ANNUAL REPORT 2021

COOPER ENERGY

Investing for increased gas supply

OUR PURPOSE

Cooper Energy's purpose is to contribute to Australia's sustainable energy future by commercialising gas, oil and other resources for domestic markets.

We operate with an emphasis on care, shareholder value and sustainability.

ACKNOWLEDGEMENT

Cooper Energy acknowledges the Kaurna people as the custodians of the Adelaide region of our head office, the Whadjauk Noongar people on whose land our Perth office is based and the Eastern Marr people of the western district of Victoria where our Athena Gas Plant is located.

COOPER ENERGY LIMITED

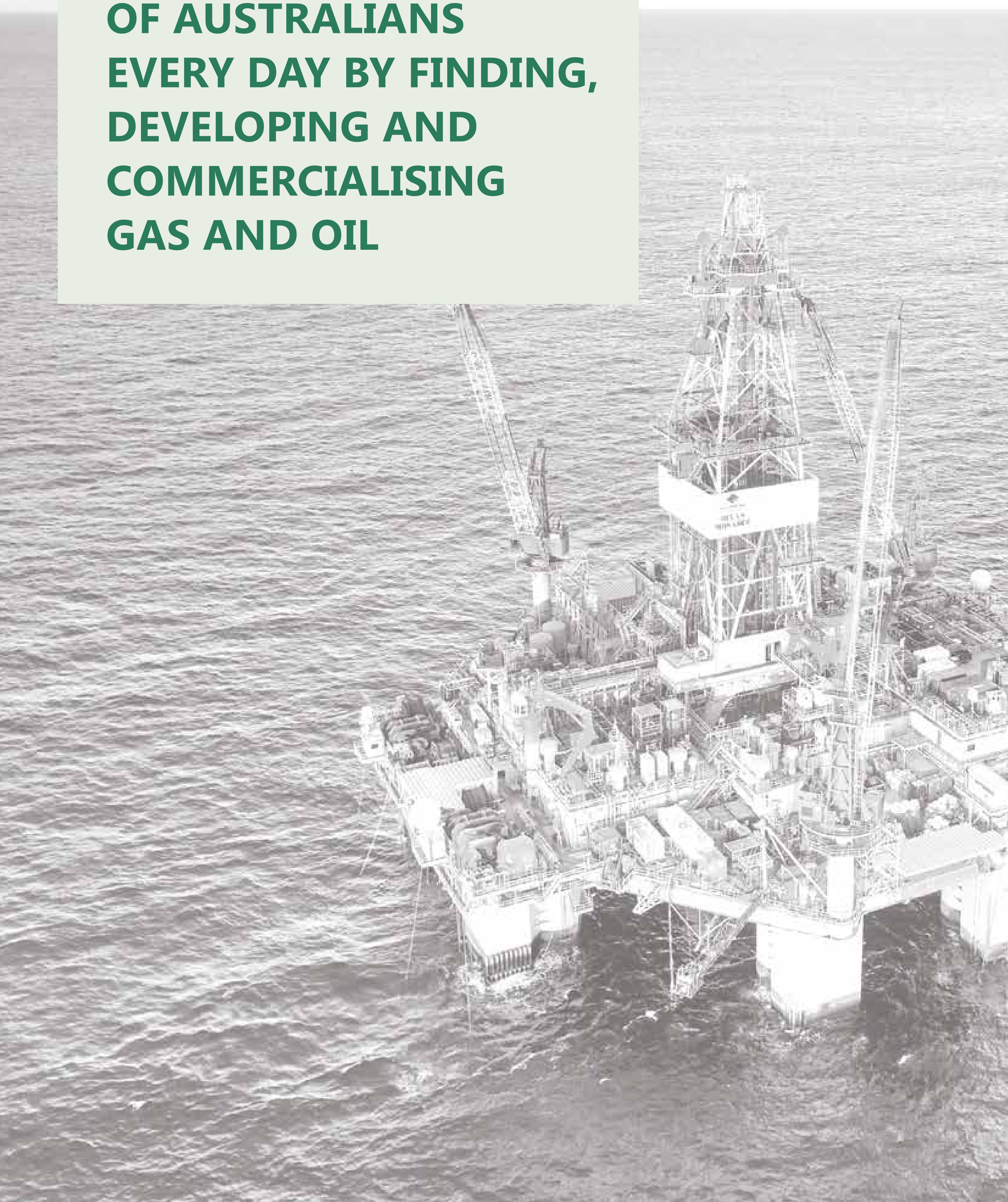
ABN 93 096 170 295

Cover image: Biodiverse Carbon Coorong Project, South Australia
Opposite: Ocean Monarch offshore drilling rig

The terms "the company" and "Cooper Energy" are used in this Annual 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.

This Annual Report uses terms and abbreviations relevant to the Company, its accounts and the petroleum industry. Information on abbreviations and terms, rounding and reserves and resources reporting is provided on page 124.

WE ENERGISE THE LIVES OF THOUSANDS OF AUSTRALIANS EVERY DAY BY FINDING, DEVELOPING AND COMMERCIALISING GAS AND OIL



FROM THE CHAIRMAN

JOHN CONDE AO

This year we were presented again with significant challenges to navigate.

Not being able to process and sell our Sole gas at originally forecast levels had a flow-on effect to revenue, cash flow and earnings, which in turn deferred the progress of other growth projects. We are working constructively with APA to secure certainty on the long-term arrangements for processing Sole gas at Orbost. We look forward to providing clarity on this as the year progresses.

In the broader energy sector, there is increasing pressure for companies to demonstrate their commitment to sustainability and emissions management. There is increasing activism and access to capital is changing. However, Cooper Energy is a leader in climate action within the Australian oil and gas sector, as discussed below.

We continue to manage the ever-evolving COVID-19 pandemic. Cooper Energy acted quickly in 2020 to implement procedures and practices to manage the pandemic, and we continue to monitor, react and adapt as required. It is pleasing to note that during the year we reported no cases of COVID-19 among our staff or contractors; we had no COVID-19 related interruptions to processing of gas and oil; and our Athena Gas Plant Project progressed on schedule. I extend my gratitude to all involved.

The challenges, and in particular the delays at Orbost, have had an adverse impact on our share price. We acknowledge the frustration this has caused our shareholders and appreciate the ongoing loyalty shown by many. In response to our results and share price performance in the 2021 financial year, short-term incentive payments were cut significantly across the organisation and base salaries have again been held constant for the Board and staff.

Key milestones

Your company maintained strict focus on delivering its south-eastern Australia gas strategy. In doing so, we achieved several key milestones which are transforming Cooper Energy.

First, we took a major step in establishing ourselves as a material and important supplier of gas to south-eastern Australia with the initiation of our Sole Gas Sales Agreements. With support from our customers and the guiding principles of the Transition Agreement with APA, we were able to commence the sale of gas even though the performance of the Orbost Gas Processing Plant remained volatile. The material increase in revenue, earnings and cash flow in the second half of the 2021 financial year is expected to continue in 2022 and beyond.

We met all customer gas nominations on every day. At times we had to draw on the back-up arrangements we have in place. This is a credit to our commercial team and demonstrates the value of our twin gas hub strategy and the customer relationships that have been developed.

Secondly, we made great strides in establishing ourselves as a mid-stream gas infrastructure operator, with the upgrade of the Athena Gas Plant significantly progressed. Once commissioned, the Athena Gas Plant will give Cooper Energy control of processing our Otway Basin gas and provide extra capacity for the next wave of our gas developments.

Thirdly, we established ourselves as a leader in our sector on climate action. We received independent certification by Climate Active of our carbon neutral position with respect to Scope 1, Scope 2 and controllable Scope 3 emissions. This confirmed and validated Cooper Energy as Australia's first carbon

FROM THE CHAIRMAN

neutral gas and oil producer. While many companies talk of future net zero aspirations, our actions to achieve carbon neutrality put us many years, even decades, ahead of our peers. As we grow, we plan to maintain our net zero carbon status and will seek innovative ways to harness the value from momentum in this area.

The Managing Director's Report and the Financial Report address our results and achievements in more detail. The 2021 Sustainability Report, which was published at the time of this Annual Report, addresses our performance across health and safety, the environment, climate actions, community involvement and our relationships with stakeholders. I encourage you to read these documents.

FY22 outlook

Prospectively, there are many reasons for optimism.

We are all feeling the impact that delays at Orbost and related uncertainties have had on shareholder value, cash flow generation and earnings.

APA will be undertaking additional work at Orbost, which they plan to complete within the March 2022 quarter, with the objective of materially increasing the gas processing rate. Extensive testing on solids removal technology has provided us with confidence in the work program to deliver further improvements in plant performance. In addition, together with APA, we continue our efforts to identify the root cause of the underlying issues at Orbost.

The Athena Gas Plant will be commissioned this year, providing us with control of processing Otway Basin gas and capacity for future developments. The Otway Phase 3 Development will be our first development to utilise the additional capacity at Athena, resulting in new gas supply for south-eastern Australia and a step-up in cash flow and earnings for Cooper Energy. I expect this will be followed by further gas discoveries in our Otway Basin permits at a time when gas supply is very tight and gas prices are increasing.

We will also continue our climate action program and maintain our industry-leading carbon neutral position. Net zero is one part of Cooper Energy's broader Sustainability strategy. For us, Sustainability means offering a long-term value proposition for all stakeholders while leaving our environment in a better state than when we found it. Our assets, strategy and values are aligned with this:

- We produce gas which we know will be required for decades to come as the world transitions to renewable energy.
- We have consolidated the company's asset portfolio around proven cost competitive gas provinces and established infrastructure located close to the key gas markets.
- We have an extensive resource position which provides the foundation for increasing production and cash flow over time.
- Most of our gas reserves are linked to long-term contracts which offer stable prices and cash flow through take-or-pay terms.
- We are proud of our environmental track record and the relationships we have built with the communities in which we operate.
- Our governance framework and Cooper Energy values guide all decisions and actions.

Our actions to date demonstrate our commitment to Sustainability.

Concluding remarks

Notwithstanding the challenging and disappointing year for Cooper Energy and our shareholders, growth is now underway and we are confident in our ability to create ongoing sustainable growth in shareholder value as we deliver our south-eastern Australia gas strategy. Our twin gas hubs are established, gas supply is tight and getting tighter, and the initiation of our Sole Gas Sales Agreements has demonstrated the inherent value of our Sole gas development.

FROM THE CHAIRMAN

I record my thanks to my Board colleagues and to our Company Secretary for their counsel and support. In August, we welcomed Ms Giselle Collins to the Board, subject to confirmation by shareholders at this year's annual general meeting. Ms Collins brings valuable expertise to the Board and adds diversity of experience.

I also record my appreciation to our Managing Director, David Maxwell, and his team for their leadership and commitment to Cooper Energy.

I extend my gratitude to all stakeholders, and in particular our lenders, customers, suppliers and contractors for your ongoing support.

Lastly, thank you to you, our shareholders, for your ongoing support. It was unquestionably a difficult year. However, our foundation is set, our strategy is correct and we are excited for the year ahead.

John Conde

John Conde AO
Chairman

COOPER ENERGY ACHIEVED MANY KEY MILESTONES IN 2021 WHICH ARE TRANSFORMING THE COMPANY

Coorong Biodiversity Project

MANAGING DIRECTOR'S REPORT

DAVID MAXWELL

Our results for the 2021 financial year were shaped by the ongoing delay in commissioning the Orbost Gas Processing Plant – owned and operated by APA.

This constrained Sole production, cash flow and earnings, relative to our original expectations, and impacted the progress of our growth projects. This has weighed on our financial results and the share price. I acknowledge the frustration this has caused and extend my personal gratitude to you, my fellow shareholders, for your ongoing support through this period.

Despite the challenges, the 2021 financial year can be regarded as transformational for Cooper Energy. We delivered many key milestones which are establishing the company as a material and important supplier of gas to south-eastern Australia and setting the foundation for sustainable growth in shareholder value. The milestones include:

- **Sole gas production:** Commenced processing through the Orbost Gas Processing Plant with improving Orbost performance throughout the year and further improvements expected in 2022.
- **Sole Gas Sales Agreements:** Commenced in December and January and met every customer nomination.
- **Athena Gas Plant Project:** Significant progress in upgrading the Athena Gas Plant and establishing Cooper Energy as a midstream gas infrastructure operator.
- **Financial performance:** Record results and a step-change in second-half performance following initiation of the Sole Gas Sales Agreements.
- **Health, safety and environment:** Pleasing performance against the backdrop of COVID-19.
- **Carbon neutrality:** Independent certification as Australia's first carbon neutral gas and oil producer.
- **Gas market and strategy:** Increasing gas supply constraints in south-eastern Australia and increasing gas prices playing out as expected.

These milestones were supported by strong relationships with our key stakeholders including our customers, banks and the communities in which we operate.

I discuss each of these topics below.

2021 REVIEW

Sole and the Orbost Gas Processing Plant

Cooper Energy delivered the upstream Sole gas field development on time and below budget during the 2019 calendar year. Since then, the Orbost Gas Processing Plant, which is owned and operated by APA, has faced challenges due to foaming and fouling within the plant's Sulphur Recovery Unit. Cooper Energy has been working constructively with APA to increase processing rates and improve stability while also focusing on identifying the root cause of the foaming and fouling.

During the 2021 financial year, reconfiguration of the plant's Sulphur Recovery Unit was undertaken and improvement in plant performance was seen during the second half of the year. Processing rates improved from 23 TJ/day on average in the first half to 35 TJ/day on average in the second half. Subsequent to financial year-end, stability had further improved with regular cleaning of the absorbers and rates of approximately 40 TJ/day on average.

MANAGING DIRECTOR'S REPORT

APA will be undertaking further capital works at Orbost which is scheduled to be complete during the March 2022 quarter. Extensive testing on solids removal technology during 2021 has provided us with confidence that the planned activities can further improve plant performance.

Your Board and Executive Leadership Team are acutely aware of the impact Orbost performance has had on Cooper Energy's share price. We are focused on providing certainty regarding these longer-term arrangements and are working constructively with APA to achieve such an outcome. We look forward to providing updates in due course.

COOPER ENERGY IS BECOMING A MATERIAL AND IMPORTANT SUPPLIER OF GAS TO SOUTH-EASTERN AUSTRALIA

Athena Gas Plant Project

In the Otway Basin, the Athena Gas Plant is Cooper Energy's second gas processing hub. Cooper Energy is the operator of Athena and owns a 50% interest alongside Mitsui E&P Australia.

During the 2021 financial year we made significant progress in delivering the upgrade of the Athena Gas Plant. Commissioning of the plant is now underway and once complete will see Cooper Energy established as a midstream gas infrastructure operator. This will be a significant milestone for your company.

The Athena Gas Plant is a strategic asset ideally located within the core south-eastern Australia gas market, which is becoming increasingly short of gas supply. It will be an integral asset within Cooper Energy's portfolio. It will allow for higher processing rates from existing Otway Basin fields, operate at a lower cost relative to current processing arrangements, provide significant extra capacity for future developments and discoveries, and enable enhanced marketing of gas on a firm supply basis.

I thank all staff, contractors and stakeholders who have contributed to the Athena Gas Plant upgrade. The project has involved significant staff coordination, training and delivery throughout its various stages. Pleasingly, we have recorded no lost-time injuries and the project stayed within schedule during the 2021 financial year despite the backdrop of COVID-19. The learnings gained from the project to date are extensive and will prove invaluable as we transition to a gas processing plant operator and continue to grow our gas production.

Financial Performance

Our financial results in 2021 demonstrated a step-change in revenue, mainly due to the initiation of our Sole Gas Sales Agreements in the middle of the year. This was a significant achievement for Cooper Energy, particularly given the volatile performance of the Orbost Gas Processing Plant. With support from our customers, third-party gas suppliers and APA, and guided by the principles of the Transition Agreement, we delivered over 8 petajoules of gas into our Sole Gas Sales Agreements during the second half of the year. During the peak winter gas demand months, we averaged gas supply of 59 TJ/day, with Orbost shortfalls sourced from our back-up supply arrangements.

The initiation of our Sole Gas Sales Agreements and improving performance of the Orbost Gas Processing Plant drove record production, sales volume and revenue. Production was up 69% to 2.63 MMboe, sales volume up 94% to 3.01 MMboe and revenue up 69% to $132 million. We generated $50 million in cash margin from our gas business in what was a challenging year.

The momentum from the second half of the year is continuing into the 2022 financial year. The step-change in earnings and cash flow which we have been referring to for some time is now underway.

Our financial position remains sound and we are grateful for the ongoing support of our lenders. Towards the end of the financial year we adjusted our debt facility to align it with current processing rates at Orbost of 40-45 TJ/day. The adjustments helped preserve liquidity so we can continue advancing growth projects such as the Otway Phase 3 Development.

Bank security for our debt facility is mainly in the Sole 2P Reserves and the long-term take or pay Gas Sales Agreements. The adjustments demonstrate the strength of this position and our lenders' support for Cooper Energy. At financial year-end, our cash reserves were $91 million and drawn debt was $218 million.

Health, safety and the environment

We recorded pleasing health, safety and environmental performance as we strive for continual improvement. The ever-changing COVID-19 situation provided ongoing challenges for us all. The policies and procedures implemented by Cooper Energy early in the pandemic have served us well and we continue to monitor, react and adapt as required.

We had no reported cases of COVID-19 among our staff and contractors. We also achieved no COVID-19 related interruptions to our oil and gas processing, and the Athena Gas Plant Project progressed to schedule as noted above.

We reported no lost-time injuries. We did have two minor safety incidents which resulted in an increase to our total recordable injury frequency rate. The incidents were a hamstring strain and a cut on the nose. For both incidents, the individuals returned to work the following day. We again had no reportable environmental incidents at our operated sites.

The 2021 Sustainability Report, which was published at the time of this Annual Report, addresses our performance across health and safety, the environment, climate actions, community involvement and our relationships with stakeholders. I encourage you to read this report.

Carbon neutral certification

Cooper Energy's accelerated push to achieve net zero carbon emissions was a great accomplishment for the organisation. We announced in October 2020 our commitment to net zero carbon emissions, that is Scope 1, Scope 2 and controllable Scope 3 emissions. We achieved this through partnering with Greening Australia in the Coorong Biodiversity Project.

Towards the end of the financial year we received independent certification from Climate Active as Australia's first carbon-neutral gas producer. This is a fantastic accomplishment for Cooper Energy.

The feedback has been overwhelmingly supportive. Our staff appreciate it and are proud to be working for a net zero gas producer. Our lenders acknowledge it and we expect to benefit from better access to debt capital markets in the future. Our institutional shareholders like it, particularly those who may otherwise be restricted from investing in Cooper Energy. Our broader stakeholders and communities like it as it reinforces our commitment to working sustainably.

We are progressing other carbon reduction initiatives which are timed to align with our gas production growth. We have several cost-effective opportunities under review and will have more to say on these in due course.

Our focus on maintaining carbon neutrality is one part of our broader objectives in the area of Environment, Sustainability and Governance (ESG). Our objectives aim to create a long-term sustainable investment proposition for our investors and a long-term valuable contributor to our broader stakeholders and communities.

Gas market and strategy

While we work with APA to rectify the issues at the Orbost Gas Processing Plant and progress our other growth projects, increasing gas supply shortages in the south-eastern Australia gas market continue to play out as we expected.

The gas demand-supply fundamentals remain challenged and skewed towards increasing gas supply shortfalls. It is a fact that gas will be needed for decades to come, and that gas will support our transition to renewable energy. However, industry and regulators continue to see tight gas supply for south-eastern

MANAGING DIRECTOR'S REPORT

Australia, with a supply shortfall of approximately 60 petajoules expected by 2025. This equates to roughly four Sole projects at current Orbost processing rates.

The shortfall is driven by several factors, including declining production from existing fields as reservoirs deplete, increasing costs and regulatory burden associated with new developments, and various drilling moratoriums which have hampered new supply. To have a positive impact on the supply shortfall come 2025, new gas projects need to be at the Final Investment Decision stage now or very soon.

Pricing fundamentals also remain sound for Cooper Energy. LNG and spot gas prices increased over the course of the year which supports our view that the long-term contracted gas price range will be $8-$11/GJ.

The gas supply challenges will persist for south-eastern Australia. Thankfully, our twin gas hub strategy and existing asset portfolio provide a clear pathway for discovering and developing gas reserves over time.

Our Otway and Gippsland basin permits are in cost competitive gas producing regions, include multiple attractive exploration prospects and are connected to customers via existing pipeline infrastructure. These are strategically located assets that will support customers while the gas supply shortfall grows.

Our opportunity pipeline includes growing production from existing producing assets, developing resources over the near-term, and exploring for new discoveries. The Athena Gas Plant will provide extra processing capacity, allowing us to develop gas through our own plant at attractive margins.

It is key that we have effective energy policy and regulations which have regard to the needs of society whilst supporting the ongoing development of the gas industry. Our industry is vital to support the development and reliable supply of renewable energies and numerous everyday products.

Athena Gas Plant

MANAGING DIRECTOR'S REPORT

2022 OUTLOOK

Cooper Energy's purpose is to contribute to Australia's sustainable energy future by commercialising gas, oil and other resources for domestic markets. We operate with an emphasis on care, shareholder value and sustainability. To achieve this purpose, our strategy involves:

- establishing a portfolio of low cost, long-term gas and oil production assets;
- growing through a combination of exploration, development and acquisition;
- building future resilience by prioritising Environment, Sustainability and Governance and investing in sustainable energy projects;
- leveraging and developing our people, stakeholder relationships and capabilities where we operate; and
- balancing risk by sharing opportunities, partnering and achieving good commercial outcomes.

Specific activities planned for the FY22 financial year include:

- finalising commercial arrangements with APA for the long-term processing of Sole gas through the Orbost Gas Processing Plant;
- participating in APA's delivery of the next phase of capital works at Orbost which aim to further improve plant stability and performance;
- commissioning the Athena Gas Plant to deliver benefits including higher processing rates, lower operating costs and improved gas marketing capability;
- preparing for a Final Investment Decision for the next phase of development in the offshore Otway Basin; and
- progressing other exploration, appraisal and development activities within Cooper Energy's existing portfolio of growth opportunities.

I record my appreciation for the loyal support of our shareholders, lenders and customers, and the committed effort of our employees and contractors during the year. I also acknowledge the valuable guidance and support provided by the Board during what was a challenging year.

David Maxwell
Managing Director

Orbost Gas Processing Plant

Ocean Monarch offshore drilling rig

OUR VALUES

Cooper Energy is a values-driven business with actions guided at all times by our seven core 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 AND RESPECT

Valuing diversity and 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

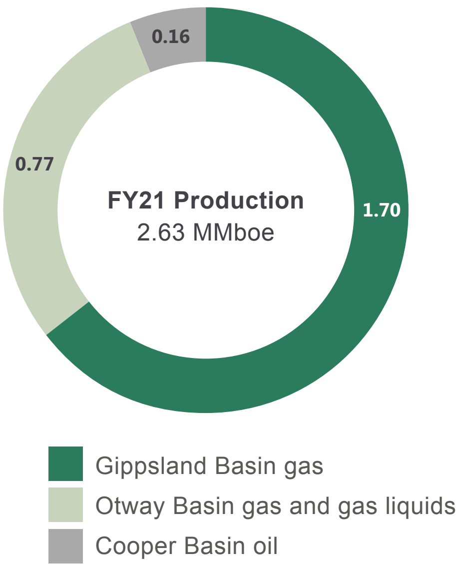
Staying focused on the core objectives, making pragmatic, quality technical and commercial decisions and being decisive with the courage of our convictions.

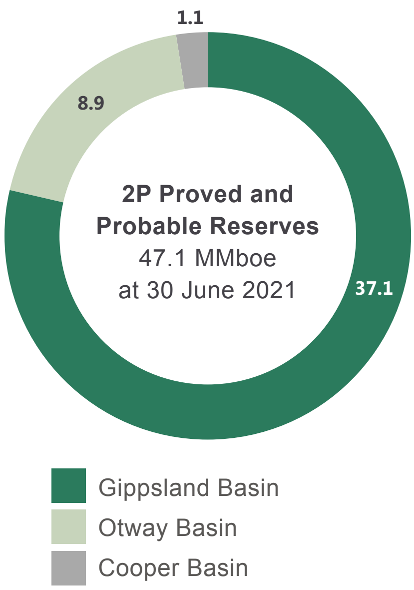
OUR BUSINESS

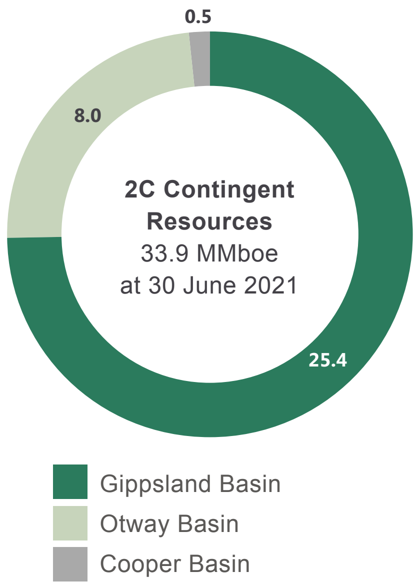
We generate revenue from the discovery, commercialisation and sale of gas to south-eastern Australia and from oil production and development in the Cooper Basin.

We aim to deliver sustainable growth in shareholder value by:

- establishing a portfolio of low-cost, long-term gas and oil production assets;
- growing through a combination of development, exploration and acquisition;
- building future resilience by prioritising Environment, Sustainability and Governance and investing in sustainable energy projects;
- leveraging and developing our people, stakeholder relationships and capabilities; and
- balancing risk by sharing opportunities, partnering and achieving good commercial outcomes.







OTHER KEY STATISTICS at 30 June 2021	
Market capitalisation	$424.1 million
Net debt	$126.7 million
Issued shares	1,631 million
Shareholders	9,355
Employees and contractors	105.3 full time equivalent

OUR OPERATIONS

ADELAIDE 1

- Corporate head office

PERTH 2

- Projects and offshore drilling office

COOPER BASIN 3

- Western Flank oil production, development and exploration
- 25% Cooper Energy interest

ATHENA GAS PLANT 4

- Processing hub for offshore Otway Basin gas
- Commissioning in FY22
- 50% Cooper Energy interest

ONSHORE OTWAY BASIN 4

- Dombey gas discovery
- Gas exploration and development prospects
- 30% Cooper Energy interest (South Australia)

OFFSHORE OTWAY BASIN 5

- Gas and gas liquids production from the Casino, Henry and Netherby fields
- Annie gas discovery and multiple exploration prospects
- Preparing for the Otway Phase 3 Development
- 50% Cooper Energy interest

GIPPSLAND BASIN 6

- Sole gas field
- Manta gas and gas liquids resource and multiple gas exploration prospects
- 100% Cooper Energy interest

ENVIRONMENT, SUSTAINABILITY AND GOVERNANCE

INDUSTRY-LEADING NET ZERO DECARBONISATION POSITION

- Net Zero achieved for the second consecutive year
- 100% Scope 1, Scope 2 and controllable Scope 3[1] offset
- 4,338 tonnes of CO_2 offset
- Commitment to continue this initiative for the foreseeable future
- 2020 South Australian Premier's Award for Environment for Net Zero initiative
- Climate Active Carbon Neutral Organisation certification achieved

HEALTH, SAFETY AND ENVIRONMENT

- 0 lost-time injuries
- 0 reportable environmental incidents
- 0 COVID-19 cases; management plans in place at all sites
- 2 minor contractor medical treatment incidents; both returned to work the following day

GENDER DIVERSITY

- Ahead of industry benchmarks
- 38% female representation on the Board of Directors[2]
- 28% overall company female representation

LOCAL CONTENT

- >$60 million in local purchases
- >375 local suppliers

Full details are contained in the Cooper Energy 2021 Sustainability Report, published concurrently with this Annual Report.

1. Controllable Scope 3 emissions comprise carbon embedded in concrete and steel, and employee travel. Customer emissions from transportation of gas purchased and ultimate combustion are not included.

2. Post appointment of Giselle Collins on 19 August 2021, subject to confirmation by shareholders at this year's annual general meeting.

2020 ENERGY & MINING PREMIER'S AWARDS

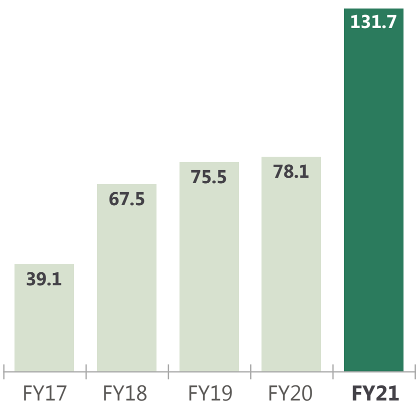
Climate Active Carbon Neutral ORGANISATION

KEY RESULTS

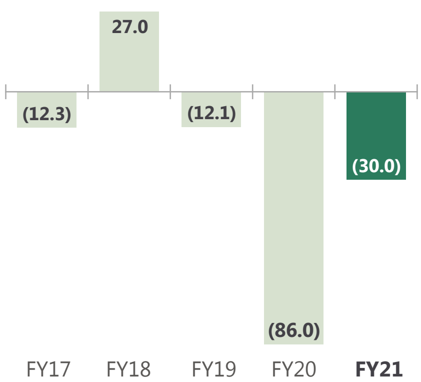
FINANCIAL

- Record sales revenue, up 69% to $131.7 million from initiation of the Sole Gas Sales Agreements
- Underlying net loss after tax of $25.9 million, impacted by delayed commissioning of the Orbost Gas Processing Plant
- Debt facility adjusted with ongoing support from lenders
- Higher depreciation and amortisation due to increased Sole production
- General administration expense down 16% to $12.7 million

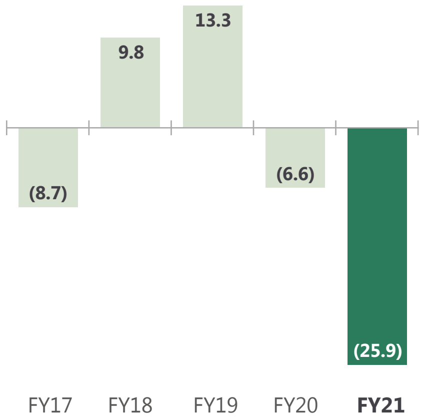
Sales revenue
$ million



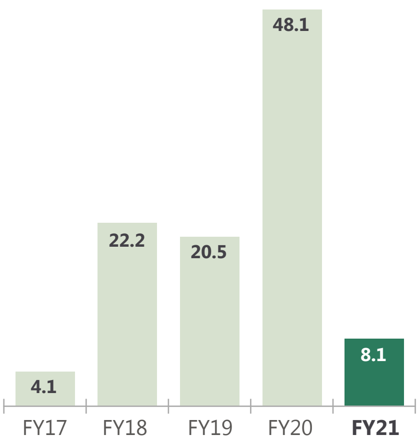
Statutory net profit / (loss) after tax
$ million



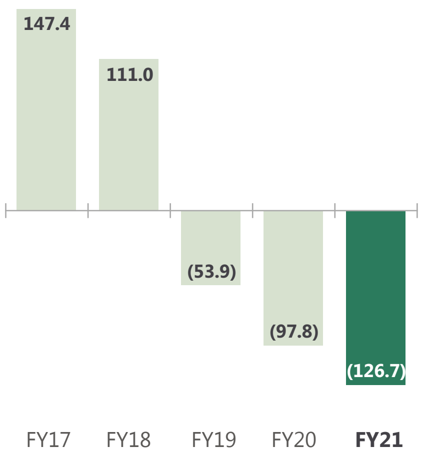
Underlying net profit / (loss) after tax
$ million



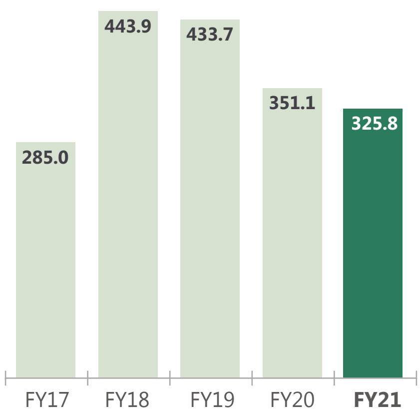
Operating cash flow
$ million



Net cash / (debt)
$ million



Total equity
$ million

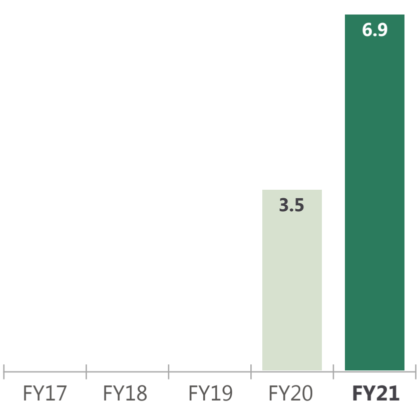


KEY RESULTS

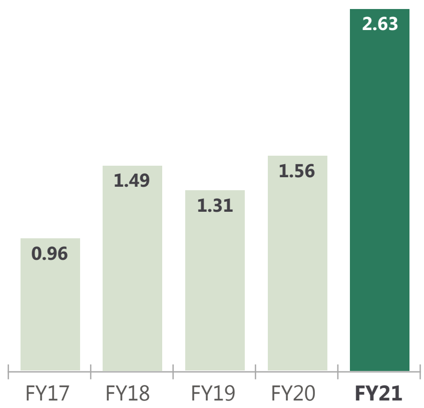
OPERATIONS AND RESERVES

- No lost-time injuries and no reported COVID-19 cases
- Two minor contractor incidents; both individuals returned to work the following day
- Record production, up 69% to 2.63 MMboe
- Athena Gas Plant Project significantly progressed
- Climate Active carbon neutral certification achieved

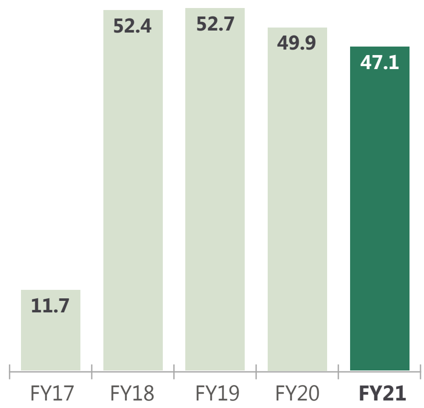
Safety
Total recordable injury frequency rate



Production
MMboe

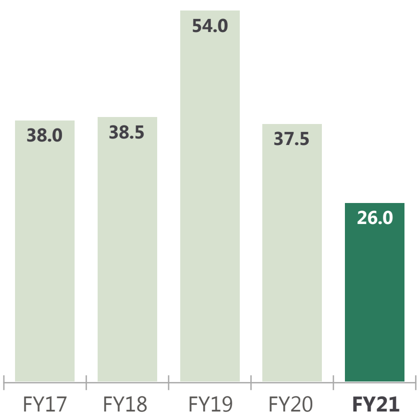


Proved and Probable Reserves
MMboe

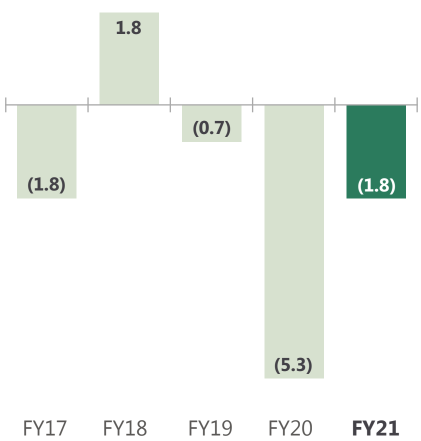


EQUITY

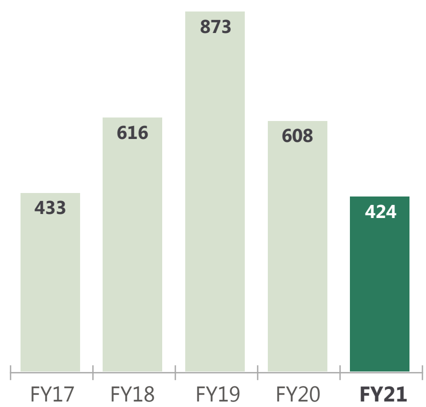
Share price
cents per share at 30 June



Basic earnings per share
cents per share at 30 June



Market capitalisation
$ million at 30 June



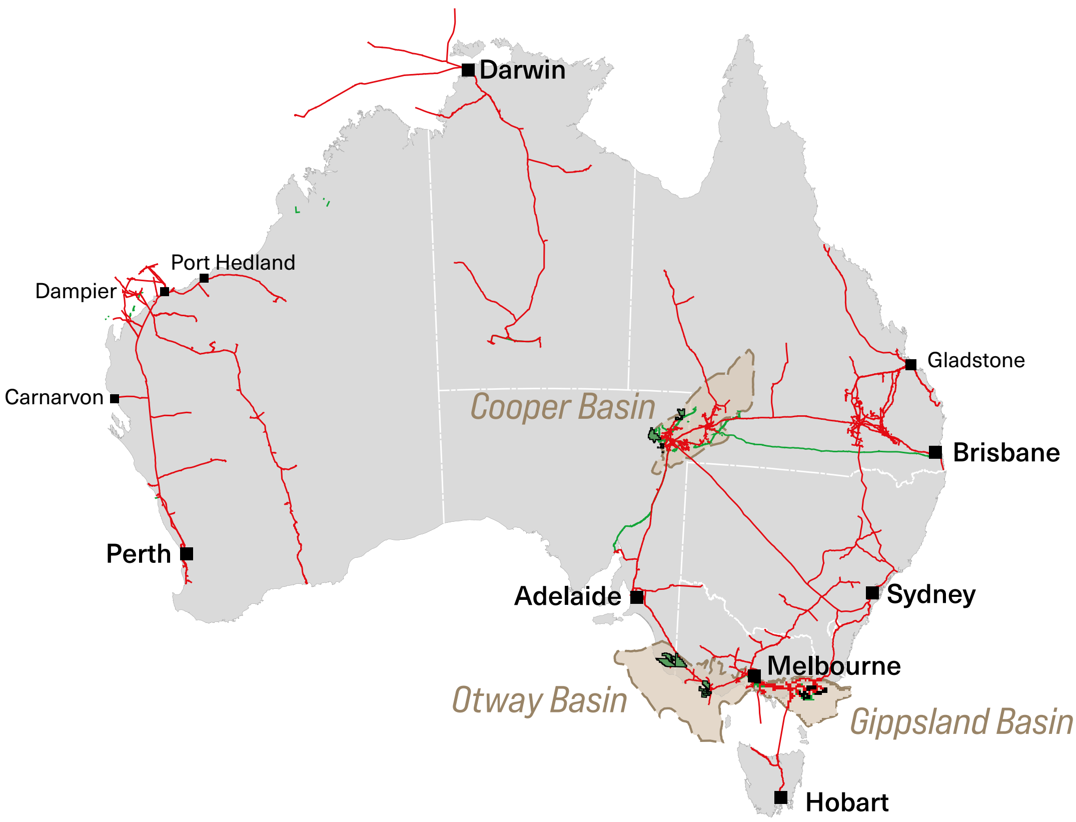
KEY RESULTS

GAS AND OIL REVENUE

- Twin gas hub strategy delivering step-change in sales volume and revenue
- Record total sales volume, up 94% to 3.01 MMboe
- Gas revenue up 88% to $119.5 million from initiation of the Sole Gas Sales Agreements

GAS	FY21	FY20
Total sales volume (PJ)	**17.4**	8.3
Total revenue ($ million)	**119.4**	63.6
2P Proved and Probable Reserves[1] (PJ)	**281.3**	295.3
Average realised price ($/GJ)	**6.86**	7.66
OIL AND CONDENSATE	**FY21**	**FY20**
Total sales volume (kbbl)	**153.8**	186.0
Total revenue ($ million)	**12.3**	14.5
2P Proved and Probable Reserves[1] (MMbbl)	**1.1**	1.6
Average realised price ($/bbl)	**79.0**	77.0

1. As announced on 23 August 2021.



KEY RESULTS

CAPITAL EXPENDITURE

- Lower capital expenditure due to completion of the Sole gas development
- Expenditure predominantly related to upgrade of the Athena Gas Plant

BY ACTIVITY ($ million)	FY21	FY20
Exploration and appraisal	**2.2**	41.6
Development	**30.1**	35.1
Total	**32.3**	**76.7**
BY BASIN ($ million)	FY21	FY20
Gippsland Basin	**0.4**	17.7
Otway Basin	**27.3**	35.5
Cooper Basin	**1.7**	10.4
Other	**2.9**	13.1
Total	**32.3**	**76.7**

Athena Gas Plant team

RESERVES AND CONTINGENT RESOURCES

RESERVES

Cooper Energy's 2P oil and gas Reserves at 30 June 2021 are assessed to be 47.1 MMboe (30 June 2020: 49.9 MMboe), as summarised in the following tables and notes and described in more detail in the ASX announcement of 23 August 2021.

