



Comet Ridge Limited

www.cometridge.com.au



Comet Ridge Limited
Annual General Meeting - Brisbane
Managing Director's Presentation
27 November 2014

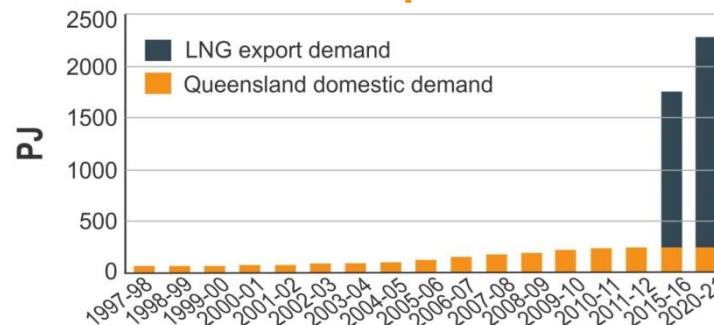
Strategically Positioned for Gladstone LNG



Comet Ridge Limited

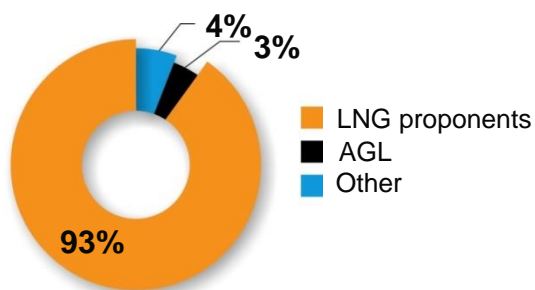
- 4 large LNG consortia and AGL control 97% of 2P CSG reserves in Queensland**
- Intensifying competition for uncontracted gas reserves driven by LNG demand
- Mahalo Project well positioned to supply gas to Gladstone LNG and/or domestic customers

Qld domgas demand and projected gas demand for LNG exports



Source: 2012 Gas Market Review Queensland (Queensland Government)

Qld CSG 2P Reserves, Nov 2013 (41,246 PJ)



Source: EnergyQuest

Overview of Gladstone LNG Projects

Project name	Est. start-up	Project size (Mtpa)		Gas use per train (PJ/a)	Total potential gas demand (PJ) ^
		Initial	Potential		
Australia Pacific LNG (APLNG)	2015	9.0 (4.5 x 2)	18.0	270	21,600
Gladstone LNG (GLNG)	2015	7.8 (3.9 x 2)	12.0	234	14,040
Queensland Curtis LNG (QCLNG)	End 2014	8.6 (4.3 x 2)	13.5	255	15,300
Arrow LNG *	2017	8.0 (4.0 x 2)	18.0	260	20,800
Total		33.4	61.5		71,740
Current 2P Coverage % **					57%

