

Cooper Energy readies for five-fold gas boost

CAMERON ENGLAND

COOPER Energy expects a “transformational uplift” in production and cash flow when its Sole Gas Project comes online next month.

Adelaide-based Cooper, while releasing its first half results, said the plant design of 68 terajoules a day of gas would result in the company’s daily production increasing five-fold.

Cooper also said it was looking at options for the commercialisation of its Annie gas discovery also off the Victorian coast, and is targeting a final investment decision within this calendar year and gas production in 2022.

That project, which also includes the Casino-Henry gas fields, could bring 100 petajoules of gas to market, in addition to the Sole project, which is expected to produce about 23PJ of gas a year out to 2030.

The Annie and Ca- Our sino-Henry gas would be processed through the Minerva plant in Victoria, which Cooper bought in the first half of the year.

The Sole project, which came in \$8 million under budget at \$347 million, has experienced delays due to the Orbost plant, owned by APA Group, coming on line later than expected.

Cooper managing director David Maxwell said the first commercial gas sales from Sole would signify the culmination of a five year journey to re-cast the company as a substantial east coast gas producer.

“Sole has d e m o n s t r a t e d our capability in developing and commercialising gas for southeast Australia” Mr Maxwell said.

“We have more opportunities in our portfolio and our work program for the second half is heavily weighted to advancing new projects and exploration that can bring more gas to market.”

Mr Maxwell said the vision was to evolve into a multi-project company, and Cooper had more than enough opportunity in southeastern Australia. “We’re building our business around what we call the Otway hub, and we’ve got the gas plants and acreage there.

“Acquiring the Minerva gas plant has been absolutely for us. In the Gippsland Basin we’ve got the Gippsland acreage and access to the Orbost facility, so we’re looking to build our business around those two hubs.”

In the offshore Otway Basin, where Annie and Casino-Henry are located, a number of options which were all economic were being assessed to bring the gas to market.

Other opportunities which will be assessed in the second half of the year include an offshore drilling campaign for 2021-22, subject to rig availability, including the Manta-3 appraisal well and gas exploration in both the offshore Gippsland and Otway basins.

Mr Maxwell said there was still strong demand from customers for gas, and the company had good relationships with customers who had underpinned Sole's development.

Cooper reported a net profit of \$6.3 million up from a loss of \$12.6 million. On an underlying basis it reported a loss of \$2 million, down from a profit of \$3.1 million.

The first half results included significant items of \$11.3 million including liquidated damages income of \$9.9 million.

Sales revenue for the six months to the end of December was \$39.1 million, up 8 per cent from \$36.2 million. Cooper had net debt of \$73.3 million.

The company's shares closed 5.6 per cent lower at 51c.