RESERVES AT 30 JUNE 2021

		1P (Proved)			2P (Proved and Probable)			3P (Proved, Probable and Possible)		
		Developed	Undeveloped	Total	Developed	Undeveloped	Total	Developed	Undeveloped	Total
Sales gas	PJ	171	30	**201**	238	43	**281**	323	56	**380**
Oil & Condensate	MMbbl	0.5	0.0	**0.5**	1.1	0.1	**1.1**	1.5	0.1	**1.6**
Total[1]	**MMboe**	28.4	4.9	**33.4**	40.0	7.1	**47.1**	54.4	9.3	**63.7**

1. Totals throughout these tables may not reflect arithmetic addition due to rounding; estimates exclude Cooper Energy's share of future fuel, flare and vent consumption and are net to Cooper Energy.

Key factors contributing to the change in Reserves since 30 June 2020 include:

- production of 2.6 MMboe in FY21;
- upward revisions in the offshore Otway Basin due to revised subsurface interpretation of the Henry gas field and production performance of the Casino, Henry and Netherby gas fields; and
- downward revisions in PEL 92 due to revised operator decline profiles, execution of development projects during FY21 and re-classification of two projects from Undeveloped Reserves to Contingent Resources.

YEAR-ON-YEAR MOVEMENT IN 2P RESERVES

	Proved and Probable 2P Reserves (MMboe)			
	Cooper Basin	Otway Basin	Gippsland Basin	Total
Reserves at 30 June 2020	**1.6**	**9.5**	**38.8**	**49.9**
FY21 Production	(0.2)	(0.8)	(1.7)	(2.6)
Revisions	(0.3)	0.2	(0.1)	(0.1)
Reserves at 30 June 2021	**1.1**	**8.9**	**37.1**	**47.1**

YEAR-ON-YEAR MOVEMENT IN 1P, 2P AND 3P RESERVES

		Proved (1P)	Proved & Probable (2P)	Proved, Probable & Possible (3P)
		MMboe	MMboe	MMboe
Reserves	**30 June 2020**	**35.5**	**49.9**	**66.6**
Production	FY21	(2.6)	(2.6)	(2.6)
Revisions	FY21	0.5	(0.1)	(0.3)
Reserves	**30 June 2021**	**33.4**	**47.1**	**63.7**

RESERVES AND CONTINGENT RESOURCES

RESERVES BY BASIN AND PRODUCT AT 30 JUNE 2021

		Reserves at 30 June 2021 Developed and Undeveloped											
		Proved (1P)				Proved and Probable (2P)				Proved, Probable and Possible (3P)			
		Cooper	Otway	Gippsland	Total[1]	Cooper	Otway	Gippsland	Total[1]	Cooper	Otway	Gippsland	Total[1]
Developed													
Sales Gas	PJ	–	6.7	164.3	171.1	–	11.2	226.8	238.0	–	14.1	309.3	323.4
Oil & Condensate	MMbbl	0.5	0.0	–	0.5	1.1	0.0	–	1.1	1.5	0.0	–	1.5
Developed total	**MMboe**	**0.5**	**1.1**	**26.9**	**28.4**	**1.1**	**1.8**	**37.1**	**40.0**	**1.5**	**2.3**	**50.5**	**54.4**
Undeveloped													
Sales Gas	PJ	–	29.9	–	29.9	–	43.2	–	43.2	–	56.5	–	56.5
Oil & Condensate	MMbbl	0.0	0.0	–	0.0	0.0	0.0	–	0.1	0.1	0.0	–	0.1
Undeveloped total	**MMboe**	**0.0**	**4.9**	**–**	**4.9**	**0.0**	**7.1**	**–**	**7.1**	**0.1**	**9.3**	**–**	**9.3**
Total	**MMboe**	**0.5**	**6.0**	**26.9**	**33.4**	**1.1**	**8.9**	**37.1**	**47.1**	**1.6**	**11.6**	**50.5**	**63.7**

CONTINGENT RESOURCES

Cooper Energy's 2C oil and gas Contingent Resources at 30 June 2021 are assessed to be 33.9 MMboe (30 June 2020: 34.9 MMboe). The decrease is primarily due to revisions to PEL 92 oil projects and conversion of gas 2C Contingent Resources to 2P Reserves.

CONTINGENT RESOURCES AT 30 JUNE 2021

	1C			2C			3C		
	Gas PJ	Oil & Cond. MMbbl	Total MMboe	Gas PJ	Oil & Cond. MMbbl	Total MMboe	Gas PJ	Oil & Cond. MMbbl	Total MMboe
Gippsland Basin	83.1	2.2	**15.8**	134.9	3.4	**25.4**	212.3	5.4	**40.1**
Otway Basin	32.3	0.0	**5.3**	48.6	0.1	**8.0**	63.2	0.1	**10.4**
Cooper Basin	–	0.3	**0.3**	–	0.5	**0.5**	–	0.9	**0.9**
Total	**115.3**	**2.5**	**21.4**	**183.5**	**4.0**	**33.9**	**275.5**	**6.4**	**51.4**

YEAR-ON-YEAR MOVEMENT IN CONTINGENT RESOURCES

MMboe	1C	2C	3C
Contingent Resources at 30 June 2020	**21.6**	**34.9**	**52.0**
Revisions	(0.2)	(0.9)	(0.6)
Contingent Resources at 30 June 2021	**21.4**	**33.9**	**51.4**

Notes on calculation of Reserves and Contingent Resources

Cooper Energy prepares its petroleum Reserves and Contingent Resources in accordance with the definitions and guidelines in the Society of Petroleum Engineers (SPE) 2018 Petroleum Resources Management System (PRMS).

The estimates of petroleum Reserves and Contingent Resources contained in this Annual Report are as at 30 June 2021.

All Reserves and Contingent Resources figures in this document are net to Cooper Energy unless otherwise stated.

Cooper Energy has completed its own estimation of Reserves and Contingent Resources for its operated Otway and Gippsland Basin assets. Elsewhere, Reserves and Contingent Resources estimation is based on assessment and independent views of information provided by the permit operators (Beach Energy Limited for PEL 92 and the Worrior field).

Reference points for Cooper Energy's petroleum Reserves and Contingent Resources and production are defined where normal operations cease, and petroleum products are measured under defined conditions prior to custody transfer. Fuel, flare and vent consumed prior to the reference point is excluded.

Petroleum Reserves and Contingent Resources are prepared using deterministic and probabilistic methods. The Reserves and Contingent Resources estimate methodologies incorporate a range of uncertainties relating to each of the key reservoir input parameters to predict the likely range of outcomes.

Project and field totals are aggregated by arithmetic summation by category. Aggregated 1P and 1C estimates may be conservative and aggregated 3P and 3C estimates may be optimistic due to the effects of arithmetic summation.

Totals may not exactly reflect arithmetic addition due to rounding.

The conversion factor of 1 PJ = 0.163 MMboe has been used to convert from sales gas (PJ) to oil equivalent (MMboe).

Reserves

Under the SPE PRMS 2018, "Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions".

The Otway Basin totals comprise the arithmetically aggregated project fields (Casino, Henry and Netherby). The Cooper Basin totals comprise the arithmetically aggregated PEL 92 fields and the arithmetic summation of the Worrior field Reserves. The Gippsland Basin totals comprise Sole Reserves only.

Contingent Resources

Under the SPE PRMS 2018, "Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies".

The Contingent Resources assessment includes Contingent Resources in the Gippsland, Otway and Cooper basins.

Qualified petroleum Reserves and Contingent Resources evaluator statement

The information contained in this report regarding Cooper Energy's Reserves and Contingent Resources is based on, and fairly represents, information and supporting documentation reviewed by Mr Andrew Thomas who is a full-time employee of Cooper Energy Limited holding the position of General Manager – Exploration & Subsurface. Mr Thomas holds a Bachelor of Science (Hons), is a member of the American Association of Petroleum Geologists and the Society of Petroleum Engineers, is qualified in accordance with ASX listing rule 5.41, and has consented to the inclusion of this information in the form and context in which it appears.

REVIEW OF OPERATIONS

SAFETY

Detailed discussion of Cooper Energy's safety performance is provided in the 2021 Sustainability Report. The report was published at the time of this Annual Report and can be viewed and downloaded from the company's website.

SAFETY METRICS	FY21	FY20
Hours worked	**289,071**	283,672
Recordable incidents	**2**	1
Lost-time injuries (LTI)	**–**	1
LTI frequency rate[1]	**–**	3.53
Total recordable injury frequency rate (TRIFR)[2]	**6.91**	3.53
Industry TRIFR[3]	**3.19**	5.27

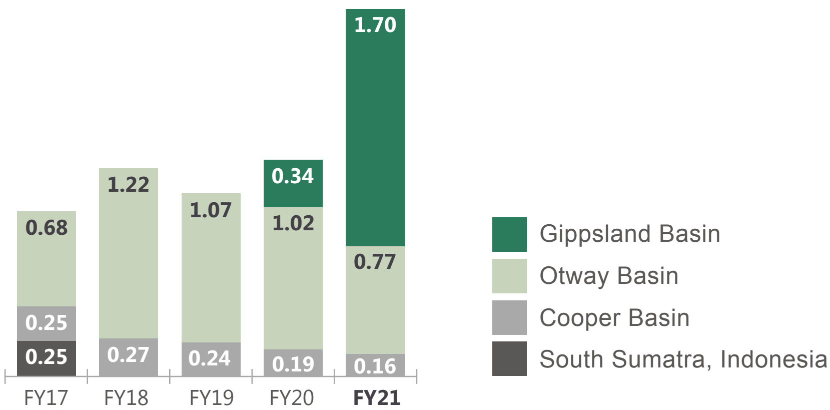
1. Per million hours worked
2. TRIFR is recordable incidents (Medical Treatment Injuries + Restricted Work/Transfer Case + Lost-Time Injuries + Fatalities) per million hours worked. Calculated on a rolling 12-month basis
3. Industry TRIFR is the NOPSEMA benchmark for offshore Australian operations; data is for the last full calendar year; published at **www.nopsema.gov.au**

PRODUCTION

Cooper Energy recorded record oil and gas production of 2.63 MMboe due mainly to increasing gas production from the Sole field in the Gippsland Basin.

PRODUCTION	FY21			FY20		
	Gas (PJ)	Oil and condensate (kbbl)	Total (MMboe)	Gas (PJ)	Oil and condensate (kbbl)	Total (MMboe)
Gippsland Basin	10.4	–	**1.70**	2.1	–	0.34
Otway Basin	4.7	1.8	**0.77**	6.2	3.5	1.03
Cooper Basin	–	156.9	**0.16**	–	193.0	0.19
Total	15.1	158.7	**2.63**	8.3	196.5	1.56

Production by region
MMboe



GIPPSLAND BASIN

Cooper Energy is the Operator and 100% interest holder for all of its Gippsland Basin interests. As at 30 June 2021, these interests comprised:

- VIC/L32, which contains the Sole gas field;
- VIC/RL13, VIC/RL14 and VIC/RL15, which contain the Manta gas and liquids field. These Retention Leases also hold legacy infrastructure associated with the BMG oil project;
- VIC/RL16, which contains the shut-in Patricia-Baleen gas field and infrastructure which connects to the OGPP; and
- exploration permits VIC/P72 and VIC/P75.

Development: Sole Gas Project and OGPP

The Sole Gas Project involves development of the Sole gas field by Cooper Energy and upgrading of the OGPP by APA to process Sole gas.

The offshore project was completed by Cooper Energy during the 2019 calendar year within schedule, below budget, with zero lost-time injuries and with zero reportable environmental incidents. Total capital cost for the offshore project was $335 million compared with a budget of $355 million.

Commissioning of the OGPP by APA is continuing. The plant's performance has been impaired by foaming and fouling in the sulphur recovery unit's two absorbers, which has constrained processing rates and required regular maintenance and cleaning. During Q2 FY21, reconfiguration works were undertaken by APA to enable operation of the absorbers independently, in parallel or in series. These works provided greater operational flexibility and the ability to conduct cleaning of absorbers while minimising interruption to production.

Subsequent to financial year-end, Cooper Energy provided approval to APA for further capital works at OGPP to be undertaken during FY22. The work program is designed to significantly improve plant performance and includes:

- installation of spray nozzles in the absorbers to suppress foaming and reduce fouling; and
- installation of solids removal technology to prevent fouling within the absorbers.

The analysis to determine the underlying root cause of foaming and fouling at OGPP is continuing. In Q4 FY21, APA and Cooper Energy engaged a specialist surfactant chemist to peer review the testing results and analysis previously undertaken. The surfactant chemist's scope of work is being overseen by a technical committee comprising APA and Cooper Energy representatives.

Exploration

The exploration focus in the Gippsland Basin has been on VIC/P75 in the Basin's central area. The permit is surrounded by major fields, including the Marlin, Snapper and Barracouta gas fields to the north and the Kingfish and Fortescue oil fields to the south and east.

Interpretation and depth conversion of the reprocessed 3D seismic data in VIC/P75 was completed and a prospect called Spineback was identified. Resource and risk assessment of Spineback is underway.

In VIC/RLs 13, 14 and 15, the prospectivity under existing discoveries is being reviewed based on an improved understanding of depth conversion in the Gippsland Basin from work in VIC/P75. In addition to the Manta Deep prospect, which could be drilled by deepening a future Manta-3 appraisal well to approximately 4,500 metres, investigations are ongoing on similar prospectivity below the discovered Gummy field.

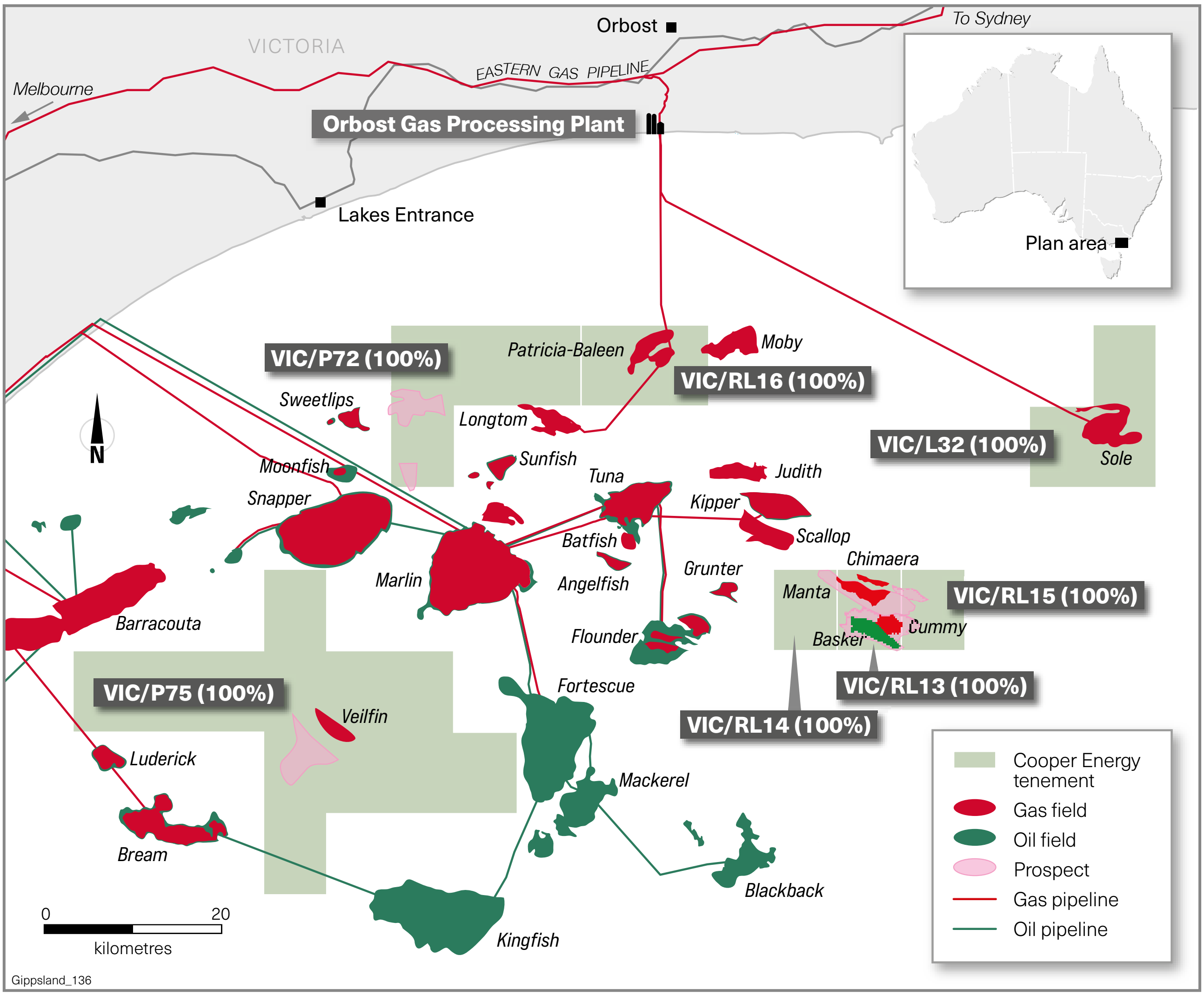
A suspension and extension of VIC/P72 was received from NOPTA, with the permit's primary term now expiring in May 2023. VIC/P72 adjoins VIC/RL16, which holds the Patricia-Baleen gas field and associated subsea production infrastructure connected to the OGPP. VIC/P72 is close to several Esso-operated oil and gas fields including Remora, Snapper, Sunfish and Sweetlips, and the SGH Energy-operated Longtom gas field. Prospects identified in VIC/P72 are analogues to offset fields.

BMG abandonment

The abandonment project in the BMG fields involves decommissioning seven wells and associated subsea infrastructure in the Gippsland Basin. The BMG permits contain the proven Manta gas field and the Manta Deep prospect.

The BMG abandonment project entered the FEED stage, with activities focused on selecting optimal methodologies and technologies for safe and cost-effective delivery of the decommissioning objectives. Regulatory documentation, including the Well Operations Management Plan, was submitted to the regulator, NOPSEMA, and the review process is underway. Details of the scope of works and cost estimates will be announced after all details have been received and the required assurance review is completed.

In consultation with industry, Cooper Energy is considering NOPSEMA's Decommissioning Compliance Strategy, which was released in April 2021. Cooper Energy continues to liaise closely with the regulator and other stakeholders to ensure ongoing compliance with the regulatory requirements.



Gippsland Basin

OTWAY BASIN (OFFSHORE)

The company's interests in the offshore Otway Basin as at 30 June 2021 comprised:

- a 50% interest in and Operatorship of production licences VIC/L24 and VIC/L30 containing the producing Casino, Henry and Netherby gas fields, with the remaining 50% interest held by Mitsui E&P Australia and its associated entities ("Mitsui");
- a 50% interest in and Operatorship of production licences VIC/L33 and VIC/L34 containing part of the Black Watch and Martha gas fields, with the remaining 50% interest in these production licences held by Mitsui;
- a 50% interest in and Operatorship of exploration permit VIC/P44 containing the undeveloped Annie gas discovery, with the remaining 50% interest held by Mitsui;
- a 100% interest in and Operatorship of exploration permit VIC/P76;
- a 50% interest in and Operatorship of the Athena Gas Plant (onshore Victoria) which is jointly owned with Mitsui and is being recommissioned to process gas from Casino, Henry and Netherby and other Otway Basin discoveries; and
- a 10% non-operated interest in production licence VIC/L22 which holds the shut-in Minerva gas field, with BHP the Operator and 90% interest holder.

Exploration

Reprocessing of 3D seismic data covering VIC/P76, VIC/P44, VIC/L24, VIC/L30, VIC/L33 and VIC/L34 commenced, with completion targeted for early FY22.

Geoscience studies progressed for the Elanora, Juliet, Nestor and Pecten East prospects, including review of the successful Artisan-1 exploration well of Beach Energy Limited ("Beach") in neighbouring VIC/P43. The studies have increased Cooper Energy's confidence in the size and prospectivity of Juliet and Nestor. Wells targeting these prospects will be assessed for inclusion in future drilling campaigns. All prospects show strong seismic amplitude support for the presence of gas and are close to production infrastructure.

Suspension, extension and variations for VIC/P44 and VIC/P76 were received from NOPTA, with the permits' primary terms now expiring in May 2023 and September 2024, respectively.

Development: Otway Phase 3 Development Project ("OP3D")

OP3D involves development of the Annie gas discovery and Henry gas field to produce more than 120 PJ of gas through the Athena Gas Plant. OP3D is currently in the Select Phase with planning for development drilling underway. The timing for a FID will be made having regard to optimisation for market timing and funding.

Cooper Energy received Declaration as a Location approvals for the Annie discovery in VIC/P44 and VIC/P76 from NOPTA. These regulatory approvals acknowledge the location of the Annie discovery and reserve the permits for conversion to future retention or production licenses.

Development: Athena Gas Plant Project

The Athena Gas Plant Project commenced in Q1 FY21 following COVID-19 related delays during the prior financial year. The project involves commissioning the Athena Gas Plant to process gas and liquids from the Casino, Henry and Netherby fields and from future developments.

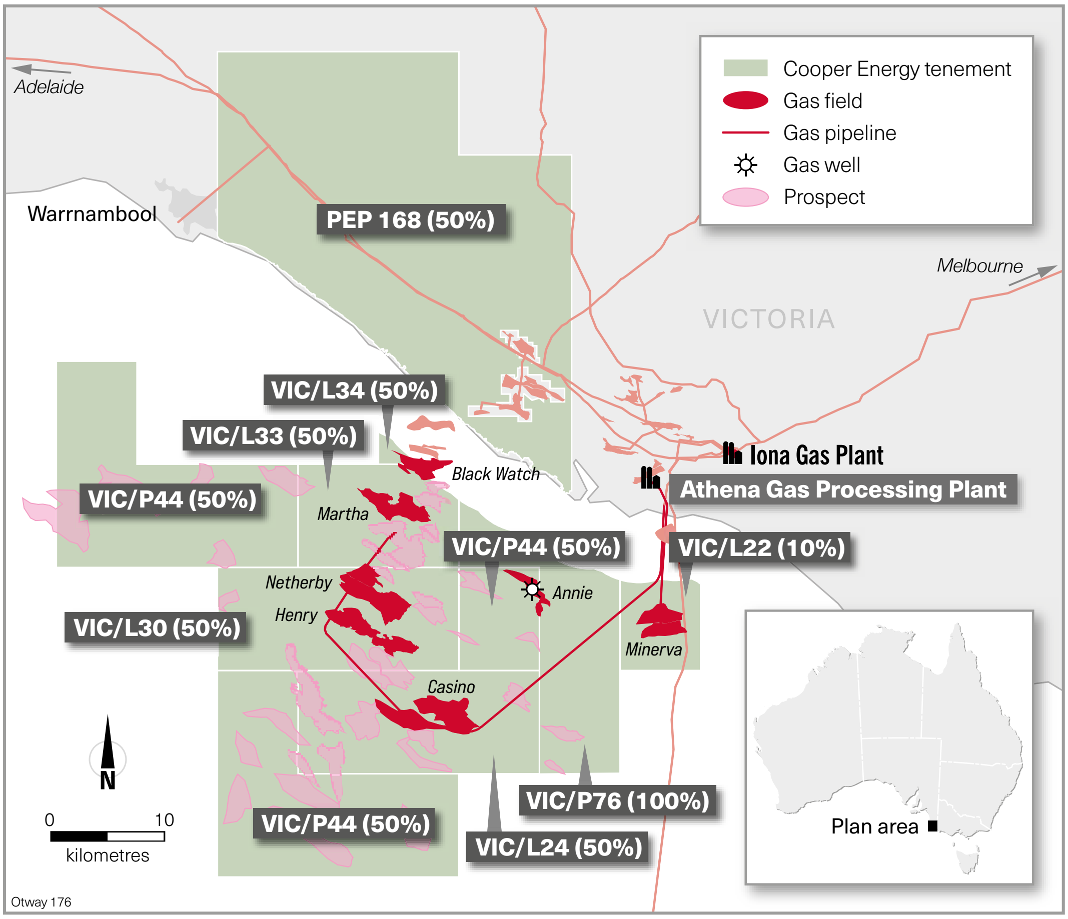
The upgrade is on schedule and on budget, with the work program approximately 80% complete at financial year-end. Mechanical completion has been achieved and preparations commenced for commissioning and start-up readiness. Work also commenced on the pipeline cutover which when complete will direct gas from the Casino, Henry and Netherby fields to the Minerva Pipeline which connects to the Athena Gas Plant.

First commissioning gas through the plant is expected in Q1 FY22 and cutover of processing from the Iona Gas Plant to the Athena Gas Plant is expected in Q2 FY22 following the peak winter demand period.

Once operational, the Athena Gas Plant will be an integral asset within Cooper Energy's gas portfolio.

Expected benefits from re-commissioning the plant include:

- the ability to produce gas from the Casino, Henry and Netherby fields at a higher rate due to the plant's lower inlet pressure relative to the Iona Gas Plant;
- lower operating costs relative to current tariffs paid for gas processed through the Iona Gas Plant;
- additional gas processing capacity (total plant capacity of ~150 TJ/day) to support Otway Basin gas developments such as OP3D and future discoveries; and
- enhanced gas production and marketing flexibility, with the ability to offer firm gas supply and manage Sole customer requirements using Cooper Energy's Otway Basin gas if required.



Otway Basin

OTWAY BASIN (ONSHORE)

The company's interests in the onshore Otway Basin include licences in South Australia and permits in Victoria. Activities in the latter were suspended pursuant to a Victorian State Government moratorium on onshore gas exploration, which was imposed in 2017. That moratorium has been overturned by the Petroleum Legislation Amendment Act 2020 (Vic) with effect from 1 July 2021. The company's interests in the onshore Otway Basin as at 30 June 2021 comprised:

- a 30% interest in PEL 494, PRL 32 and PEL 680 in South Australia with the remaining interests held by the Operator, Beach;
- a 50% interest in PEP 168 in Victoria with the remaining interest held by the Operator, Beach; and
- a 75% interest in PEP 171 in Victoria, which may reduce to 50% on fulfilment of farm-in arrangements executed with joint venture partner and Operator Vintage Energy Limited.

Exploration

Preparation for the Dombey 3D seismic acquisition in PEL 494 progressed during the financial year. The seismic acquisition is expected to be conducted in FY22 and will cover the Dombey gas discovery in the Penola Trough.

The South Australian Department for Energy and Mining granted PEL 680 to Beach and Cooper Energy during the financial year. The five-year work program consists of geological and geophysical studies and reprocessing of 2,700 km of 2D seismic.

Cooper Energy withdrew from the PEP 150 joint venture during the financial year.The Victorian Department of Jobs, Precincts and Regions is reviewing the revised work programs for PEP 168 and PEP 171, following the lifting of the onshore Victorian exploration moratorium.

COOPER BASIN

The company's interests in the Cooper Basin as at 30 June 2021 comprised:

- a 25% interest in PRLs 85-104 (the "PEL 92 Joint Venture") with the remaining interests held by the Operator, Beach;
- a 30% interest in PRLs 231-233 (the "PEL 93 Joint Venture"), with the remaining interests held by the Operator, Beach;
- a 20% interest in PRL 237, with the remaining interests held by Metgasco Limited and the Operator, Beach;
- a 19.165% interest in PRLs 207-209 (formerly PEL 100), with the remaining interests held by Santos QNT Pty Limited and the Operator, Beach; and
- a 20% interest in PRLs 183-190 (formerly PEL 110), with the remaining interests held by the Operator, Beach.

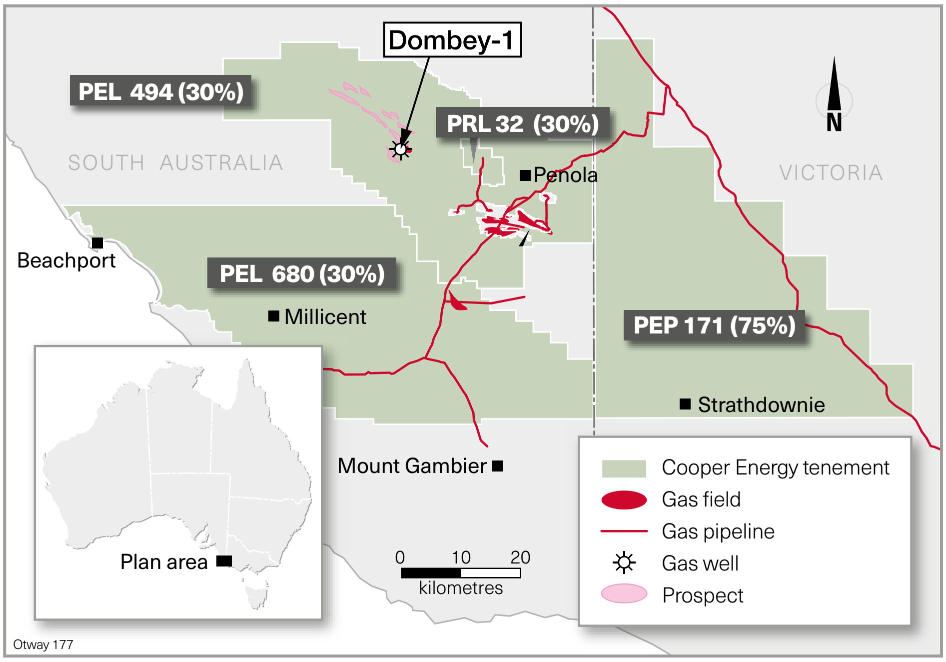
Sale of oil interests to Bass Oil Limited

As announced by Bass Oil Limited (ASX: BAS, "Bass") on 12 July 2021, agreement was reached for Bass to acquire Cooper Energy's interest in the Worrior oil field (PPL 207) and certain other Cooper Basin exploration permits for $0.65 million. The transaction includes the company's 30% interest in PRLs 231-233, the 20% interest in PRLs 183-190 and PRL 237, and 19.165% interest in PRLs 207-209. The transaction is subject to various conditions precedent, including a Bass capital raising and regulatory approvals.

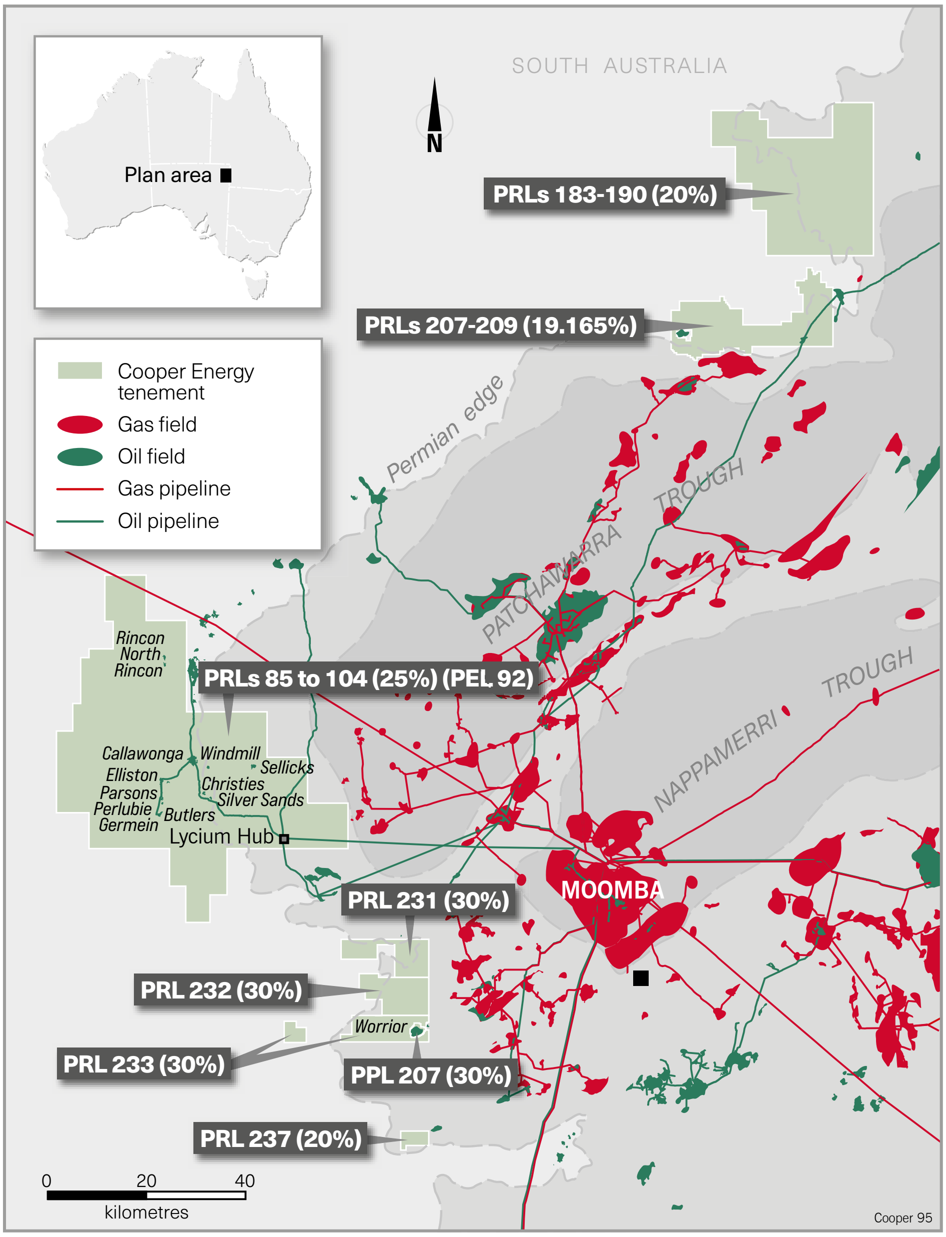
The sale of these oil interests demonstrates Cooper Energy's ongoing focus on portfolio optimisation and divesting of assets considered non-core. This focus will continue, and particularly in the context of Cooper Energy's primary focus on commercialising gas resources for south-eastern Australia.

Development

One oil development well was drilled during the financial year, being the Callawonga-13 horizontal oil development well in PEL 92. The well was drilled to a total depth of 3,226 metres with a lateral section of 1,106 metres in the primary target McKinlay Member. The preliminary assessment of results indicated a net pay section of 605 metres across the lateral section. Installation of flowlines and artificial lift was completed and Callawonga-13 commenced production in May.



Onshore Otway Basin



Cooper Basin

PORTFOLIO

COOPER ENERGY EXPLORATION AND PRODUCTION TENEMENTS

COOPER BASIN

State	Tenement	Interest	Location	Area (km²)	Operator	Activities
South Australia	PPL 204 (Sellicks)	25%	Onshore	2.0	Beach Energy	Production
	PPL 205 (Christies / Silver Sands)	25%	Onshore	4.3	Beach Energy	Production
	PPL 207 (Worrior)	30%	Onshore	6.4	Senex Energy	Production
	PPL 220 (Callawonga)	25%	Onshore	5.5	Beach Energy	Production
	PPL 224 (Parsons)	25%	Onshore	1.8	Beach Energy	Production
	PPL 245 (Butlers)	25%	Onshore	2.1	Beach Energy	Production
	PPL 246 (Germein)	25%	Onshore	0.1	Beach Energy	Production
	PPL 247 (Perlubie/Perlubie Sth)	25%	Onshore	1.5	Beach Energy	Production
	PPL 248 (Rincon/Rincon Nth)	25%	Onshore	2.0	Beach Energy	Production
	PPL 249 (Elliston)	25%	Onshore	0.8	Beach Energy	Production
	PPL 250 (Windmill)	25%	Onshore	0.6	Beach Energy	Production
	PRLs 85-104	25%	Onshore	1,889	Beach Energy	Exploration
	PRLs 231-233	30%	Onshore	276	Beach Energy	Exploration
	PRL 237	20%	Onshore	18	Beach Energy	Exploration
	PRLs 207-209	19.165%	Onshore	297	Beach Energy	Exploration
	PRLs 183-190	20%	Onshore	728	Beach Energy	Exploration

OTWAY BASIN

State	Tenement	Interest	Location	Area (km²)	Operator	Activities
South Australia	PEL 494	30%	Onshore	2,489	Beach Energy	Exploration
	PEL 680	30%	Onshore	1,923	Beach Energy	Exploration
	PRL 32	30%	Onshore	37	Beach Energy	Exploration
Victoria	VIC/L22	10%	Offshore	58	BHP	Ceased production
	VIC/L24	50%	Offshore	199	Cooper Energy	Production
	VIC/L30	50%	Offshore	200	Cooper Energy	Production
	VIC/L33	50%	Offshore	127	Cooper Energy	Development
	VIC/L34	50%	Offshore	6.0	Cooper Energy	Development
	VIC/P44	50%	Offshore	599	Cooper Energy	Exploration
	VIC/P76	100%	Offshore	161	Cooper Energy	Exploration
	PEP 168	50%	Onshore	795	Beach Energy	Exploration
	PEP 171	75%[1]	Onshore	1,974	Vintage Energy	Exploration
	Athena Gas Plant	50%	Onshore	n/a	Cooper Energy	Gas Processing

[1] Subject to Heads of Agreement for a farm-in which will reduce Cooper Energy's interest to 50%.

GIPPSLAND BASIN						
State	**Tenement**	**Interest**	**Location**	**Area (km²)**	**Operator**	**Activities**
Victoria	VIC/RL16	100%	Offshore	134.0	Cooper Energy	Retention
	VIC/RL13	100%	Offshore	67.0	Cooper Energy	Retention
	VIC/RL14	100%	Offshore	67.0	Cooper Energy	Retention
	VIC/RL15	100%	Offshore	67.0	Cooper Energy	Retention
	VIC/L32	100%	Offshore	201.0	Cooper Energy	Production
	VIC/P72	100%	Offshore	269.0	Cooper Energy	Exploration
	VIC/P75	100%	Offshore	802.0	Cooper Energy	Exploration

Supporting the Warrnambool Surf Life Saving Club

DIRECTORS

CHAIRMAN

Mr John C. Conde AO

B.Sc. B.E(Hons), MBA

Independent Non-Executive Director

Appointed 25 February 2013

Experience and expertise

Mr Conde has extensive experience in business and commerce and in chairing high profile business, arts and sporting organisations.

Previous positions include Non-Executive Director of BHP Billiton, Chairman of Pacific Power (the Electricity Commission of NSW), Chairman of the Sydney Symphony Orchestra, Director of AFC Asian Cup, Chairman of Events NSW, President of the National Heart Foundation and Chairman of the Pymble Ladies' College Council.

Current and other directorships in the last 3 years

Mr Conde is Chairman of The McGrath Foundation (since 2013 and Director since 2012). He is also President of the Commonwealth Remuneration Tribunal (since 2003), Chairman of Dexus Wholesale Property Fund (DWPF) (since 2020) and Deputy Chairman of Whitehaven Coal Limited ASX: WHC (since 2007). Mr Conde is a former Chairman of Bupa Australia (2008 – 2018), and a former Director of Dexus Property Group ASX: DXS (2009 – 2020).