Source: 2012 Gas Market Review, Queensland; Company releases, EnergyQuest

^ Based on 20 year project

* Project has not yet reached Final Investment Decision

** Based on Qld 2P reserves as at November 2013 (EnergyQuest)

Mahalo Project



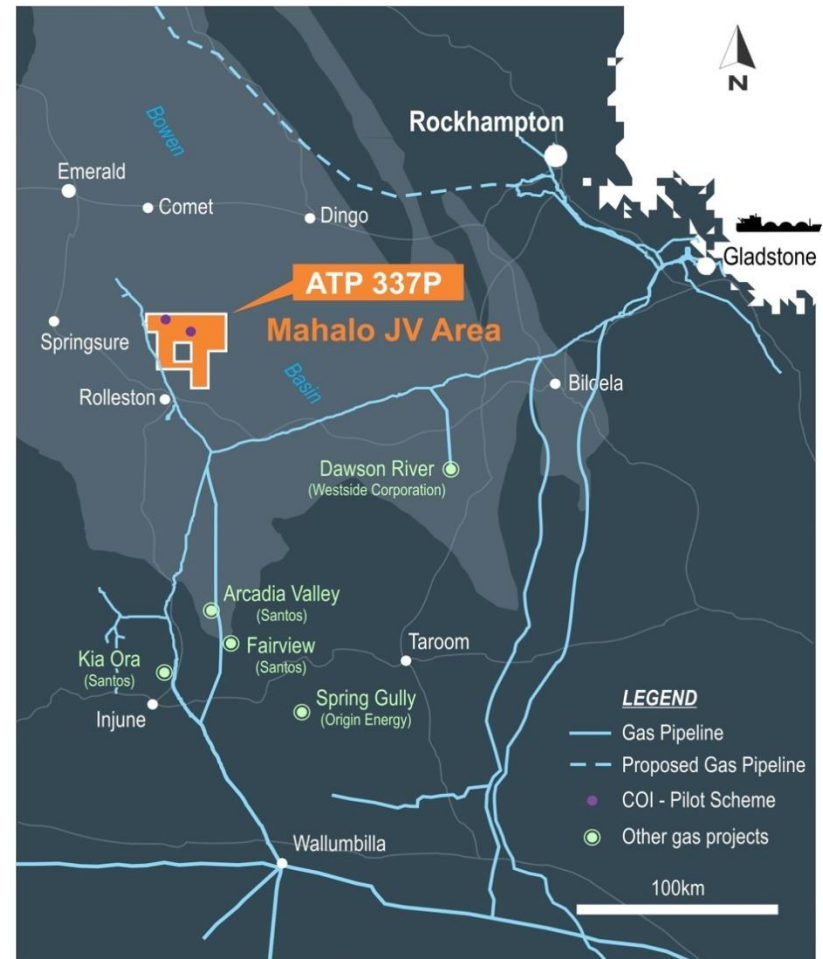
Mahalo Project – Background



Comet Ridge Limited

- JV partners APLNG and Santos participate in two of the Gladstone LNG projects
- 11km from pipeline infrastructure linking to Gladstone LNG and domestic market with significant gas supply requirement and rising prices
 - ~25 TJ/d existing pipeline capacity (approx. 3 LNG cargoes p.a.), can be increased further with additional compression
- Initial drilling and testing exceeded COI expectations and confirmed a high quality asset:
 - 7 to 9 metres of continuous net coal thickness achieved across both pilot locations
 - Very good to excellent permeability measured (up to hundreds of millidarcies)
- Two pilot schemes operating and flaring gas – Mahalo and Mira Field Pilots
- Horizontal well drilled in November 2014 and expected on-line early December

ATP 337P Mahalo Block (COI 40%, APLNG 30%, Santos 30%)



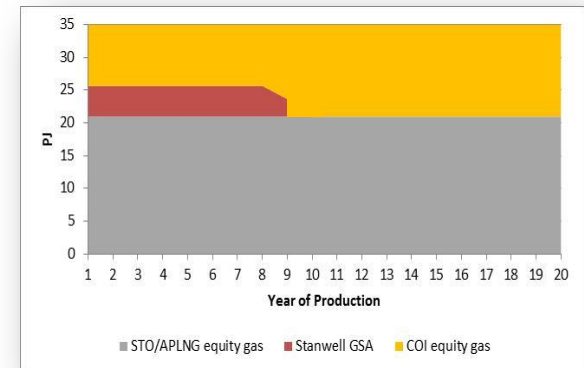
Mahalo Buy Back



Comet Ridge Limited

- Comet Ridge announced the buy back of interests in the Mahalo Project previously sold to Stanwell in 2011, increasing COI's project interest to 40%
- Stanwell can elect either of the following at final investment decision as consideration for the relinquishment of its interests in the Mahalo Project:

Indicative GSA Example Based on 35 PJ/a Gross Project Field Development



Assumptions:

- 35 PJ/a gross project field development
- 20+ year field life
- 40 PJ sold to Stanwell over 8.5 years

* Escalated quarterly from 1 August 2014

Gas Supply Agreement (GSA)

- GSA with COI for supply of 20 PJ to 40 PJ from the Mahalo Project over 10 years** (~7% of gas resource, COI 40% share)
- Limited to one third of COI gas produced each year for 10 years
- Key GSA terms:
 - Pricing linked to LNG netback (with ceiling)
 - Floor price protection based on fixed return
 - Take or pay provisions apply
 - Stanwell receive pricing discount over term of GSA to reflect \$15m invested to date

