Gas Pipeline. Cooper Energy will hold a 100% interest in VIC/RL3 and the Orbost Gas Plant on completion of the Santos Victorian gas asset acquisition (current interest: 50%).

Further comment and information	
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About Cooper Energy Limited (ASX:COE) is an ASX listed exploration and production company featuring low cost oil production, a growing portfolio of gas reserves, resources and exploration acreage and a management and Board team with a proven track record in building resource companies. Cooper Energy conducts oil exploration and production in the Cooper Basin, is acquiring gas production interests in the Otway Basin and is working towards development of its Gippsland Basin gas resources to address emerging supply opportunities in south-eastern Australia. The company has a strong balance sheet, enjoys strong cash flow and is executing a clear strategy driven by shareholder return. www.cooperenergy.com.au