Special responsibilities

Mr Conde is Chairman of the Board of Directors. Effective 19 August 2021 he is also a member of the People & Remuneration Committee and is the Chairman of the Governance & Nomination Committee.

MANAGING DIRECTOR

Mr David P. Maxwell

M.Tech, FAICD

Appointed 12 October 2011

Experience and expertise

Mr Maxwell is a leading oil and gas industry executive with more than 25 years in senior executive roles with companies such as BG Group, Woodside Petroleum Limited and Santos Limited. Mr Maxwell has very successfully led many large commercial, marketing and business development projects.

Prior to joining Cooper Energy Mr Maxwell worked with the BG Group, where he was responsible for all commercial, exploration, business development, strategy and marketing activities in Australia and led BG Group's entry into Australia and Asia including a number of material acquisitions.

Mr Maxwell has served on a number of industry association boards, government advisory groups and public company boards.

Current and other directorships in the last 3 years

Mr Maxwell is a Director of the wholly owned subsidiaries of Cooper Energy Limited. He is also on the board of the Australian Petroleum Production & Exploration Association (since 2018) and the Minerals and Energy Advisory Council (South Australia Government) (since 2019).

Special responsibilities

Mr Maxwell is Managing Director. He is responsible for the day-to-day leadership of Cooper Energy, and is the leader of the Executive Leadership Team. Mr Maxwell is also Chairman of the HSEC Committee (being a management committee, not a Board committee).

INDEPENDENT NON-EXECUTIVE DIRECTOR

Timothy G. Bednall

LLB (Hons)

Appointed 31 March 2020

Experience and expertise

Mr Bednall is a highly experienced and respected corporate lawyer and law firm manager. He is a partner of King & Wood Mallesons (KWM), where he specialises in mergers and acquisitions, capital markets and corporate governance, representing public company and government clients. Mr Bednall has advised clients in the oil and gas and energy sectors throughout his career.

Mr Bednall was the Chairman of the Australian partnership of KWM from January 2010 to December 2012, during which time the merger of King & Wood and Mallesons Stephen Jaques was negotiated and implemented. He was also Managing Partner of M&A and Tax for KWM Australia from 2013 to 2014, and Managing Partner of KWM Europe and Middle East from 2016 to 2017. He was General Counsel of Southcorp Limited (which became the core of Treasury Wine Estates Limited) from 2000 to 2001.

Current and other directorships in the last 3 years

Mr Bednall is a board member of the National Portrait Gallery Foundation (since 2018). He is also a board member of QSP Residual Recoveries LLP (in administration) and a Director of Pooling Limited.

Special responsibilities

Effective 19 August 2021 Mr Bednall is a member of the Audit Committee, the People & Remuneration Committee and the Governance & Nomination Committee.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Victoria (Vicky) J. Binns

B. Eng. (Mining – Hons 1), Grad Dip SIA, FAusIMM, GAICD

Appointed 2 March 2020

Experience and expertise

Ms Binns has over 35 years' experience in the global resources and financial services sectors including more than 10 years in executive leadership roles at BHP and 15 years in financial services with Merrill Lynch Australia and Macquarie Equities. During her career at BHP, Ms Binns' roles included Vice President Minerals Marketing, leadership positions in the metals and coal marketing business, Vice President of Market Analysis and Economics.

Prior to joining BHP, Ms Binns held a number of board and senior management roles at Merrill Lynch Australia including Managing Director and Head of Australian Research, Head of Global Mining, Metals and Steel, and Head of Australian Mining Research. She was also co-founder and Chair of Women in Mining and Resources Singapore.

Current and other directorships in the last 3 years

Ms Binns is currently a Non-Executive Director of Evolution Mining ASX: EVN (since 2020) and Sims Limited ASX: SGM (since October 2021). She is also a Non-Executive Director of the Carbon Marketing Institute and a Member of the J.P. Morgan Australia & NZ Advisory Council.

Special responsibilities

Effective 19 August 2021 Ms Binns is the Chairman of the Audit Committee and is a member of the Risk & Sustainability Committee.

DIRECTORS

INDEPENDENT NON-EXECUTIVE DIRECTOR

Ms Giselle M. Collins

B.Ec., ACA

Appointed 19 August 2021 subject to confirmation by shareholders at the Company's 2021 AGM

Experience and expertise

Ms Collins has broad executive and director experience across finance, treasury and property disciplines. Ms Collins is also active with not-for-profit organisations and has a strong interest in sustainability across many of her involvements.

Ms Collins' executive positions included General Manager Property, Treasury and Tourism of NRMA, Chief Executive Officer, Property and General Manager Finance with the Hannan Group, and Senior Manager, Audit Services with KPMG Switzerland.

Current and other directorships in the last 3 years

Ms Collins is currently non-executive director of Peak Resources Limited ASX:PEK (since 2021), trustee director of the Royal Botanic Gardens and Domain Trust (since 2019), non-executive director of Generation Life (since 2018), non-executive director of Hotel Property Investments Limited ASX:HPI (since 2017) and nominee Chairman for Indigenous Business Australia in The Darwin Hotel Pty Limited (since 2014).

Special responsibilities

Ms Collins was not a director during the period ending 30 June 2021, having joined the Board on 19 August 2021. Ms Collins is a member of the Audit Committee and the Risk & Sustainability Committee.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Ms Elizabeth A. Donaghey

B.Sc., M.Sc.

Appointed 25 June 2018

Experience and expertise

Ms Donaghey brings over 30 years' experience in the energy sector including technical, commercial and executive roles in EnergyAustralia, Woodside Energy and BHP Petroleum.

Ms Donaghey's experience includes Non-Executive Director roles at Imdex Ltd (an ASX-listed provider of drilling fluids and downhole instrumentation), St Barbara Ltd (a gold explorer and producer), and the Australian Renewable Energy Agency. She has performed extensive committee roles in these appointments, serving on audit and compliance, risk and audit, technical and regulatory, remuneration and health and safety committees.

Current and other directorships in the last 3 years

Ms Donaghey is a Non-Executive Director of the Australian Energy Market Operator (AEMO) (since 2017) and a Non-Executive Director of Ampol Limited (ASX: ALD) (since 1 September 2021).

Special responsibilities

Effective 19 August 2021 Ms Donaghey is a member of the Risk & Sustainability Committee, the People & Remuneration Committee and the Governance & Nomination Committee.

NON-EXECUTIVE DIRECTOR

Mr Hector M. Gordon

B.Sc. (Hons)

Appointed 24 June 2017

Executive Director
26 June 2012 – 23 June 2017

Experience and expertise

Mr Gordon is a geologist with over 40 years' experience in the upstream petroleum industry, primarily in Australia and southeast Asia. He joined Cooper Energy in 2012, initially as an Executive Director – Exploration & Production and subsequently moved to his position as Non-Executive Director in 2017.

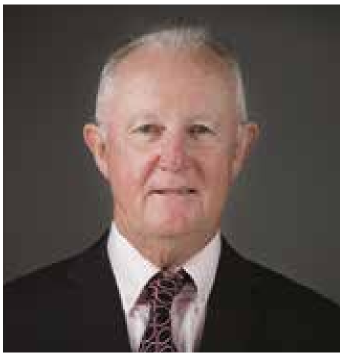
Mr Gordon was previously Managing Director of Somerton Energy until it was acquired by Cooper Energy in 2012. Previously he was an Executive Director with Beach Energy Limited where he was employed for more than 16 years. In this time Beach Energy experienced significant growth and Mr Gordon held a number of roles including Exploration Manager, Chief Operating Officer and, ultimately, Chief Executive Officer.

Current and other directorships in the last 3 years

Mr Gordon is a Director of Bass Oil Limited ASX: BAS (since 2014).

Special responsibilities

Effective 19 August 2021 Mr Gordon is the Chairman of the Risk & Sustainability Committee and a member of the Audit Committee.



INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr Jeffrey W. Schneider

B.Com.

Appointed 12 October 2011

Experience and expertise

Mr Schneider has over 30 years of experience in senior management roles in the oil and gas industry, including 24 years with Woodside Petroleum Limited. He has extensive corporate governance and board experience as both a Non-Executive Director and chairman in resources companies.

Current and other directorships in the last 3 years

Mr Schneider does not currently hold any other directorships.

Special responsibilities

Effective 19 August 2021 Mr Schneider is Chairman of the People & Remuneration Committee and a member of the Governance & Nomination Committees.

EXECUTIVE LEADERSHIP TEAM

MANAGING DIRECTOR
David Maxwell
M. Tech FAICD

Mr Maxwell is a leading oil and gas industry executive with more than 25 years in senior executive roles with companies such as BG Group, Woodside Petroleum Limited and Santos Limited. Mr. Maxwell has very successfully led many large commercial, marketing and business development projects.

Prior to joining Cooper Energy Mr Maxwell worked with the BG Group, where he led its entry into Australia and Asia including a number of material acquisitions.

Mr Maxwell has served on a number of industry association boards, government advisory groups and public company boards, including the Australian Petroleum Production and Exploration Association – Mr Maxwell is a recipient of the Australian Gas Association Silver Flame Award for his contribution to the gas industry. In September 2019, he was named the recipient of the 2019 John Doran Lifetime Achievement Award for outstanding long term achievement in the Australian oil and gas industry.

ACTING CHIEF FINANCIAL OFFICER
David Di Blasio
B.Sc., B.Com., CA, MBA

Mr Di Blasio joined Cooper Energy in 2019 as Finance Manager and has managed all aspects of the finance function. Prior to Cooper Energy, he held senior finance roles over a 13-year period with Santos and before that worked in audit and assurance at PwC.

Mr Di Blasio is a Chartered Accountant and holds an MBA and Bachelor of Commerce degree from the University of South Australia.

CHIEF FINANCIAL OFFICER[1]
Virginia Suttell
B.Com. ACA GAICD, FGIA, FCIS

Ms Suttell joined Cooper Energy in January 2017, bringing more than 25 years' experience, including 20 years in publicly listed entities, principally in group finance and secretarial roles in the resources and media sectors. This included Chief Financial Officer and Company Secretary for Monax Mining Limited and Marmota Energy Limited from 2007 to 2016, and 2007 to 2015 respectively.

Other previous appointments include 9 years at Austereo Group Limited, including Group Financial Controller from 2003 to 2006. A chartered accountant, Ms Suttell's other previous employers include KPMG and Price Waterhouse.

[1] As announced on 7 July 2021, Ms Suttell has resigned from Cooper Energy, effective 30 September 2021.

GENERAL MANAGER, COMMERCIAL AND BUSINESS DEVELOPMENT
Eddy Glavas
B.Acc. FCPA, MBA

Mr Glavas joined Cooper Energy in August 2014 and has more than 20 years of experience in business development, finance, commercial, portfolio management and strategy, including 18 years in the oil and gas sector.

Prior to joining Cooper Energy, he was employed by Santos as Manager Corporate Development with responsibility for managing multi-disciplinary teams tasked with mergers, acquisitions, partnerships and divestitures.

Prior roles within Santos included: Finance Manager WA and NT, where Mr Glavas was a member of the leadership team that managed a large asset portfolio; corporate roles in strategy and planning; and operational, commercial and finance roles for Santos' Cooper Basin assets.

GENERAL MANAGER, PEOPLE AND REMUNERATION
Ashley Haren
Dip. Bus. (HR/IR)

Mr Haren joined Cooper Energy in January 2021. He brings more than 25 years of experience in human resource management in corporate and operational roles. Mr Haren has worked for global and domestic publicly listed and private entities within the professional services, beverage, retail, mining, and oil and gas sectors.

Prior to Cooper Energy, Mr Haren was the Global Leader People & Culture – Operations with Woods Bagot and spent nine years with Pernod Ricard Winemakers including five years as HR Director – Australia. His previous appointments included General Manager HR for Australian Leisure & Hospitality, Group HR Manager at Foster's Limited and various HR roles with Mt Isa Mines (Australia and Argentina) and Santos Limited.

EXECUTIVE LEADERSHIP TEAM

GENERAL MANAGER, PROJECTS AND OPERATIONS

Michael Jacobsen

B. Eng. (Hons)

Mr Jacobsen has 28 years of experience in upstream and midstream oil and gas development projects. He has held various positions at Santos, Woodside and BHPB Petroleum. Mr Jacobsen's experience includes managing major capital works projects with multi-discipline teams in the North Sea, Asia, and Australia. He has overseen the management of subsea and FPSO developments, fixed platforms and LNG plants.

Prior to joining Cooper Energy Mr Jacobsen worked for Santos as part of the leadership team of the WA/NT business unit. Mr Jacobsen has extensive experience with oil field services company Halliburton managing subsea construction projects throughout Asia and Australia.

COMPANY SECRETARY AND GENERAL COUNSEL

Amelia Jalleh

BA, LLB (Hons), LLM

Ms Jalleh has more than 20 years of experience in the international oil and gas industry, including senior corporate, commercial and legal roles. Her experience spans conventional and unconventional projects, asset and portfolio management, and international M&A transactions.

Prior to joining Cooper Energy, Ms Jalleh held the position of Director, Business Development Asia-Pacific for Repsol, based in Singapore. Ms Jalleh has worked in Australia, the Middle East, North America and South East Asia in roles with Repsol, Talisman Energy, King & Spalding LLP and Santos.

Ms Jalleh holds a Masters of Laws (University of Melbourne), a Bachelor of Laws and Legal Practice (Hons) (Flinders University of South Australia) and a Bachelor of Arts (Flinders University of South Australia).

GENERAL MANAGER, HSEC AND TECHNICAL SERVICES

Iain MacDougall

B.Sc. (Hons)

Mr MacDougall's career in the upstream petroleum exploration and production business spans more than 30 years, prior to which he worked in the nuclear power industry and in automotive powertrain research and development.

Mr MacDougall has extensive experience with international oilfield services company Schlumberger, with operational and management assignments in Australia, Asia, the UK North Sea, Europe, West Africa and the Middle East.

Since 2001, he has been based in Australia, initially with independent Operator Stuart Petroleum as Production and Engineering Manager and subsequently as acting CEO prior to the takeover of Stuart Petroleum by Senex Energy.

Mr MacDougall is an alumnus of Manchester University in the UK and of the INSEAD Business School in France. He is a member of the Society of Petroleum Engineers and also serves on the Advisory Board of the Australian School of Petroleum at Adelaide University.

GENERAL MANAGER, EXPLORATION AND SUBSURFACE

Andrew Thomas

B.Sc. (Hons)

Mr Thomas is a successful and experienced geoscientist who has been involved with Australian and International oil and gas exploration and development projects for over 30 years. He has experience in a wide range of onshore and offshore basins in Australia, Asia and Africa.

Prior to joining Cooper Energy Mr Thomas was employed by Newfield Exploration in the roles of SE Asia New Ventures Manager and Exploration Manager for offshore Sarawak and was a key person in the team that successfully negotiated Newfield's entry into Malaysia in 2004. Through the efforts of the teams he led, Newfield built a substantial portfolio of permits in Malaysia and made several significant oil and gas discoveries before being divested to SapuraKencana in 2014.

Mr Thomas's previous employers include Santos Limited, Gulf Canada and Geoscience Australia. He is a member of the American Association of Petroleum Geologists and a member of the Society of Petroleum Engineers.

KEY PERFORMANCE INDICATORS

		FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Operations										
Production	MMboe	0.49	0.59	0.48	0.46	0.96	1.49	1.31	1.56	**2.63**
2P Proved and Probable Reserves	MMboe	2.16	2.01	3.08	3.00	11.7	52.4	52.7	49.9	**47.1**
Wells drilled	#	13	11	9	1	9	4	0	18	**1**
Exploration wells spudded	#	8	5	4	0	1	2	0	4	**0**
Reserve replacement ratio[1]	%	98%	71%	333%	18%	768%	2,380%	(206%)	(56%)	**(80%)**
Financial										
Sales revenue	$ million	53.4	72.3	39.1	27.4	39.1	67.5	75.5	78.1	**131.7**
Other income	$ million	2.3	2.8	1.9	0.9	1.6	4.9	4.2	19.8	**7.2**
EBITDA	$ million	22.3	36.9	(58.4)	(37.4)	1.9	49.9	7.5	(75.2)	**23.5**
Net profit before tax / (loss)	$ million	18.3	31.2	(18.8)	(26.0)	(7.0)	31.0	(13.2)	(110.0)	**(33.5)**
Net profit after tax / (loss)	$ million	1.3	22.0	(63.5)	(34.8)	(12.3)	27.0	(12.1)	(86.0)	**(30.0)**
Cash and cash equivalents	$ million	47.9	49.1	39.4	49.8	147.5	236.9	164.3	131.6	**91.3**
Other financial assets	$ million	20.2	26.0	1.9	1.0	0.7	42.6	21.7	0.6	**1.2**
Working capital	$ million	51.7	41.2	43.0	44.2	84.0	154.0	131.8	90.4	**30.3**
Accumulated profit	$ million	23.8	45.7	(17.7)	(52.6)	(64.9)	(37.9)	(49.9)	(136.0)	**(166.0)**
Franking credits	$ million	39.0	38.7	43.7	42.9	42.9	42.9	42.9	42.9	**42.9**
Total equity	$ million	137.2	167.8	103.9	91.6	285.0	443.9	433.7	351.1	**325.8**
Earnings per share	cents	0.4	6.4	(19.2)	(10.1)	(1.8)	1.8	(0.7)	(5.3)	**(1.8)**
Return on shareholder funds	%	0.9%	14.4%	(46.7%)	(38.0%)	(6.5%)	7.4%	(2.6%)	(21.9%)	**(8.9%)**
Total shareholder return	%	(16.7%)	34.7%	(51.5%)	(12.2%)	72.7%	6.0%	40.3%	(30.6%)	**(30.7%)**
Average oil price	$/bbl	112.31	124.08	85.48	60.75	61.89	99.61	106.19	83.75	**79.56**
Capital as at 30 June										
Share price	$	0.375	0.505	0.245	0.215	0.380	0.385	0.540	0.375	**0.260**
Issued shares	million	329.1	329.2	331.9	435.2	1,140.2	1,601.1	1,621.6	1,621.6	**1,631.0**
Market	$ million	123.4	166.3	81.4	93.6	433.3	616.4	875.5	608.1	**424.1**
Shareholders	#	5,284	5,122	5,103	4,931	6,292	6,622	6,758	8,094	**9,355**

[1] Reserve replacement ratio calculated by net 1P reserve addition divided by annual production.

Cooper Energy Limited and its controlled entities

FINANCIAL REPORT

For the year ended 30 June 2021

OPERATING AND FINANCIAL REVIEW

For the year ended 30 June 2021

Operations

Cooper Energy Limited ("Cooper Energy" or the "Company") generates revenue from production of gas from the Otway and Gippsland basins and production of oil from the Cooper Basin. The Company's current operations and interests include:

- offshore gas production in the Gippsland Basin, Victoria, from the Sole gas field;
- offshore gas and gas liquids production in the Otway Basin, Victoria, from the Casino, Henry and Netherby ("Casino Henry") gas fields;
- onshore oil production and exploration prospects in the western flank of the Cooper Basin, South Australia;
- the Athena Gas Plant (previously known as the Minerva Gas Plant) in the onshore Otway Basin, Victoria;
- the Manta gas and liquids field in the Gippsland Basin;
- the Annie gas discovery in the offshore Otway Basin; and
- exploration and appraisal prospects in the Otway, Gippsland and Cooper basins.

The Company is the Operator of all of its offshore gas activities and of the Athena Gas Plant.

Reserves and Contingent Resources

Proved and probable reserves (2P) at 30 June 2021 are assessed to be 47.1 MMboe compared with 49.9 MMboe at 30 June 2020. Contingent resources (2C) at 30 June 2021 are assessed to be 33.9 MMboe compared with 34.9 MMboe at 30 June 2020. Details of reserves and contingent resources and the movement from the previous year are available in the ASX announcement titled Reserves and Contingent Resources at 30 June 2021, released 23 August 2021.

	2P Proved and Probable Reserves			2C Contingent Resource		
As at 30 June 2021[1]	**Gas PJ**	**Oil & condensate MMbbl**	**Total MMboe**	**Gas PJ**	**Oil & condensate MMbbl**	**Total MMboe**
Gippsland Basin	226.8	0.0	37.1	134.9	3.4	25.4
Otway Basin	54.5	0.0	8.9	48.6	0.1	8.0
Cooper Basin	0.0	1.1	1.1	0.0	0.5	0.5
Total Cooper Energy	**281.3**	**1.1**	**47.1**	**183.5**	**4.0**	**33.9**

[1] As announced on 23 August 2021. Totals may not reflect arithmetic addition due to rounding. The method of aggregation is by arithmetic sum by category.

Workforce

At 30 June 2021, the Company had 88.5 full time equivalent ("FTE") employees and 16.8 FTE contractors compared with 75.9 FTE employees and 31.5 FTE contractors at 30 June 2020. The increase in employee numbers is attributable to resourcing growth of the Group's operations, in particular for the operational readiness of the Athena Gas Plant.

Contractor numbers have fluctuated in line with the project requirements of the Athena Gas Plant, Otway Phase 3 Development ("OP3D") Select Phase, Basker Manta Gummy ("BMG") project and Casino Henry hydraulic flying lead and subsea control module electric flying leads ("CHASE") project for the FY21 works programs.

Health Safety Environment and Community

No Lost Time Injuries ("LTI") were recorded for the period. This was an improvement over FY20 where one LTI was recorded. There were two minor injuries sustained by contractors which resulted in a Total Recordable Incident Frequency Rate ("TRIFR") of 6.92. This was up on FY20 which had a TRIFR of 3.53.

There were no reportable environmental incidents.

Production

Record oil and gas production of 2.63 MMboe was 69% higher than the prior year, mainly due to increased gas production from Sole following reconfiguration works at the Orbost Gas Processing Plant ("OGPP") undertaken during the second quarter of the financial year.

Total gas production of 15.1 PJ was 82% higher than the prior year. In the Gippsland Basin, increased Sole production resulted in a 395% increase in gas production to 10.4 PJ. In the Otway Basin, natural field decline and processing interruptions in June contributed to a 20% decline in gas production to 4.7 PJ (net to Cooper Energy).

Oil and condensate production of 158.7 kbbl was 19% lower than the prior year, mainly due to natural field decline.

Production by product and basin is summarised in the following tables.

Operations *continued*

Production by product		FY20	FY21	Change
Sales gas	PJ	8.3	15.1	82%
Oil and condensate	kbbl	196.5	158.7	(19%)
Total production	**MMboe**	**1.56**	**2.63**	**69%**

Production by basin		FY20	FY21	Change
Gippsland Basin				
Sole: Sales gas	PJ	2.1	10.4	395%
Otway Basin				
Casino Henry: Sales gas	PJ	5.9	4.7	(20%)
Casino Henry: Condensate	kbbl	2.8	1.8	(36%)
Minerva: Sales gas	PJ	0.3	–	(100%)
Minerva: Condensate	kbbl	0.8	–	(100%)
Cooper Basin				
Oil	kbbl	193.0	156.9	(19%)
Total production	**MMboe**	**1.56**	**2.63**	**69%**

Commercial

Key commercial activities during the financial year are summarised below.

Transition Agreement

As announced on 20 August 2020, Cooper Energy and APA Group (ASX: APA) entered into a Transition Agreement to provide the framework for commencing the Sole Gas Sales Agreements ("GSAs") and commissioning OGPP as early as possible. The Transition Agreement also provides for revenue and cost sharing mechanisms during the commissioning phase and contributions from APA to Cooper Energy for the cost of sourcing certain back-up gas supply if required. The Transition Agreement expires on 1 May 2022.

Commencement of Sole Gas Sales Agreements

Consistent with the objectives of the Transition Agreement, Cooper Energy commenced supply of gas to its customers under the long-term Sole GSAs during the financial year. Gas supply commenced on 1 December 2020 and 1 January 2021 with total gas supply for the financial year of 12.7 PJ. Despite continuing gas processing shortfalls at OGPP, all Sole customer nominations were met. Average Sole customer nominations during H2 FY21 were 47 TJ/day.

Securing third-party gas volumes to support Sole GSAs

To mitigate the risk of gas supply shortfalls and ensure all customer nominations are met, various risk mitigating actions were taken throughout the year, including:

- entering various third-party gas purchase agreements;
- maintaining volumes held in gas pipeline storage; and
- agreeing arrangements to supply some gas volumes from Casino Henry into existing Sole GSAs.

Cooper Energy undertakes a portfolio approach to purchasing third-party gas when required to ensure the lowest cost and highest margin are achieved. The average cost of third-party gas purchased during the financial year, net of the contribution received from APA, was materially less than Cooper Energy's average realised gas price.

Exploration, appraisal and development

Gippsland Basin

Cooper Energy is the Operator and 100% interest holder for all of its Gippsland Basin interests. As at 30 June 2021, these interests comprised:

a) VIC/L32, which contains the Sole gas field;

b) VIC/RL13, VIC/RL14 and VIC/RL15, which contain the Manta gas and liquids field. These Retention Leases also hold legacy infrastructure associated with the BMG oil project;

c) VIC/RL16, which contains the shut-in Patricia-Baleen gas field and infrastructure which connects to the OGPP; and

d) exploration permits VIC/P72 and VIC/P75.

Operations *continued*

Development: Sole Gas Project and OGPP

The Sole Gas Project involves development of the Sole gas field by Cooper Energy and upgrading of the OGPP by APA to process Sole gas.

The offshore project was completed by Cooper Energy during the 2019 calendar year within schedule, below budget, with zero lost time injuries and with zero reportable environmental incidents. Total capital cost for the offshore project was $335 million compared with a budget of $355 million.

Commissioning of the OGPP by APA is continuing. The plant's performance has been impaired by foaming and fouling in the sulphur recovery unit's two absorbers, which has constrained processing rates and required regular maintenance and cleaning. During Q2 FY21, reconfiguration works were undertaken by APA to enable operation of the absorbers independently, in parallel or in series. These works provided greater operational flexibility and the ability to conduct cleaning of absorbers while minimising interruption to production.

During the second half of the financial year, OGPP processing rates and stability improved. However, production of gas from the Sole gas field continued to be constrained due to fouling within the two absorbers. By the end of the financial year, each absorber was being cleaned every two weeks (i.e. one absorber cleaned every week) to stabilise and maximise the average production profile through winter.

Subsequent to financial year-end, Cooper Energy provided approval to APA for further capital works at OGPP to be undertaken during FY22. The work program is designed to significantly improve plant performance and includes:

- installation of spray nozzles in the absorbers to suppress foaming and reduce fouling; and
- installation of solids removal technology to prevent fouling within the absorbers.

During Q4 FY21, significant testing was undertaken by APA at OGPP on solids removal technologies. The equipment tested is designed to reduce sulphur particle size from the solution. This sulphur deposition (fouling) within the sulphur recovery unit's absorbers and peripheral equipment has led to the high frequency cleaning of the absorbers. The testing undertaken on the solids removal technology delivered promising results regarding the ability to remove, in a controlled way, larger sulphur particles from the solution before they enter the absorbers.

The analysis to determine the underlying root cause of foaming and fouling at OGPP is continuing. In Q4 FY21, APA and Cooper Energy engaged a specialist surfactant chemist to peer review the testing results and analysis previously undertaken. The surfactant chemist's scope of work is being overseen by a technical committee comprising APA and Cooper Energy representatives.

Exploration

The exploration focus in the Gippsland Basin has been on VIC/P75 in the Basin's central area. The permit is surrounded by major fields, including the Marlin, Snapper and Barracouta gas fields to the north and the Kingfish and Fortescue oil fields to the south and east.

Interpretation and depth conversion of the reprocessed 3D seismic data in VIC/P75 was completed and a prospect called Spineback was identified. Resource and risk assessment of Spineback is underway.

In VIC/RLs 13, 14 and 15, the prospectivity under existing discoveries is being reviewed based on an improved understanding of depth conversion in the Gippsland Basin from work in VIC/P75. In addition to the Manta Deep prospect, which could be drilled by deepening a future Manta-3 appraisal well to approximately 4,500 metres, investigations are ongoing on similar prospectivity below the discovered Gummy field.

A suspension and extension of VIC/P72 was received from the National Offshore Petroleum Titles Administrator ("NOPTA"), with the permit's primary term now expiring in May 2023. VIC/P72 adjoins VIC/RL16, which holds the Patricia-Baleen gas field and associated subsea production infrastructure connected to the OGPP. VIC/P72 is close to several Esso-operated oil and gas fields including Remora, Snapper, Sunfish and Sweetlips, and the SGH Energy-operated Longtom gas field. Prospects identified in VIC/P72 are analogues to offset fields.

BMG abandonment

The Basker, Manta and Gummy fields ("BMG") abandonment project involves decommissioning seven wells and associated subsea infrastructure in the BMG fields in the Gippsland Basin. The BMG permits contain the proven Manta gas field and the Manta Deep prospect.

The BMG abandonment project entered the Front-End Engineering Design ("FEED") stage, with activities focused on selecting optimal methodologies and technologies for safe and cost-effective delivery of the decommissioning objectives. Regulatory documentation, including the Well Operations Management Plan, was submitted to the regulator, the National Offshore Petroleum Safety and Environmental Management Authority ("NOPSEMA") and the review process is underway. Details of the scope of works and cost estimates will be announced after all details have been received and the required assurance review is completed. Timing will be determined as part of NOPSEMA's review, which we expect will include discussions with Cooper Energy.

In consultation with industry, Cooper Energy is considering NOPSEMA's Decommissioning Compliance Strategy, which was released in April 2021. Cooper Energy continues to liaise closely with the regulator and other stakeholders to ensure ongoing compliance with the regulatory requirements.

Otway Basin (Offshore)

The Company's interests in the offshore Otway Basin as at 30 June 2021 comprised:

a) a 50% interest in and Operatorship of production licences VIC/L24 and VIC/L30 containing the producing Casino, Henry and Netherby gas fields, with the remaining 50% interest held by Mitsui E&P Australia and its associated entities ("Mitsui");

b) a 50% interest in and Operatorship of production licences VIC/L33 and VIC/L34 containing part of the Black Watch and Martha gas fields, with the remaining 50% interest in these production licences held by Mitsui;

c) a 50% interest in and Operatorship of exploration permit VIC/P44 containing the undeveloped Annie gas discovery, with the remaining 50% interest held by Mitsui;

Operations *continued*

d) a 100% interest in and Operatorship of exploration permit VIC/P76;

e) a 50% interest in and Operatorship of the Athena Gas Plant (onshore Victoria) which is jointly owned with Mitsui and is being recommissioned to process gas from Casino Henry and other Otway Basin discoveries; and

f) a 10% non-operated interest in production licence VIC/L22 which holds the shut-in Minerva gas field, with BHP the Operator and 90% interest holder.

Exploration

Reprocessing of 3D seismic data covering VIC/P76, VIC/P44, VIC/L24, VIC/L30, VIC/L33 and VIC/L34 commenced, with completion targeted for early FY22.

Geoscience studies progressed for the Elanora, Juliet, Nestor and Pecten East prospects, including review of the successful Artisan-1 exploration well of Beach Energy Limited ("Beach") in neighbouring VIC/P43. The studies have increased Cooper Energy's confidence in the size and prospectivity of Juliet and Nestor. Wells targeting these prospects will be assessed for inclusion in future drilling campaigns. All prospects show strong seismic amplitude support for the presence of gas and are close to production infrastructure.

Suspension, extension and variations for VIC/P44 and VIC/P76 were received from NOPTA, with the permits' primary terms now expiring in May 2023 and September 2024, respectively.

Development: Otway Phase 3 Development Project ("OP3D")

OP3D involves development of the Annie gas discovery and Henry gas field to produce more than 120 PJ of gas through the Athena Gas Plant. OP3D is currently in the Select Phase with planning for development drilling underway. The timing for a FID will be made having regard to optimisation for market timing and funding.

Cooper Energy received Declaration as a Location approvals for the Annie discovery in VIC/P44 and VIC/P76 from NOPTA. These regulatory approvals acknowledge the location of the Annie discovery and reserve the permits for conversion to future retention or production licenses.

Development: Athena Gas Plant Project

The Athena Gas Plant Project commenced in Q1 FY21 following COVID-19 related delays during the prior financial year. The project involves commissioning the Athena Gas Plant to process gas and liquids from the Casino Henry fields and from future developments.

The upgrade is on schedule and on budget, with the work program approximately 80% complete at financial year-end. Mechanical completion has been achieved and preparations commenced for commissioning and start-up readiness. Work also commenced on the pipeline cutover which when complete will direct gas from the Casino Henry fields to the Minerva Pipeline which connects to the Athena Gas Plant.

First commissioning gas through the plant is expected in Q1 FY22 and cutover of processing from the Iona Gas Plant to the Athena Gas Plant is expected in Q2 FY22 following the peak winter demand period. Once operational, the Athena Gas Plant will be an integral asset within Cooper Energy's gas portfolio. Expected benefits from re-commissioning the plant include:

- the ability to produce gas from the Casino Henry fields at a higher rate due to the plant's lower inlet pressure relative to the Iona Gas Plant;
- lower operating costs relative to current tariffs paid for gas processed through the Iona Gas Plant;
- additional gas processing capacity (total plant capacity of ~150 TJ/day) to support Otway Basin gas developments such as OP3D and future discoveries; and
- enhanced gas production and marketing flexibility, with the ability to offer firm gas supply and manage Sole customer requirements using Cooper Energy's Otway Basin gas if required.

Otway Basin (Onshore)

The Company's interests in the onshore Otway Basin include licences in South Australia and permits in Victoria. Activities in the latter were suspended pursuant to a Victorian State Government moratorium on onshore gas exploration, which was imposed in 2017. That moratorium has been overturned by the Petroleum Legislation Amendment Act 2020 (Vic) with effect from 1 July 2021.

The Company's interests in the onshore Otway Basin as at 30 June 2021 comprised:

a) a 30% interest in PEL 494, PRL 32 and PEL 680 in South Australia with the remaining interests held by the Operator, Beach;

b) a 50% interest in PEP 168 in Victoria with the remaining interest held by the Operator, Beach; and

c) a 75% interest in PEP 171 in Victoria, which may reduce to 50% on fulfilment of farm-in arrangements executed with joint venture partner and Operator Vintage Energy Limited.

Exploration

Preparation for the Dombey 3D seismic acquisition in PEL 494 progressed during the financial year. The seismic acquisition is expected to be conducted in FY22 and will cover the Dombey gas discovery in the Penola Trough.

The South Australian Department for Energy and Mining granted PEL 680 to Beach and Cooper Energy during the financial year. The five-year work program consists of geological and geophysical studies and reprocessing of 2,700 km of 2D seismic.

Cooper Energy withdrew from the PEP 150 joint venture during the financial year.

Operations *continued*

The Victorian Department of Jobs, Precincts and Regions is reviewing the revised work programs for PEP 168 and PEP 171, following the lifting of the onshore Victorian exploration moratorium.

Cooper Basin

The Company's interests in the Cooper Basin as at 30 June 2021 comprised:

a) a 25% interest in PRLs 85-104 (the "PEL 92 Joint Venture") with the remaining interests held by the Operator, Beach;

b) a 30% interest in PRLs 231-233 (the "PEL 93 Joint Venture"), with the remaining interests held by the Operator, Beach;

c) a 20% interest in PRL 237, with the remaining interests held by Metgasco Limited and the Operator, Beach;

d) a 19.165% interest in PRLs 207-209 (formerly PEL 100), with the remaining interests held by Santos QNT Pty Limited and the Operator, Beach; and

e) a 20% interest in PRLs 183-190 (formerly PEL 110), with the remaining interests held by the Operator, Beach.

Sale of oil interests to Bass Oil Limited

As announced by Bass Oil Limited (ASX: BAS, "Bass") on 12 July 2021, agreement was reached for Bass to acquire Cooper Energy's interest in the Worrior oil field (PPL 207) and certain other exploration permits for $0.65 million. The transaction includes the Company's 30% interest in PRLs 231-233, the 20% interest in PRLs 183-190 and PRL 237, and 19.165% interest in PRLs 207-209. The transaction is subject to various conditions precedent, including a Bass capital raising and regulatory approvals.

The sale of these oil interests demonstrates Cooper Energy's ongoing focus on portfolio optimisation and divesting of assets considered non-core. This focus will continue, and particularly in the context of Cooper Energy's primary focus on commercialising gas resources for south-eastern Australia.

Development

One oil development well was drilled during the financial year, being the Callawonga-13 horizontal oil development well in PEL 92. The well was drilled to a total depth of 3,226 metres with a lateral section of 1,106 metres in the primary target McKinlay Member. The preliminary assessment of results indicated a net pay section of 605 metres across the lateral section. Installation of flowlines and artificial lift was completed and Callawonga-13 commenced production in May.

Financial Performance

Cooper Energy recorded a statutory loss after tax of $30.0 million for the financial year which compares with a statutory loss after tax of $86.0 million recorded in the 2020 financial year. The 2021 financial year statutory loss included a number of items which affected the result by a total of $4.1 million. These items comprise:

- other expense being the share of OGPP reconfiguration and commissioning works under the APA Transition Agreement of $11.2 million;
- non-cash restoration income of $7.2 million resulting from a change in the government bond rate used to discount the Patricia Baleen, BMG and Minerva fields' restoration provisions;
- adjustment to the gain on sale recognised on the sale of the OGPP due to transaction costs of $1.4 million;
- a non-cash impairment expense of $0.4 million; and
- tax impact of the above items of $1.8 million.

Calculation of underlying net profit after tax by adjusting for items unrelated to the underlying operating performance is considered to provide a meaningful comparison of results between periods. Underlying net profit after tax and underlying EBITDAX are not defined measures under International Financial Reporting Standards and are not audited. Reconciliations of net (loss)/profit after tax, underlying net profit after tax, underlying EBITDAX and other measures included in this report to the Financial Statements are included at the end of this review.

Underlying EBITDAX of $30.0 million was 1% higher than the prior comparative period figure of $29.6 million.

The underlying loss after tax (exclusive of the items noted above) was $25.9 million, compared with an underlying loss after tax of $6.6 million in the 2020 financial year. The factors which contributed to the movement between the periods were:

- higher gas sales revenue of $55.9 million attributed to commencement of production from the Sole gas field;
- lower oil sales revenue of $2.3 million derived from lower volumes;
- higher costs of sales of $63.2 million due to costs associated with the Transition Agreement and commencement of production. Production expenses were higher by $36.0 million. Third-party product purchases of $13.4 million were incurred in 2021. Higher amortisation and depreciation of $14.0 million due to commencement of Sole production. Royalties decreased by $0.2 million due to lower oil sales volumes;
- higher net finance costs of $7.6 million due to cessation of interest capitalisation on the Sole gas oil and gas asset;
- higher administration and other items of $4.7 million including exploration and business development costs, general administration costs and foreign currency translation loss;
- lower exploration and evaluation write off of $2.5 million attributable to unsuccessful wells in the Cooper Basin; and
- higher tax benefit of $0.1 million.

Financial Performance *continued*

Financial Performance		FY21	FY20	Change	%
Production volume	MMboe	2.6	1.6	1.0	69%
Sales volume	MMboe	3.0	1.5	1.5	100%
Sales revenue	$ million	131.7	78.1	53.6	69%
Gross profit	$ million	14.1	23.6	(9.5)	(40%)
Gross profit / Sales revenue	%	10.7	30.2	(19.5)	(65%)
Operating cash flow	$ million	8.1	48.1	(40.0)	(83%)
Cash, other financial assets and investments	$ million	92.6	132.1	(39.5)	(30%)
Reported loss after tax	$ million	(30.0)	(86.0)	56.0	65%
Underlying loss after tax	$ million	(25.9)	(6.6)	(19.3)	(293%)
Underlying loss before tax	$ million	(29.3)	(30.5)	1.2	4%
Underlying EBITDAX*	$ million	30.0	29.6	0.4	1%

* Earnings before interest, tax, depreciation, amortisation, restoration, exploration and evaluation expense and impairment

All numbers in tables in the Operating and Financial Review have been rounded. As a result, some total figures may differ insignificantly from totals obtained from arithmetic addition of the rounded numbers presented.