OR

Cash payment

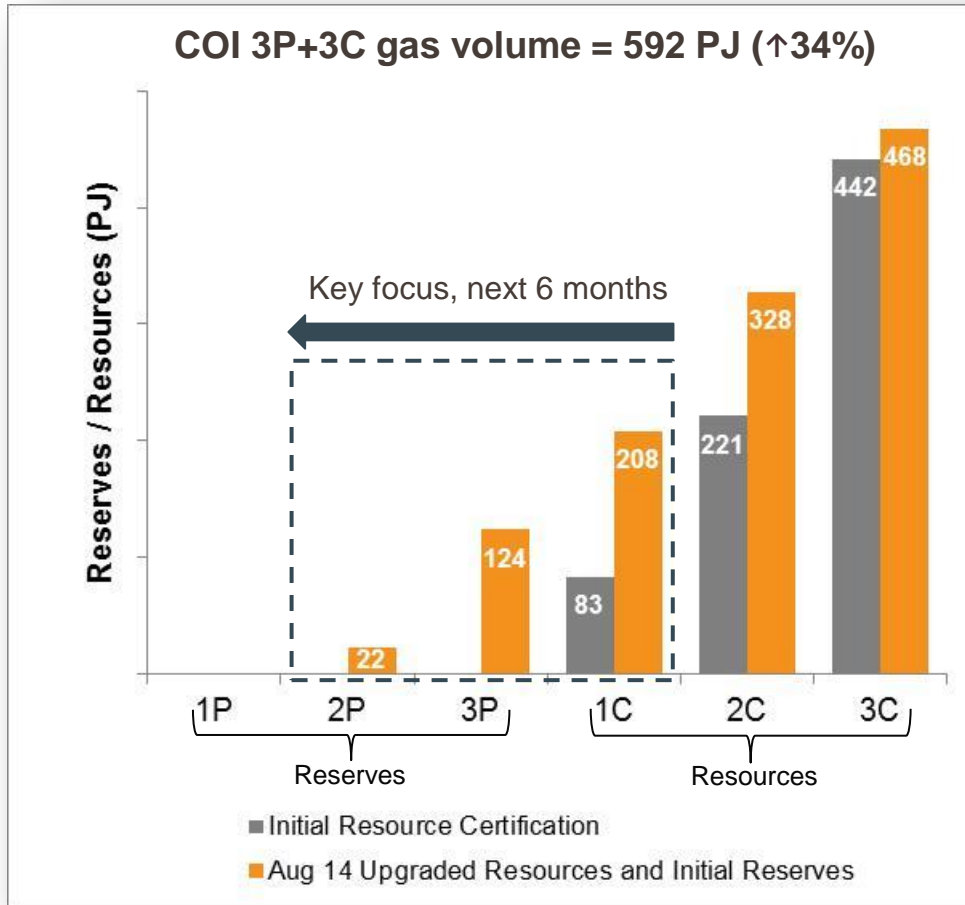
- Cash payment of \$20m ***
- Represents reimbursement for expenditure to date and uplift in value/funding costs
- If FID is not reached within 4 years Stanwell is deemed to have elected the cash payment

Maiden Reserve Booking at Mahalo



Comet Ridge Limited

COI 40% Share – Mahalo Reserves & Resources



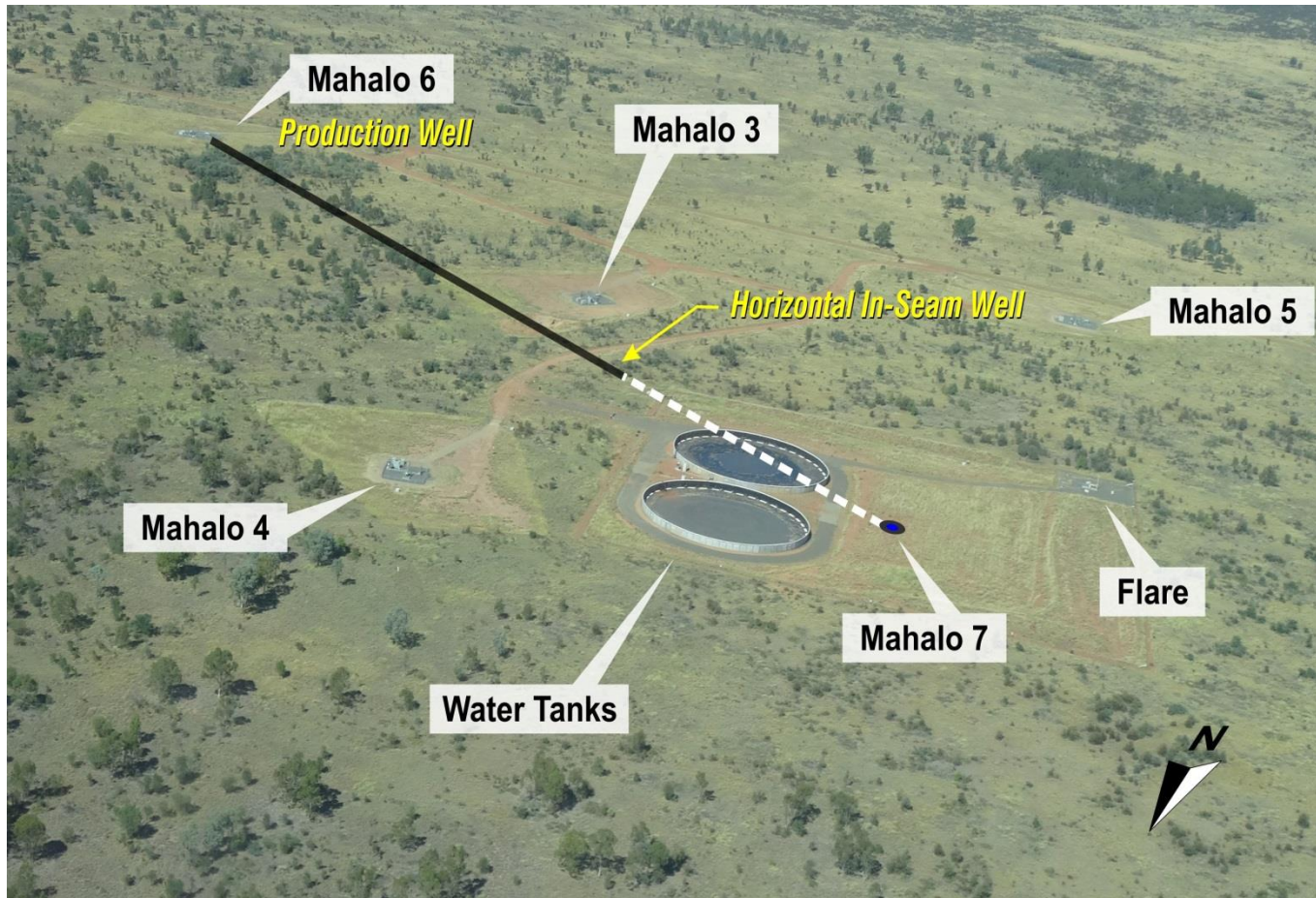
Note: Gas Reserve and Resource numbers have been rounded to the nearest whole number. 1P Reserves have not been attributed to the MGP under SPE 2007 PRM Guidelines as the field is not yet at development stage with an approved development plan. Refer to Competent Persons Statement on p21.

