

## **Business Case identifies Manta gas development opportunity**

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16 July 2015

- **Business case identifies gas supply opportunity of 23 PJ per annum plus liquids**
- **Manta gas field development the preferred option**
- **Complements Sole gas project, significant synergies**
- **Joint Venture to commence planning for potential appraisal well**

Cooper Energy Limited (“Cooper Energy”, ASX:COE), 65% interest holder and Operator of VIC/L26, VIC/L27 and VIC/ L28 (“BMG Joint Venture”) announces that the Cooper Energy BMG Business Case analysis has been completed with two key conclusions:

1. development of the Manta gas resource is technically feasible and a sound business opportunity; and
2. a subsea gas development of the Manta gas resource is the preferred option for a capital efficient, low operating cost project that can deliver gas within two years of FID.

The Business Case is subject to joint venture partner review and endorsement. Concurrent to this review, the BMG Joint Venture will progress planning for the potential Manta-3 appraisal well.

The Business Case assessed gas resources at Manta<sup>1</sup> to comprise a 2C Contingent Resource of 106PJ of sales gas and 2.6 million barrels of condensate and a further 11PJ of risked best estimate (P50) Prospective Resources. It was concluded that these resources can be developed most economically via a 2 well subsea development with gas export to the Orbost Gas Plant (refer Figure 3 following). The Manta Gas Project has the potential to produce 23 PJ of gas per annum for supply to eastern Australian gas users, with additional revenue from the condensate production.

The preferred option is distinguished from alternatives in its exclusive focus on the gas resource of the Manta field. This offers a simpler, lower risk, lower cost and more rapid development than the alternatives evaluated, which included floating facilities or a fixed platform to cater for oil production. An alternative scenario has been retained involving sub-sea development with an FPSO (Floating Production Storage and Offtake) vessel in the event that appraisal drilling indicates the subsea gas option is no longer the most suitable option.

The Manta gas field is located in the licences held by the BMG Joint Venture (VIC/L26, VIC/L27 and VIC/L28) in the Gippsland Basin approximately 57 km offshore Victoria in water depths of approximately 130 metres.

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<sup>1</sup> Contingent and Risked Prospective Resources attributable to the Manta Field were announced to the ASX on 16 July 2015. Cooper Energy is not aware of any new information or data that materially affects the information provided in those releases, and all material assumptions and technical parameters underpinning the estimates provided in the releases continue to apply and have not changed.

Cooper Energy Managing Director David Maxwell said the Business Case has provided a clear pathway for establishing and developing an economic gas project at Manta.

“The Business Case outcome is very encouraging. It identifies a compelling business opportunity offering competitively priced gas with robust payback and returns for development. It is especially encouraging that the project works with the simplest, lowest risk and lowest capital development option. We are looking at a project which we believe has outstanding prospects, given successful drilling results from the limited drilling required” he said.

Mr Maxwell said the wells proposed under the preferred option involve one relatively low risk appraisal well, which may be retained for future production, plus one subsequent development well.

“For Cooper Energy, there is the added benefit that the Manta Gas Project dovetails neatly with the nearby Sole gas project which is currently in FEED (Front End Engineering and Design). Together the two projects can bring almost 50 PJ per annum of gas to the east coast market at a time when contracted supplies are well short of forecast demand” he said.

Sole and Manta together are assessed to contain 2C Contingent Resources<sup>2</sup> of sales gas totalling 317 PJ of which Cooper Energy has an equity interest of 174 PJ. Cooper Energy is currently in the process of marketing gas from the Sole field for supply from January 2019 and is experiencing good interest from gas buyers.

The Business Case has identified significant synergies and potential cost reduction opportunities with Sole which will be explored further as the projects progress.

The Business Case outlines an indicative schedule which would see Development Feasibility confirmed on the results of the Manta-3 appraisal well towards the end of 2017, for an entry into FEED early in 2018, with FID approximately 12 months later early in 2019. Based on this schedule, first gas is anticipated from around May 2021. The indicative schedule and activities proposed in the Business Case are subject to joint venture partner review and endorsement.

The estimated capital cost for the preferred option is approximately \$560 million, including appraisal drilling.

A comprehensive suite of geological and geophysical studies, together with reservoir and petroleum engineering studies was completed for the Business Case Study including:

- static and dynamic modelling of the Manta and Basker fields
- fluid characteristics review of the Basker and Manta fields
- resource estimation for the Manta field
- conceptual engineering for a range of development concepts including subsea, and offshore processing options; and
- economic analysis.

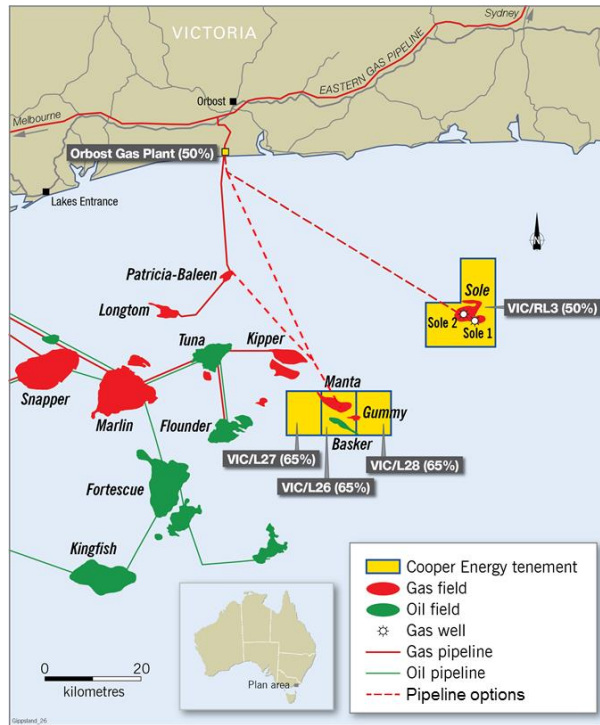
Joint Venture participants in VIC/L26, VIC/L27 and VIC/L28 are:

- Cooper Energy (65% and Operator)
- Beach Energy (35%)

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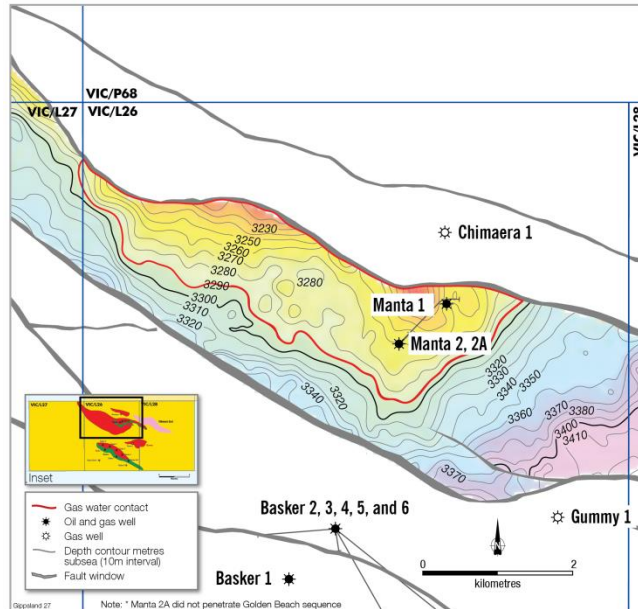
<sup>2</sup> Contingent Resources attributable to the Sole Field were announced to the ASX on 25 May 2015. Cooper Energy is not aware of any new information or data that materially affects the information provided in those releases, and all material assumptions and technical parameters underpinning the estimates provided in the releases continue to apply and have not changed.

**Figure 1: Location of Manta Gas Field, Gippsland Basin Australia**

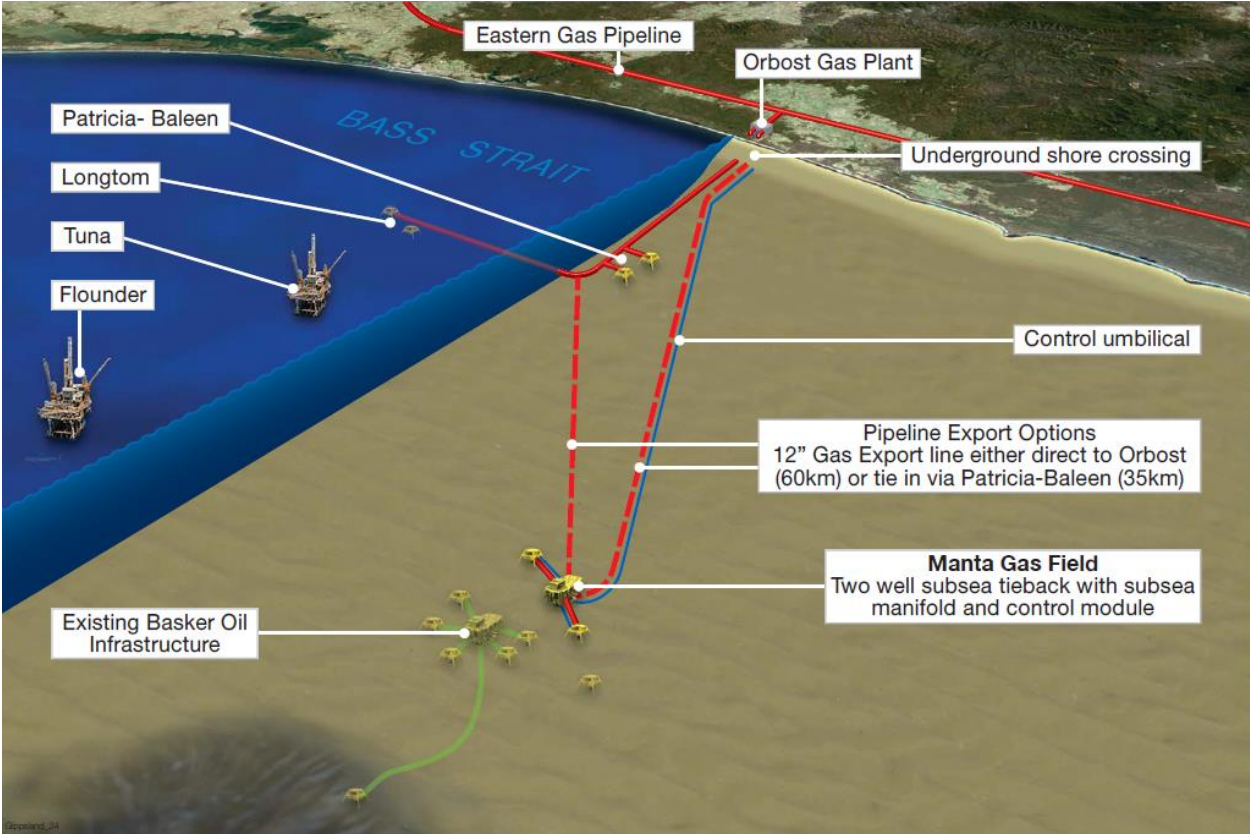


**Figure 2: Manta Gas Field Structure Map**

**MANTA FIELD** - Golden Beach (GB5a) structure map



**Figure 3: Preferred Development Concept for Manta Gas Field**



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 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 and South Sumatra Basins and is building its gas portfolio to address emerging supply opportunities in 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](http://www.cooperenergy.com.au)