Cash and cash equivalents balance decreased by $39.0 million over the period as summarised in the following chart.

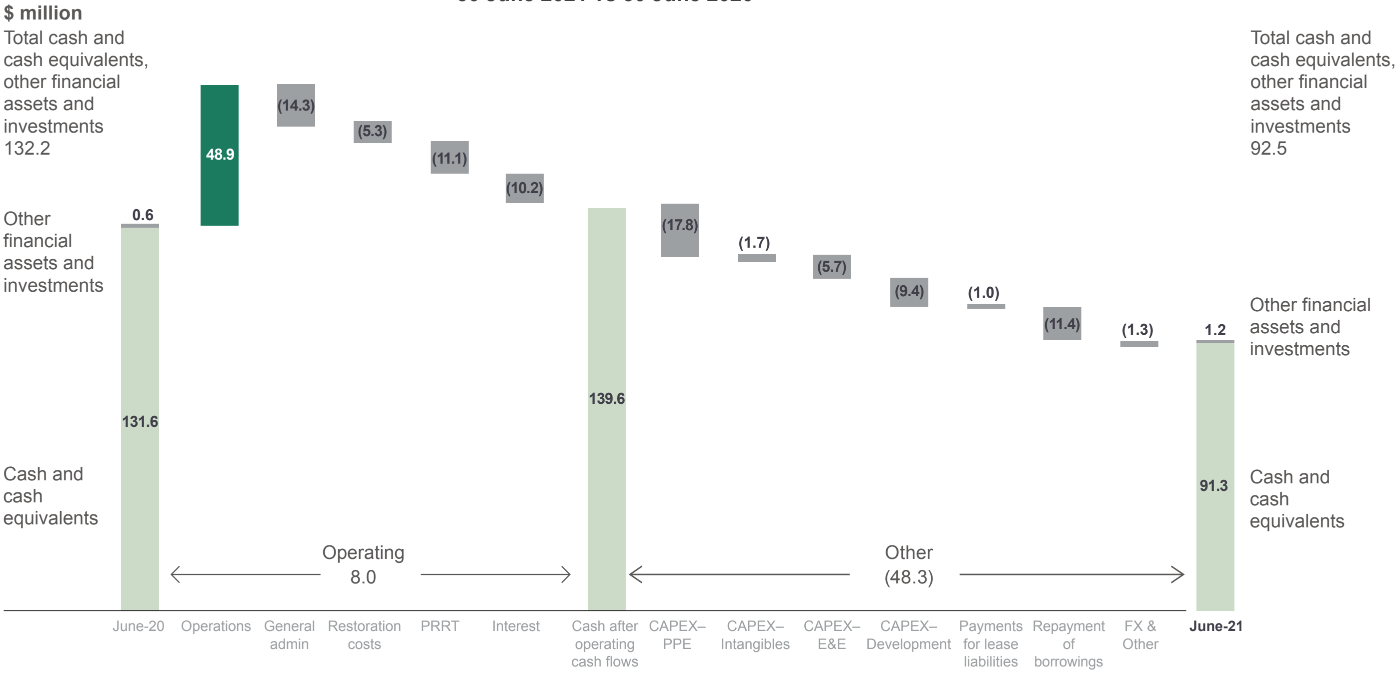
Operating cashflows for the period were $8.0 million comprising:

- cash generated from operations of $48.9 million;
- general administration costs of $14.3 million;
- restoration costs of $5.3 million;
- Petroleum Resource Rent Tax (PRRT) payments of $11.1 million; and
- net interest paid of $10.2 million.

Financing, investing and other cash flows for the period were $48.3 million and included:

- exploration, development and property, plant and equipment costs of $34.6 million, mainly in relation to the Athena Gas Plant, Casino Henry OP3D Select Phase, general exploration and evaluation activity and the implementation of corporate systems;
- repayment of lease liability $1.0 million;
- repayment of borrowings of $11.4 million; and
- foreign exchange differences and other of $1.3 million.

**Movements in cash and cash equivalents
30 June 2021 vs 30 June 2020**



Financial Position

Financial Position		FY21	FY20	Change	%
Total assets	$ million	978.5	1,029.9	(51.4)	(5%)
Total liabilities	$ million	652.7	678.8	(26.1)	(4%)
Total equity	$ million	325.8	351.1	(25.3)	(7%)
Net debt	$ million	126.7	97.8	28.9	30%

Assets

Total assets decreased by $51.4 million from $1,029.9 million to $978.5 million.

At 30 June 2021 the Company held cash and cash equivalents of $91.3 million and investments of $1.3 million.

Exploration and evaluation assets are $0.4 million higher than the previous period mainly due to additions partially offset by impairments and reclassification of $1.8 million to Exploration Assets Held for Sale which are presented as separate line in the Consolidated Statement of Financial Position.

Oil and gas assets decreased by $45.8 million from $616.0 million to $570.2 million mainly as a result of amortisation and the re-set of restoration provisions.

Total Liabilities

Total liabilities decreased by $26.1 million from $678.8 million to $652.7 million.

Provisions decreased by $28.0 million from $394.6 million to $366.6 million. Restoration provisions decreased $28.5 million from $392.2 million to $363.7 million, with the decrease being attributable mainly to $17.5 million for changes in government bond rates, $8.4 million for payments, $1.2 million reclassified to Liabilities Held for Sale partially offset by accretion charges of $3.2 million. Employee provisions increased by $0.5 million from $2.4 million to $2.9 million.

Interest bearing loans and borrowings decreased by $11.4 million from $229.4 million to $218.0 million. This represents repayments made to the reserve-based lending facility.

Total Equity

Total equity decreased by $25.3 million from $351.1 million to $325.8 million. In comparing equity at 30 June 2021 to 30 June 2020 the key movements were:

- higher contributed equity of $1.8 million due to shares issued on vesting of performance rights and share appreciation rights during the period;
- higher reserves of $2.9 million due to the unwinding of equity incentives to employees; and
- higher accumulated losses of $30.0 million due to the statutory loss for the period.

Strategy and Outlook

Cooper Energy's purpose is to contribute to Australia's sustainable energy future by commercialising gas, oil and other resources for domestic markets. We operate with an emphasis on care, shareholder value and sustainability.

Cooper Energy will deliver this by:

- establishing a portfolio of low cost, long-term gas and oil production assets;
- growing through a combination of acquisition, development and exploration;
- building future resilience by prioritising Environment, Sustainability and Governance ("ESG") and investing in sustainable energy projects;
- leveraging and developing our people, stakeholder relationships and capabilities where we operate; and
- balancing risk by sharing opportunities, partnering and achieving good commercial outcomes.

Planned activities for the FY22 financial year for the ongoing delivery of Cooper Energy's strategy will be:

- participating in APA's delivery of the next phase of capital works at OGPP which aim to increase production rates and improve stability;
- commissioning the Athena Gas Plant, which will become an integral asset within Cooper Energy's gas portfolio and deliver benefits such as higher processing rates for the Casino Henry fields, lower operating costs and the ability to offer firm gas supply to customers;
- being FID ready for OP3D which involves development of the Annie gas discovery and Henry gas field to produce more than 120 PJ of gas through the Athena Gas Plant; and
- progressing other exploration, appraisal and development activities within Cooper Energy's existing portfolio of growth opportunities.

Funding and Capital Management

At 30 June 2021, the Company had cash reserves of $91.3 million and drawn debt of $218.0 million. The Company has a reserves-based lending debt facility to fund a portion of the Sole gas field development with a limit of $218.0 million. The facility can be used for general corporate purposes after project completion. The Company has additional liquidity of approximately $15.0 million through a working capital facility to be used for general business purposes, of which $8.8 million has been utilised in respect of bank guarantees.

As announced on 30 June 2021, Cooper Energy and its lenders agreed adjustments to some terms and conditions of the debt facility. The documentation was signed on 26 July 2021. The adjustments include realignment of principal repayments through to expiry of the Transition Agreement on 1 May 2022 and re-sculpting of repayments through to maturity. The adjustments align the debt facility with a re-based production level of 40–45 TJ/day for OGPP and preserve liquidity to enable continuing advancement of the growth projects.

Further information is detailed in the Going Concern basis section on page 48 of the Financial Statements.

Risk Management

The Company manages risks in accordance with its risk management policy with the objective of ensuring risks inherent in oil and gas exploration and production activities are identified, measured and then managed or kept as low as reasonably practicable. The Executive Leadership Team performs risk assessments on a regular basis and a summary is regularly reported to the Risk & Sustainability Committee of the Board. This Committee approves and oversees an internal audit program undertaken internally and/or in conjunction with appropriate external industry or field specialists.

Appropriate policies and procedures are continually being developed and updated to manage these risks.

Risk	Description
Exploration	Exploration is a speculative activity with an associated risk of discovery to find oil and gas in commercial quantities and a risk of development. If Cooper Energy is unsuccessful in locating and developing or acquiring new reserves and resources that are commercially viable, this may have a material adverse effect on future business, results of operations and financial conditions. Cooper Energy utilises established methodologies and experienced personnel to evaluate prospects and manage the risk associated with exploration. The Company also ensures all major exploration decisions are subjected to assurance reviews which include external experts and contractors where appropriate.
Development and Production	Development and production of oil and gas projects may be exposed to low side reserve outcomes, cost overruns, production decrease or stoppage, which may result from facility shutdowns, mechanical or technical failure and other unforeseen events. Cooper Energy undertakes technical, financial, business, and other analysis in order to determine a project's readiness to proceed from an operational, commercial and economic perspective. Even if Cooper Energy recovers commercial quantities of oil and gas, there is no guarantee that a commercial return can be generated. All major development investment decisions are subjected to assurance reviews which include external experts and contractors where appropriate. For projects in production, reserves are formally reviewed and reported annually.
Regulatory	Cooper Energy operates in a highly regulated environment and complies with regulatory requirements. There is a risk that regulatory approvals are withheld or take longer than expected, or that unforeseen circumstances arise where requirements may not be adequately addressed in the eyes of the regulator and costs may be incurred to remediate perceived non-compliance and/or obtain approval(s). The Company's business or operations may be impacted by changes in personnel and Governments, or in monetary, taxation and other laws in Australia or overseas.

Risk Management *continued*

Risk	Description
Market	The global oil market and Australian domestic gas market are subject to fluctuations of demand and supply, and as a consequence, price. The risk of material changes to the demand for oil and gas produced by the Company's business exists from sources such as demand destruction, changes in energy consumption preferences and demand and supply-side disruption such as an expansion of alternative, competitive supply sources. If realised, these may result in reduced sales volume and sales revenue with consequent impact on the efficiency of operations and the Company's financial condition. In the near term this risk is managed through the Company's gas contracting strategy. The Company maintains 'long' contract coverage such that the major share of its available reserves is contracted, typically under gas sales agreements with a term of at least four years. Stability of cash flow is protected through terms which encourage reliable demand from customers and which include take-or-pay clauses to ensure minimum annual cash flows. Uncontracted gas carries exposure to favourable or unfavourable price movements. The greater share of the Company's uncontracted gas is in the offshore Otway Basin where the Athena Gas Plant Project is being conducted to facilitate the securing of longer term contracts supported by more favourable processing terms. Cooper Energy monitors developments and changes in the international oil and domestic gas markets to enable the Company to be best placed to address changes in market conditions. This activity includes ongoing research and analysis of future demand and supply for energy, most particularly gas, in south-east Australia.
Oil and gas prices	Future value, growth and financial conditions are dependent upon the prevailing prices for oil and gas. Prices for oil and gas are subject to fluctuations and are affected by numerous factors beyond the control of Cooper Energy. Cooper Energy monitors and analyses the oil and gas markets and seeks to reduce price risk where reasonable and practical. The Company has policies and procedures for entering into hedging contracts to mitigate against the fluctuations in oil price and exchange rates. Gas price risk is assessed within the context of the Company's ongoing modelling of the south-east Australian energy market and through its gas contracting strategy which prioritises long term agreements and appropriate indexation and price review clauses.
Operations	There are a number of risks associated with operating in the oil and gas industry. The occurrence of any event associated with these risks could result in substantial losses to the Company that may have a material adverse effect on Cooper Energy's business, results of operations and financial condition. To the extent that it is reasonable and possible to do so, Cooper Energy mitigates the risk of loss associated with operating events through insurance contracts. Cooper Energy operates with a comprehensive range of operating and risk management plans (updated in FY21 to reflect risks associated with COVID-19) and an enterprise-wide integrated management system to ensure safe and sustainable operations.
Counterparties	The ability of Cooper Energy to achieve its stated objectives can be impacted by the performance of counterparties under material agreements the Company has entered into (including joint venture and gas sales agreements). If any counterparties do not meet their obligations under these agreements, this may impact on operations, business and/or financial conditions. Cooper Energy monitors performance across material contracts against contractual obligations to minimise counterparty risk and seeks to include terms in agreements which mitigate such risks. Cooper Energy also conducts due diligence on counterparties as appropriate, including financial due diligence. The Company's gas contracting strategy expressly focuses on financially robust organisations assessed as being reliable gas customers within the target energy markets and supported by the Company's and third party research.
Reserves	Oil and gas reserves are expressions of judgement based on knowledge, experience and industry practice. These estimates may alter significantly or become uncertain when new information becomes available and/or there are material changes of circumstances which may result in Cooper Energy altering its plans which could have a positive or negative effect on Cooper Energy's operations. Reserves and Contingent Resources estimation is consistent with the definitions and guidelines in the Society of Petroleum Engineers (SPE) 2018 Petroleum Resources Management System (PRMS). The assessment of Reserves and Contingent Resources may also undergo independent review.

Risk Management *continued*

Risk	Description
Environment	Cooper Energy's exploration, development and production activities are subject to state, national and international environmental laws and regulations. Oil and gas exploration, development and production can be potentially environmentally hazardous giving rise to substantial costs for environmental rehabilitation, damage control and losses. Cooper Energy has a comprehensive approach to the management of risks associated with environment which is embedded as a core part of our approach to health, safety, environment and community. This approach includes standards for asset reliability and integrity, technical and operational competency and emergency response preparedness.
Access to Capital	Cooper Energy must undertake significant capital expenditure in order to fund field, exploration, appraisal, development and restoration requirements. Limitations on access to adequate funding could have a material adverse effect on the business, results from operations, financial conditions and prospects. Cooper Energy's business and, in particular, development of large-scale projects, relies on access to capital. There can be no assurance that sufficient access to capital will be available on acceptable terms or at all. Cooper Energy endeavours to ensure that the best source of funding is obtained to maximise shareholder value, having regard to prudent risk management supported by economic and commercial analysis of all business undertakings.
Restoration liabilities	Cooper Energy has certain obligations in respect of decommissioning of its fields, production facilities and related infrastructure. These liabilities are derived from legislative and regulatory requirements concerning the decommissioning of wells and production facilities, and require Cooper Energy to make provisions for such decommissioning and the abandonment of assets. Provisions for the costs of this activity are informed estimates and there is no assurance that the costs associated with decommissioning and abandoning will not exceed the amount of long-term provisions recognised to cover these costs. Cooper Energy recognises restoration provisions after construction and conducts a review on a semi-annual basis. Any changes to the estimates of the provisions for restoration are recognised in line with accounting standards.
Community	Cooper Energy conducts gas and oil exploration, development, and production operations. We process gas near regions with residential, environmental, cultural, and economic significance. Loss of community confidence in the Company may adversely affect Cooper Energy's capacity to execute its plans on behalf of the State and Federal Governments. Cooper Energy engages extensively with local communities to build and maintain awareness, understanding and support for its operations and plans. We form long term trusted relationships with local communities and generate awareness of the economic benefits to the community and the nation. Elements of engagement include: • sponsorship and donations made to local community organisations; • face to face meetings, online meetings, group meetings, emails and phone calls with: - local office holders and elected representatives of local, state, and federal governments; - local community groups via town hall meetings and community information sessions; - fishing groups and other marine users; and - local farmers and others who are located nearby our operations; • publication of information regarding the Company's activities and plans including the maintenance of a 'Community' page on the Company's website; and • engagement with local media, including the use of social media.

Risk Management *continued*

Risk	Description
Climate and Sustainability	Cooper Energy has taken an industry leading position in becoming the first Australian upstream gas company to become carbon neutral in FY20 by fully offsetting Scope 1, Scope 2 and the controllable fraction of Scope 3 emissions using high quality Australian Carbon Credit Units (ACCUs) generated from the Morella Biodiversity project in South Australia. The Company was recognised for this achievement in being awarded the 2020 SA Premier's Award for Environment in its industry category. Subsequently the Company has achieved Climate Active organisational certification for this net zero position and we will strive to both maintain this net zero position and to reduce the absolute quantum of our emissions. The Company recognises that direct physical and indirect non-physical impacts of climate change may affect our operations and the markets into which we sell our gas and oil. Potential direct risks include those arising from increased severe weather events, longer-term changes in climate patterns, sea level rise, and increased frequency and severity of bushfires. Indirect risks arise from a variety of legal, policy, technology, and market responses to the challenges that climate change poses as society transitions to a lower emissions future. These risks may impact the demand for and competitiveness of the Company's products and the Company's appeal as an investment, employer and community member. Assessment and response to these risks is undertaken on three fronts: 1) understanding, managing and mitigating the risks presented by direct physical impacts; 2) understanding, managing and mitigating the impact of climate change and emissions policy on the demand for the Company's products ("market risk"); and 3) identification of means by which the Company can reduce its direct emissions and lessen its overall emissions impact. In respect of market risk, the Company's strategy means its gas assets possess a low exposure to the possibility of demand loss from climate change. A favourable market for sale of the Company's gas reserves and resources has been confirmed and is expected to continue given demand and supply forecasts for its chosen market of south-east Australia and the role gas is expected to play as a conventional and transition energy source for firming variable renewable power generation in a lower emissions world. The Company's portfolio of gas assets is concentrated in south-eastern Australia and reflects its screening criteria which requires superior cost competitiveness in delivered gas and a foreseeable pathway to development. Australian government forecasts (Australian Energy Market Operator; AEMO) project a widening gap between gas demand and supply in south-east Australia. Production from the region's existing sources of supply is projected to decline significantly over the coming 10 years, while demand is forecast to remain flat over that period, leading to a growing supply demand imbalance. The merits of gas as a clean-burning energy source, and as a firming supply to provide dispatchable power to support variable renewable energy, are expected to support greater use of gas compared with other fossil fuels. Gas is expected to continue to be a principal source of energy for conventional heating and cooking applications and a critical input for industrial uses including fertiliser and other agricultural chemicals, refrigerants, plastics, glass manufacture, food processing and pharmaceuticals. Natural gas is viewed as a key element supporting society's sustainable energy transition and forecasts show an increasing global demand for gas over the medium to long-term. The Company measures and reports its emissions and seeks to reduce its emissions impact. These results are published in its annual Sustainability Report and are aligned with the Taskforce for Climate related Financial Disclosures (TCFD) criteria. The focus of the Company's strategy on conventional gas production, located in south-east Australia close to its market in south-east Australia, is conducive to lower emissions gas supply.

Risk Management *continued*

Risk	Description
COVID-19	Cooper Energy continued its response to the COVID-19 pandemic in line with its focus on: • prioritising the safety and welfare of its employees and their families, together with that of contractors, suppliers and the communities within which it operates; and • assessing, monitoring and managing risks to the continuity of the business. The Pandemic Response Team, established in March 2020, continued its work through FY21 overseeing the Company's response to the COVID-19 pandemic. This team includes representatives from all sites and takes input from an independent medical practitioner. Our response has included implementing robust work from home arrangements with on-site staffing requirements limited to minimal IT support attendance when required at office locations, in line with state government health directions and restrictions. Construction works at the Cooper Energy-operated Athena Gas Plant in Victoria were able to progress with additional specific risk control measures in place to mitigate any infection risk and to comply with State government health directions and lockdown/travel restrictions. The work from home arrangements were used during the various lockdowns in Victoria, South Australia and Western Australia during the year and remain ready to be reinstated at short notice as required. All of the Company's gas production is via unmanned subsea installations, which are operated remotely via the relevant plant onshore control room. Accordingly, transitioning the Company into and out of work from home has had no impact on production levels. Emergency response procedures have been tested using fully remote processes. The Athena Gas Plant is anticipated to commence processing the Company's gas in Q1 FY22. Robust procedures have been implemented to minimise the risk of COVID-19 impacting processing at that Plant. The COVID-19 pandemic has been assessed as not being among the Company's key corporate risks. However, it has affected the business indirectly through the impact on energy prices, supply chains and restrictions on travel. The Pandemic Response Team continues to monitor and advise the Managing Director and Executive Leadership Team on ongoing potential COVID-19-related threats to the business and appropriate preventative actions and responses.
People & Culture	Cooper Energy's sustainable success is underpinned by attracting and retaining people with the right skills and behaviours, who work to the "one team" ethos to deliver base business and growth opportunities. Failure to attract, retain and develop such capability may constrain the achievement of business objectives. Cooper Energy has established employment conditions, practices, frameworks, values, and environments designed to engage, secure and incentivise employees to perform at their best and build their careers. Metrics are in place to monitor employee engagement and these are regularly reviewed by the Executive Leadership Team and the Board.

Reconciliations for net profit/(loss) to Underlying net profit/(loss) and Underlying EBITDAX

Reconciliation to Underlying loss		FY21	FY20	Change	%
Net loss after income tax	$ million	(30.0)	(86.0)	56.0	65%
Adjusted for:					
Liquidated damages	$ million	-	(19.8)	19.8	100%
OGPP reconfiguration and commissioning works	$ million	11.2	-	11.2	100%
Restoration (income)/expense	$ million	(7.2)	14.1	(21.3)	(151%)
Adjustment to gain on sale	$ million	1.4	-	1.4	100%
Impairment	$ million	0.4	107.5	(107.1)	(100%)
Tax impact of underlying adjustments	$ million	(1.8)	(22.4)	20.6	92%
Underlying (loss)/profit	$ million	(25.9)	(6.6)	(19.3)	(293%)

Reconciliation to Underlying EBITDAX*		FY21	FY20	Change	%
Underlying loss	$ million	(25.9)	(6.6)	(19.3)	(293%)
Add back:					
Tax impact of underlying adjustments	$ million	1.8	22.4	(20.6)	(92%)
Net finance costs	$ million	10.3	1.8	8.5	472%
Accretion expense	$ million	3.3	4.0	(0.7)	(18%)
Tax expense	$ million	(3.4)	(23.9)	20.5	86%
Depreciation	$ million	1.9	2.3	(0.4)	(17%)
Amortisation	$ million	41.5	26.5	15.0	57%
Exploration and evaluation expense	$ million	0.6	3.1	(2.5)	(81%)
Underlying EBITDAX*	$ million	30.0	29.6	0.4	1%

* Earnings before interest, tax, depreciation, amortisation, restoration, exploration and evaluation expense and impairment.

DIRECTORS' STATUTORY REPORT

For the year ended 30 June 2021

The Directors present their report together with the Consolidated Financial Report of the Group, being Cooper Energy Limited (the "parent entity" or "Cooper Energy" or "Company") and its controlled entities, for the financial year ended 30 June 2021, and the Independent Auditor's Report thereon.

1. Directors

The Directors of the parent entity at any time during or since the end of the financial year are:

Mr John C. Conde AO B.Sc. B.E(Hons), MBA Chairman Independent Non-Executive Director Appointed 25 February 2013	**Experience and expertise** Mr Conde has extensive experience in business and commerce and in chairing high profile business, arts and sporting organisations. Previous positions include Non-Executive Director of BHP Billiton, Chairman of Pacific Power (the Electricity Commission of NSW), Chairman of the Sydney Symphony Orchestra, Director of AFC Asian Cup, Chairman of Events NSW, President of the National Heart Foundation and Chairman of the Pymble Ladies' College Council. **Current and other directorships in the last 3 years** Mr Conde is Chairman of The McGrath Foundation (since 2013 and Director since 2012). He is also President of the Commonwealth Remuneration Tribunal (since 2003), Chairman of Dexus Wholesale Property Fund (DWPF) (since 2020) and Deputy Chairman of Whitehaven Coal Limited ASX: WHC (since 2007). Mr Conde is a former Chairman of Bupa Australia (2008–2018), and a former Director of Dexus Property Group ASX: DXS (2009–2020). **Special responsibilities** Mr Conde is Chairman of the Board of Directors. Effective 19 August 2021 he is also a member of the People & Remuneration Committee and is the Chairman of the Governance & Nomination Committee.
Mr David P. Maxwell M.Tech, FAICD Managing Director Appointed 12 October 2011	**Experience and expertise** Mr Maxwell is a leading oil and gas industry executive with more than 25 years in senior executive roles with companies such as BG Group, Woodside Petroleum Limited and Santos Limited. Mr Maxwell has very successfully led many large commercial, marketing and business development projects. Prior to joining Cooper Energy, Mr Maxwell worked with the BG Group, where he was responsible for all commercial, exploration, business development, strategy and marketing activities in Australia and led BG Group's entry into Australia and Asia including a number of material acquisitions. Mr Maxwell has served on a number of industry association boards, government advisory groups and public company boards. **Current and other directorships in the last 3 years** Mr Maxwell is a Director of the wholly owned subsidiaries of Cooper Energy Limited. He is also on the board of the Australian Petroleum Production & Exploration Association (since 2018) and the Minerals and Energy Advisory Council (South Australia Government) (since 2019). **Special responsibilities** Mr Maxwell is Managing Director. He is responsible for the day-to-day leadership of Cooper Energy, and is the leader of the Executive Leadership Team. Mr Maxwell is also Chairman of the HSEC Committee (being a management committee, not a Board committee).

1. Directors *continued*

Mr Timothy G. Bednall
LLB (Hons)

Independent Non-Executive Director

Appointed 31 March 2020

Experience and expertise

Mr Bednall is a highly experienced and respected corporate lawyer and law firm manager. He is a partner of King & Wood Mallesons (KWM), where he specialises in mergers and acquisitions, capital markets and corporate governance, representing public company and government clients. Mr Bednall has advised clients in the oil and gas and energy sectors throughout his career.

Mr Bednall was the Chairman of the Australian partnership of KWM from January 2010 to December 2012, during which time the merger of King & Wood and Mallesons Stephen Jaques was negotiated and implemented. He was also Managing Partner of M&A and Tax for KWM Australia from 2013 to 2014, and Managing Partner of KWM Europe and Middle East from 2016 to 2017. He was General Counsel of Southcorp Limited (which became the core of Treasury Wine Estates Limited) from 2000 to 2001.

Current and other directorships in the last 3 years

Mr Bednall is a board member of the National Portrait Gallery Foundation (since 2018). He is also a board member of QSP Residual Recoveries LLP (in administration) and a Director of Pooling Limited.

Special responsibilities

Effective 19 August 2021 Mr Bednall is a member of the Audit Committee, the People & Remuneration Committee and the Governance & Nomination Committee.

Ms Victoria J. Binns
B. Eng (Mining – Hons 1), Grad Dip SIA, FAusIMM, GAICD

Independent Non-Executive Director

Appointed 2 March 2020

Experience and expertise

Ms Binns has over 35 years' experience in the global resources and financial services sectors including more than 10 years in executive leadership roles at BHP and 15 years in financial services with Merrill Lynch Australia and Macquarie Equities. During her career at BHP, Ms Binns' roles included Vice President Minerals Marketing, leadership positions in the metals and coal marketing business, Vice President of Market Analysis and Economics.

Prior to joining BHP, Ms Binns held a number of board and senior management roles at Merrill Lynch Australia including Managing Director and Head of Australian Research, Head of Global Mining, Metals and Steel, and Head of Australian Mining Research. She was also co-founder and Chair of Women in Mining and Resources Singapore.

Current and other directorships in the last 3 years

Ms Binns is currently a Non-Executive Director of Evolution Mining ASX: EVN (since 2020) and Sims Limited ASX: SGM (since October 2021). She is also a Non-Executive Director of the Carbon Marketing Institute and a Member of the J.P. Morgan Australia & NZ Advisory Council.

Special responsibilities

Effective 19 August 2021 Ms Binns is the Chairman of the Audit Committee and is a member of the Risk & Sustainability Committee.

Ms Giselle M. Collins
BeC. Economics, CA, GAICD

Independent Non-Executive Director

Appointed 19 August 2021 subject to confirmation at the Company's 2021 AGM

Experience and expertise

Ms Collins has broad executive and director experience across finance, treasury and property disciplines. Ms Collins is also active with not-for-profit organisations and has a strong interest in sustainability across many of her involvements.

Ms Collins' executive positions included General Manager Property, Treasury and Tourism of NRMA, Chief Executive Officer, Property and General Manager Finance with the Hannan Group, and Senior Manager, Audit Services with KPMG Switzerland.

Current and other directorships in the last 3 years

Ms Collins is currently non-executive director of Peak Resources Limited ASX:PEK (since 2021), trustee director of the Royal Botanic Gardens and Domain Trust (since 2019), non-executive director of Generation Life (since 2018), non-executive director of Hotel Property Investments Limited ASX:HPI (since 2017) and nominee Chairman for Indigenous Business Australia in The Darwin Hotel Pty Limited (since 2014).

Special responsibilities

Ms Collins was not a director during the period ending 30 June 2021, having joined the Board on 19 August 2021. Effective 19 August 2021 Ms Collins is a member of the Audit Committee and the Risk & Sustainability Committee.

1. Directors *continued*

Ms Elizabeth A. Donaghey B.Sc., M.Sc. Independent Non-Executive Director Appointed 25 June 2018	**Experience and expertise** Ms Donaghey brings over 30 years' experience in the energy sector including technical, commercial and executive roles in EnergyAustralia, Woodside Energy and BHP Petroleum. Ms Donaghey's experience includes Non-Executive Director roles at Imdex Ltd (an ASX-listed provider of drilling fluids and downhole instrumentation), St Barbara Ltd (a gold explorer and producer), and the Australian Renewable Energy Agency. She has performed extensive committee roles in these appointments, serving on audit and compliance, risk and audit, technical and regulatory, remuneration and health and safety committees. **Current and other directorships in the last 3 years** Ms Donaghey is a Non-Executive Director of the Australian Energy Market Operator (AEMO) (since 2017). Effective 1 September 2021 Ms Donaghey will join the Ampol Limited (ASX: ALD) board as an Independent Non-Executive Director. **Special responsibilities** Effective 19 August 2021 Ms Donaghey is a member of the Risk & Sustainability Committee, the People & Remuneration Committee and the Governance & Nomination Committee.
Mr Hector M. Gordon B.Sc. (Hons) FAICD Independent Non-Executive Director 26 June 2012 – 23 June 2017 Non-Executive Director Appointed 24 June 2017	**Experience and expertise** Mr Gordon is a geologist with over 40 years' experience in the upstream petroleum industry, primarily in Australia and southeast Asia. He joined Cooper Energy in 2012, initially as an Executive Director – Exploration & Production and subsequently moved to his position as Non-Executive Director in 2017. Mr Gordon was previously Managing Director of Somerton Energy until it was acquired by Cooper Energy in 2012. Previously he was an Executive Director with Beach Energy Limited where he was employed for more than 16 years. In this time Beach Energy experienced significant growth and Mr Gordon held a number of roles including Exploration Manager, Chief Operating Officer and, ultimately, Chief Executive Officer. **Current and other directorships in the last 3 years** Mr Gordon is a Director of Bass Oil Limited ASX: BAS (since 2014). **Special responsibilities** Effective 19 August 2021 Mr Gordon is the Chairman of the Risk & Sustainability Committee and a member of the Audit Committee.
Mr Jeffrey W. Schneider B.Com Independent Non-Executive Director Appointed 12 October 2011	**Experience and expertise** Mr Schneider has over 30 years of experience in senior management roles in the oil and gas industry, including 24 years with Woodside Petroleum Limited. He has extensive corporate governance and board experience as both a Non-Executive Director and chairman in resources companies. **Current and other directorships in the last 3 years** Mr Schneider does not currently hold any other directorships. **Special responsibilities** Effective 19 August 2021 Mr Schneider is Chairman of the People & Remuneration Committee and a member of the Governance & Nomination Committee.

1. Directors *continued*

Ms Alice J. Williams
B.Com, FAICD, FCPA, CFA

Independent Non-Executive Director

Appointed 28 August 2013

Retired 12 November 2020

Experience and expertise

Ms Williams has over 30 years of senior management and board level experience in corporate, investment banking and Government sectors.

Ms Williams has been a consultant to major Australian and international corporations as a corporate advisor on strategic and financial assignments. Ms Williams has also been engaged by Federal and State based Government organisations to undertake reviews of competition policy and regulation. Prior appointments include Director of Airservices Australia, Guild Group, Port of Melbourne Corporation, Telstra Sale Company, V/Line Passenger Corporation, State Trustees, Western Health and the Australian Accounting Standards Board. Ms Williams is also a former council member of the Cancer Council of Victoria.

Current and other directorships in the last 3 years

Ms Williams is a Non-Executive Director of Djerriwarrh Investments Ltd, Defence Health (since 2010), Mercer Investments Australia Ltd and not for profit Tobacco Free Portfolios (since 2018). Until 2020 Ms Williams was a Member of the Foreign Investment Review Board and a Non-Executive Director of Equity Trustees Ltd. She was also a Non-Executive Director of the Victorian Funds Management Corporation for the period 2008 to 2018.

Special responsibilities

Prior to her retirement, Ms Williams was the Chairman of the Audit Committee and a member of the Risk & Sustainability Committee.

2. Company secretary

Ms Amelia Jalleh B.A., LLB (Hons), LLM was appointed to the position of Company Secretary and General Counsel effective from 9 August 2019. Ms Jalleh brings more than 20 years' international oil and gas experience in senior corporate, commercial and legal roles. Her experience spans conventional and unconventional projects, asset and portfolio management, and international M&A transactions. Prior to joining Cooper Energy, Ms Jalleh held the position of Director, Business Development Asia-Pacific for Repsol, based in Singapore. Ms Jalleh has worked in Australia, the Middle East, North America and South East Asia in roles with Repsol, Talisman Energy, King & Spalding LLP and Santos.

3. Directors' meetings

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors during the financial year were:

Director	Board Meetings		Audit Committee Meetings		Risk & Sustainability Meetings		People & Remuneration Committee Meetings		Governance & Nomination Committee Meetings	
	A	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
Mr J. Conde	11	11	-	-	-	-	4	4	2	2
Mr D. Maxwell	11	11	-	-	-	-	-	-	-	-
Mr T. Bednall	11	11	1	1	4	4	4	4	2	2
Ms V. Binns	11	11	5	5	4	4	4	4	-	-
Ms E. Donaghey	11	11	2	2	4	4	4	4	2	2
Mr H. Gordon	11	11	5	5	4	4	-	-	-	-
Mr J. Schneider	11	11	5	5	-	-	4	4	2	2
Ms A. Williams*	8	8	3	3	2	2	-	-	-	-

A = Number of meetings attended.

B = Number of meetings held during the time the Director held office, or was a member of the Committee, during the year (noting that Committee membership was revised three times during the financial year – with effect on and from 13 November 2020, with effect on and from 1 February 2021, and with effect on and from 1 April 2021).

*Ms A. Williams resigned as Non-Executive Director on 12 November 2020.

4. Remuneration Report (audited)

Information about the remuneration of the Company's key management personnel for the financial year ended 30 June 2021 is set out in the Remuneration Report. The information in the Remuneration Report has been audited as required by the *Corporations Act 2001* (Cth) and forms part of the Directors' Report.

Introduction to Remuneration Report from the Chairman of the People & Remuneration Committee

Dear Shareholder

As has been well described earlier in this Report to shareholders, the 2021 financial year has been a challenging period for the Company. This Remuneration Report is presented against this background and includes details of company performance against key metrics. It also sets out how, as a consequence, the Company's remuneration outcomes have been impacted.

We will seek shareholders' support for the Remuneration Report at the 2021 Annual General Meeting. This report is an important element of the Company's annual reporting. It documents the Company's remuneration framework and guiding principles. It also details the remuneration outcomes for the Board and key management personnel and enables comparison of these remuneration outcomes with the Company's performance.

The People & Remuneration Committee believes that the 2021 remuneration outcomes are appropriate taking into account the Company's performance and the employment market generally.

Remuneration Report context: 2021 Financial Year

The Company's performance in the 12 months to 30 June 2021 is reported in the Operating and Financial Review of the Financial Report. This performance and how it compared with the specific targets of the Corporate Scorecard provide the context of the Remuneration Report.

Cooper Energy met the targets of its Corporate Scorecard in the category of Health, Safety, Environment and Community as well as the category of People & Enablers. The Company failed to meet targets in the categories of Production & Revenue, Project Delivery and Growth. The Company's share price decreased by 31% over the 2021 financial year, reflecting the challenging operating and external environment over the period.

Remuneration developments

A remuneration framework which attracts, encourages, rewards and retains talent is an important foundation that can enable the Company to achieve superior total shareholder returns. During the past year the People & Remuneration Committee has reviewed each element of the remuneration framework and concluded that the current framework is meeting its intended objectives to attract and retain high calibre employees as well as providing incentives to deliver superior performance and encourage behaviours consistent with the Cooper Energy Values. Consequently, no changes to the remuneration framework are proposed for the 2022 financial year.

Remuneration outcomes

Fixed Annual Remuneration: There will be no increases to Base Salary for the Managing Director, the Executive Leadership Team and staff generally except for those who have increased job responsibilities or in the case of general staff, represent a pay anomaly requiring adjustment. Any such increases will be consistent with benchmarking data within the Resources Industry (incorporating the Hydrocarbon sector). Fixed Annual Remuneration will be adjusted as a consequence of increases to statutory superannuation contribution effective 1 July 2021.

Short Term Incentive Payments (STIP): Despite achieving record levels for full year production, sales volumes and revenue, the FY21 Corporate Scorecard was significantly impacted by constrained processing rates at the Orbost Gas Processing Plant (operated by APA Group). Growth targets also fell short of those planned one year ago. Positive progress has been made on the Athena Gas Plant Project, the Company's Climate Active carbon neutral certification, the debt facility adjustment as well as being able to meet our gas customer nominations despite the below expectation performance of the Orbost Gas Processing Plant. When considering overall company performance, the Board has assessed the full FY21 Corporate Scorecard result as being 22/100.

This level of Corporate performance is considered by the Board to be below the threshold level for payment. The Board has therefore determined that there will be no payment associated with the Company performance component of the STIP for the FY21 financial year for the Managing Director, the Executive Leadership Team and for staff generally.

The Board has determined that individual performance components of the STIP will be paid. The Managing Director has, however, declined to accept any STIP payment for FY21. The Board recognises and appreciates the leadership of the Managing Director in this regard. STIP payments relating to FY21 individual performance are provided in section 4.6.3 of this report.

Directors Fees: There is to be no change to fees paid to Directors for FY22.

The Company enters the new financial year in a sound position to materially grow the value of its portfolio. It is very pleasing to see Company staff at all levels and locations committed to achieving improved outcomes for both the short and long term. I especially thank the Managing Director and the Executive Leadership Team not only for their commitment to achieve superior outcomes, but also their determination to work in a way that is consistent with the Cooper Energy Values.

Yours sincerely

Mr Jeffrey Schneider
Chairman of the People & Remuneration Committee

4. Remuneration Report (audited) *continued*

Contents	Page

4.1 Introduction

This Remuneration Report (**Report**) details the approach to remuneration frameworks, outcomes and performance for Cooper Energy. The Remuneration Report forms part of the Directors' Report and provides shareholders with an understanding of the remuneration principles and practices in place for Key Management Personnel (**KMP**) for the reporting period.

The Report has been prepared in accordance with section 300A of the *Corporations Act 2001* and unless specified otherwise, has been audited in accordance with the provisions of section 308(3C) of the *Corporations Act 2001*.

4.2 Key Management Personnel covered in this Report

In this Report, KMP are the people who have the authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly. They are:

- the Non-Executive Directors;
- the Managing Director; and
- the executives on the Executive Leadership Team.

The Managing Director and executives on the Executive Leadership Team are referred to in this Report as "**Executive KMP**".