- August 2014 Reserve Statement delivered initial independently certified reserves and material upgrade to contingent resources
 - ↑ 150% at 1P + 1C level (208 PJ)
 - ↑ 58% at 2P + 2C level (350 PJ)
 - ↑ 34% at 3P + 3C level (592 PJ)
- Substantial upside to Reserves expected as Mahalo Project continues to mature (Gross Resource 1,480 PJ – 100% basis)
- 2P and 3P Reserve areas represent less than 5% and 25% of the tenement area respectively
- Significant JV spend to date on two pilot schemes and associated infrastructure
- New pilot schemes are not required moving forward
- Plan to drill strategically located incremental wells to build Reserve base and field development plan

Mahalo Field Pilot



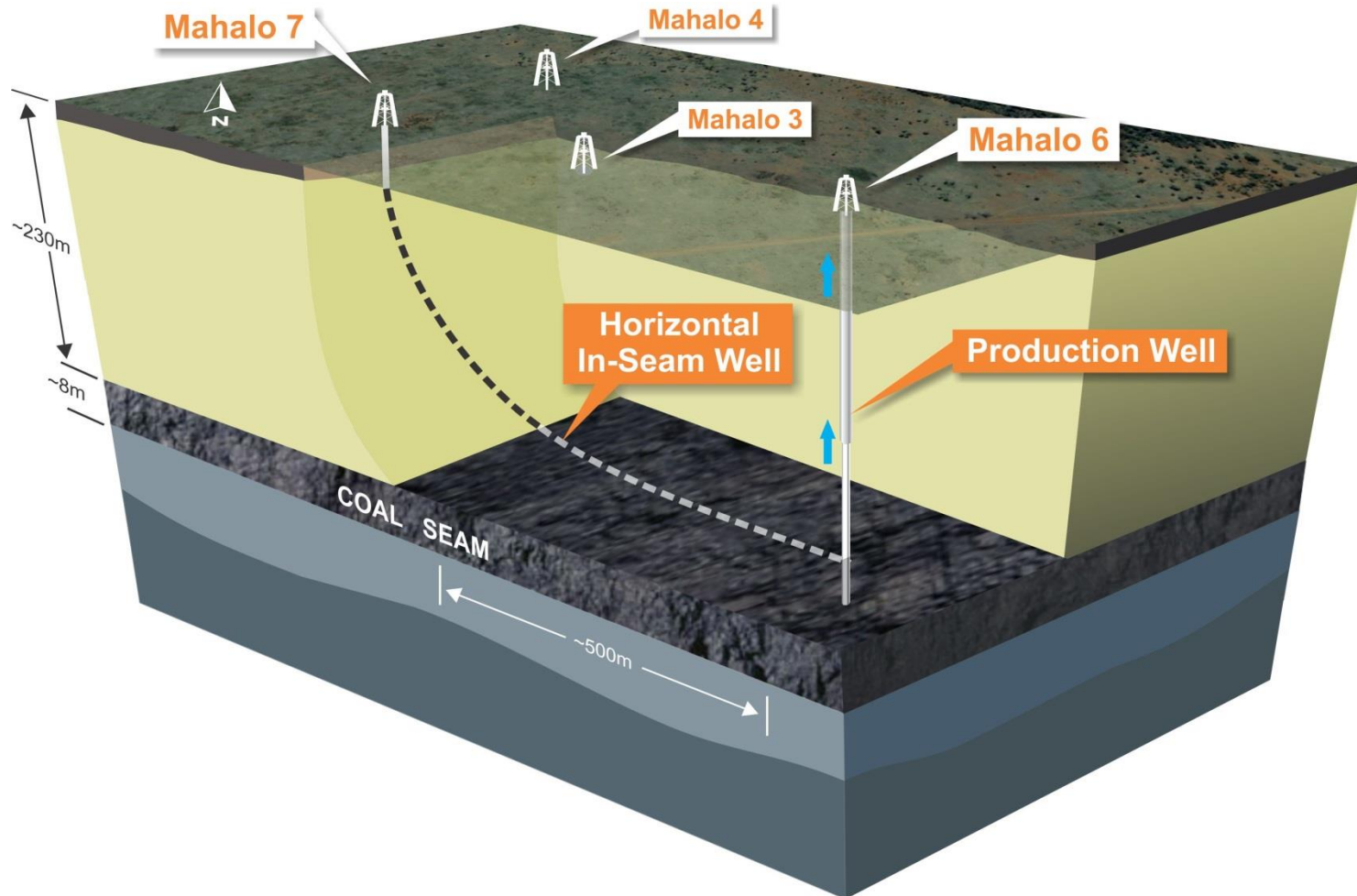
Comet Ridge Limited



Mahalo 7 horizontal well – concept



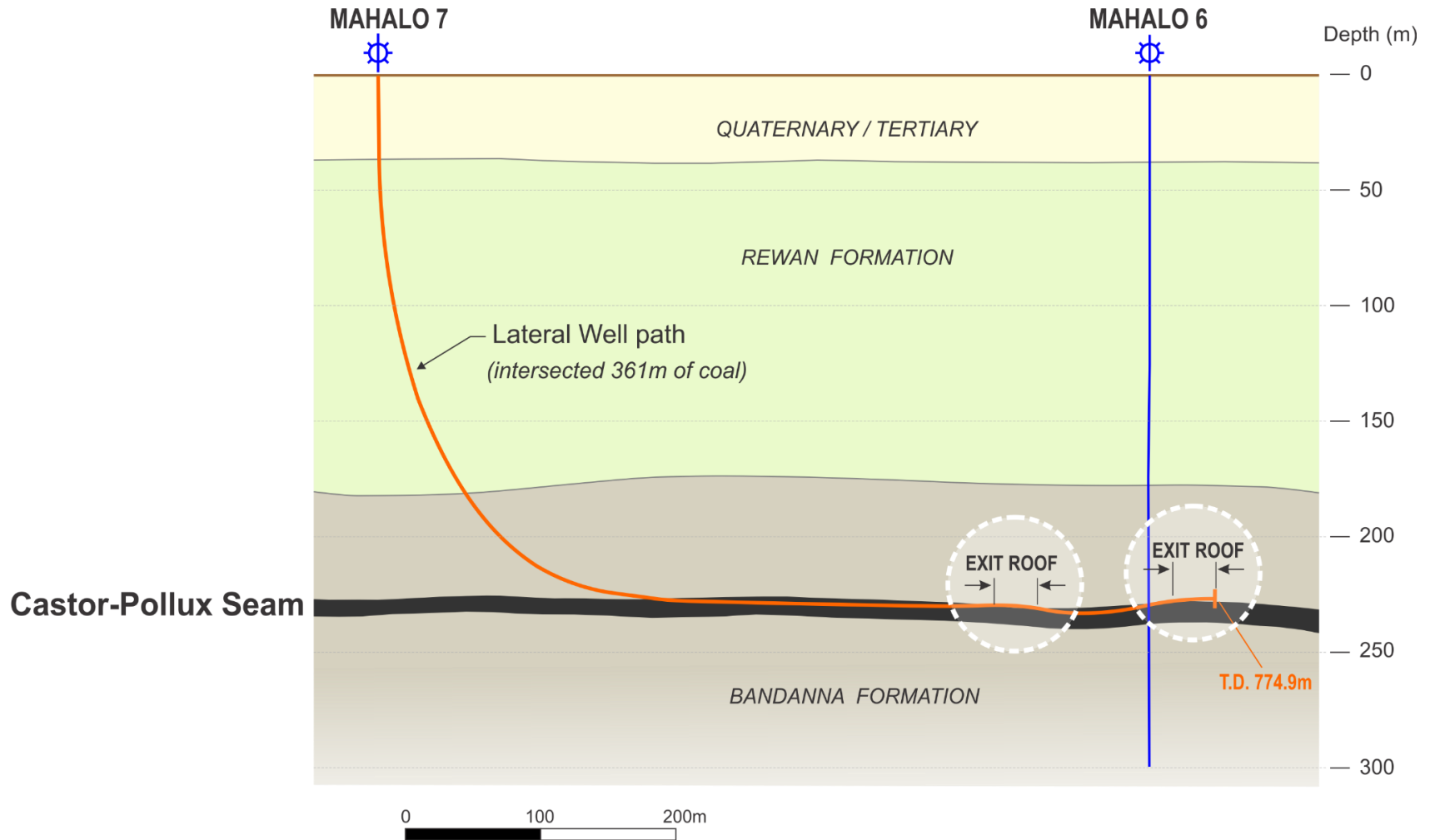
Comet Ridge Limited



Mahalo 7 horizontal well – achieved path



Comet Ridge Limited



Comet Ridge Mahalo Project Forward Strategy

Strategy for Mahalo Project

- High quality asset – COI 40% (largest equity interest)
- Maximise 2P and 3P reserves

Drilling and appraisal program 2014/15

- Mahalo 7 horizontal well now drilled and due on-line early December
- Further Mahalo Project work program includes:
 - Mira further drilling to accelerate production
 - Step-out corehole(s)
 - Preliminary pipeline and conceptual field development studies

Work program rationale

- Vertical pilot wells continue to dewater/flare gas
- Horizontal well expected to:
 - Accelerate dewatering and gas production from enhanced connection to coal fracture network
 - Optimise capital spend per unit of gas recovered
 - Reduce field development footprint and cost

Targeted outcomes next 6-12 months

- Significant Reserve upgrades
- Accelerated well deliverability
- Maximise unit value of gas reserves
- Leading to Stage 1 Field Development plan

Galilee Basin



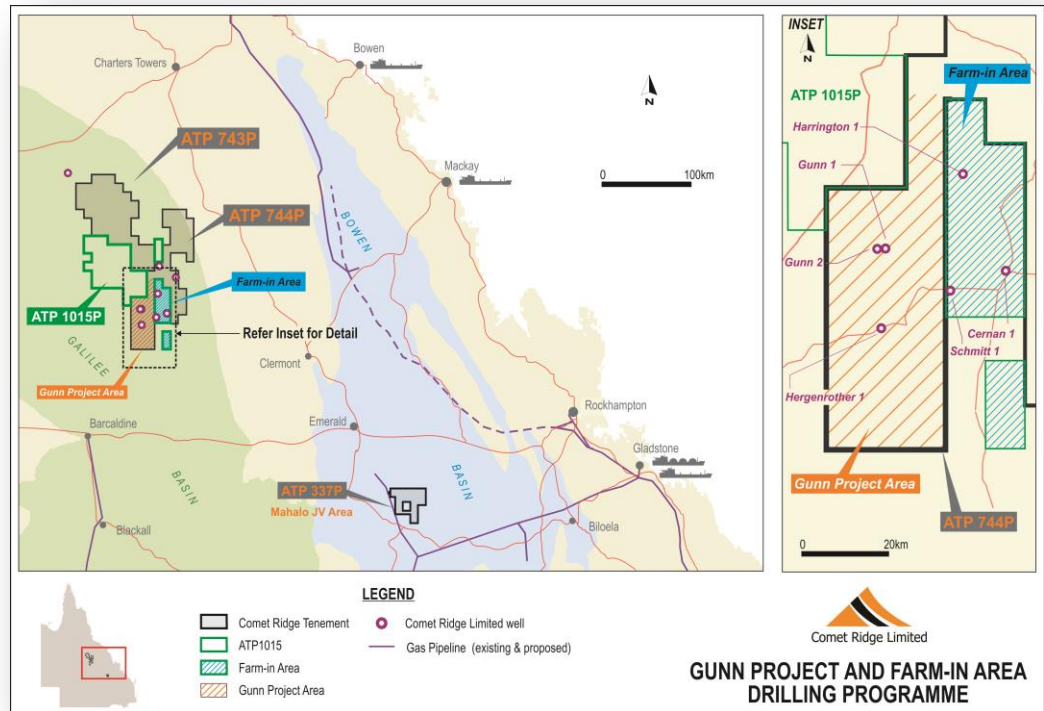
Galilee Basin position



Comet Ridge Limited

ATP 743P, ATP 744P and ATP 1015 (CSG)

- 100% interest in ~8,500 km² operated by COI plus 20% interest in 870 km² within ATP 1015P
- 1,870 PJ of 3C Contingent Resource and considerable untested upside
- Conventional prospectivity in sandstones
- Harrington 1 well in June 2014
 - 24km step out from well control in Gunn Project Area
 - Cored through entire Betts Creek section
 - TD of 1042 metres