The following table sets out the KMP of the Group during the reporting period and the period they were KMP:

Non-Executive Directors[1]	Position	Period KMP
Mr J. Conde AO	Chairman	1 July 2020 to 30 June 2021
Ms E. Donaghey	Non-Executive Director	1 July 2020 to 30 June 2021
Mr H. Gordon	Non-Executive Director	1 July 2020 to 30 June 2021
Mr J. Schneider	Non-Executive Director	1 July 2020 to 30 June 2021
Ms V. Binns	Non-Executive Director	1 July 2020 to 30 June 2021
Mr T. Bednall	Non-Executive Director	1 July 2020 to 30 June 2021
Ms A. Williams[2]	Non-Executive Director	1 July 2020 to 12 November 2020

1. Ms Giselle Collins has been appointed to the Board as a non-executive director, effective 19 August 2021 (subject to confirmation by shareholders at the Company's 2021 AGM). Ms Collins was therefore not a KMP of the Group during the reporting period.
2. Ms Williams stepped down from the Board effective 12 November 2020.

4. Remuneration Report (audited) *continued*

Executive KMP	Position	Period KMP
Mr D. Maxwell	Managing Director	1 July 2020 to 30 June 2021
Mr A. Thomas	General Manager Exploration & Subsurface	1 July 2020 to 30 June 2021
Ms V. Suttell[1]	Chief Financial Officer	1 July 2020 to 30 June 2021
Ms A. Jalleh	Company Secretary & General Counsel	1 July 2020 to 30 June 2021
Mr I. MacDougall	General Manager HSEC & Technical Services	1 July 2020 to 30 June 2021
Mr E. Glavas	General Manager Commercial & Development	1 July 2020 to 30 June 2021
Mr M. Jacobsen	General Manager Projects & Operations	1 July 2020 to 30 June 2021
Mr A. Haren[2]	General Manager People & Remuneration	18 January 2021 to 30 June 2021

1. Ms Suttell has tendered her resignation effective 30 September 2021.
2. Mr Haren was appointed to the role of General Manager People & Remuneration on 18 January 2021.

4.3 Remuneration Governance

4.3.1 Philosophy and objectives

The Company is committed to a remuneration philosophy that aligns to its business strategy and encourages superior performance and shareholder returns. Cooper Energy's approach towards remuneration aims to ensure that an appropriate balance is achieved among:

- maximising sustainable growth in shareholder returns;
- operational and strategic requirements; and
- providing attractive and appropriate remuneration packages.

The primary objectives of the Company's remuneration policy are to:

- attract and retain high-calibre employees;
- ensure that remuneration is fair and competitive with both peers and competitor employers;
- provide significant incentive to deliver superior performance (when compared to peers) against Cooper Energy's strategy and key business goals without rewarding conduct that is contrary to the Cooper Energy Values or risk appetite;
- achieve the most effective returns (employee productivity) for total employee spend; and
- ensure remuneration transparency and credibility for all employees and in particular for Executive KMP, with a view to enhancing Cooper Energy's reputation and standing in the community.

Cooper Energy's policy is to pay Fixed Annual Remuneration at the median level compared to resource industry benchmark data and supplement this with "at risk" remuneration to bring total remuneration within the upper quartile when outstanding performance is achieved.

4.3.2 People & Remuneration Committee

The People & Remuneration Committee (which, as at the date of this report, is comprised of four Non-Executive Directors, all of whom are independent) makes recommendations to the Board about remuneration strategies and policies for the Executive KMP and considers matters related to organisational structure and operating model, company culture and values, diversity, succession for senior executives and executive development and talent management. The ultimate responsibility for, and power to make company decisions with respect to these matters, remains with the full Board.

On an annual basis, the People & Remuneration Committee makes recommendations to the Board about the form of payment and incentives to Executive KMP and the amount. This is done with reference to Company performance and individual performance of the Executive KMP, relevant employment market conditions, current industry practices and independent remuneration benchmark reports.

4.3.3 External remuneration advisers

The Committee may consider advice from external advisors who are engaged by and report directly to the Committee. Such advice will typically cover Non-Executive Director fees, Executive KMP remuneration and advice in relation to equity plans.

The *Corporations Act 2001* requires companies to disclose specific details regarding the use of remuneration consultants. The mandatory disclosure requirements only apply to those advisors who provide a "remuneration recommendation" as defined in the *Corporations Act 2001*. The Committee did not receive any remuneration recommendations during the reporting period and all remuneration benchmarking was performed in-house against independent Australian resource industry remuneration data.

4. Remuneration Report (audited) *continued*

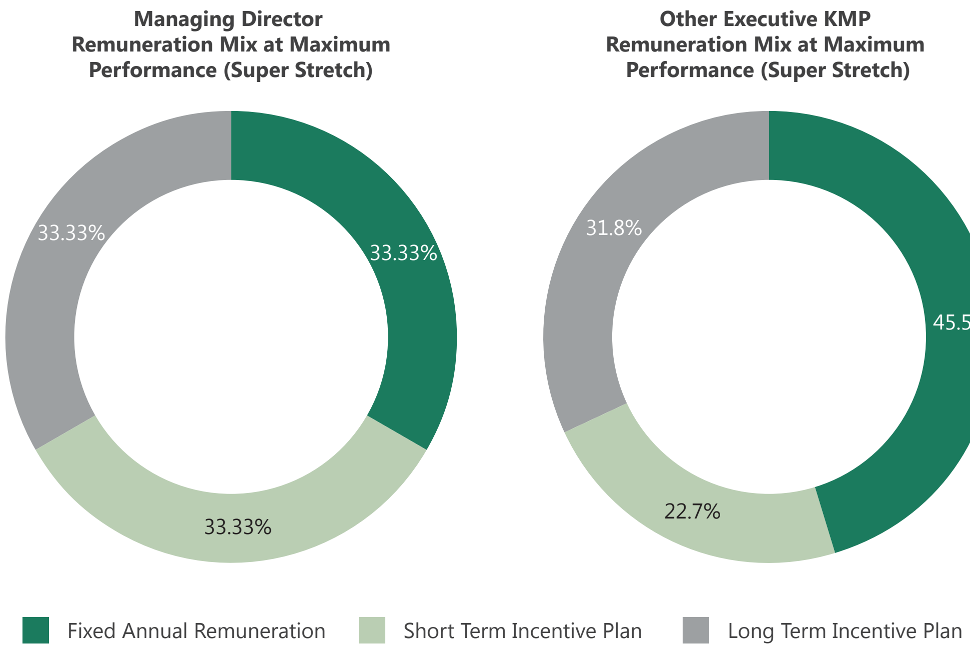
4.4 Nature & Structure of Executive KMP Remuneration

Executive KMP remuneration during the reporting period consisted of a mix of:

- Fixed Annual Remuneration (**FAR**);
- Short Term Incentive Plan (**STIP**) participation;
- Benefits such as accommodation, internet allowance and car parking; and
- Long Term Incentive Plan (**LTIP**) (composed of performance rights (**PRs**) and share appreciation rights (**SARs**) under the Company's amended Equity Incentive Plan approved by shareholders at the 2019 AGM).

It is the Company's policy that the performance-based (or at risk) pay forms a significant portion of the Executive KMPs' total remuneration. The Company aims to achieve an appropriate balance between rewarding operational performance (through the STIP cash reward) and rewarding long-term sustainable performance (through the LTIP).

The Company's remuneration profile for Executive KMP is as follows:



4.4.1 Remuneration strategy and framework – Linking Reward to Performance

The remuneration strategy sets the direction for the remuneration framework and drives the design and application of remuneration for the Company, including Executive KMP.

The remuneration strategy:

- encourages a strong focus on financial and operational performance, and motivates Executive KMP to deliver sustainable business results and returns to the Company's shareholders over the short and long term;
- attracts, motivates and retains appropriately qualified and experienced talent; and
- aligns executive and shareholder interests through equity linked plans.

The Board believes that remuneration should include a fixed component and at-risk or performance-related components, including both short term and long-term incentives. This remuneration framework is shown in the table following, including how performance outcomes will impact remuneration outcomes for Executive KMP.

The Board will continue to review the remuneration framework to ensure it continues to align with the Company's strategic objectives. No significant changes to the key elements of the remuneration framework are anticipated in FY22.

4. Remuneration Report (audited) *continued*

4.4.2 Remuneration strategy and framework – Overview – FY2021

<table>
<tr><th></th><th>Performance Conditions</th><th>Remuneration Strategy/Performance Link</th></tr>
<tr><td>Fixed Annual Remuneration
Salary and other benefits (including statutory superannuation)</td><td>Key Considerations
• Scope of individual's role
• Individual's level of knowledge, skills and expertise
• Individual performance
• Market benchmarking</td><td>Fixed Annual Remuneration is set to attract, retain and motivate the right talent to deliver on the strategy and contribute to the Company's financial and operational performance.
For executives new to their role, the aim is to set Fixed Annual Remuneration at relatively modest levels compared to their peers and to progressively increase as they gain experience and perform at higher levels. This links fixed remuneration to individual performance.</td></tr>
<tr><td rowspan="4">Short Term Incentive Plan (STIP)
Annual incentive opportunity delivered in cash based on Company and individual performance</td><td>Strategy & Project Key Performance Indicators (KPIs) (up to 40% of Company performance related STIP award)
• Major Projects & Development
• Growth in Reserves & Resources
• Key Gas Strategy Milestones
• Acquisition and Divestment</td><td rowspan="3">STIP performance conditions are designed to support the financial and strategic direction of the Company (the achievement links to shareholder returns) and are clearly defined and measurable.
A large proportion of outcomes are subject to the Operational & Financial targets of the Company or business unit, depending on the role of the executive to ensure line of sight. Strategy & Project targets ensure that continued focus on future opportunities is maintained.
Non-financial targets are aligned to core Values (including safety and sustainability) and key strategic and growth objectives.
Threshold, Target, Stretch and Super Stretch targets for each measure are set by the Board to ensure that a challenging performance-based incentive is provided.
The Board has discretion to adjust STIP outcomes up or down to ensure appropriate individual outcomes and results align with the Company's Values.</td></tr>
<tr><td>Operational & Financial KPIs (up to 40% of Company performance related STIP award)
• Production and Revenue
• Cost Management
• Process & Risk Management
• People and Stakeholder relationships</td></tr>
<tr><td>Safety & Sustainability KPIs (up to 20% of Company performance related STIP award)
• Lead improvement objectives for environmental and fatality prevention
• Sustainability and community relationships
• Total Recordable Case Frequency Rate (TRCFR) target</td></tr>
<tr><td>Individual performance KPIs (up to 25% for Managing Director & 30% for the other Executive KMP of Final STIP award) aligned to strategic objectives.</td><td>Individual performance measures are agreed each year. The individual measures relate to business unit objectives, promotion of Company Values and identified areas for development. This ensures a clear focus on "how we work" i.e. our Values and culture, as well as what we seek to achieve.</td></tr>
</table>

4. Remuneration Report (audited) *continued*

	Performance Conditions	Remuneration Strategy/Performance Link
Long Term Incentive Plan (LTIP) Three-year incentive opportunity delivered through Performance Rights (PRs) and Share Appreciation Rights (SARs)	**LTIP is a mix of PRs and SARs.** Maximum LTIP grant is 100% of Fixed Annual Remuneration for Managing Director and 70% of Fixed Annual Remuneration for other Executive KMP. **Relative Total Shareholder Return** is the only performance condition. Relative Total Shareholder Return ensures that LTIP can only vest when the Company's share price performance is at least at the 50th percentile of the peer group. Maximum LTIP vesting can only occur at or above 90th percentile of the peer group. • Relative Total Shareholder Return performance is where there is sustained superior share price performance of the Company compared to a Peer Group of companies. • Peer Group Companies are 12 ASX-listed companies in the oil and gas sector, with a range of market capitalisation. • SARs by their nature have an absolute total shareholder return requirement. No SAR will vest unless the share price appreciates over the measurement period.	Allocation of PRs & SARs upfront encourages executives to 'behave like shareholders' from the grant date. The PRs & SARs are restricted and subject to risk of forfeiture at the end of the three-year performance period. The Company believes that encouraging its employees to become shareholders is the best way of aligning employee interests with those of the Company's shareholders. The LTIP also acts as a retention incentive for key talent (due to the three-year vesting period). Relative Total Shareholder Return is designed to encourage executives to focus on the key performance drivers which underpin sustainable growth in shareholder value. The Relative Total Shareholder Return performance condition is designed to ensure vesting can only occur where shareholders have enjoyed superior share price performance compared to the peer group shareholders. SARs only have value when there is an increase in the Company's share price. In general, the Company's vesting hurdles are intended to be tougher than our industry peers.
Total Remuneration: The combination of these elements is designed to attract, retain and motivate appropriately qualified and experienced individuals, encourage a strong focus on performance, support the delivery of outstanding returns to shareholders and align executive and stakeholder interests through share ownership.		

4.4.3 Fixed Annual Remuneration

Fixed Annual Remuneration includes base salary (paid in cash) and statutory superannuation. Executives are paid Fixed Annual Remuneration which is competitive in the markets in which the Company operates and is consistent with the responsibilities, accountabilities and complexities of the respective roles.

The Company benchmarks Executive KMP Fixed Annual Remuneration against resource industry market surveys which are published annually. Additionally, the pay levels of Executive KMP positions in the Company may be benchmarked against national market executive remuneration surveys. It is the Company's policy to position itself at the median level of the market when benchmarking Fixed Annual Remuneration.

4.4.4 Short Term Incentive Plan (STIP) - Overview

The STIP is an annual incentive opportunity delivered in cash based on a mix of Company and individual performance. The individual measures are a mixture of business unit and employee-specific goals. The FY21 Company performance measures in the Company's scorecard and weightings are as follows:

4. Remuneration Report (audited) *continued*

	Performance Measures	Rationale
HSEC (20%)	• Health • Safety (Lost Time Injury, Total Recordable Incident Frequency Rate) • Environment (reportable environmental incidents) • Community (strategy, grievance management) • HSEC Management System	Targeting: • Leading HSEC performance • Efficient processes (cost & time), easily understood • Cooper Energy team clearly engaged & continually improving • Leading emissions management, clear sustainability positioning and policy
Production & Revenue (20%)	• Production MMboe • Revenue A$ million • Gas marketing $/GJ average spot and new sales prices • Cash margin A$/boe (sales revenue less cash operating costs (excludes DD&A))	Targeting growing value by increasing production & margin from existing permits
Project Delivery (20%)	• Schedule • Cost • Front End Engineering & Design and Final Investment Decisions	Targeting: • Major capital projects delivered per scope, within schedule and budget, with appropriate contingency included • Clear management systems • Consistent successful major project delivery
Growth (20%)	• Reserves • Gas marketing • Acquisitions & divestments *(in each case to reflect a growing business)*	Targeting: • Development projects per schedule and adding economic value • Term gas contracts that underpin new business and add value • Maximising value through portfolio management and acquisitions and divestment • Leveraging competitive strengths • Building growth
People, Culture & Enablers (20%)	• Cost Management • Funding • Processes and Risk Management • People • Stakeholder Relationships	Targeting: • "One team" performance • Applying the Cooper Energy Values and culture to deliver our strategy • Tight cost management, accurate forecasting • Funding fit for purpose, creating shareholder value and being optimised • Efficient, cost-effective management and IT systems helping to make jobs easier • Stakeholder relationships creating value

Please note as follows:

"**HSEC**" means Health Safety Environment & Community
"**MMboe**" means Million barrels of oil equivalent
"**GJ**" means Gigajoule
"**DD&A**" means Depreciation, Depletion & Amortisation

4. Remuneration Report (audited) *continued*

The key features of the STIP for FY21 are as follows:

STIP FY21 Plan Feature	Details
What is the purpose of the STIP?	The STIP is designed to motivate and reward Executive KMP for their contribution to the annual performance of the Company.
How does the STIP align with the interests of Cooper Energy's shareholders?	The STIP is aligned to shareholder interests by encouraging Executive KMP to achieve operational and business milestones in a balanced and sustainable manner.
What is the vehicle of the STIP award?	The STIP award is delivered in the form of a cash payment, usually in October.
What is the maximum award opportunity (% of Fixed Remuneration)?	Managing Director 100% Other Executive KMP 50%
What is the performance period?	Each year, the Board reviews and approves the performance criteria for the year ahead by approving a Company scorecard and individual performance contracts are agreed with each Executive KMP. The Company's STIP operates over a 12-month performance period from 1 July to 30 June.
How are the performance measures determined and what are their relative weightings?	The measurement of Company performance is based on the achievement of key performance indicators (**KPIs**) set out in a Company scorecard. See section 4.6.2 for the Company scorecard measures used for FY21. The KPIs focus on the core elements the Board believes are needed to successfully deliver the Company strategy and maximise sustainable shareholder returns. For each KPI in the scorecard, a base or threshold performance level is established as well as a target, stretch and super stretch (i.e. maximum). Personal performance measures are agreed between each Executive KMP and Cooper Energy each year. The relative weighting of Company scorecard and individual performance is as follows: • Managing Director – 75% Company: 25% individual • Executives – 70% Company: 30% individual Performance measures are challenging and maximum award opportunities are only achieved by outstanding performance. 50% of the maximum award opportunity will be awarded if the Company meets target level performance. Target level KPIs are set at a challenging and achievable level of performance (and not at the base level of performance). 0% STIP will be awarded for base level achievement. 0% STIP will be awarded if during any measurement period the Company sustains a fatality or major environmental incident. Irrespective of the scorecard outcome, payment of any STIP is entirely at the discretion of the Board.
What elements are included in the individual's personal performance measures?	Individual performance measures are agreed each year. The individual measures relate to business unit objectives, promotion of Company Values and identified areas for development. This ensures a clear focus on "how we work" i.e. our values and culture, as well as what we seek to achieve. In FY21 the Managing Director's individual performance measures included; leading standards relating to HSEC, maintaining constructive stakeholder relationships, effective leadership of the executive leadership team, and enhancement of the 'one team' ethos and company values. Other measures included ensuring funding plans are in place to support activity plans, the development of management systems, and strategy development activity aimed at creating future value growth.

4. Remuneration Report (audited) *continued*

4.4.5 Long Term Incentive Plan (LTIP) - Overview

In the reporting period, the LTIP involved grants of Performance Rights (**PRs**) and Share Appreciation Rights (**SARs**) under the Equity Incentive Plan. The key features of the grants made in the 2021 financial year (granted December 2020) are set out in the following table:

FY21 LTIP Plan Feature	Details
What is the purpose of the LTIP?	The Company believes that encouraging its employees, including Executive KMP, to become shareholders is the best way of aligning their interests with those of the Company's shareholders. Having a LTIP is also intended to be a retention incentive for employees (with a vesting period of at least three years before securities under the plan are available to employees).
How is the LTIP aligned to shareholder interests?	Employees only benefit from the LTIP when there is sustained superior share price performance of the Company compared to relevant peer group companies. This aligns the LTIP with the interests of shareholders.
What is the vehicle of the LTIP?	During the reporting period, the LTIP involved grants of 50% PRs and 50% SARs. A PR is a right to acquire one fully paid share in the Company provided a specified hurdle is met. SARs are rights to acquire shares in the Company to the value of the difference in the Company share price between the grant date and vesting date.
What is the maximum annual LTIP grant (% of Fixed Remuneration)?	Managing Director 100% Executive KMP 70% Senior staff 50%
What is the LTIP performance period?	The performance period is three years. Grants in years prior to the 2019 financial year allowed for re-testing 12 months following the end of the performance period. A re-test was considered appropriate because the Company's growth had been dependent on development of projects that have generally taken greater than three years from conception to start-up. Given the growth of the Company, including its development activities, the Company will no longer be reliant on single projects. As a consequence, the Board determined that re-testing would not form part of the terms of the Incentives for future grants. Re-testing is not a feature of the Equity Incentive Plan approved by shareholders at the 2019 Annual General Meeting.
What are the performance measures?	100% of the grant (both PRs and SARs) is subject to a Relative Total Shareholder Return performance measure. Relative Total Shareholder Return is a common long-term incentive measure across ASX-listed companies and is aligned with shareholder returns. Relative measures ensure that maximum incentives are only achieved if Cooper Energy's performance exceeds that of its peers and therefore supports competitive returns against other comparable organisations. In addition to the Relative Total Shareholder Return performance measure set by the Board, SARs by their nature also have a natural absolute total shareholder return measure. No SARs will be exercisable unless the share price appreciates over the measurement period.
What is the vesting schedule?	The level of vesting will be determined based on the ranking against the comparator group of companies in accordance with the following schedule: • below the 50th percentile no rights vest; • at the 50th percentile 30% of the rights vest; • between the 50th percentile and 90th percentile pro rata vesting; and • at the 90th percentile or above, 100% of the rights will vest. The vesting schedule reflects the Board's requirement that performance measures are challenging, and maximum award opportunities are only achieved by outstanding performance.

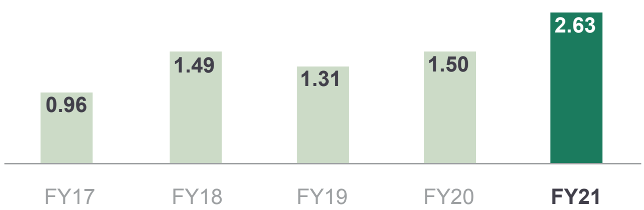
4. Remuneration Report (audited) *continued*

FY21 LTIP Plan Feature	Details
Which companies make up the Relative TSR peer group?	The Relative Total Shareholder Return of the Company is measured as a percentile ranking compared to the following comparator Group of 12 listed entities: Woodside Petroleum Limited; Oil Search Limited; Santos Limited; Beach Energy Limited; Senex Energy Limited; Karoon Gas Australia Limited; FAR Limited; Central Petroleum Limited; Buru Energy Limited; Carnarvon Petroleum Limited; Strike Energy Limited; Horizon Oil Limited. The peer group was based on a group of ASX-listed companies in the oil and gas sector, with a range of market capitalisation.
What happens on cessation of employment?	Generally, if an employee ceases employment prior to the vesting date (e.g. to take a position with another company), they will forfeit all awards. In the case of "qualifying leavers" as defined (examples of which include redundancy, retirement or incapacity) awards may be retained unless the Board determines otherwise. The Board also has a discretion to determine that some or all awards may be retained upon cessation of employment.
What happens if there is a change of control?	In the event of a change of control, unless the Board determines otherwise, pro-rata vesting will occur on the basis of the proportion of the relevant performance period that has elapsed.
Who can participate in the LTIP?	Eligibility is generally restricted to Executive KMP and other senior staff who are in a position to influence shareholder value the most.
Is there a cap on dilution?	5% total on issue (excluding KMP).
Will the Company make any changes to the LTIP for the grant to be made in the 2022 financial year?	It is not anticipated that the general structure of the LTIP will change for grants made in FY22. In FY21, a review was undertaken which included the appropriateness of Relative Total Shareholder Return (RTSR) being the sole measure for LTIP vesting. It was determined that RTSR remained a common performance measure within the oil and gas sector and an appropriate measure as the Company transitions from development to gas production. As part of this review, it was also acknowledged that SARs by their nature, have a natural Absolute Total Shareholder Return measure whereby no SARs will be exercisable unless the share price appreciates over the measurement period. The Relative TSR peer group is reviewed prior to each grant to reflect changes including merger and acquisitions within the group. The peer group in FY22 will remained based on a group of ASX-listed companies in the oil and gas sector, with a range of market capitalisation.

4.5 Cooper Energy's Five-Year Performance and Link to Remuneration

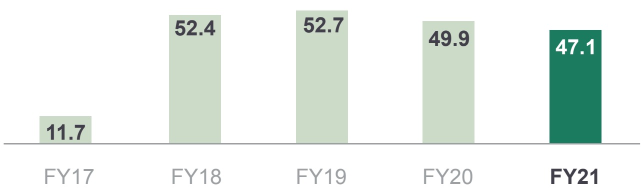
The following graphs illustrated the five-year performance and links to the remuneration strategy and framework:

Annual Production (MMboe)



Links directly to Company STIP reward outcomes as an Operational & Financial KPI.

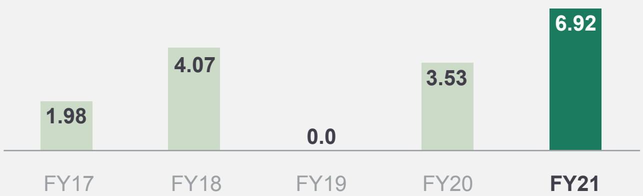
Proved & Probable Reserves (MMboe)



Links directly to Company STIP reward outcome as a Growth KPI.

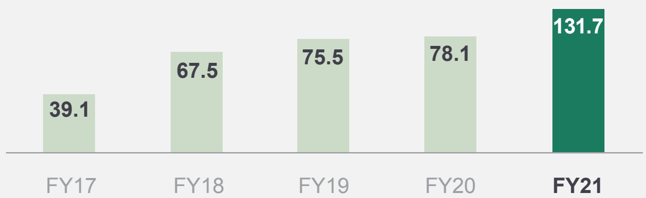
4. Remuneration Report (audited) *continued*

Total Recordable Incident Frequency Rate
(events per hours worked, where a lower value is better)



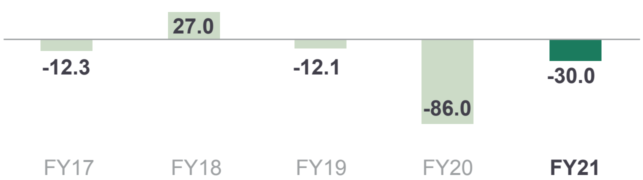
Links directly to Company STIP reward outcome as a Safety & Sustainability KPI.

Sales Revenue ($ million)



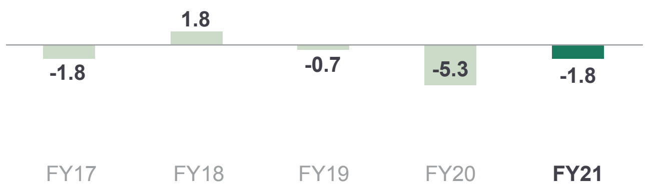
Links directly to Company STIP reward outcome as an Operational & Financial KPI.

Financial – Profit After Tax ($ million)



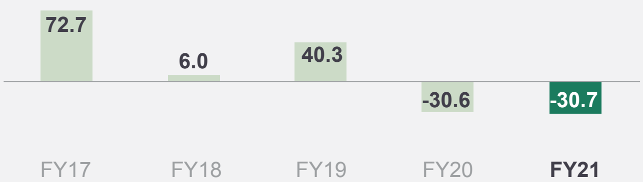
Links directly to Company STIP reward outcome as an Operational & Financial KPI through cost management.

Financial – Earnings Per Share (cents)



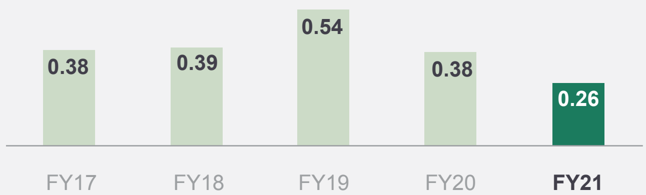
Links directly to Company LTIP reward outcome by increasing shareholder value.

Financial – Total Shareholder Return (%)



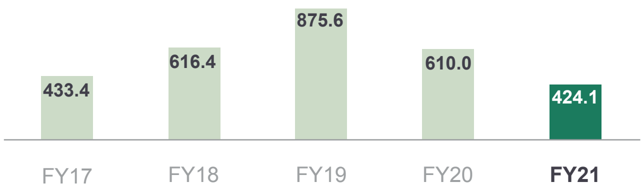
Links directly to Company LTIP reward outcome by increasing shareholder value.

Share Price – As at 30 June ($ per share)



Links directly to Company LTIP reward outcome by increasing shareholder value compared to peers.

Market Capitalisation – As at 30 June ($ million)



Links directly to Company LTIP reward outcome by increasing shareholder value compared to peers.

In FY21 and in the past five years, dividends were not paid by the Company to its shareholders, nor was there a return of capital by the Company to its shareholders.

4. Remuneration Report (audited) *continued*

4.6 2021 Executive KMP Performance and Remuneration Outcomes

4.6.1 Fixed Annual Remuneration outcome

Following a review by the Board at the end of FY21, there will be no increases to Base Salary for the Managing Director or the Executive Leadership Team except for three Executive Leadership Team members who have increased job responsibilities. Their base salary increases range from 2.24% to 3.56%. Such increases are consistent with benchmarking data within the resources industry.

Fixed Annual Remuneration will be adjusted as a consequence of increases to statutory superannuation contribution effective 1 July 2021. This has been applied to the Managing Director and Executive Leadership Team.

4.6.2 STIP performance outcomes – Company Results

The Company Scorecard results for the reporting period ranged between below Threshold and Target and cover the full FY21. The Company's FY21 result was a score of 22 out of 100.

Company Scorecard Results FY21

Performance Measure (Weighting %)	Threshold	Target	Stretch	Super Stretch	Performance Measure Outcome
HSEC (20%)		▲			No LTIs or reportable environmental incidents. TRIFR 6.92. Carbon Neutral certification achieved. Community engagement positive and supporting projects. No COVID-19 incidents. Assessed Score: 12/20
Production & Revenue (20%)	▲				Production of 2.63 MMboe v 3.87 MMboe. Assessed Score: 0/20
Project Delivery (20%)	▲				OGPP delayed. Athena Gas Plant at P50. OP3D not in FEED. Assessed Score: 0/20
Growth (20%)	▲				Started Sole GSAs and back up supply in place. No reserve growth or material acquisition or divestment. Assessed Score: 0/20
People, Culture & Enablers (20%)		▲			Adjusted funding arrangements. Effective cost management. Positive staff engagement as measured by staff survey. Improved risk management, processes and management systems. Sustained high level of stakeholder engagement. Assessed Score: 10/20

FY21 Performance: ▲

4. Remuneration Report (audited) *continued*

4.6.3 STIP performance outcomes – Individual Results

In light of the Company's performance in the year ending 30 June 2021, the Board has determined that no STIP payment relating to Company performance will be awarded to the Managing Director or Executive KMP. Figures in this table reflect amounts relating to individual performance only.

	Short Term Incentive (STI) for the year ended 30 June 2021				
	STI target % of Fixed Annual Remuneration	STI maximum % of Fixed Annual Remuneration	Cash STI $	% earned of maximum STI opportunity	% forfeited of maximum STI opportunity
Executive KMP					
Mr D. Maxwell[1]	50%	100%	0	0%	100%
Mr A. Thomas	25%	50%	40,361	17%	83%
Ms V. Suttell[2]	25%	50%	41,220	17%	83%
Ms A. Jalleh	25%	50%	47,678	24%	76%
Mr I. MacDougall	25%	50%	35,535	15%	85%
Mr E. Glavas	25%	50%	36,497	17%	83%
Mr M. Jacobsen	25%	50%	35,535	15%	85%
Mr A. Haren[3]	25%	50%	12,526	8%	92%

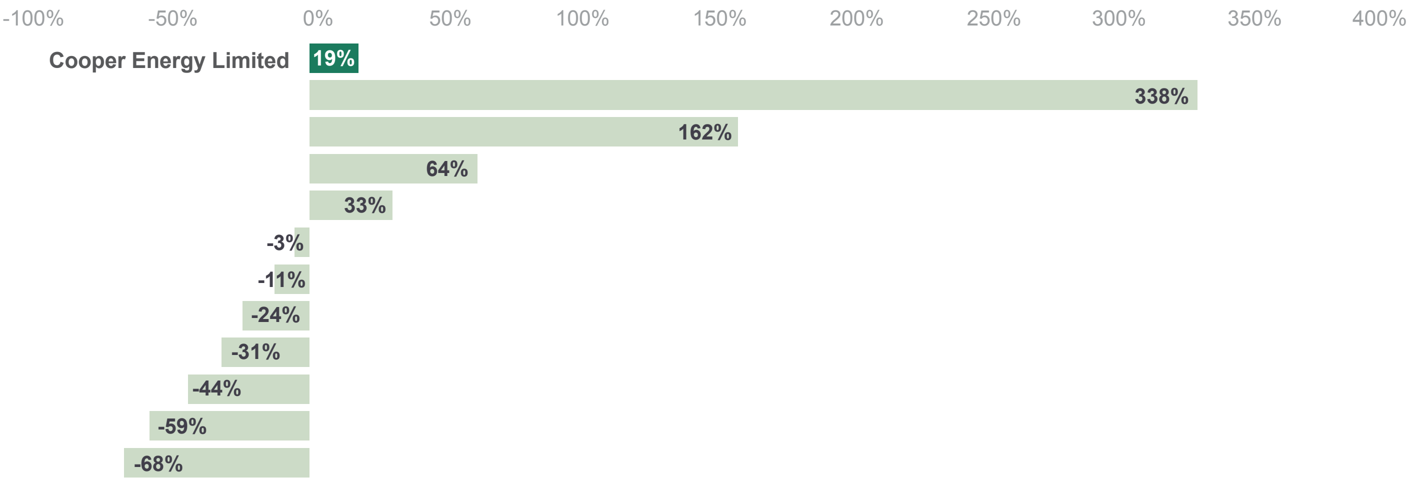
1. Managing Director, Mr Maxwell declined to accept any payment of STIP for the 2021 financial year (refer below).
2. Ms Suttell has tendered her resignation effective 30 September 2021.
3. Mr Haren commenced as an Executive KMP on 18 January 2021. His entitlement is prorated.

The Board determined an individual performance achievement level of 83% for Mr Maxwell, Managing Director. As a result, Mr Maxwell was eligible for a Cash STI payment of 21% of his maximum STI opportunity. However, Mr Maxwell has declined to accept any STI payment for FY21. The Board recognises and appreciates the leadership of the Managing Director in this regard.

4.6.4 LTIP Outcome

The Company's Relative Total Shareholder Return compared to the peer group is set out below for the LTIP grant that vested in December 2020. The base for the graph is December 2017, being the grant date of PRs and SARs that were made under the Company's Equity Incentive Plan. The terms of the Equity Incentive Plan are set out in section 4.4.5.

Share Price Performance of Cooper Energy Limited Versus Applicable Peer Group
8 December 2017 to 7 December 2020



The value of LTIP that vested in December 2020 decreased compared to December 2019. The vesting of this award in December 2020 was impacted by the performance of the Company's share price against its peers over the measurement period.

Over the three-year measurement period from 8 December 2017 to 7 December 2020, Cooper Energy's total shareholder return was 19% and it achieved a Relative Total Shareholder Return percentile rank of 57%. This resulted in a vesting outcome of 42% of all performance rights and SARs that were granted in December 2017.

4. Remuneration Report (audited) *continued*

Grants in years prior to the 2019 financial year allowed for re-testing 12 months following the end of the performance period. In FY21 grants from 8 December 2016 that vested on 7 December 2019 were subject to re-testing on 7 December 2020. However, the percentile rank was below the 50th percentile and therefore no shares vested as a result of this re-testing.

4.7 Executive KMP Employment Contracts

Each KMP has an ongoing employment contract. All KMP have termination benefits that are within the allowed limit in the *Corporations Act 2001* without shareholder approval. Contracts include the treatment of entitlements on termination in the event of resignation, with notice or for cause. The entitlements upon termination of the Managing Director and other Executive KMP's have not changed between 2020 and 2021.

Key terms for each Executive KMP are set out below:

Executive KMP	Notice by Cooper Energy	Notice by Executive KMP	Indemnity Agreement	Treatment on Termination by Cooper Energy
David Maxwell	12 months	6 months	Company provides Indemnity Agreement, Directors and Officers indemnity insurance and access to Company records.	Where the Managing Director is not employed for the full period of notice a payment in lieu may be made. A payment in lieu of notice is based on Fixed Remuneration (base salary and superannuation). Upon termination, superannuation is not paid on accrued annual leave or long service leave. Unused personal leave is not paid out and is forfeited.
Other Executive KMP	6 months	3 months	Company provides Indemnity Agreement, Directors and Officers indemnity insurance and access to Company records.	Where an Executive KMP is not employed for the full period of notice a payment in lieu may be made. A payment in lieu of notice is based on Fixed Remuneration (base salary and superannuation). Upon termination, superannuation is not paid on accrued annual leave or long service leave. Unused personal leave is not paid out and is forfeited.

4.8 2021 Remuneration Outcomes for Executive KMP

4.8.1 Remuneration realised by Executive KMP in 2021 and 2020 (not audited)

The Company believes that reporting remuneration realised by Executive KMP is useful to shareholders and provides clear and transparent disclosure of remuneration provided by the Company. The tables set out below show amounts paid to Executive KMP and the cash value of equity awards which vested during the reporting period.

This information is non-IFRS and is in addition to and different from the disclosures required by the *Corporations Act 2001* and Accounting Standards in the rest of the Remuneration Report and the tables in sections 4.8.2 and 4.9.3. The information in this section 4.8.1 is not audited.

The total benefits actually delivered during the reporting period and set out in the table below comprise the following elements:

- Fixed Annual Remuneration is base salary and superannuation (statutory and salary sacrifice);
- STIP cash payment made in October each year. The STIP paid in October 2020 (FY2021) is included in the 2021 figure. The STIP paid in October 2019 (FY2020) is included in the 2020 figure;
- LTIP realised based on the market value of PRs and SARs that vested in December 2019 & 2020 (granted in December 2016 & 2017 respectively); and
- "Other" is the value of benefits including fringe benefits tax on accommodation, car parking and other benefits.

Executive KMP	Year	Fixed Annual Remuneration[1] $	STIP[1] $	LTIP[1] $	Other $	Total $
Mr D. Maxwell	**2021**	**915,000**	**439,200**	**347,704**	**29,231**	**1,731,135**
	2020	905,247	614,363	801,800	74,755	2,396,165
Mr A. Thomas	**2021**	**470,000**	**108,570**	**106,484**	**6,011**	**691,065**
	2020	463,250	148,793	286,646	6,515	905,204
Ms V. Suttell	**2021**	**480,000**	**110,880**	**103,948**	**6,011**	**700,839**
	2020	472,500	161,743	-	6,515	640,758
Ms A. Jalleh[2]	**2021**	**390,000**	**87,210**	**-**	**6,011**	**483,221**
	2020	347,532	-	-	35,535	383,067

4. Remuneration Report (audited) *continued*

Executive KMP	Year	Fixed Annual Remuneration[1] $	STIP[1] $	LTIP[1] $	Other $	Total $
Mr I. MacDougall	**2021**	**460,000**	**98,325**	**106,484**	**6,011**	**670,820**
	2020	453,750	131,075	274,891	6,515	866,231
Mr E. Glavas	**2021**	**425,000**	**98,175**	**95,075**	**6,011**	**624,261**
	2020	417,500	132,671	204,299	6,515	760,985
Mr M. Jacobsen	**2021**	**460,000**	**102,293**	**106,484**	**508**	**669,285**
	2020	453,750	121,721	-	536	576,007
Mr A. Haren[3]	**2021**	**134,019**	**-**	**-**	**196**	**134,215**
	2020	-	-	-	-	-

1. Amounts above include adjustments for unpaid leave where applicable.
2. Ms Jalleh commenced as an Executive KMP on 9 August 2019 and her entitlements for 2020 are prorated.
3. Mr Haren commenced as an Executive KMP on 18 January 2021 and his entitlements for 2021 are prorated.