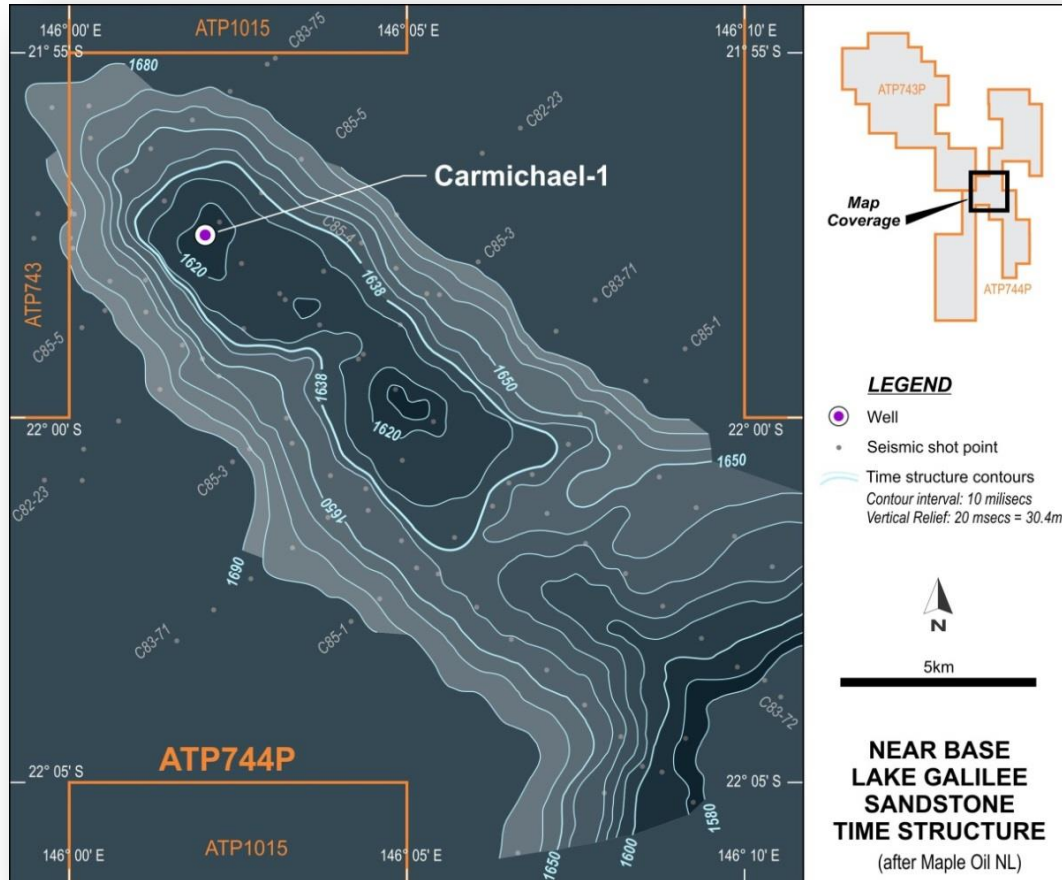


Gunn Project Area 3C Gas Resources are material in size (1,870 PJ) and 100% COI

Galilee Basin – Conventional Gas



Comet Ridge Limited



Conventional petroleum potential

- 3 historic petroleum wells within ATP 743P and ATP 744P recovered oil and/or gas from Lake Galilee Sandstone at the base of the Galilee Basin
- Carmichael 1 flowed gas to surface on three tests from deeper sandstone intervals (2,600m) – another significant interval untested
- Evidence of active petroleum system over the Koburra Trough
- Potential for additional oil and gas resources
- COI assessing potential farm-in opportunities to drill the prospect