4.8.2 Table of Executive KMP Statutory Remuneration Disclosure for 2021 and 2020 financial years

		Benefits						
		Short-term			Long-term	Post Employment[(c)]	Share Based Remuneration[(e)]	
		Base Salary	STIP[(a)]	Other Short-term Benefits[(b)]	Long Service Leave	Superannuation[(d)]	LTIP	Total
Executive KMP		$	$	$	$	$	$	$
Mr D. Maxwell	**2021**	**893,306**	**-**	**29,231**	**23,293**	**21,694**	**739,698**	**1,707,222**
	2020	884,245	510,298	74,755	17,601	21,003	762,633	2,270,535
Mr A. Thomas	**2021**	**448,306**	**40,361**	**6,011**	**11,618**	**21,694**	**259,730**	**787,720**
	2020	442,247	123,270	6,515	16,993	21,003	258,707	868,735
Ms V. Suttell	**2021**	**458,306**	**41,220**	**6,011**	**12,591**	**21,694**	**263,153**	**802,975**
	2020	451,497	136,412	6,515	35,691	21,003	219,540	870,658
Ms A. Jalleh[(f)]	**2021**	**368,306**	**47,678**	**6,011**	**-**	**21,694**	**116,690**	**560,379**
	2020	328,279	87,210	35,535	-	19,252	41,231	511,507
Mr I. MacDougall	**2021**	**438,306**	**35,535**	**6,011**	**11,601**	**21,694**	**255,246**	**768,393**
	2020	432,747	97,729	6,515	10,572	21,003	254,572	823,138
Mr E. Glavas	**2021**	**403,306**	**36,497**	**6,011**	**10,653**	**21,694**	**233,449**	**711,610**
	2020	396,497	111,282	6,515	5,257	21,003	224,387	764,941
Mr M. Jacobsen	**2021**	**438,306**	**35,535**	**508**	**-15,211**	**21,694**	**255,246**	**736,078**
	2020	432,747	92,343	536	17,017	21,003	216,800	780,446
Mr A. Haren[(g)]	**2021**	**123,367**	**12,526**	**196**	**-**	**10,652**	**-**	**146,741**
	2020	-	-	-	-	-	-	-

a) The STIP values noted for 2020 include an under/over accrual representing the difference between the prior period accrual and what was actually paid in respect of that year. Refer to 4.6.3 for STIP amount earned in FY21 which will be paid in FY22.

b) Other short-term benefits include fringe benefits on accommodation, car parking and other benefits. Other short term benefits such as short-term compensated absences, short-term cash profit-sharing and other bonuses are not applicable to Executive KMP in FY21.

4. Remuneration Report (audited) *continued*

c) Superannuation is the only applicable post-employment benefit ie. no pension or similar benefits for Executive KMP.

d) Superannuation includes the amounts required to be contributed by the Company and does not include amounts salary sacrificed.

e) In accordance with the requirements of the Accounting Standards, remuneration includes a proportion of the value of the equity-linked compensation determined as at the grant date of the PRs and progressively expensed over the vesting period. The amount allocated as remuneration is not relative to or indicative of the actual benefit (if any) that may ultimately be realised should the equity instruments vest. The value of the PRs was determined in accordance with AASB 2 Share-based Payments and is discussed in Section 4.8.3 below and in more detail in Note 27 of the Notes to the Financial Statements.

f) Ms Jalleh commenced as an Executive KMP on 9 August 2019 and her entitlements for 2020 are prorated.

g) Mr Haren commenced as an Executive KMP on 18 January 2021 and his entitlements for 2021 are prorated.

No cash-settled share-based payment transactions or other forms of share-based payment compensation (including hybrids) were made by the Company.

4.8.3 Performance Rights and Share Appreciation Rights accounting for the reporting period

The value of the PRs and SARs issued under the Equity Incentive Plan is recognised as Share Based Payments in the Company's statement of comprehensive income and amortised over the vesting period. PRs and SARs were granted under the Equity Incentive Plan on 10 December 2020. The PRs and SARs were granted for no consideration and the employee received no cash benefit at the time of receiving the rights. The cash benefit will be received by the employee following the sale of the resultant shares, which can only be achieved after the rights have been vested and the shares are issued.

PRs and SARs granted under the Equity Incentive Plan were valued by an independent consultant who applied the Monte Carlo simulation model to determine the probability of achievement of the Relative Total Shareholder Return against performance conditions.

The value of PRs and SARs shown in the tables below are the accounting fair values for grants in the reporting period:

	Performance Rights (Equity Incentive Plan)				Share Appreciation Rights (Equity Incentive Plan)			
	No. of rights granted during period	Fair value of rights at grant date	No. of rights vested during period	% of rights vested to 30 June 2021	No. of rights granted during period	Fair value of rights at grant date	No. of rights vested during period	% of rights vested to 30 June 2021
Directors								
Mr D. Maxwell	1,310,888	335,587	689,529	43%	4,197,247	457,500	1,731,761	41%
Executive KMP								
Mr A. Thomas	471,346	120,665	211,168	43%	1,509,174	164,500	530,351	41%
Ms V. Suttell	481,375	123,232	206,140	13%	1,541,284	168,000	517,724	11%
Ms A. Jalleh	391,117	100,126	-	0%	1,252,293	136,500	-	0%
Mr I. MacDougall	461,318	118,097	211,168	43%	1,477,064	161,000	530,351	41%
Mr E. Glavas	426,217	109,112	188,543	39%	1,364,678	148,750	473,528	37%
Mr M. Jacobsen	461,318	118,097	211,168	13%	1,477,064	161,000	530,351	11%
Mr A. Haren[1]	-	-	-	0%	-	-	-	0%

1. Mr Haren commenced as an Executive KMP on 18 January 2021.

The vesting date of the PRs granted on 10 December 2020 is 10 December 2023. The fair value of these rights is $0.256 per right and the share price on grant date was $0.39. The performance period for these PRs commenced on 10 December 2020.

The vesting date of the SARs granted on 10 December 2020 is 10 December 2023. The fair value of these rights is $0.109 per right and the share price on grant date was $0.39. The performance period for these SARs commenced on 10 December 2020.

4. Remuneration Report (audited) *continued*

4.8.4 Movement in Incentive Rights

The movement during the reporting period in the number of Performance Rights (**PRs**) granted but not exercisable over ordinary shares in Cooper Energy held, directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

Performance Rights (Equity Incentive Plan)	Held at 1 July 2020	Granted	Lapsed	Vested & Exercised	Held at 30 June 2021
Directors					
Mr D. Maxwell[1]	3,989,401	1,310,888	623,503	689,529	3,987,257
Mr H. Gordon[2]	180,683	-	180,683	-	-
Executive KMP					
Mr A. Thomas	1,347,249	471,346	222,905	211,168	1,384,522
Ms V. Suttell	1,123,912	481,375	-	206,140	1,399,147
Ms A. Jalleh	228,260	391,117	-	-	619,377
Mr I. MacDougall	1,325,895	461,318	213,764	211,168	1,362,281
Mr E. Glavas	1,165,599	426,217	158,869	188,543	1,244,404
Mr M. Jacobsen	1,112,131	461,318	-	211,168	1,362,281
Mr A. Haren[3]	-	-	-	-	-

1. As a consequence of the Equity Incentive Plan amendments approved by shareholders at the Company's Annual General Meeting held on 7 November 2019 (see note below), the terms of the PRs held by Mr Maxwell at 1 July 2019 were also amended.
2. PRs were granted to Mr Gordon when he was an Executive Director.
3. Mr Haren commenced as an Executive KMP on 18 January 2021.

The terms of the PRs held at 1 July 2019 were amended following shareholder approval at the Company's Annual General Meeting held on 7 November 2019 to provide that "good leavers" would retain rights held upon cessation of employment, subject to a Board discretion to determine otherwise. Rights were also amended to provide for pro-rata vesting of rights upon a change of control event on the basis of the proportion of the relevant performance period that has elapsed.

The movement during the reporting period in the number of Share Appreciation Rights (**SARs**) granted but not exercisable over ordinary shares in Cooper Energy held, directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

Share Appreciation Rights (Equity Incentive Plan)	Held at 1 July 2020	Granted	Lapsed	Vested & Exercised[4]	Held at 30 June 2021
Directors					
Mr D. Maxwell[1]	11,044,509	4,197,247	1,610,399	1,731,761	11,899,596
Mr H. Gordon[2]	466,672	-	466,672	-	-
Executive KMP					
Mr A. Thomas	3,752,327	1,509,174	575,723	530,351	4,155,427
Ms V. Suttell	3,182,631	1,541,284	-	517,724	4,206,191
Ms A. Jalleh	797,387	1,252,293	-	-	2,049,680
Mr I. MacDougall	3,690,768	1,477,064	552,114	530,351	4,085,367
Mr E. Glavas	3,256,857	1,364,678	410,330	473,528	3,737,677
Mr M. Jacobsen	3,138,654	1,477,064	-	530,351	4,085,367
Mr A. Haren[3]	-	-	-	-	-

1. As a consequence of the Equity Incentive Plan amendments approved by shareholders at the Company's Annual General Meeting held on 7 November 2019 (see note below), the terms of the SARs held by Mr Maxwell at 1 July 2019 were also amended.
2. SARs were granted to Mr Gordon when he was an Executive Director.
3. Mr Haren commenced as an Executive KMP on 18 January 2021.
4. SARs represent the right to receive a quantity of shares based on an amount equal to the difference in share price at grant date and test date.

4. Remuneration Report (audited) *continued*

The terms of the SARs held at 1 July 2019 were amended following shareholder approval at the Company's Annual General Meeting held on 7 November 2019 to provide that "good leavers" would retain rights held upon cessation of employment, subject to a Board discretion to determine otherwise. Rights were also amended to provide for pro-rata vesting of rights upon a change of control event on the basis of the proportion of the relevant performance period that has elapsed.

4.9 Nature of Non-Executive Director remuneration

Non-Executive Directors are remunerated solely by way of fees and statutory superannuation. Their remuneration is reviewed annually to ensure that the fees reflect their responsibilities and the demands placed on them. Non-Executive Directors do not receive any performance-related remuneration.

4.9.1 Non-Executive Director Fee Structure

The maximum aggregate remuneration pool for Non-Executive Directors, as approved by shareholders at the Company's 2018 Annual General Meeting, is $1.25 million. The Non-Executive Directors' fee structure for the reporting period was as follows:

Role	Board	Audit Committee	Risk & Sustainability Committee	People & Remuneration Committee	Governance & Nomination Committee
Chairman*	$240,000	$20,000	$20,000	$20,000	$0
Member	$115,000	$10,000	$10,000	$10,000	$5,000

*Where the Chairman of the Board is a member of a committee, he will not receive any additional committee fees.

In August 2021, the role of the Nomination Committee has been expanded to incorporate governance, and therefore the Committee has been renamed the Governance & Nomination Committee. Annual fees for this Committee will be brought into line with the other Committees effective August 2021.

Remuneration paid to the Non-Executive Directors for the reporting period and for the previous reporting period is shown in the table in Section 4.9.3.

The Company has entered into written letters of appointment with its Non-Executive Directors. The term of the appointment of a Non-Executive Director is determined in accordance with the Company's Constitution and is subject to the provisions of the Constitution dealing with retirement, re-election and removal of Non-Executive Directors. The Constitution provides that all Non-Executive Directors of the Company are subject to re-election by shareholders by rotation every three years.

The Company has entered into indemnity, insurance and access agreements with each of the Non-Executive Directors under which the Company will, on the terms set out in the agreement, provide an indemnity, maintain an appropriate level of Directors' and Officers' indemnity insurance and provide access to Company records.

Note that Ms Alice Williams stepped down from the Board effective 12 November 2020, and Ms Giselle Collins has been appointed to the Board as a non-executive director, effective 19 August 2021 (subject to confirmation by shareholders at the Company's 2021 AGM).

4. Remuneration Report (audited) *continued*

4.9.2 Directors & Executives movement in shares

The movement during the reporting period in the number of ordinary shares in Cooper Energy held, directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

	Held at 1 July 2020	Purchases	Received on vesting of PRs & SARs	Sales	Held at 30 June 2021
Directors[1]					
Mr J. Conde AO	859,093	-	-	-	859,093
Mr D. Maxwell	18,874,365	155,000	970,721	-	20,000,086
Ms E. Donaghey	160,000	420,000	-	-	580,000
Mr H. Gordon	3,096,138	-	-	1,350,000	1,746,138
Mr J. Schneider	1,016,594	-	-	-	1,016,594
Ms V. Binns	-	322,857	-	-	322,857
Mr T. Bednall	44,499	88,000	-	-	132,499
Executive KMP					
Mr A. Thomas	4,850,025	-	297,283	-	5,147,308
Ms V. Suttell[2]	40,600	42,000	290,204	-	372,804
Ms A. Jalleh	-	-	-	-	-
Mr I. MacDougall	3,176,844	-	297,283	-	3,474,127
Mr E. Glavas	2,083,772	-	265,431	925,000	1,424,203
Mr M. Jacobsen	-	-	297,283	-	297,283
Mr A. Haren[3]	-	-	-	-	-

1. Ms Williams stepped down from the Board effective 12 November 2020.
2. In FY21 Ms Suttell became a trustee of a superannuation fund that holds 42,000 shares and is one of the potential beneficiaries of that trust.
3. Mr Haren commenced as an Executive KMP on 18 January 2021.

Options

No options were issued (or forfeited) during the year.

4. Remuneration Report (audited) *continued*

4.9.3 Table of Directors' remuneration for 2021 and 2020 financial years

		Benefits						
		Short-term			Long Term	Post Employment	Share Based Remuneration[d]	
		Base Salary & Fees	STIP[a]	Other Short-term Benefits[b]	Long Service Leave	Superannuation[c]	LTIP	Total
Directors		**$**	**$**	**$**	**$**	**$**	**$**	**$**
Mr J. Conde AO	**2021**	**219,178**	**-**	**-**	**-**	**20,822**	**-**	**240,000**
	2020	219,178	-	-	-	20,822	-	240,000
Mr D. Maxwell	**2021**	**893,306**	**-**	**29,231**	**23,293**	**21,694**	**739,698**	**1,707,222**
	2020	884,245	510,298	74,755	17,601	21,003	762,633	2,270,535
Ms E. Donaghey	**2021**	**131,659**	**-**	**-**	**-**	**12,508**	**-**	**144,167**
	2020	137,131	-	-	-	13,027	-	150,158
Mr H. Gordon[e]	**2021**	**132,420**	**-**	**-**	**-**	**12,580**	**-**	**145,000**
	2020	136,225	-	-	-	12,941	31,926	181,092
Mr J. Schneider	**2021**	**136,986**	**-**	**-**	**-**	**13,014**	**-**	**150,000**
	2020	136,986	-	-	-	13,014	-	150,000
Ms V. Binns[f]	**2021**	**138,204**	**-**	**-**	**-**	**13,129**	**-**	**151,333**
	2020	40,335	-	-	-	3,832	-	44,167
Mr T. Bednall[f]	**2021**	**130,137**	**-**	**-**	**-**	**12,363**	**-**	**142,500**
	2020	30,863	-	-	-	2,932	-	33,795
Ms A. Williams[g]	**2021**	**48,724**	**-**	**-**	**-**	**4,629**	**-**	**53,353**
	2020	136,225	-	-	-	12,941	-	149,166

a) The STIP values noted for 2020 include an under/over accrual representing the difference between the prior period accrual and what was actually paid in respect of that year. Refer to 4.6.3 for STIP amount earned in FY21 which will be paid in FY22.

b) Other short-term benefits include fringe benefits on accommodation, car parking and other benefits.

c) Superannuation includes the amounts required to be contributed by the Company and does not include amounts salary sacrificed.

d) In accordance with the requirements of the Accounting Standards, remuneration includes a proportion of the value of the equity-linked compensation determined as at the grant date of the PRs and progressively expensed over the vesting period. The amount allocated as remuneration is not relative to or indicative of the actual benefit (if any) that may ultimately be realised should the equity instruments vest. The value of the PRs was determined in accordance with AASB 2 Share-based Payments and is discussed in Section 4.8.3 above and in more detail in Note 27 of the Notes to the Financial Statements.

e) The LTIP value noted for 2020 relates to PRs and SARs which were granted to Mr Gordon when he was an Executive Director.

f) Ms Binns and Mr Bednall were each appointed to casual vacancies as Non-Executive Directors in March 2020. In each case their remuneration for 2020 has been prorated.

g) Ms Williams stepped down from the Board effective 12 November 2020.

End of remuneration report.

5. Principal activities

Cooper Energy is an upstream oil and gas exploration and production company whose primary purpose is to secure, find, develop, produce and sell hydrocarbons. These activities are undertaken either solely or via unincorporated joint ventures. There was no significant change in the nature of these activities during the year.

6. Operating and Financial Review

Information on the operations and financial position of Cooper Energy and its business strategies and prospects is set out in the Operating and Financial Review.

7. Dividends

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of dividends since the end of the previous financial year, or to the date of this report.

8. Environmental regulation

The Company is a party to various production, exploration and development licences or permits. In most cases, the licence or permit terms specify the environmental regulations applicable to oil and gas operations in the respective jurisdiction. The Group aims to ensure that it complies with the identified regulatory requirements in each jurisdiction in which it operates. There have been no significant known breaches of the environmental obligations of the Group's licences or permits.

9. Likely developments

Other than disclosed elsewhere in the Financial Report (including the Operating and Financial Review under the heading "Outlook"), further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would likely result in unreasonable prejudice to the consolidated entity.

10. Directors' interests

The relevant interest of each Director in ordinary shares and options over shares issued by the parent entity as notified by the Directors to the Australian Stock Exchange in accordance with S205G(1) of the *Corporations Act 2001*, at the date of this reports is as follows:

	Ordinary Shares[1]	Performance Rights	Share Appreciation Rights
Mr J. Conde AO	859,093	Nil	Nil
Mr D. Maxwell	20,000,086	3,987,257	11,899,596
Mr T. Bednall	132,499	Nil	Nil
Ms V. Binns	322,857	Nil	Nil
Ms E. Donaghey	580,000	Nil	Nil
Mr H. Gordon	1,746,138	Nil	Nil
Mr J. Schneider	1,016,594	Nil	Nil
Ms A. Williams[2]		Nil	Nil

1. Ms Giselle Collins has been appointed to the Board as a non-executive director, effective 19 August 2021 (subject to confirmation by shareholders at the Company's 2021 AGM). Ms Collins was therefore not a Director during the reporting period.
2. Ms Williams stepped down from the Board effective 12 November 2020.

11. Share options and rights

At the date of this report, there are no unissued ordinary shares of the parent entity under option.

At the date of this report, there are 20,919,555 outstanding PRs and 57,433,406 SARs under the Equity Incentive Plan approved by shareholders at the 2019 AGM.

During the financial year 4,378,707 shares were issued as a result of PRs and SARs exercised. At the date of this report, no PRs have vested and been exercised subsequent to 30 June 2021.

12. Events after financial reporting date

Refer to Note 30 of the Notes to the Financial Statements.

13. Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of the proceedings.

14. Indemnification and insurance of directors and officers

14.1 Indemnification

The parent entity has agreed to indemnify the current Directors and Officers, and past Directors and Officers, of the parent entity and its subsidiaries, where applicable, against all liabilities (subject to certain limited exclusions) to persons (other than the parent entity and its subsidiaries) which arise out of the performance of their normal duties as a Director or Officer, unless the liability relates to conduct involving a lack of good faith. The parent entity has agreed to indemnify the Directors and Officers against all costs and expenses (other than certain excluded legal costs) incurred in defending an action that falls within the scope of the indemnity and any resulting payments.

14.2 Insurance premiums

During the financial year, the parent entity has paid insurance premiums in respect of Directors' and Officers' liability and legal insurance contracts for current and former Directors and Officers of the parent entity. The insurance contracts relate to costs and expenses incurred by the relevant Directors and Officers in defending proceedings, whether civil or criminal and whatever their outcome and other liabilities that may arise from their position, with exceptions including conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage. The insurance contracts outlined above do not contain details of premiums paid in respect of individual Directors or Officers of the parent entity.

15. Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount) except in the case where the claim arises because of Ernst & Young's negligent, wrongful or wilful acts or omissions. No payment has been made to indemnify Ernst & Young during or since the financial year.

16. Auditor's independence declaration

The auditor's independence declaration is set out on page 90 and forms part of the Directors' report for the financial year ended 30 June 2021.

17. Non-audit services

The amounts paid and payable to the auditor of the Group, Ernst & Young and its related practices for non-audit services provided during the year was $48,300 (2020: $187,915). The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

18. Rounding

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016 and in accordance with that Legislative Instrument, amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of the Directors.

Mr John C. Conde AO	Mr David P. Maxwell
Chairman	**Managing Director**

Dated at Adelaide 23 August 2021

Cooper Energy Limited
and its controlled entities

FINANCIAL STATEMENTS

For the year ended 30 June 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2021

	Notes	2021 $'000	2020 $'000
Revenue from oil and gas sales	2	**131,734**	78,139
Cost of sales	2	**(117,649)**	(54,520)
Gross profit		**14,085**	23,619
Other income	2	**7,181**	19,828
Other expenses	2	**(41,225)**	(147,546)
Finance income	19	**542**	1,728
Finance costs	19	**(14,054)**	(7,587)
Loss before tax		**(33,471)**	(109,958)
Income tax benefit	3	**9,158**	25,575
Petroleum Resource Rent Tax expense	3	**(5,724)**	(1,646)
Total tax benefit		**3,434**	23,929
Loss after tax for the period attributable to shareholders		**(30,037)**	(86,029)
Other comprehensive income/(expenditure)			
Items that will be reclassified subsequently to profit or loss			
Reclassification during the period to profit or loss of realised hedge settlements		**-**	(1,173)
Fair value movements on interest rate swaps accounted for in a hedge relationship		**-**	2,140
Income tax effect on fair value movement on derivative financial instrument		**-**	(383)
Items that will not be reclassified subsequently to profit or loss			
Fair value movement on equity instruments at fair value through other comprehensive income	20	**(688)**	(690)
Other comprehensive income/(expenditure) for the period net of tax		**(688)**	(106)
Total comprehensive loss for the period attributable to shareholders		**(29,349)**	(86,135)
		Cents	Cents
Basic loss per share	4	**(1.8)**	(5.3)
Diluted loss per share	4	**(1.8)**	(5.3)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Notes	2021 $'000	2020 $'000
Assets			
Current Assets			
Cash and cash equivalents	5	**91,308**	131,583
Trade and other receivables	6	**32,105**	19,996
Prepayments	7	**11,893**	6,106
Inventory	8	**950**	822
Total Current Assets		**136,256**	158,507
Non-Current Assets			
Other financial assets	21	**10,964**	21,533
Property, plant and equipment	11	**33,217**	16,366
Intangible assets	12	**2,059**	1,878
Right-of-use assets	17	**8,625**	9,738
Exploration and evaluation assets	13	**159,443**	159,078
Oil and gas assets	14	**570,178**	615,980
Deferred tax asset	3	**55,993**	46,835
Total Non-Current Assets		**840,479**	871,408
Exploration assets classified as held for sale	10	**1,807**	–
Total Assets		**978,542**	1,029,915
Liabilities			
Current Liabilities			
Trade and other payables	9	**34,374**	21,183
Provisions	16	**10,453**	19,902
Lease liabilities	17	**1,141**	1,045
Interest bearing loans and borrowings	18	**60,000**	26,000
Total Current Liabilities		**105,968**	68,130
Non-Current Liabilities			
Provisions	16	**356,093**	374,671
Lease liabilities	17	**10,863**	12,004
Interest bearing loans and borrowings	18	**158,000**	203,438
Other financial liabilities	21	**3,582**	3,642
Deferred Petroleum Resource Rent Tax Liability	3	**17,083**	16,948
Total Non-Current Liabilities		**545,621**	610,703
Exploration assets classified as held for sale	10	**1,157**	–
Total Liabilities		**652,746**	678,833
Net Assets		**325,796**	351,082
Equity			
Contributed equity	20	**477,675**	475,862
Reserves	20	**14,118**	11,180
Accumulated losses	20	**(165,997)**	(135,960)
Total Equity		**325,796**	351,082

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

	Notes	Issued Capital $'000	Reserves $'000	Accumulated Losses $'000	Total Equity $'000
Balance at 1 July 2020		**475,862**	**11,180**	**(135,960)**	**351,082**
Loss for the period		**-**	**-**	**(30,037)**	**(30,037)**
Other comprehensive expenditure		**-**	**688**	**-**	**688**
Total comprehensive loss for the period		**-**	**688**	**(30,037)**	**(29,349)**
Transactions with owners in their capacity as owners:					
Share based payments	20	**-**	**4,063**	**-**	**4,063**
Transferred to issued capital	20	**1,813**	**(1,813)**	**-**	**-**
Balance as at 30 June 2021		**477,675**	**14,118**	**(165,997)**	**325,796**
Balance at 1 July 2019		474,397	9,247	(49,931)	433,713
Loss for the period		-	-	(86,029)	(86,029)
Other comprehensive expenditure		-	(106)	-	(106)
Total comprehensive gain for the period		-	(106)	(86,029)	(86,135)
Transactions with owners in their capacity as owners:					
Share based payments	20	-	3,504	-	3,504
Transferred to issued capital	20	1,465	(1,465)	-	-
Balance as at 30 June 2020		475,862	11,180	(135,960)	351,082

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

	Notes	2021 $'000	2020 $'000
Cash Flows from Operating Activities			
Receipts from customers		**119,075**	98,327
Payments to suppliers and employees		**(84,314)**	(49,532)
Payments for restoration		**(5,324)**	(2,544)
Petroleum Resource Rent Tax (paid)/refund		**(11,130)**	4,112
Interest received		**548**	1,248
Interest paid		**(10,796)**	(3,549)
Net cash from operating activities	5	**8,059**	48,062
Cash Flows from Investing Activities			
Payments for property, plant and equipment		**(17,820)**	(5,947)
Payments for intangibles		**(1,683)**	(2,018)
Payments for exploration and evaluation		**(5,668)**	(35,057)
Payments for oil and gas assets		**(9,405)**	(38,703)
Interest paid		**-**	(9,665)
Net cash flows used in investing activities		**(34,576)**	(91,390)
Cash Flows from Financing Activities			
Repayment of principal portion of lease liabilities	5	**(1,045)**	(698)
(Repayment of)/Proceeds from borrowings	5	**(11,438)**	11,284
Transaction costs associated with borrowings		**-**	(257)
Net cash flow from financing activities		**(12,483)**	10,329
Net (decrease)/increase in cash held		**(39,000)**	(32,999)
Net foreign exchange differences		**(1,275)**	293
Cash and cash equivalents at 1 July		**131,583**	164,289
Cash and cash equivalents at 30 June	5	**91,308**	131,583

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

Corporate information

The consolidated financial report of Cooper Energy Limited and its controlled entities ("Cooper Energy" or "the Group") for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the Directors on 23 August 2021. Cooper Energy Limited is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the Directors' Statutory Report and Note 1.

Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial report has also been prepared on a historical cost basis, except for equity instruments measured at fair value through other comprehensive income and derivative financial instruments measured at fair value through profit and loss.

The financial report is presented in Australian dollars and under the option available to the Group under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated.

Australian Dollars is the functional currency of Cooper Energy Limited and all of its subsidiaries. Transactions in foreign currencies are initially recorded in the functional currency of the transacting entity at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the rates of exchange ruling at that date. Exchange differences in the consolidated financial statements are taken to the income statement.

A global pandemic was declared in March 2020 in relation to COVID-19. Further information on the Group's response to COVID-19 has been included within the Operating and Financial Review.

Going concern basis

The consolidated financial statements have been prepared on the basis that the Group is a going concern, which contemplates continuity of normal operations and the realisation of assets and settlement of liabilities in the ordinary course of business.

At the date of this report, it is the directors' view that there are reasonable grounds to believe that the Group will continue as a going concern, having considered the matters set out below in the section titled Significant accounting judgements, estimates and assumptions "Funding and liquidity and progress towards Practical Completion of the Sole Gas Project".

Basis of consolidation

The consolidated financial statements are those of the consolidated entity, comprising Cooper Energy Limited ("the parent entity") and its controlled entities ("Cooper Energy" or "the Group").

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. All inter-company balances and transactions, income and expenses and profit and losses arising from intra-group transactions, have been eliminated in full.

Subsidiaries are consolidated from the date on which the Group gains control of the subsidiary and cease to be consolidated from the date on which the Group ceases to control the subsidiary.

Significant accounting judgements, estimates and assumptions

Subsidiaries are consolidated from the date on which the Group gains control of the subsidiary and cease to be consolidated from the date on which the Group ceases to control the subsidiary.

Note 3	Income tax	Note 16	Provisions	Note 27	Share based payments
Note 14	Oil and gas assets	Note 17	Leases		
Note 15	Impairment	Note 22	Interests in joint arrangements		

Judgements, estimates and assumptions which are material to the overall financial statements are below:

Significant Accounting Judgements, Estimates and Assumptions

Determination of recoverable hydrocarbons

Estimates of recoverable hydrocarbons impact the asset impairment assessment, depreciation and amortisation rates and decommissioning and restoration provisions.

Estimates of recoverable hydrocarbons are evaluated and reported by qualified petroleum reserves and resources evaluators in accordance with the ASX Listing Rules and the Group's Hydrocarbon Guidelines (www.cooperenergy.com.au/our-company/corporate-governance-and-policies/hydrocarbon-reporting-policy). A technical understanding of the geological and engineering processes enables the recoverable hydrocarbon estimates to be determined by using forecasts of production, commodity prices, production costs, exchange rates, tax rates and discount rates.

Recoverable hydrocarbon estimates may change from time to time if any of the forecast assumptions are revised.

Significant accounting judgements, estimates and assumptions *continued*

Significant Accounting Judgements, Estimates and Assumptions

Funding and liquidity and progress towards Practical Completion of the Sole Gas Project

Completion of commissioning of the Orbost Gas Processing Plant (OGPP) to process Sole gas by the APA Group remains outstanding and is yet to meet the contracted performance standards for practical completion, which include demonstrated capacity to supply 68 TJ/day of Sole gas into the Eastern Gas Pipeline. Foaming and fouling in the absorber section of the plant has impaired output rates from the OGPP.

APA and Cooper Energy entered into a Transition Agreement (TA) which establishes the commercial framework for addressing issues with performance of the OGPP, commencement of the Sole Gas Sale Agreements (GSAs) over December 2020 and January 2021 and the basis to collaboratively improve plant performance and hence progress towards Practical Completion of the OGPP. The agreement provides for the commencement of the term GSAs, payment of the processing tariff to APA for Sole gas processed for the GSAs and the sharing of revenue, operating and capital costs attributable to spot gas sales until Practical Completion or expiry. Cooper Energy has put in place supplementary supply arrangements to fulfil gas customer supply obligations if required. In April 2021, the TA was extended by 12 months until 1 May 2022.

Substantial root cause analysis and capital works have been undertaken over a number of months and are ongoing in order to address the production capacity issues as communicated to the market. Whilst gas processing and servicing of the Sole GSAs has commenced, APA is continuing absorber testing and commissioning, including undertaking further capital works at the plant to install solids removal equipment and changing of the liquid distributor within each absorber.

Cooper Energy's development of the Sole gas field was funded through the Company's Reserve Based Lending facility (RBL). The syndicate holds security over the Company's 2P Reserves and GSAs. The date for Scheduled Project Completion as well as the "long-stop" date being 90 days following Scheduled Project Completion Date set out in the RBL was adjusted, with agreement reached in June 2021 on amendments. The amendments include realignment of principal repayments through to expiry of the Transition Agreement on 1 May 2022 and re-sculpting of repayments through to maturity in 2024. The amendments align the RBL with a re-based production level of 40 - 45 TJ/day for the Orbost Gas Processing Plant, including a revised completion test. Cooper Energy and the lenders continue to have a productive relationship and negotiate practical resolutions to the technical OGPP issues being addressed above. As at the date of the report, the Group has met and continues to meet all the requirements under the RBL including covenant requirements The facility requires Cooper Energy to meet financial covenants and information and general undertakings and allows for a Review Event under certain circumstances.

The uncertainties associated with the progress to Practical Completion of the OGPP have required management to make significant accounting judgments and estimates.

Impacts on going concern basis and interest-bearing loans and borrowings:

The Group holds significant cash balances of $91.3 million and has drawn debt of $218.0 million as at the end of the reporting period. All debt covenants have been complied with to the date of this report. Cash flow forecasts for the Group, inclusive of the impact of the TA and under various reasonably likely scenarios that have been modelled, indicate that the Group can continue to meet its obligations and commitments including servicing debt for at least the next 12 months from the date of this report under the existing RBL facility. There is judgment involved in assessing the cash flows post Practical Completion. The directors continue to believe that the lenders will continue to negotiate in good faith as the Practical Completion issues are resolved. Under the reasonably possible scenarios modelled, the Group maintains at all times, the liquidity levels required under the RBL facility.

The consolidated financial statements have been prepared on the basis that the Group is a going concern, which contemplates continuity of normal operations and the realisation of assets and settlement of liabilities in the ordinary course of business.

New accounting standards and interpretations

New standards, interpretations and amendments thereof, adopted by the Group

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the 2021 financial year.

Accounting standards, amendments and interpretations applicable on 1 July 2020 have had no material impact on the Group's financial statements.

Accounting standards and interpretations issued but not yet effective

The accounting standards and interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ending 30 June 2021, are outlined below:

AASB 2021-5	Amendments to AASs – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Summary	AASB 112 Income Taxes requires entities to account for income tax consequences when economic transactions take place, and not at the time when income tax payments or recoveries are made. Accounting for such tax consequences, means entities need to consider the differences between the tax rules and the accounting standards. This amendment requires entities to also recognise deferred tax for all temporary differences related to leases, decommissioning, restoration and similar liabilities at the beginning of the earliest comparative period presented.
Application Date of the Standard	1 January 2023
Impact on Consolidated Financial Statements	The impact of this accounting standard amendment on the Group is yet to be determined.

New accounting standards and interpretations *continued*

AASB 2020-3	Amendments to AASB 116 – Property Plant and Equipment: Proceeds before Intended Use
Summary	The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.
Application Date of the Standard	1 January 2022
Impact on Consolidated Financial Statements	The impact of this accounting standard amendment on the Group is yet to be determined.

Notes to the financial statements

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the Group. They include applicable accounting policies applied and significant judgements, estimates and assumptions made. Specific accounting policies are disclosed in the respective notes to the financial statements.

The notes are organised into the following sections:

Group performance	Provides additional information regarding financial statement lines that are most relevant to explaining the Group's performance during the period.
Working capital	Provides additional information regarding financial statement lines that are most relevant to explaining the assets used to generate the Group's trading performance during the period.
Capital employed	Provides additional information regarding financial statement lines that are most relevant to explaining the capital investments made that allows the Group to generate its operating result during the period and liabilities incurred as a result.
Funding and risk management	Provides additional information regarding financial statement lines that are most relevant to explaining the Group's funding sources. This section also provides information relating to the Group's exposure to various financial risks, its impact on the financial position and performance of the Group and how these risks are managed.
Group structure	Summarises how the group structure affects the financial position and performance of the Group as a whole.
Other information	Includes other information that is disclosed to comply with relevant accounting standards and other pronouncements, but is not directly related to the individual line items in the financial statement.

Group Performance

1. Segment reporting

Identification of reportable segments and types of activities

The Group identified its reportable segments to be Cooper Basin, South-East Australia (based on the nature and geographic location of the assets) and Corporate and Other. This forms the basis of internal Group reporting to the Managing Director who is the chief operating decision maker for the purpose of assessing performance and allocating resources between each segment. Revenue and expenses are allocated by way of their natural expense and income category.

Other prospective opportunities are also considered from time to time and, if they are secured, will then be attributed to the segment where they are located, or a new segment will be established.

The following are reportable segments:

Cooper Basin

Exploration and evaluation of oil and gas and production and sale of crude oil in the Group's permits within the Cooper Basin. Revenue is derived from the sale of crude oil to IOR Energy Pty Ltd and a consortium of buyers made up of Santos Limited (and its subsidiaries), Delhi Petroleum Pty Ltd and Beach Energy (Operations) Limited.

South-East Australia

The South-East Australia segment primarily consists of the Sole Gas Project, the operated Casino Henry producing gas assets and Athena Gas Plant, the Manta Gas Project, and the non-operated depleted Minerva field. Revenue is derived from the sale of gas and condensate to four customers. The segment also includes exploration and evaluation and care and maintenance activities ongoing in the Otway and Gippsland basins.

1. Segment reporting *continued*

Corporate and Other

The Corporate segment includes the revenue and costs associated with the running of the business and includes items which are not directly allocable to the other segments.

Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally is the same as those contained in the financial statements.

	Cooper Basin $'000	South-East Australia $'000	Corporate and Other $'000	Consolidated $'000
30 June 2021				
Revenue from oil and gas sales to external customers	**12,236**	**119,498**	**-**	**131,734**
Total revenue	**12,236**	**119,498**	**-**	**131,734**
Segment result before interest, tax, depreciation, amortisation and impairment	**5,037**	**38,946**	**(20,102)**	**23,881**
Depreciation and amortisation	**(2,641)**	**(38,150)**	**(2,660)**	**(43,451)**
Impairment	**(389)**	**-**	**-**	**(389)**
Net finance costs	**(115)**	**(13,344)**	**(53)**	**(13,512)**
Profit/(loss) before tax	**1,892**	**(12,548)**	**(22,815)**	**(33,471)**
Income tax benefit	**-**	**-**	**9,158**	**9,158**
Petroleum Resource Rent Tax expense	**-**	**(5,724)**	**-**	**(5,724)**
Net profit/(loss) after tax	**1,892**	**(18,272)**	**(13,657)**	**(30,037)**
Segment assets	**15,016**	**782,167**	**181,359**	**978,542**
Segment liabilities	**7,159**	**405,776**	**239,811**	**652,746**
Additions of non-current assets				
Exploration and evaluation assets	**493**	**2,634**	**-**	**3,127**
Oil and gas assets	**988**	**(5,997)**	**(3)**	**(5,012)**
Property, plant and equipment	**-**	**17,663**	**157**	**17,820**
Intangibles	**-**	**-**	**1,683**	**1,683**
Total additions of non-current assets	**1,481**	**14,300**	**1,837**	**17,618**

	Cooper Basin $'000	South-East Australia $'000	Corporate and Other $'000	Consolidated $'000
30 June 2020				
Revenue from oil and gas sales to external customers	14,558	63,581	-	78,139
Total revenue	14,558	63,581	-	78,139
Segment result before interest, tax, depreciation, amortisation and impairment	6,486	42,937	(17,094)	32,329
Depreciation and amortisation	(3,573)	(23,234)	(2,123)	(28,930)
Impairment	(7,836)	(99,662)	-	(107,498)
Net finance costs	(95)	(3,943)	(1,821)	(5,859)
Profit/(loss) before tax	(5,018)	(83,902)	(21,038)	(109,958)
Income tax benefit	-	-	25,575	25,575
Petroleum Resource Rent Tax expense	-	(1,646)	-	(1,646)
Net profit/(loss) after tax	(5,018)	(85,548)	4,537	(86,029)

1. Segment reporting *continued*

	Cooper Basin $'000	South-East Australia $'000	Corporate and Other $'000	Consolidated $'000
Segment assets	14,969	802,263	212,683	1,029,915
Segment liabilities	8,731	421,656	248,446	678,833
Additions of non-current assets				
Exploration and evaluation assets	6,802	85,651	-	92,453
Oil and gas assets	5,579	48,610	-	54,189
Property, plant and equipment	-	11,593	1,481	13,074
Intangibles	-	-	2,017	2,017
Right-of-use assets	-	-	2,723	2,723
Total additions of non-current assets	12,381	145,854	6,221	164,456

In 2021, revenue from two customers amounted to $71.1 million, and $21.5 million respectively in the South-East Australia segment. In 2020, revenue from two customers amounted to $31.9 million, and $27.3 million respectively in the South-East Australia segment and $17.9 million from one customer in the Cooper Basin segment.

2. Revenues and expenses

	Notes	2021 $'000	2020 $'000
Revenue from oil and gas sales			
Revenue from contracts with customers			
Oil revenue from contracts with customers		**12,141**	15,563
Gas revenue from contracts with customers		**119,499**	63,581
Total revenue from contracts with customers		**131,640**	79,144
Other revenue			
Fair value movement on crude oil receivables		**94**	(1,005)
Total other revenue		**94**	(1,005)
Total revenue from oil and gas sales		**131,734**	78,139
Other income			
Liquidated damages		**-**	19,800
Other		**6**	28
Restoration income		**7,175**	-
Total other income		**7,181**	19,828
Cost of sales			
Production expenses		**(62,510)**	(26,511)
Royalties		**(976)**	(1,203)
Third-party product purchases		**(13,373)**	-
Amortisation of oil and gas assets		**(40,790)**	(26,452)
Depreciation of property, plant and equipment		**-**	(354)
Total cost of sales		**(117,649)**	(54,520)
Other expenses			
Selling expense		**(678)**	(693)
General administration		**(12,669)**	(15,123)
Depreciation of property, plant and equipment		**(807)**	(828)
Amortisation of intangibles		**(742)**	(176)

2. Revenues and expenses

	Notes	**2021 $'000**	2020 $'000
Depreciation of right-of-use assets		**(1,113)**	(1,120)
Care and maintenance		**(2,755)**	(3,597)
Restoration expense		**-**	(14,056)
Exploration and evaluation expense		**(566)**	(3,100)
Impairment expense	15	**(389)**	(107,498)
Fair value adjustment of success fee liability		**73**	(123)
Realised and unrealised foreign currency translation (loss)/gain		**(1,275)**	119
Other (including new ventures)		**(9,089)**	(1,351)
OGPP reconfiguration and commissioning works		**(11,215)**	-
Total other expenses		**(41,225)**	(147,546)
Employee benefits expense included in general administration			
Director and employee benefits		**(24,907)**	(20,412)
Share based payments		**(4,063)**	(3,504)
Superannuation expense		**(1,856)**	(1,264)
Total employee benefits expense (gross)		**(30,826)**	(25,180)

Accounting Policy

Revenue from contracts with customers

Revenue from contracts with customers is recognised at the point in time when control of the crude oil, natural gas or liquids is transferred to the customer, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. This is generally when the product is transferred to the delivery point specified in the individual customer contract. The Group's performance obligations are considered to relate only to the sale of the crude oil, natural gas or liquids, with each barrel of crude oil or GJ of natural gas considered to be a separate performance obligation under the contractual arrangements in place.

The Group has concluded that it is the principal in all of its revenue arrangements since it controls the goods before transferring them to the customer. Under the terms of the relevant joint operating arrangements the Group is entitled to its participating share in the crude oil, natural gas or liquids based on the Group's entitlement interest. Revenue from contracts with customers is recognised based on the actual volumes sold to customers.

The Group's sales of natural gas are predominantly based on contracted prices, while crude oil and liquids transactions are priced based on market prices. The crude oil sales price is the Tapis crude oil price, adjusted for a quality differential.

The crude oil sales contain provisional pricing. Revenue from contracts with customers is recognised based on the provisional pricing at the date of delivery, with the price estimate based on the forward curve. The difference between the estimated price and the price ultimately achieved for the sale of the crude oil transaction is recognised as a movement in the fair value of the receivable in accordance with AASB 9 *Financial Instruments*. This amount is presented as other revenue in Note 2 as these movements are not within the scope of AASB 15 *Revenue from Contracts with Customers*.

3. Income tax

	2021 $'000	2020 $'000
Consolidated Statement of Comprehensive Income		
Current income tax		
Current year	**-**	(504)
	-	(504)
Deferred income tax		
Origination and reversal of temporary differences	**(22,166)**	14,632
Recognition of tax losses	**31,324**	11,438
Over provision in respect of prior year income tax	**-**	9
	9,158	26,079

3. Income Tax *continued*

	2021 $'000	2020 $'000
Income tax benefit	**9,158**	25,575
Current Petroleum Resource Rent Tax		
Current year	**(5,589)**	(5,686)
Adjustments in respect of prior year income tax	**-**	3,299
	(5,589)	(2,387)
Deferred Petroleum Resource Rent Tax		
Origination and reversal of temporary differences	**(135)**	741
	(135)	741
Petroleum Resource Rent Tax expense	**(5,724)**	(1,646)
Total tax benefit	**3,434**	23,929
Reconciliation between tax expense and pre-tax net profit		
Accounting loss before tax from continuing operations	**(33,471)**	(109,958)
Income tax using the domestic corporation tax rate of 30% (2020: 30%)	**10,041**	32,987
(Increase)/decrease in income tax expense due to:		
Non-deductible expenditure	**(2,945)**	(187)
Adjustments in respect to current income tax of previous years	**-**	9
Recognition of royalty related income tax benefits	**41**	197
Permanent difference arising from impairment expense	**-**	(8,112)
Other	**2,021**	681
Income tax benefit	**9,158**	25,575
Petroleum Resource Rent Tax expense	**(5,724)**	(1,646)
Total tax benefit	**3,434**	23,929

Tax Consolidation

Cooper Energy Limited and its 100% owned Australian resident subsidiaries are consolidated for Australian income tax purposes with Cooper Energy Limited being the head entity of the tax consolidated group. Members of the Group entered into a tax sharing arrangement in order to allocate income tax expense to the wholly-owned subsidiaries. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations.

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement requires members of the tax consolidated group to make contributions to the head Company for tax liabilities and deferred tax balances arising from transactions occurring after the implementation of tax consolidation. Contributions are payable following the payment of the liabilities by Cooper Energy Limited. The assets and liabilities arising under the tax funding agreement are recognised as inter-company assets and liabilities with a consequential adjustment to income tax expense or benefit. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or upon leaving the Group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 *Income Taxes*.

Unrecognised temporary differences

At 30 June 2021, there are no unrecognised temporary differences associated with the Group's investments in subsidiaries, as the Group has no liability for additional taxation should unremitted earnings be remitted (2020: $nil).

Franking Tax Credits

At 30 June 2021 the parent entity had franking tax credits of $42.9 million (2020: $42.9 million). The fully franked dividend equivalent is $142.9 million (2020: $142.9 million).

3. Income Tax *continued*

Petroleum Resource Rent Tax (PRRT)

Cooper Energy Limited has recognised a Deferred Tax Liability for Petroleum Resource Rent Tax (PRRT) of $17.1 million (2020: $16.9 million) relating to PRRT on the Group's producing gas assets. The Group has not recognised a Deferred Tax Asset for PRRT of $33.6 million (2020: $29.0 million). In the current year, this is in respect of the Sole Gas Project, and the Deferred Tax Asset for Sole will be recognised when it is probable that the undeducted expenditure will be able to be utilised.

Income Tax Losses

(a) Revenue Losses

A Deferred Tax Asset has been recognised for the year ended 30 June 2021 of $66.4 million (2020: $35.0 million).

(b) Capital Losses

Cooper Energy has not recognised a Deferred Tax Asset for Australian income tax capital losses of $15.5 million (2020: $15.5 million) on the basis that it is not probable that the carried forward capital losses will be utilised against future assessable capital profits.

	Consolidated Statement of Financial Position		**Consolidated Statement of Comprehensive Income**	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Deferred income tax from corporate tax				
Deferred income tax at 30 June relates to:				
Deferred tax liabilities				
Trade and other receivables	**5,191**	(62)	**(5,253)**	2,302
Oil and gas assets	**45,933**	33,974	**(11,959)**	(13,649)
Exploration and evaluation	**19,116**	17,118	**(1,998)**	(8,825)
Property, plant and equipment	**40**	40	**-**	-
Other	**-**	83	**83**	20
	70,280	51,153	**(19,127)**	(20,152)
Deferred tax assets				
Leases	**651**	992	**(341)**	993
Provision for employee entitlements	**1,049**	1,422	**(373)**	(660)
Provisions	**47,865**	53,392	**(5,527)**	34,982
Other	**9,976**	5,903	**4,073**	525
Capital raising costs	**342**	1,213	**(871)**	(1,048)
Tax losses	**66,390**	35,066	**31,324**	11,438
	126,273	97,988	**28,285**	46,230
Deferred tax benefit			**9,158**	26,078
Deferred tax asset from corporate tax	**55,993**	46,835		
Deferred income tax from PRRT				
Deferred income tax at 30 June relates to:				
Deferred tax liabilities				
Oil and gas assets	**17,083**	16,948	**-**	25
Deferred tax (expense)			**-**	25
Deferred tax liability from PRRT	**17,083**	16,948		

3. Income tax *continued*

Accounting Policy

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on tax rates and tax laws that are enacted or substantively enacted by the reporting date.

Deferred income tax is recognised on all temporary differences, except for:

- the initial recognition of an asset or liability that affects neither the accounting profit nor taxable profit or loss; or
- the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that were expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exits to offset current tax assets against current tax liabilities and the deferred tax asset and liabilities relate to the same taxable entity and the same taxation authority. Where allowable by initial recognition exemptions, deferred tax assets and deferred tax liabilities that arise on acquisition are not recognised.

Petroleum Resource Rent Tax (PRRT)

For PRRT purposes, the impact of future augmentation on expenditure is included in the determination of future taxable profits when assessing the extent to which a deferred tax asset can be recognised in the statement of financial position. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Goods and Services Taxes (GST)

Revenues, expenses and assets are recognised net of the amount of GST. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the Cash Flow Statement on a net basis and the net GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Significant Accounting Judgements, Estimates and Assumptions

The Group has a Tax Risk Management Framework which outlines how the direct and indirect tax obligations of Cooper Energy Limited are met from an operational, governance and tax risk management perspective.

Management judgements are made in relation to the types of arrangements considered to be a tax on income (PRRT) in contrast to an operating cost.

Judgement is also made in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the Consolidated Statement of Financial Position. Deferred tax assets, including those arising from un-recouped tax losses, capital losses, and temporary differences arising from the Petroleum Resource Rent Tax legislation, are recognised only where it is considered more likely than not they will be recovered, which is dependent on the generation of sufficient future taxable profits. Future taxable profits are estimated by using Board approved internal budgets and forecasts.

Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility changes in circumstances will alter expectation, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the Consolidated Statement of Financial Position and the amount of other tax losses and temporary differences not yet recognised.

In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the Consolidated Statement of Comprehensive Income.

4. Earnings per share

The following reflects the net (loss)/profit and share data used in the calculations of earnings per share:

	2021 $'000	2020 $'000
Net loss after tax attributable to shareholders	**(30,037)**	(86,029)

	2021 Thousands	2020 Thousands
Weighted average number of ordinary shares used in calculating basic earnings per share	**1,629,017**	1,624,260
Dilutive performance rights and share appreciation rights[1]	**-**	-
Weighted average number of ordinary shares used in calculating dilutive earnings per share	**1,629,017**	1,624,260
Basic loss per share for the period (cents per share)	**(1.8)**	(5.3)
Diluted loss per share for the period (cents per share)	**(1.8)**	(5.3)

1. The weighted average number of potentially dilutive shares at 30 June 2021 is 19.6 million (2020: 12.4 million)

At 30 June 2021 there exist performance rights and share appreciation rights that if vested, would result in the issue of additional ordinary shares over the next three years. In the current period, these potential ordinary shares are considered antidilutive as their conversion to ordinary shares would reduce the loss per share. Accordingly, they have been excluded from the dilutive earnings per share calculation. There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

Accounting Policy

Basic earnings per share are calculated as net profit attributable to shareholders divided by the weighted average number of ordinary shares. Diluted earnings per share is calculated as net profit attributable to shareholders adjusted for the after tax effect of dilutive potential ordinary shares that have been recognised as expenses during the period divided by the weighted average number of ordinary shares and dilutive potential ordinary shares.

Working Capital

5. Cash and cash equivalents and term deposits

	2021 $'000	2020 $'000
Current Assets		
Cash at bank and in hand	**91,308**	111,567
Term deposits at bank	**-**	20,016
Cash and cash equivalents	**91,308**	131,583

Reconciliation of net profit to net cash flows from operating activities

	2021 $'000	2020 $'000
Net (loss)/profit after tax	**(30,037)**	(86,029)
Add/(deduct) non-cash items:		
Amortisation of oil and gas assets	**40,790**	26,452
Depreciation of property, plant and equipment	**807**	1,182
Amortisation of intangibles	**742**	176
Depreciation of right-of-use assets	**1,113**	1,120
Impairment expense	**389**	107,498
Exploration and Evaluation expense	**566**	3,100
Restoration (income)/expense	**(7,175)**	14,056
Share based payments	**4,063**	3,504
Finance costs	**3,255**	4,038
Foreign exchange (gain)/loss	**1,275**	(119)
Other non-cash movements	**756**	455
Net cash from operating activities before changes in assets or liabilities	**16,544**	75,433
Add/(deduct) changes in operating assets or liabilities:		
(Increase)/decrease in trade and other receivables	**(12,108)**	1,173
Increase in inventories	**(128)**	(396)
Increase in prepayments	**(5,787)**	(3,760)
Increase in deferred taxes	**(9,022)**	(25,424)
Increase in trade and other payables	**26,475**	2,750
Decrease in provisions	**(7,915)**	(1,714)
Net cash from operating activities	**8,059**	48,062

Reconciliation of liabilities arising from financing activities

	Borrowings		**Lease Liabilities**	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Balance at beginning of period	**229,438**	213,680	**13,049**	-
Financing cash flows[1]	**(11,438)**	11,284	**(1,045)**	(698)
Non-cash financing movements[2]	**-**	4,474	**-**	13,747
Balance at end of period	**218,000**	229,438	**12,004**	13,049

1. Financing cash flows consist of the net amount of proceeds from borrowings and repayment of lease liabilities in the statement of cash flows.
2. The movement in borrowings is amortisation of prepaid financing costs, and movement in lease liabilities represents the lease liability recognised on adoption of AASB 16 *Leases*.

Accounting Policy

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and short-term deposits for periods of up to three months or subject to insignificant changes in value. For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash and term deposits as defined above, net of outstanding bank overdrafts.

Cash held in escrow with associated restrictions whereby the Group cannot use that cash for operational purposes as it deems appropriate is not included in cash and cash equivalents.

6. Trade and other receivables

	2021 $'000	2020 $'000
Current Assets		
Trade receivables	**12,380**	17,783
Accrued revenue	**19,694**	2,176
Interest receivable	**31**	37
	32,105	19,996

Expected credit losses in respect of trade and other receivables is set out in Note 21.

Accounting Policy

Trade receivables are non-interest bearing and generally have 30 to 90 day terms. Trade receivables are initially recognised at the transaction price as defined by AASB 15 *Revenue from Contracts with Customers* and subsequently carried at amortised cost less any allowances for expected credit loss. An allowance for expected credit loss is recognised using the simplified approach which permits the use of the lifetime expected loss provision for all trade receivables. Bad debts are written off when identified.

7. Prepayments

	2021 $'000	2020 $'000
Insurance	**3,396**	1,530
Prepaid cash calls to joint arrangements	**8,265**	4,384
Other prepayments	**232**	192
	11,893	6,106

8. Inventory

	2020 $'000	2020 $'000
Spares and parts	**950**	822

All inventory items are carried at cost in the current and previous financial years.

Accounting Policy

Inventories are carried at the lower of their cost or net realisable value. Inventories held by the Group are in respect of spares and parts involved in drilling operations. Items held as insurance or capital spares are treated as part of property, plant and equipment.

9. Trade and other payables

	2021 $'000	2020 $'000
Trade payables	**14,092**	14,844
Accruals (capital and operating expenditure)	**20,282**	6,339
	34,374	21,183

Accounting Policy

Trade payables are non-interest bearing and carried at amortised cost. The amounts represent liabilities for goods and services provided during the financial year, but not yet settled at the balance sheet date. Accruals represent unbilled goods or services.

10. Exploration assets held for sale

A Sale and Purchase Agreement for the sale to Bass Oil of the Company's interests in several of its Cooper Basin exploration and production licenses (PEL 93, PPL 207, PRL 237, PEL 100 and PEL 110) was announced on 12 July 2021 for consideration of $0.7 million. The assets and associated liabilities are classified as held for sale and presented in separate lines in the Consolidated Statement of Financial Position. The assets are included within the Cooper Basin segment, refer to Note 1. The net assets relating to the above licenses have been impaired to their Level 3 fair value less cost to sell, refer to Note 21.

	2021 $'000	2020 $'000
Exploration assets held for sale	**1,807**	-
Total assets held for sale	**1,807**	-
Restoration Provisions associated with assets held for sale	**(1,157)**	-
Total restoration provisions held for sale	**(1,157)**	-
Net assets held for sale	**650**	-

Capital Employed

11. Property, plant and equipment

	Production assets		**Corporate assets**		**Total**	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000	**2021 $'000**	2020 $'000
Reconciliation of carrying amounts at beginning and end of period:						
Carrying amount at beginning of period	**11,676**	543	**4,690**	4,037	**16,366**	4,580
Assets acquired	**-**	8,674	**-**	-	**-**	8,674
Additions	**17,663**	2,813	**157**	1,481	**17,820**	4,294
Restoration	**(162)**	-	**-**	-	**(162)**	-
Depreciation	**-**	(354)	**(807)**	(828)	**(807)**	(1,182)
Carrying amount at end of period	**29,177**	11,676	**4,040**	4,690	**33,217**	16,366
Cost	**33,004**	15,567	**7,713**	7,556	**40,717**	23,123
Accumulated depreciation	**(3,827)**	(3,891)	**(3,673)**	(2,866)	**(7,500)**	(6,757)
Carrying amount at end of period	**29,177**	11,676	**4,040**	4,690	**33,217**	16,366

Accounting Policy

Property, plant and equipment comprises office and IT equipment, leasehold improvements and the Athena Gas Plant, and is stated at historical cost less accumulated depreciation and any accumulated impairment losses (refer to Note 15 for impairment policy). Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance are recognised in the Consolidated Statement of Comprehensive Income as incurred.

Depreciation on property plant and equipment is calculated at between 7.5% and 37.5% per annum using the diminishing value method over the asset's estimated useful lives. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use. Any gains or losses arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is included in the Consolidated Statement of Comprehensive Income.

12. Intangible assets

	2021 $'000	2020 $'000
Reconciliation of carrying amounts at beginning and end of period:		
Carrying amount at beginning of period	**1,878**	36
Additions	**1,683**	2,018
Disposals/written off	**(760)**	-
Amortisation	**(742)**	(176)
Carrying amount at end of period	**2,059**	1,878
Cost	**2,808**	2,054
Accumulated amortisation	**(749)**	(176)
Carrying amount at end of period	**2,059**	1,878

Accounting Policy

Intangible assets comprise software and is stated at historical cost less accumulated amortisation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Intangible assets are determined to have a finite useful life and are amortised over their useful lives and tested for impairment whenever there is an indicator of impairment.

Amortisation on intangibles is calculated at 20% per annum using the straight line method. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

13. Exploration and evaluation assets

	Notes	2021 $'000	2020 $'000
Reconciliation of carrying amounts at beginning and end of period			
Carrying amount at beginning of period		**159,078**	152,268
Additions		**3,127**	92,453
Exploration and evaluation expense		**(566)**	(3,100)
Impairment	15	**(389)**	(79,398)
Transfer to oil and gas assets		**-**	(3,145)
Exploration expenditure classified as held for sale		**(1,807)**	-
Carrying amount at end of period[1]		**159,443**	159,078

1. Recoverability is dependent on the successful development and commercial exploration or sale of the respective areas of interest.

13. Exploration and evaluation assets *continued*

Accounting Policy

Exploration and evaluation expenditure include costs incurred in the search for hydrocarbon resources and determining the commercial viability in each identifiable area of interest. Exploration and evaluation expenditure is accounted for in accordance with the successful efforts method and is capitalised to the extent that:

i. the rights to tenure of the areas of interest are current and the Group controls the area of interest in which the expenditure has been incurred; and

ii. such costs are expected to be recouped through successful development and exploration of the area of interest, or alternatively by its sale; or

iii. exploration and evaluation activities in the area of interest have not at the reporting date:

   a. reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves; and

   b. active and significant operations in, or in relation to, the area of interest are continuing.

An area of interest refers to an individual geological area where the potential presence of an oil or a natural gas field is considered favourable or has been proven to exist, and in most cases, comprises an individual prospective oil or gas field.

Exploration and evaluation expenditure which does not satisfy these criteria is written off. Specifically, costs carried forward in respect of an area of interest that is abandoned or costs relating directly to the drilling of an unsuccessful well are written off in the year in which the decision to abandon is made or the results of drilling are concluded. The success or otherwise of a well is determined by reference to the drilling objectives for that well. For successful wells, the well costs remain capitalised on the Consolidated Statement of Financial Position as long as sufficient progress in assessing the reserves and the economic and operating viability of the project is being made. Any appraisal costs relating to determining commercial feasibility are also capitalised as exploration and evaluation assets. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Where facts and circumstances suggest that the carrying amount exceeds the recoverable amount, or where one of the specific factors set out in i-iii above are no longer met, the Group will test for impairment in accordance with the impairment policy stated in Note 15.

Where an ownership interest in an exploration and evaluation asset is exchanged for another, the transaction is recognised by reference to the carrying value of the original interest. Any cash consideration paid, including transaction costs, is accounted for as an acquisition of exploration and evaluation assets. Any cash consideration received, net of transaction costs, is treated as a recoupment of costs previously capitalised with any excess accounted for as a gain on disposal of non-current assets. Where a discovered oil or gas field enters the development phase the accumulated exploration and evaluation expenditure is tested for impairment and then transferred to oil and gas assets.

14. Oil and gas assets

	Notes	2021 $'000	2020 $'000
Reconciliation of carrying amounts at beginning and end of period:			
Carrying amount at beginning of period		**615,980**	613,198
Additions[1]		**(5,012)**	54,189
Transferred from exploration and evaluation		**-**	3,145
Amortisation		**(40,790)**	(26,452)
Impairment	15	**-**	(28,100)
Carrying amount at end of period		**570,178**	615,980
Cost		**759,522**	764,534
Accumulated amortisation & impairment		**(189,344)**	(148,554)
Carrying amount at end of period		**570,178**	615,980

1. Includes movements from reset of restoration provisions.

Accounting Policy

Oil and gas assets are carried at cost including construction, installation of infrastructure such as roads, pipelines or umbilicals and the cost of development of wells. Any restoration assets arising as a result of recognition of a restoration provision is also included in the carrying amount of oil and gas assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Consolidated Statement of Comprehensive Income as incurred.

Oil and gas assets are amortised on the Units of Production basis using the latest approved estimate of Proved and Probable (2P) Reserves and future development cost estimates. Amortisation is charged only once production has commenced. No amortisation is charged on areas under development where production has not commenced. Oil and gas assets are subject to impairment testing, refer to Note 15.

14. Oil and gas assets *continued*

Significant Accounting Judgements, Estimates and Assumptions

Estimation of oil and gas asset expenditure

Capitalised oil and gas assets for the construction of major projects or ongoing well construction activities include accruals in relation to the value of work done. These remain estimates until the contractual arrangement is finalised, including any rebates, credits and variations as part of the standard contractual process.

Amortisation of oil and gas assets

The amortisation of oil and gas assets are impacted by management's estimates of reserves and future development costs. Refer to the significant accounting judgements, estimates and assumptions section on page 49 in relation to reserves. Future development cost estimates are costs necessary to develop an assets' undeveloped 2P reserves. These costs are subject to changes in technology, regulation and other external factors.

Significant accounting judgements, estimates and assumptions are also made in relation to the impairment of oil and gas assets and recognition of restoration assets, refer to Note 15 and Note 16 respectively.

15. Impairment

	2021 $'000	2020 $'000
Exploration and evaluation assets	**389**	79,398
Oil and gas assets	**-**	28,100
	389	107,498

The impairment losses recognised in the 2021 financial year relate to the Group's exploration licenses held for sale being written down to their fair value less costs to sell. Refer Note 10.

During the year, the Group's oil and gas assets were assessed for impairment indicators in accordance with AASB 136 *Impairment of Assets*. There were no impairment indicators present, therefore no impairment was recognised on oil and gas assets.

In the previous financial year, the Sole asset was tested for impairment as indicators of impairment existed, notably the delay experienced by APA Group (APA) in commissioning the OGPP. No impairment of the Sole asset was recognised at 30 June 2020. The commissioning delay is the result of foaming in absorber vessels of the Sulphur Recovery Unit of the OGPP, which has restricted gas processing capacity, preventing the plant from producing at nameplate capacity of 68 TJ/d. On 20 August 2020, Cooper Energy and APA announced that they had entered into a Transition Agreement (TA). This agreement was extended by 12 months to 1 May 2022 as announced to the market on 12 April 2021.

Despite the ongoing commissioning delay, trigger test modelling presented no indicators of impairment at 30 June 2021, thereby not requiring formal recoverable amount testing of the Sole asset at year end.

As outlined in the financial report for the previous financial year, whilst the Sole asset has not been impaired, its value remains sensitive to variables including, but not limited to:

- the timing of and costs required to achieve nameplate processing capacity of 68 TJ/d
- processing capacity levels attained both pre and post reconfiguration and commissioning works.

Adverse outcomes in one or more of the variables may give rise to an impairment of the asset in future periods.

Accounting Policy

The carrying values of non-current assets, including, property, plant and equipment, capitalised exploration and evaluation assets and oil and gas assets are assessed for indicators of impairment biannually. Where indicators of impairment are present, an impairment test is performed.

An impairment loss is recognised for the amount by which the asset or CGU's carrying amount exceeds its recoverable amount. The recoverable amount of a non-current asset or CGU is the higher of value in use (VIU) and fair value less costs of disposal (FVLCD). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax rate that reflects the risks specific to the asset. Where the recoverable amount is based on the FVLCD, a discounted cash flow model is also used and the inputs are consistent with level 3 on the fair value hierarchy. The estimated future cash flows are discounted to their present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset that would be taken into account by an independent market participant.

15. Impairment *continued*

Significant Accounting Judgements, Estimates and Assumptions

Impairment of exploration and evaluation assets

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Management is required to make certain estimates and assumptions in applying this policy. Factors which could impact the future recoverability include the level of oil and gas resources, future technological changes which could impact the cost of extraction, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices. These estimates and assumptions may change as new information becomes available. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable oil and gas reserves or resources. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

Impairment of exploration and evaluation assets and oil and gas assets

The Group reviews the carrying amount of oil and gas assets at each reporting date starting with analysis of any indicators of impairment and where relevant may prepare trigger test modelling for certain CGUs to determine if any indicators of impairment are present. Where indicators of impairment are present, the Group will test whether the CGU's recoverable amount exceeds its carrying amount with reference to formal impairment models where discounted cash flow models are used to assess the recoverable amount.

Relevant items of working capital and property, plant and equipment are allocated to CGUs when testing for impairment.

The estimated expected cash flows used in the discounted cash flow model are based on management's best estimate of the future production of reserves and sales volumes, commodity prices, foreign exchange rates, development expenditure in order to access the reserves, and operating expenditure.

16. Provisions

	2021 $'000	2020 $'000
Current Liabilities		
Employee provisions	**2,459**	2,003
Restoration provisions	**7,994**	17,899
	10,453	19,902
Non-Current Liabilities		
Employee provisions	**441**	367
Restoration provisions	**355,652**	374,304
	356,093	374,671

	2021 $'000	2020 $'000
Movement in carrying amount of the current restoration provision:		
Carrying amount at beginning of period	**17,899**	9,989
Restoration expenditure incurred	**(8,445)**	(2,380)
New provisions and changes in restoration assumptions	**-**	-
Transferred (to)/from non-current provisions	**(1,460)**	10,290
Carrying amount at end of period	**7,994**	17,899

16. Provisions *continued*

	2021 $'000	2020 $'000
Movement in carrying amount of the non-current restoration provision:		
Carrying amount at beginning of period	**374,304**	276,228
New provisions and changes in restoration assumptions	**(4,746)**	88,473
Provision through asset acquisition	**-**	4,957
Transferred from/(to) current provisions	**1,460**	(10,290)
Increase through accretion	**3,243**	4,001
Change in discount rate	**(17,452)**	10,935
Restoration expenditure classified as held for sale	**(1,157)**	-
Carrying amount at end of period	**355,652**	374,304

The current planning case for the abandonment and remediation work on BMG has a timing expectation on the works completing in the 2023 calendar year subject to rig availability and regulatory approvals.

The discount rate used in the calculation of the provisions as at 30 June 2021 ranged from 0.05% to 2.25% (2020: 0.24% to 1.72%) reflecting a risk-free rate that aligns to the timing of restoration obligations. The movement in the risk-free rate reflects the change in Australian government bond rates since the last assessment.

Accounting Policy

Provisions are recognised when the Group has a legal or constructive obligation as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

Employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave are recognised in respect of employees' services up to the reporting date and are measured at the amount expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

The provision for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date based on high quality corporate bonds with terms of maturity and currencies that match, as closely as possible, the estimated future cash outflows. Employees' accumulated long service leave is ascribed to individual employees at the rates payable as and when they become entitled to long service leave.

A provision for bonus is recognised and measured based upon the current wage and salary level and forms part of the employee short term incentive plan. The basis for the bonus relating to Key Management Personnel is set out in the Remuneration Report.

Restoration

The Group records a restoration provision for the present value of its share of the estimated cost to restore its sites. The nature of restoration activities includes the obligations relating to the reclamation, waste site closure, plant closure, production facility removal and other costs associated with the restoration of the site.

A restoration provision is recognised upon commencement of construction and then reviewed biannually at each reporting date. When the liability is recorded the carrying amount of the production or exploration asset is increased by the same amount and is depreciated over the remaining producing life of the asset. The movement is recorded as a restoration expense when there is no asset recorded. Over time, the liability is increased for the change in the present value based on a risk-free discount rate. The unwinding of the discount is recorded as an accretion charge within finance costs.

Any changes in the estimate of the provision for restoration arising from changes in the gross cost estimate or changes in the discount rate of the restoration provision are recorded by adjusting the provision and the carrying amount of the production or exploration asset, to the extent that it is appropriate to recognise an asset under accounting standards, and then depreciated over the remaining producing life of the asset. Where it is not appropriate to recognise an asset, changes will go through profit or loss. Any change in assumptions is applied prospectively.

These estimated costs are based on current technology available, State, Federal and International legislation and or industry practice.

16. Provisions *continued*

Significant Accounting Judgements, Estimates and Assumptions

Provisions for restoration costs

Decommissioning and restoration costs are a normal consequence of oil and gas extraction and the majority of this expenditure is incurred at the end of a field's life many years in the future. In determining an appropriate level of provision, assumptions are made on the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the field), and the estimated future level of inflation.

The ultimate cost of decommissioning and restoration is uncertain and these ultimate costs can vary in response to many factors. These include the extent of restoration required due to changes to the relevant legal or regulatory requirements and the emergence of new restoration techniques or experience at other fields, including prevailing service costs. The expected timing of expenditure can also change, for example in response to changes in oil and gas reserves or to production rates. Provisions for restoration costs are based on the Company's best estimates based on the information available at the time. Changes to any of the estimates could result in significant changes to the amount of the provision recognised, which would in turn impact future financial results.

The Company's restoration provision for offshore assets is based on recovering subsea trees and manifolds and recovery of flowlines and umbilicals to a certain distance from shore and at a certain depth of water. The Company's restoration provision for onshore production facilities, is based on demolition and removal of the facilities, removal of contaminated soil and revegetation of the affected area.

17. Leases

The Group as a lessee

The Group has lease contracts for properties with lease terms of between 1-11 years and fixed monthly payments. The Group also has certain leases with lease terms of 12 months or less and low value leases.

Right-of-use assets

	2021 $'000	2020 $'000
Reconciliation of carrying amounts at beginning and end of period:		
Carrying amount at beginning of period	**9,738**	-
Transition – Right-of-use assets recognised 1 July 2019	**-**	8,135
Additions	**-**	2,723
Depreciation	**(1,113)**	(1,120)
Carrying amount at end of period	**8,625**	9,738
Cost	**10,858**	10,858
Accumulated depreciation	**(2,233)**	(1,120)
Carrying amount at end of period	**8,625**	9,738

Lease liabilities

	2021 $'000	2020 $'000
Reconciliation of carrying amounts at beginning and end of period:		
Carrying amount at beginning of period	**13,049**	-
Transition - Lease liabilities recognised 1 July 2019	**-**	9,378
Additions	**-**	4,624
Accretion of interest	**598**	634
Payments	**(1,643)**	(1,587)
Carrying amount at end of period	**12,004**	13,049
Current	**1,141**	1,045
Non-Current	**10,863**	12,004

17. Leases *continued*

Short-term and low-value lease asset exemptions

For the year ending 30 June 2021, the following expense has been recognised in the Statement of Comprehensive Income for lease arrangements that have been classified as short-term leases or low-value assets.

	2021 $'000	2020 $'000
Short-term leases	**100**	-
Leases for low-value assets	**167**	18
Total expense recognised	**267**	18

The Group had total cash outflows for leases of $1.6 million in 2021, including leases for short-term leases and low-value assets. The future cash outflows relating to leases that have not yet commenced are disclosed in Note 25.

Orbost Gas Processing Plant

Under AASB 16, the Group will recognise a right-of-use asset and corresponding lease liability in relation to the OGPP. The Sole Gas Processing Agreement (GPA) creates a right-of-use asset and will be recognised at an amount equal to the corresponding lease liability. The Group expects to recognise a right-of-use asset and lease liability under AASB 16 for the OGPP at the date the underlying asset is available for use. The Group expects the agreement, which was entered into prior to 1 July 2019, to result in a right-of-use asset and lease liability of approximately $250 million to $280 million based on current information, with recognition expected to occur in the second half of the 2022 financial year once the asset is available for use and the GPA or arrangements on like terms commence. The final value that will be recorded for the right-of-use asset and lease liability is dependent on a number of factors that will be known at the time the asset is available for use. These amounts may change depending on production volumes per annum, the timing of commencement of the lease, annual indexation to be applied and other factors. The Transition Agreement entered into with APA Group on 20 August 2020 has not triggered commencement of the lease.

AASB 16 requires that the lessee's rate implicit in the lease arrangement be used to measure the present value of the lease liability, unless that cannot be determined, in which case the incremental borrowing rate should be used. In determining the discount rate applicable to the OGPP lease liability, the Group will use the rate implicit in the lease.

The contract includes non-lease payments for services which do not form part of the lease liability and will be recognised as production costs as incurred. The lease charge is calculated based on the lease component payment required under the agreements.

Accounting Policy

The Group recognises right-of-use assets and corresponding lease liabilities at the commencement date of the lease (the date the underlying asset is available for use). The right-of-use assets are initially measured at a value equal to the lease liability, adjusted for any initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Subsequently, the right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The property right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are also allocated to Cash Generating Units (CGUs) when testing for impairment (refer to Note 15). Lease liabilities are excluded from the carrying amount of a CGU.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. Subsequent to initial measurement, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group applies the short-term lease recognition exemption to its short-term leases (those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (below $10,000). Lease payments on short-term leases and eases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant Accounting Judgements, Estimates and Assumptions

Lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if the option is reasonably certain to be exercised. The Group has the option, under some of its leases to lease the assets for additional terms of three to five years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. The Group continues to reassess the lease over its term to determine if there is a significant event or change in circumstances that would impact the renewal decision. The Group has included the renewal period as part of the lease term for its property leases.

Funding and Risk Management

18. Interest bearing loans and borrowings

	2021 $'000	2020 $'000
Current bank debt	**60,000**	26,000
Non-current bank debt	**158,000**	203,438

In August 2017, Cooper Energy negotiated a $250.0 million senior secured Reserve Based Lending Facility, principally to fund the Sole Gas Project, and a senior secured $15.0 million working capital facility. Cooper Energy is in compliance with all covenants at 30 June 2021. A summary of the Group's secured facilities is included below.

Facility	Reserve Based Lending Facility
Currency	Australian dollars
Limit[1]	$218.0 million (2020: $250.0 million)
Utilised amount	$218.0 million (2020: $229.4 million)
Accounting balance	$218.0 million (2020: $229.4 million)
Effective interest rate	4.36% floating
Maturity[2]	2021 – 2024

Facility	Working Capital Facility
Currency	Australian Dollars
Limit	$15 million (2020: $15 million)
Utilised amount[3]	$8.8 million (2020: $1.5 million)
Accounting balance	Nil (2020: Nil)
Effective interest rate	Nil
Maturity	28 September 2022

1. As at 30 June 2021, $218.0 million of the facility limit of $250.0 million remains available.
2. Repayment profile based on the facility repayment schedule, the reserves profile at completion of the Sole Gas Project and the facility maturity date.
3. As at 30 June 2021, there have been no cash draw downs. $8.8 million has been utilised by way of bank guarantees.

Accounting Policy

Borrowings are recognised initially at fair value net of directly attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost, with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis. Transaction costs are capitalised initially and included in the effective interest rate calculation and unwound over the expected term of the facility.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer the settlement of the liability for at least 12 months after the end of the reporting period. Interest expense is recognised as interest accrues using the effective interest rate and if not paid at balance date, is reflected in the balance sheet as a payable.

19. Net finance costs

	2021 $'000	2020 $'000
Finance Income		
Interest income	**542**	1,728
Finance Costs		
Accretion of restoration provision	**(3,243)**	(4,001)
Accretion of success fee liability	**(12)**	(37)
Finance costs associated with lease liabilities	**(598)**	(634)
Interest expense	**(10,201)**	(12,580)
Capitalised interest	**-**	9,665
Total finance costs	**(14,054)**	(7,587)
Net finance costs	**(13,512)**	(5,859)

Accounting Policy

Interest earned is recognised in the Consolidated Statement of Comprehensive Income as finance income and is recognised as interest accrues using the effective interest rate. This is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset. Interest expense is capitalised to the cost of a qualifying asset during the development phase.

20. Contributed equity and reserves

Capital Management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent entity. The primary objective of the Group's capital management is to maintain an appropriate capital profile to support its business activities and to maximise shareholder value. At 30 June 2021, the Group has utilised $218.0 million of its Reserve Based Lending Facility.
The Group manages its capital structure and makes adjustments in light of economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust its dividend policy, return capital to shareholders, issue new shares or draw on debt. No changes were made in the objectives, policies or processes during the current and prior period.

Share capital

	2021 $'000	2020 $'000
Ordinary shares issued and fully paid	**477,675**	**475,862**

	2021		2020	
	Thousands	**$'000**	Thousands	$'000
Movement in ordinary shares on issue				
At 1 July	**1,626,647**	**475,862**	1,621,551	474,397
Issuance of shares for Performance Rights and Share Appreciation Rights	**4,379**	**1,813**	5,096	1,465
At 30 June	**1,631,026**	**477,675**	1,626,647	475,862

Accounting Policy

Issued and paid up capital is recognised as the fair value of the consideration received by the Group. The shares issued do not have a par value and there is no limit on the authorised share capital of the Group. Fully paid ordinary shares carry one vote per share, which entitles the holder to participate in the proceeds on winding up of the Company in proportion to the number of, and amounts paid on, the shares held.

Any transaction costs arising on the issue of ordinary shares that would not have been incurred had ordinary shares not been issued are recognised directly in equity as a reduction of the share proceeds received.

The Group may issue shares to contractors at its discretion in exchange for services rendered. The cost of these issued shares is measured by reference to the fair value at the date at which they are granted.

20. Contributed equity and reserves *continued*

Reserves

	Consolidation reserve $'000	Share based payment reserve $'000	Option premium reserve $'000	Cash flow hedge reserve $'000	Equity instrument reserve $'000	Total $'000
Consolidated						
At 1 July 2019	(541)	10,791	25	(584)	(444)	9,247
Other comprehensive expenditure	-	-	-	584	(690)	(106)
Transferred to issued capital	-	(1,465)	-	-	-	(1,465)
Share-based payments	-	3,504	-	-	-	3,504
At 30 June 2020	(541)	12,830	25	-	(1,134)	11,180
Other comprehensive income/ (expenditure)	-	-	-	-	688	688
Transferred to issued capital	-	(1,813)	-	-	-	(1,813)
Share-based payments	-	4,063	-	-	-	4,063
At 30 June 2021	**(541)**	**15,080**	**25**	**-**	**(446)**	**14,118**

Nature and purpose of reserves

Consolidation reserve

The reserve comprises the premium paid on acquisition of minority shareholdings in a controlled entity.

Share based payment reserve

This reserve is used to record the value of equity benefits provided to employees, contractors and Executive Directors as part of their remuneration.

Option premium reserve

This reserve is used to accumulate amounts received from the issue of options. The reserve can be used to pay dividends or issue bonus shares.

Cash flow hedge reserve

This reserve is used to capture the effective portion of the mark to market movement of instruments designed in a hedge relationship.

Equity instruments reserve

This reserve is used to capture the fair value movement in the value of equity instruments designated at fair value through Other Comprehensive Income. Items in this reserve are never recycled through profit or loss.

Accumulated Losses

	2021 $'000	2020 $'000
Movement in accumulated losses:		
Balance at 1 July	**(135,960)**	(49,931)
Net loss for the year	**(30,037)**	(86,029)
Balance at 30 June	**(165,997)**	(135,960)

21. Financial risk management

The Group's principal financial instruments comprise cash and short-term deposits (Note 5), receivables (Note 6), payables (Note 9), borrowings (Note 18) and other financial assets and liabilities as disclosed in the below table.

	2021 $'000	2020 $'000
Other financial assets – Non-Current		
Equity instruments[1]	**1,252**	564
Escrow proceeds receivable	**9,712**	20,968
	10,964	21,532

1. The equity instruments consist of two investments and the Group has not received dividends during the financial year.

	2021 $'000	2020 $'000
Other financial liabilities – Non-Current		
Success fee financial liability	**3,582**	3,642
	3,582	3,642
Movement in carrying amount of the success fee financial liability:		
Carrying amount at 1 July	**3,642**	3,482
Accretion of success fee liability	**12**	37
Fair value adjustment	**(72)**	123
Carrying amount at 30 June	**3,582**	3,642

Fair value hierarchy

Fair value is the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, and based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities

Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Set out below are the carrying amounts and fair values of financial instruments held by the Group:

		Carrying amount		Fair value	
	Level	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Financial assets					
Trade and other receivables	2	**32,105**	19,996	**32,105**	19,996
Equity instruments	1	**1,252**	564	**1,252**	564
Escrow proceeds receivable	2	**9,712**	20,969	**9,712**	20,969
Financial liabilities					
Trade and other payables	2	**34,374**	21,183	**34,374**	21,183
Success fee financial liability	3	**3,582**	3,642	**3,582**	3,642
Interest bearing loans and borrowings	2	**218,000**	229,438	**216,802**	230,705

21. Financial risk management *continued*

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments:

Equity instruments

Equity instruments are not held for trading and measured at fair value through other comprehensive income based on an irrevocable election made at inception on an instrument basis and are initially recognised at fair value plus any directly attributable transaction costs. After initial recognition, investments are remeasured to fair value determined by reference to their quoted market price on a prescribed equity stock exchange at the reporting date, and hence is a Level 1 fair value measurement.

Changes in the fair value of equity investments are recognised as a separate component of equity and not recycled to profit and loss at any stage. Any dividends received are reflected in profit or loss.

Escrow proceeds receivable

During the 2018 financial year, the Group completed the sale of OGPP to APA Group. A portion of proceeds from the sale is held in escrow, to be released upon certain conditions being satisfied. Amounts held in escrow are measured at amortised cost in the Consolidated Statement of Financial Position. During the period, a portion of these funds were used to pay the Group's share of OGPP reconfiguration and commissioning works.

Success fee financial liability

The success fee liability is the fair value of the Group's liability to pay a $5.0 million success fee upon the commencement of commercial production of hydrocarbons on the Group's VIC/RL 13-15 assets acquired on 7 May 2014. The significant unobservable (level 3) valuation inputs for the success fee financial liability includes: a probability of 33% that no payment is made and a probability of 67% the payment is made in 2024. The discount rate used in the calculation of the liability as at 30 June 2021 equalled 0.52% (June 2020: 0.49%). The financial liability is measured at fair value through profit and loss and valued using a discounted cash flow model and the value is sensitive to changes in discount rate and probability of payment. Significant changes in any of the significant unobservable inputs would result in significantly higher or lower fair value measurement.

Risk Management

The Group manages its exposure to key financial risks in accordance with its risk management policy with the objective to ensure that the financial risks inherent in oil and gas exploration activities are identified and then managed or kept as low as reasonably practicable. The Group has a separate Risk & Sustainability Committee.

The main financial risks that arise in the normal course of business for the Group's financial instruments are foreign currency risk, commodity price risk, share price risk, credit risk, liquidity risk and interest rate risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring exposure to foreign exchange risk and assessments of market forecast for interest rates, foreign exchange and commodity prices. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board's policy is that no speculative trading in financial instruments be undertaken. The primary responsibility for the identification and control of financial risks rests with the Managing Director and the Chief Financial Officer, under the authority of the Board. The Board is apprised of these and other risks at Board meetings and agrees any policies that may be implemented to manage any of the risks identified below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises four types of risk: foreign currency risk, commodity price risk, interest rate risk and share price risk. Financial instruments affected by market risk include deposits, trade receivables, trade payables, accrued liabilities and borrowings.

The sensitivity analyses in the following sections relate to the position as at 30 June 2021 and 30 June 2020. The sensitivity analyses are intended to illustrate the sensitivity to changes in market variables on the Group's financial instruments and show the impact on profit or loss and shareholders' equity, where applicable.

When calculating the sensitivity analyses, it is assumed that the sensitivity of the relevant profit before tax item and/or equity is the effect of the assumed changes in respective market risks, with all other variables held constant. This is based on the financial assets and financial liabilities held at 30 June 2021 and 30 June 2020.

The Group has transactional currency exposure arising from oil sales which are denominated in United States dollars, whilst almost all its costs are denominated in Australian dollars.

The majority of costs are denominated in Australian dollars, however there are some costs incurred in Great British pounds and United States dollars. Transaction exposures, where possible, are netted off across the Group to reduce volatility and provide a natural hedge.

21. Financial risk management *continued*

a) Foreign currency risk

The Group may from time to time have cash denominated in United States dollars (US dollars).

Currently the Group has no foreign exchange hedge programmes in place. The Group manages the purchase of foreign currency to meet expenditure requirements, which cannot be netted off against US dollar receivables.

The financial instruments which are denominated in US dollars are as follows:

	2021 $'000	2020 $'000
Financial assets		
Cash	**7,044**	13,830
Trade and other receivables	**4,124**	2,176

b) Commodity price risk

The Group uses oil price options to manage some of its transaction exposures. Options entered into have not been designated as cash flow hedges and are entered into for periods consistent with oil price exposure of the underlying transactions, generally from one to 12 months.

Commodity price risk arises from the sale of oil denominated in US dollars. The Group has provisional sales at 30 June 2021 of $4.1 million (2020: $2.2 million).

c) Interest rate risk

The Group has borrowings of $218.0 million at 30 June 2021 (2020: $229.4 million). Interest on borrowings is at variable rates (refer to Note 18) and are capitalised while the project is in development. The Group has fixed rate term deposits that are not impacted by changes in the interest rate at balance date.

d) Share price risk

Share price risk arises from the movement of share prices on a prescribed stock exchange. The Group has equity instruments measured at fair value through other comprehensive income the fair value of which fluctuates as a result of movement in the share price.

The following table summarises the sensitivity of financial instruments held at the year end, to the market risks above, with all other variables held constant.

	2021 $'000	2020 $'000
	Impact on after tax profit	
If the Australian dollar were 10% higher at the balance date	**(1,015)**	(1,455)
If the Australian dollar were 10% lower at the balance date	**1,241**	1,778
If the Brent Average price were 10% higher at the balance date	**452**	397
If the Brent Average price were 10% lower at the balance date	**(452)**	(397)
If the interest rates were 10% higher at the balance date	**(2,180)**	(2,294)
If the interest rates were 10% lower at the balance date	**2,180**	2,294
	Impact on reserve	
If the share price were 10% higher at the balance date	**125**	56
If the share price were 10% lower at the balance date	**(125)**	(56)

21. Financial risk management *continued*

Credit risk

Credit risk arises from the financial assets of the Group which comprise cash and cash equivalents and trade and other receivables including hedge settlement receivables, escrow proceeds receivable (disclosed as other financial assets), and certain prepayments. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The Group trades only with recognised creditworthy third parties and has had no exposure to expected credit losses. The Group has a concentration of credit risk with trade receivables due from a small number of entities which have traded with the Group since 2003. Trade receivables are settled on 30 to 90 day terms. The Group has some exposure to credit loss from other receivables and an amount of $4.2 million calculated on lifetime expected credit loss has been recognised in respect of credit-impaired receivables.

Cash and cash equivalents, term deposits and escrow proceeds receivable are held at three financial institutions that have a Standard & Poor's A credit rating or better.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The liquidity position of the Group is managed to ensure sufficient liquid funds are available to meet all financial commitments in a timely and cost-effective manner. The Managing Director and Chief Financial Officer review the liquidity position on a regular basis including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels.

Any fluctuation of the interest rate either up or down will have no impact on the principal amount of the cash on term deposit at the banks. The Group does not invest in financial instruments that are traded on any secondary market.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	Less than 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	Greater than 5 years $'000	Total $'000
At 30 June 2021					
Trade and other payables	**34,372**	**-**	**-**	**-**	**34,372**
Lease liabilities	**275**	**864**	**7,459**	**3,406**	**12,004**
Interest bearing loans and borrowings	**9,394**	**59,722**	**168,955**	**-**	**238,071**
Success fee financial liability	**-**	**-**	**5,000**	**-**	**5,000**
	44,041	**60,586**	**181,414**	**3,406**	**289,447**
At 30 June 2020					
Trade and other payables[1]	21,183	-	-	-	21,183
Lease liabilities	258	786	6,887	5,118	13,049
Interest bearing loans and borrowings	2,530	35,192	218,017	-	255,739
Success fee financial liability	-	-	5,000	-	5,000
	23,971	35,978	229,904	5,118	294,971

1. Excludes deferred lease incentive.

Group Structure

22. Interests in joint arrangements

The Group has the following interests in joint arrangements involved in the exploration and/or production of oil and gas in Australia:

		Ownership Interest	
		2021	2020
Joint Arrangements in Australia in which Cooper Energy Limited is the Operator/manager			
VIC/L24 & 30	Gas exploration and production	**50%**	50%
VIC/P44	Gas exploration	**50%**	50%
Athena Processing Plant	Gas processing services	**50%**	-
Joint Arrangements in Australia in which Cooper Energy Limited is not the Operator/manager			
PEL 93[1,2]	Oil and gas exploration and production	**30%**	30%
PRL 237[2]	Oil and gas exploration	**20%**	20%
PRL 207-209 (Formerly PEL 100)[2]	Oil and gas exploration	**19.165%**	19.165%
PRL 183-190 (Formerly PEL 110)[2]	Oil and gas exploration	**20%**	20%
PEL 494	Oil and gas exploration	**30%**	30%
PEP 150	Oil and gas exploration	**50%**	50%
PEP 168	Oil and gas exploration	**50%**	50%
PEP 171	Oil and gas exploration	**75%**	75%
PRL 32	Oil and gas exploration	**30%**	30%
PEL 680	Oil and gas exploration	**30%**	-
PRL 85-104[1] (Formerly PEL 92)	Oil and gas exploration and production	**25%**	25%

1. Includes associated PPLs.
2. The assets and liabilities associated with these joint arrangements are held for sale as at 30 June 2021. Refer to Note 10.

Accounting Policy

The Group has interests in arrangements that are controlled jointly. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either a joint operation or a joint venture. The Group has several joint arrangements which are classified as joint operations. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement, have rights to the assets, and obligations for the liabilities, relating to the arrangement.

In relation to its interests in joint operations, the Group recognises its:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of any liabilities incurred jointly
- Revenue from the sale of its share of the output arising from the joint operation
- Expenses, including its share of any expenses incurred jointly

Significant Accounting Judgements, Estimates and Assumptions

Joint arrangements

Judgement is required to determine when the Group has joint control over an arrangement, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Group has determined that the relevant activities for its joint arrangements are those relating to the operating and capital decisions of the arrangement, such as approval of the capital expenditure program for each year and appointing, remunerating and terminating the key management personnel or service providers of the joint arrangement. Where joint control does not exist, the relationship is not accounted for as a joint arrangement.
The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

Judgement is also required to classify a joint arrangement. Classifying the arrangement requires the Group to assess their rights and obligations arising from the arrangement. Specifically, the Group considers:

- the structure of the joint arrangement – whether it is structured through a separate vehicle; and
- when the arrangement is structured through a separate vehicle, the rights and obligations arising from the legal form of the separate vehicle, the terms of the contractual arrangement, and other facts and circumstances (when relevant).

This assessment often requires significant judgement, and a different conclusion on joint control and also whether the arrangement is a joint operation or a joint venture, may materially impact the accounting.

23. Investments in controlled entities

(a) Schedule of controlled entities

The Group's consolidated financial statements include the financial statements of Cooper Energy Limited and the subsidiaries listed in the following table.

Name	Country of incorporation	Note	Ownership interest 2021	2020
CE Tunisia Bargou Ltd	British Virgin Islands		-	100%
CE Hammamet Ltd	British Virgin Islands		-	100%
CE Nabeul Ltd	British Virgin Islands		-	100%
Somerton Energy Limited	Australia	(a)	**100%**	100%
Essential Petroleum Exploration Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (Australia) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (PBF) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (PB Pipelines) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (CH) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (TC) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (MF) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (MGP) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (IC) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (HC) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (EA) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (Sole) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (VO) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (Marketing) Pty Ltd	Australia	(a)	**100%**	100%
Cooper Energy (BMG) Pty Ltd	Australia	(a)(b)	**100%**	100%
Cooper Energy (CB) Pty Ltd	Australia	(a)(b)	**100%**	100%
Cooper Energy (Finance) Pty Ltd	Australia	(a)(b)	**100%**	100%
Cooper Energy (AGP) Pty Ltd	Australia	(a)(b)	**100%**	-

The parties that comprise the Closed Group are denoted by (a). Parties added to the Closed Group by assumption deed dated 28 August 2020 are denoted by (b).

(b) Deed of Cross Guarantee

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 dated 29 September 2016, relief has been granted to these controlled entities of Cooper Energy Limited from the *Corporations Act 2001* for preparation, audit and lodgement of financial reports, and directors' reports. As a condition of the Class Order, Cooper Energy Limited, and the controlled entities subject to the Class Order, entered into a Deed of Cross Guarantee. The effect of the deed is that Cooper Energy Limited has guaranteed to pay any deficiency in the event of the winding up of any member of the Closed Group, and each member of the Closed Group has given a guarantee to pay any deficiency, in the event that Cooper Energy Limited or any other member of the Closed Group is wound up.

CE Tunisia Bargou Ltd, CE Hammamet Ltd and CE Nabeul Ltd were inactive during the current and prior year, therefore the Financial Statements of the consolidated entity also represent the closed group results. These entities were also wound up during the financial year.

23. Investments in controlled entities *continued*

Accounting Policy

Business combinations are accounted for using the acquisition method. The consideration for an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree.
For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities acquired for appropriate classification and designation per AASB 9 *Financial Instruments* (AASB 9) in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. If the business combination is achieved in stages, the acquisition date fair value of the acquirers previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability will be recognised in accordance with AASB 9 and measured at fair value through profit and loss. If the contingent consideration is classified as equity it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of AASB 9, it is measured in accordance with the appropriate AASB.

An asset or group of assets that do not meet the definition of a business are accounted for as asset acquisitions. Under this method, assets are initially recognised at cost based on their relative fair value at the date of acquisition. Under this method transaction costs are capitalised to the asset and not expensed.

24. Parent entity information

Information relating to the parent entity, Cooper Energy Limited	2021 $'000	2020 $'000
Current Assets	**405,709**	114,686
Total Assets	**616,747**	638,485
Current Liabilities	**17,695**	14,891
Total Liabilities	**185,623**	192,562
Issued capital	**477,675**	475,862
Accumulated loss	**(61,655)**	(42,794)
Option premium reserve	**25**	25
Share based payment reserve	**15,079**	12,830
Total shareholders' equity	**431,124**	445,923
Loss of the parent entity	**(18,862)**	(39,302)
Total comprehensive loss of the parent entity	**(18,862)**	(39,302)

Other Information

25. Commitments for expenditure

The Group has the following commitments for expenditure not provided for in the financial statements and payable.

	Exploration capital		Leases	
	2021 $'000	2020 $'000	2021[1] $'000	2020[2] $'000
Due within 1 year	**2,460**	32,300	**8,151**	24,273
Due within 1-5 years	**63,445**	68,944	**244,535**	242,729
Due later than 5 years	**-**	-	**84,683**	112,398
Total	**65,905**	101,244	**337,369**	379,400

1. Commitments relating to leases that have not yet commenced.

From time to time through the ordinary course of business, Cooper Energy enters into contractual arrangements that may give rise to negotiated outcomes.

As at 30 June 2021 the Parent entity has bank guarantees for $8.8 million (2020: $1.5 million). These guarantees are in relation to credit support for gas purchases and guarantees on office leases.

26. Contingent liabilities

Contingent liabilities arise in the ordinary course of business through commercial disputes or claims, including contractual or third-party claims. These contingent liabilities are possible obligations whose existence will only be confirmed by the occurrence or non-occurrence of uncertain future events. Because it is not probable that a future sacrifice of economic benefits will be required or the amount of the obligation cannot be measured with sufficient reliability, the Group has not provided for these amounts in the financial statements.

27. Share based payments

At the 2018 AGM, shareholders of Cooper Energy approved the plan referred to as the Equity Incentive Plan (EIP). Performance rights and share appreciation rights were issued for no consideration under the EIP. These rights issued will vest as shares in the parent entity subject to performance hurdles being met. A performance right is the right to acquire one fully paid share in the Company provided a specified hurdle is met and share appreciation rights are rights to acquire shares in the Company to the value of the difference in the Company share price between the grant date and vesting date.

Testing of the performance rights and share appreciation rights will occur at the end of the three year performance period. Rights granted prior to the 2020 financial year may be retested once 12 months after the original three year test date. At the end of the three year measurement period, those rights that were tested and achieved will vest.

The vesting test is determined from the absolute total shareholder return of Cooper Energy's share price ranked against the absolute total shareholder returns of 12 peer companies listed on the Australian Securities Exchange. If Cooper Energy is ranked lower than the 50th percentile no rights will vest. If Cooper Energy is ranked in the 50th percentile 30% of the eligible rights will vest. If Cooper Energy is ranked greater than the 50th percentile but less than the 90th percentile the amount of eligible rights vested will be based on a pro rata calculation. If Cooper Energy is ranked in in the 90th percentile or higher 100% of the eligible rights will vest.

Performance rights are also granted as part of deferred STIP and testing of these rights will occur at the end of a 12 month performance period. Rights granted will vest if the employee remains employed by the Company at the end of the performance period.

There are no participating rights or entitlements inherent in the rights and holders will not be entitled to participate in new issues of capital offered to shareholders during the period of the rights. All rights are settled by physical delivery of shares.

Information with respect to the number of performance rights and share appreciation rights granted to employees is as follows:

Date Granted	Number of share appreciation rights (SARs) granted	Number of performance rights granted	Average share price at commencement date of grant	Average contractual life of rights at grant date in years	Remaining life of rights in years
12 December 2018	13,312,848	4,888,166	$0.435	3	0.5
11 December 2019	14,871,802	4,257,209	$0.575	3	1.5
11 December 2019[1,2]	-	769,605	$0.575	1	-
10 December 2020	20,473,191	6,394,202	$0.390	3	2.5
10 December 2020[2]	-	1,885,834	$0.390	1	0.5

1. Granted in December 2019 and exercised in December 2020
2. Relates to deferred STIP performance rights granted

The number of performance rights and share appreciation rights held by employees is as follows:

	Number of Share Appreciation Rights		Number of Performance Rights[1]	
	2021	**2020**	**2021**	**2020**
Balance at beginning of year	**48,280,025**	38,457,469	**17,862,629**	15,464,897
- granted	**20,473,191**	14,871,802	**8,280,036**	5,026,814
- vested	**(6,438,631)**	(5,049,246)	**(3,333,247)**	(2,613,107)
- expired and not exercised	**(4,881,179)**	-	**(1,889,863)**	-
- forfeited following employee termination	**-**	-	**-**	(15,975)
Balance at end of year	**57,433,406**	48,280,025	**20,919,555**	17,862,629
Achieved at end of year	**-**	-	**-**	-

1. Includes deferred STIP issued as performance rights

The fair value of services received in return for the performance rights granted are measured by reference to the fair value of performance rights granted. The estimate of the fair value of the services received is measured based on the Black-Scholes methodology to produce a Monte Carlo simulation model that allows for the incorporation of market-based performance hurdles that must be met before the shares vest to the holder.

27. Share based payments *continued*

Share Appreciation Rights fair value assumptions	12 December 2018	11 December 2019	10 December 2020
Fair value at measurement date	14.5 cents	15.8 cents	10.9 cents
Share price	43.5 cents	57.5 cents	39.0 cents
Risk free interest rate	1.95%	0.68%	0.11%
Expected volatility	49%	40%	45%
Dividend yield	0%	0%	0%
Performance Rights fair value assumptions	**12 December 2018**	**11 December 2019**	**10 December 2020**
Fair value at measurement date	30.0 cents	37.7 cents	25.6 cents
Share price	43.5 cents	57.5 cents	39.0 cents
Risk free interest rate	1.95%	0.68%	0.11%
Expected volatility	49%	40%	45%
Dividend yield	0%	0%	0%

Accounting Policy

The Group provides benefits to employees of the Group in the form of share-based payment transactions, whereby employees render services in exchange for rights over shares ("equity-settled transactions").

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and are recorded as an expense, with a corresponding increase in reserves, on a straight-line basis over the vesting period of the related instrument.

The fair value is determined using the Black-Scholes methodology to produce a Monte Carlo simulation model that takes into account the exercise price, the vesting period, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the performance right or share appreciation right, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the vesting period. The fair value of the performance rights and share appreciation rights granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

The volatility assumption is based on the actual volatility of Cooper Energy's daily closing share price over the three-year period to the valuation date.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

1. the extent to which the vesting period has expired; and
2. the Group's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The Consolidated Statement of Comprehensive Income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employees as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding performance rights and share appreciation rights is reflected as additional share dilution in the computation of diluted earnings per share.

Significant Accounting Judgements, Estimates and Assumptions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuation expert using the calculation criteria.

28. Related party disclosures

The Group has a related party relationship with its joint arrangements (Note 22), its subsidiaries (Note 23), and its key management personnel (disclosure below).

The key management personnel's remuneration included in General Administration (see Note 2) is as follows:

	2021 $	2020 $
Short-term benefits	**4,818,430**	5,906,298
Other long-term benefits	**54,545**	47,513
Post-employment benefits	**251,556**	244,725
Performance Rights and Share Appreciation Rights	**2,123,212**	2,263,996
Total	**7,247,743**	8,462,532

29. Remuneration of Auditors

	2021 $	2020 $
The auditor of Cooper Energy Limited is Ernst & Young		
Audit services		
Amounts received or due and receivable by Ernst & Young Australia for:		
Audit of statutory report of Cooper Energy Limited	**486,075**	511,395
	486,075	511,395
Other services		
Taxation and other services	**48,300**	187,915
	48,300	187,915
Total fees to Ernst & Young	**534,375**	699,310

30. Events after the reporting period

Other than the Sale and Purchase Agreement for the sale to Bass Oil of the Company's interests in several of its Cooper Basin exploration and production licenses (PEL 93, PPL 207, PRL 237, PEL 100 and PEL 110) that was announced on 12 July 2021 as detailed in Note 10, there are no significant events subsequent to 30 June 2021 at the date of this report. .

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Cooper Energy Limited, I state that:

1. In the opinion of the Directors:

   (a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the year ended on that date; and

      (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

   (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in the Basis of Preparation; and

   (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2021.

3. In the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 23 will be able to meet any obligations or liabilities to which they are, or may become subject, by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the Directors.

John Conde

Mr John C. Conde AO
Chairman

David P. Maxwell

Mr David P. Maxwell
Managing Director

23 August 2021

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Independent Auditor's Report to the Members of Cooper Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cooper Energy Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2021 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Building a better working world

1. Funding and liquidity and progress towards Practical Completion of the Sole Gas Project

Why significant	How our audit addressed the key audit matter
In early 2020, the development of the offshore upstream Sole Gas field and associated Sole Gas pipeline (together, the Sole Gas Project, or Sole) was completed, and the upstream field and pipeline were successfully commissioned. Commissioning of the Orbost Gas Processing Plant (OGPP) (which will process gas from Sole but is not owned by Cooper Energy) commenced at that time, but the commissioning process remains ongoing due to technical difficulties restricting steady capacity rates. The Group continues to cooperatively work with the operator of the OGPP to rectify the issue now having agreed scope of Phase 2 of the remediation works. As set out in Note 1 Significant judgements, estimates and assumptions within the section titled 'Funding and liquidity and progress towards Practical Completion of the Sole Gas Project' of the financial report, the delays in commissioning have led to a number of matters to be considered by management, including the impact on the Group's funding position and considerations of Cooper Energy's ability to continue as a going concern. We have considered this a Key Audit Matter due to the judgments involved in assessing the impacts on funding and liquidity and on the financial statements as a whole.	We assessed management's overall considerations regarding the status of the Sole project and in particular the OGPP, and the impact on the Group's overall funding and liquidity position and ability to continue as a going concern. Our procedures included assessing: • The operational status of the OGPP and planned activity to address ongoing technical difficulties and achieve Practical Completion. • The Group's cash flow forecasts through to September 2022, corroborating those against work performed in other areas of the audit, including performing sensitivities on the cash flow outcomes relating to the assumed production from the plant. • The status of funding at the balance sheet date and as at the date of signing of the financial report and auditors report. • The construct of the Reserves Based Lending (RBL) facility and the Group's rights and obligations under the facility. • Other information supporting the Directors' view that the likelihood of an Event of Default being called under the Group's RBL facility is remote, based on the operation of the RBL and factors known at the date of signing the financial report. • The adequacy of the disclosure in significant judgements, estimates and assumptions within the section titled 'Funding and liquidity and progress towards Practical Completion of the Sole Gas Project'.

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working world

2. Carrying value of oil and gas assets and exploration and evaluation assets

Why significant	How our audit addressed the key audit matter
Australian Accounting Standards require the Group to assess whether there are any indicators that oil and gas Cash Generating Units (CGUs) or exploration and evaluation assets may be impaired. If an indicator exists, the Group must estimate the recoverable amount of the asset. At year end, the Group concluded that there were no impairment charges required for any of its oil and gas CGUs. In determining whether there was an indicator of impairment for the Group's oil and gas CGUs, the Group considered whether there was a significant change in the external or internal factors as set out in the financial report in Note 15. The key assumptions, judgements and estimates used in the Group's assessment of impairment are disclosed, to the extent relevant, in Note 15. At year end, the Group identified that there was an impairment indicator in respect of the Cooper Basin exploration and evaluation (E&E) assets held for sale at 30 June 2021. An impairment charge of $0.4m was recognised in respect of the assets held for sale during the year. The impairment testing process for the Group's E&E assets commences with an assessment against indicators of impairment under the Australian Accounting Standard -AASB 6 Exploration for and Evaluation of Mineral Resources. If there is an indication that an E&E asset may be impaired, the Group is required to estimate the recoverable amount of the asset. In the current year, the recoverable amount of the Group's Cooper Basin E&E assets held for sale were measured with reference to the executed Sale and Purchase Agreement (SPA) for those assets. The assessment of indicators of impairment is complex and highly judgemental and includes assessing a range of external and internal factors and modelling a range of assumptions or scenarios in preliminary trigger testing models or ultimately models used to determine the recoverable amount of a CGU. Accordingly, the carrying value of oil and gas assets and exploration and evaluation assets was considered to be a key audit matter.	We evaluated whether there had been significant changes in the external or internal factors considered by the Group in assessing whether indicators of impairment existed. In respect of the Group's oil & gas CGUs our procedures included: • Comparing the carrying amount of the Group's oil and gas and exploration and evaluation assets to the Group's market capitalisation • Assessing triggers for impairment, including the use of comparing carrying amounts to the preliminary trigger testing models prepared. • Assessing, in conjunction with our valuation specialists, the inputs used in the preliminary trigger testing models such as discount rates, foreign exchange rates and commodity prices with reference to market prices (where available), market research, market practice, market indices, broker consensus and historical performance. • Testing the mathematical accuracy of the discounted cash flow models used for impairment trigger testing purposes. Considering, where relevant, the inputs used to determine future operating and capital expenditure, such as current approved budgets, forecasts, contractual arrangements and historical expenditure, and ensuring variations were in accordance with our expectations based upon other information obtained throughout the audit. • Using the work of the Group's internal and external experts with respect to hydrocarbon reserve and resource estimations. This included assessing the qualifications, competence and objectivity of the Groups' internal and external experts involved in these estimation processes, evaluating the adequacy of the experts' work, and assessing whether key economic assumptions used in the estimation of reserves and resources volumes were consistent with those used by the Group in impairment testing, where applicable. For E&E assets, we assessed the analysis prepared by the Group as to the appropriateness of carrying forward capitalised exploration and evaluation cost with reference to the requirements of AASB 6 Exploration for and Evaluation of Mineral Resources, which included consideration of: • The Group's right to explore in the relevant exploration area; • The Group's intention to carry out substantive E&E activity in the relevant exploration area, or plans to move the asset into development; and • The Group's assessment of the commercial viability of results relating to E&E activities carried out in the relevant license area. For the Group's Cooper Basin E&E assets held for sale at 30 June 2021, we obtained the Sale and Purchase Agreement and confirmed consistency of the purchase price to the deemed recoverable amount of the assets and the impairment charge at 30 June 2021. For both oil & gas CGUs and E&E assets we considered the adequacy of the financial report disclosures regarding the assumptions, key estimates and judgements applied by management for the Group's assessment of indicators of impairment of non-current assets as set out in Note 15.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 30 June 2021 Annual Report other than the financial report and our auditor's report thereon. We obtained the Directors' Report and the Overall Financial Review that are to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Building a better working world

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 41 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Cooper Energy Limited for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Darryn Hall
Partner
Adelaide
23 August 2021

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Auditor's Independence Declaration to the Directors of Cooper Energy Limited

As lead auditor for the audit of the financial report of Cooper Energy Limited for the financial year ended 30 June 2021, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Cooper Energy Limited and the entities it controlled during the financial year.

Ernst & Young

Darryn Hall
Partner
Adelaide
23 August 2021

Securities Exchange and Shareholder Information

as at 31 August 2021

Listing

The company's shares are quoted on the Australian Securities Exchange under the code of "COE".

Number of Shareholders

There were 9,422 shareholders. All issued shares carry voting rights. On a show of hands every member at a meeting of shareholders shall have one vote and upon a poll each share shall have one vote.

Distribution of Shareholding (at 31 August 2021)

Size of Shareholding	Number of holders	Number of Shares	% of issued capital
1 - 1,000	1,035	294,429	0.02
1,001 - 5,000	2,372	6,677,245	0.41
5,001 - 10,000	1,430	11,793,671	0.72
10,001 - 100,000	3,729	140,693,469	8.63
100,001 - 9,999,999,999	856	1,471,567,291	90.22
Total	**9,422**	**1,631,026,105**	**100.00**

Unquoted Options on Issue Nil

Unquoted Performance Rights

Number of Holders of Rights	Total Performance Rights
101	20,435,120 Performance Rights
22	56,443,748 Share Appreciation Rights

Unmarketable Parcels

There were 2,026 members, representing 1,913,049 shares, holding less than a marketable parcel of 2,223 shares in the company.

Twenty Largest Shareholders

Rank	Name	Units	% of Issued Capital
1.	HSBC Custody Nominees (Australia) Limited	220,957,128	13.55
2.	J P Morgan Nominees Australia Pty Limited	215,337,660	13.20
3.	Citicorp Nominees Pty Limited	212,372,325	13.02
4.	CS Third Nominees Pty Limited <HSBC Cust Nom Au Ltd 13 A/C>	168,854,522	10.35
5.	Bnp Paribas Nominees Pty Ltd <Agency Lending Drp A/C>	56,555,315	3.47
6.	National Nominees Limited	56,261,371	3.45
7.	BNP Paribas Noms Pty Ltd <DRP>	41,520,740	2.55
8.	Mccusker Holdings Pty Ltd	41,500,000	2.54
9.	UBS Nominees Pty Ltd	25,143,556	1.54
10.	Nero Resource Fund Pty Ltd <Nero Resource Fund A/C>	14,600,000	0.90
11.	Invia Custodian Pty Limited <David Peter Maxwell A/C>	14,099,180	0.86
12.	Kavel Pty Ltd <Kleeman Family A/C>	12,341,476	0.76
13.	HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	10,989,649	0.67
14.	Mr Leendert Hoeksema & Mrs Aaltje Hoeksema	8,980,000	0.55
15.	Levak Nominees Pty Ltd	7,269,015	0.45
16.	Mr Matthew Brendan Ryland	6,300,000	0.39
17.	Mr Timothy Bryce Kleemann	5,647,682	0.35
18.	Hooks Enterprises Pty Ltd <Hoeksema Superfund A/C>	5,440,000	0.33
19.	BNP Paribas Nominees Pty Ltd Six Sis Ltd <DRP A/C>	4,948,575	0.30
20.	Farjoy Pty Ltd	4,350,000	0.27
Totals: Top 20 holders of Ordinary Fully Paid Shares (Total)		**1,133,468,194**	**69.49**

Substantial Shareholder

The following were substantial holders in the company, as disclosed in substantial holding notices given to the Company as required by section 671B of the Corporations Act.

Name of entity	Number of securities in which substantial shareholder has a relevant interest as at date of last notice	Voting power as at date of last notice
L1 Capital Pty Ltd	208,910,445	12.81%
First Sentier Investors Holdings Ltd	123,639,367	7.58%
Mitsubishi UFJ Financial Group, Inc	123,639,367	7.58%
Retail Employees Superannuation Pty Ltd	83,835,500	5.14%
CBA	85,908,900	5.27%
Challenger Ltd	134,892,539	8.27%
Greencape Capital	131,213,903	8.07%
Carol Australia Holdings Pty Ltd	97,203,575	5.99%

Enquiries and share registry address

Shareholders with enquiries about their shareholdings should contact the Company's share registry, Computershare Investor Services Pty Ltd, via the contact details in the Corporate Directory of this Annual Report.

Online Shareholder information

Shareholders can obtain information about their holdings or view their account instructions online, as well as download forms to update their holder details. For identification and security purposes, you will need to know your Holder Identification Number (HIN/SRN), Surname/Company Name and Post/Country Code to access. This service is accessible via the Computershare website.

Change of address

Shareholders who have changed their address should advise Computershare in writing. Written notification can be mailed or faxed to Computershare and must include both old and new addresses and the security holder reference number (SRN) of the holding.

Change of address forms are available for download from the Computershare website. Alternatively, holders can amend their details on-line via the Computershare website. Shareholders who have broker sponsored holdings should contact their broker to update these details.

Annual Report mailing list

Shareholders who wish to vary their annual report mailing arrangements should advise Computershare in writing. Electronic versions of the report are available to all via the Company's website. Annual Reports will be mailed to all shareholders who have elected to be placed on the mailing list for this document. Annual Report election forms can be downloaded from the Computershare website.

Forms for download

All forms relating to amendment of holding details and holder instructions to the company are available for download from the Computershare.

Investor information

Information about the Company is available from a number of sources:

- Website: **www.cooperenergy.com.au**
- E-news: Shareholders can nominate to receive Company information electronically. This service is hosted by Computershare and can be accessed via Computershare's website
- Publications: The Annual Report is the major printed source of Company information. Other publications include half-yearly and quarterly reports, company press releases and investor presentations. All publications can be obtained either through the Company's website or by contacting the Company
- Telephone or email enquiry: Derek Piper, Head of Investor Relations, +61 8 8100 4900; **customerservice@cooperenergy.com.au**

Annual Report

This Annual Report has been prepared to provide Shareholders with an overview of Cooper Energy Limited's performance for the 2021 financial year and its outlook. The Annual Report is mailed to shareholders who elect to receive a copy and is available free of charge on request (see Shareholder Information printed in this Annual Report).

This Annual Report and other information about the company can be accessed via the Company's website at **www.cooperenergy.com.au.**

Annual General Meeting

- Date of meeting: Thursday, 11 November 2021
- Time of meeting: 10:30 am (Australian Central Daylight Time)
- Place of meeting: Due to Federal and State Government restrictions regarding gatherings and COVID-19, the Annual General Meeting will be held virtually via an online platform at **https://web.lumiagm.com** with meeting ID 373-924-797

The Notice of Meeting has been mailed to Shareholders. Additional copies can be obtained from the Company's registered office or downloaded from its website at **www.cooperenergy.com.au**.

Abbreviations

1C: low estimate Contingent Resources

2C: best estimate Contingent Resources

3C: high estimate Contingent Resources

1P: Proved Reserves

2P: Proved and Probable Reserves

3P: Proved, Probable and Possible Reserves

ASX: Australian Securities Exchange

bbl: barrels of oil

BMG: Basker, Manta and Gummy fields

boe: barrels of oil equivalent

bopd: barrels of oil per day

$: Australian dollars

EBITDAX: earnings before interest, tax, depreciation, amortisation, restoration, exploration and evaluation expense and impairment

FEED: front end engineering and design

FID: final investment decision

FTE: full time equivalent

GJ: gigajoules

HSEC: health, safety, environment and community

kboe: thousand barrels of oil equivalent

kbbl: thousand barrels of oil

km: kilometres

LNG: liquefied natural gas

LTI: lost time injury

LTIFR: lost time injury frequency rate

m: metres

MMbbl: million barrels of oil

MMboe: million barrels of oil equivalent

NOPSEMA: National Offshore Petroleum Safety and Management Authority

NOPTA: National Offshore Petroleum Title Administrator

NPAT: net profit after tax

OGPP: Orbost Gas Processing Plant

PJ: petajoules

PRMS: Petroleum Resources Management System

SCF: standard cubic feet

SPE: Society of Petroleum Engineers

TJ: terajoules

TRIFR: total recordable injury frequency rate

TRCFR: total recordable case frequency rate per million hours worked

VWAP: volume weighted average price

Reserves and Contingent Resources

Cooper Energy reports its Reserves and Contingent Resources according to the Society of Petroleum Engineers (SPE) Petroleum Resources Management System (PRMS) guidelines. Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions.

Contingent Resources are those quantities of petroleum estimated, at a given date, to be potentially recoverable from known accumulations but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies.

In PRMS, the range of uncertainty is characterised by three specific scenarios reflecting low, best and high case outcomes from the project. The terminology is different depending on which class is appropriate for the project, but the underlying principle is the same regardless of the level of maturity. In summary, if the project satisfies all the criteria for Reserves, the low, best and high estimates are designated as Proved (1P), Proved plus Probable (2P) and Proved plus Probable plus Possible (3P), respectively. The equivalent terms for contingent resources are 1C, 2C and 3C.

Rounding

Numbers in this report have been rounded. As a result, some figures may differ insignificantly due to rounding and totals reported may differ insignificantly from arithmetic addition of the rounded numbers.

CORPORATE DIRECTORY

Directors

John C Conde AO, Chairman
David P Maxwell, Managing Director
Timothy G Bednall
Victoria J Binns
Giselle M Collins (appointed 19 August 2021)
Elizabeth A Donaghey
Hector M Gordon
Jeffrey W Schneider
Alice J Williams (retired 12 November 2020)

Company Secretary

Amelia Jalleh

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Adelaide, South Australia, 5000

Solicitors

Johnson Winter & Slattery
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Bankers

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Singapore 048583

National Australia Bank Limited
Level 32, 500 Bourke Street
Melbourne, Victoria, 3000

Australia and New Zealand Banking Group
Level 20, 242 Pitt Street
Sydney, New South Wales, 2000
Australia

Natixis, Hong Kong Branch
Level 72, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

ING Bank N.V.
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Sydney, New South Wales, 2000

National Australia Bank Limited
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Melbourne, Victoria, 3000

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