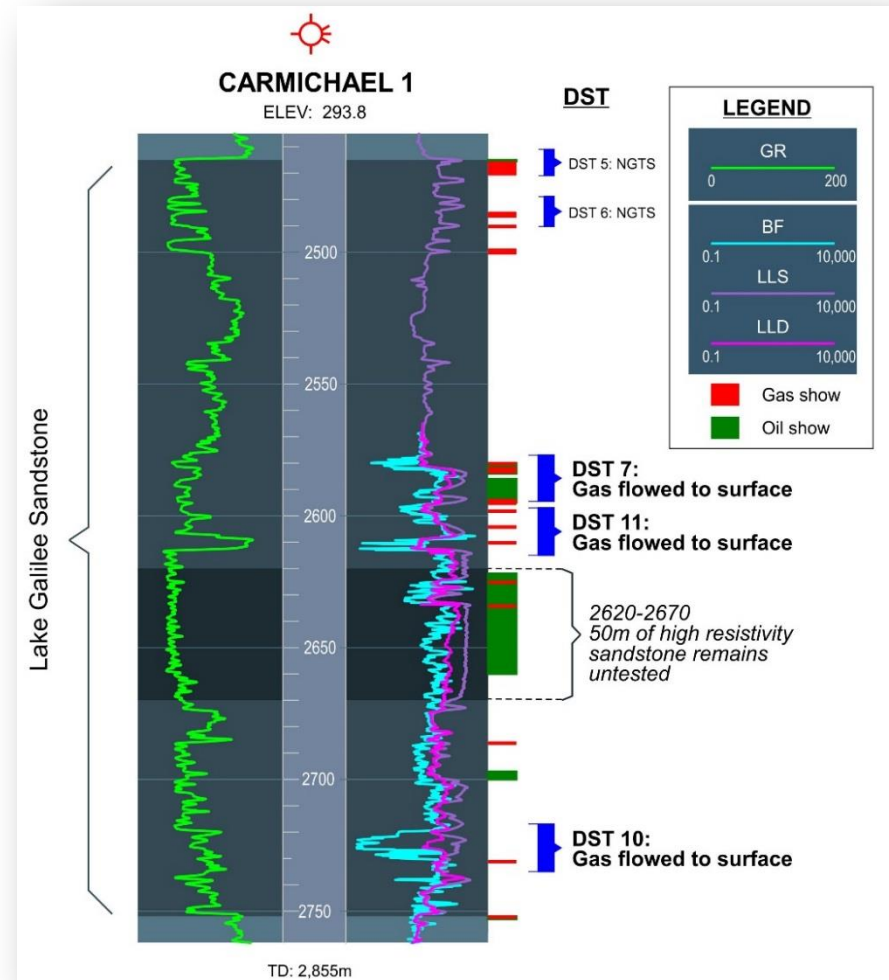
Galilee Basin – Conventional



Comet Ridge Limited

Carmichael - 1

- Well drilled in 1995 targeting oil with high mud overbalance
- Three drill stem tests flowed gas to surface at low rates
- 150m gross sandstone with 50m net pay showing hydrocarbon saturation and porosities up to 13%.
- Two key 35m net pay intervals with high porosity streaks
- Structural closure and stratified nature of sandstones suggests stacked pressure system
- 50m high resistivity sandstone remains untested
- Tight gas with condensate?
- Well confirms sandstone prospectivity in the basin



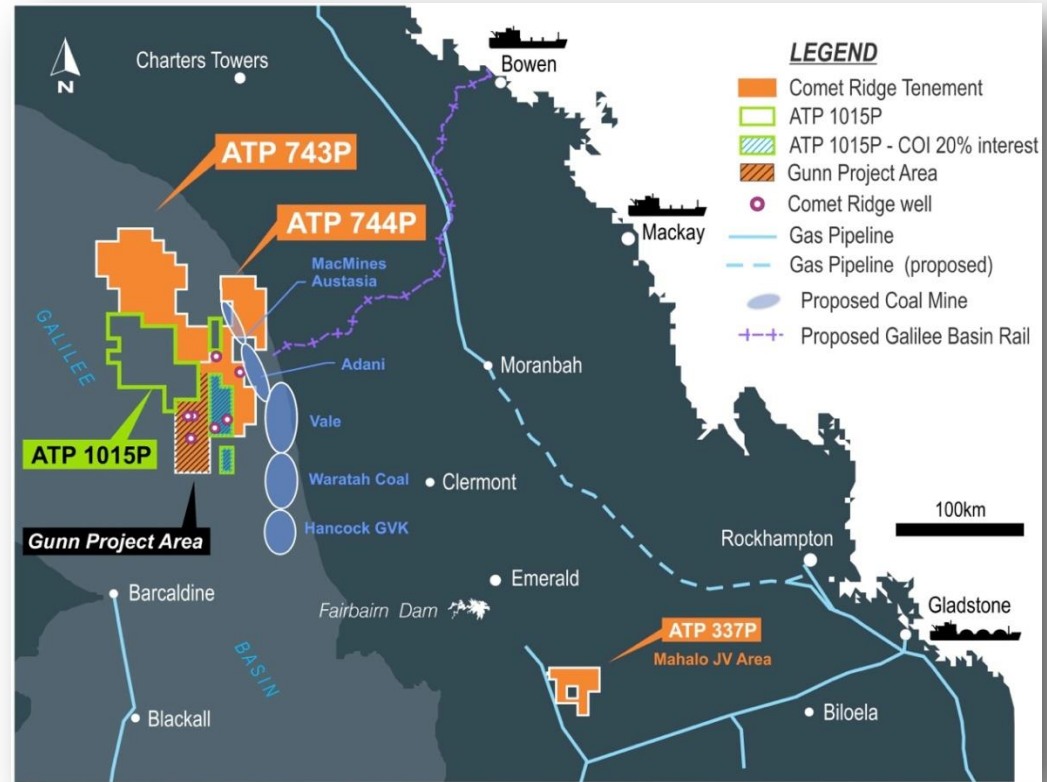
Galilee Basin – Commercial Options



Comet Ridge Limited

Galilee Basin market opportunities

- Different market segments emerging for commercial development: coal, power, LNG
- **Development option 1:** Power for coal mines / local generation
- **Development option 2:** Gas supply to LNG projects at Gladstone
- **Development option 3:** Domestic gas supply via Barcaldine
- Arrow Bowen Gas Project FEED Study underway and has received State Govt EIS approval
- Arrow Moranbah → Rockhampton Pipeline has received State and Federal Govt EIS approval



Galilee Basin – Coal Mine Projects



Comet Ridge Limited

- 4 projects accounting for up to ~160 Mtpa coal exports have secured conditional environmental approval
- Development timing will depend on availability of funding
 - State government highly supportive with various measures being discussed (i.e. funding assistance for common user infrastructure, royalty relief)
 - Recent reports by Adani suggest progress is being made despite macro context for coal, supported by political agenda and new PM commitment to connect 300m additional Indians to electricity
- Significant potential gas supply opportunity for COI

Status of Key Galilee Basin Coal Mining Projects

Project name	Proponent	Coal export quantity	Invest. size	Status		
				State environmental approval *	Federal environmental approval *	Environmental Authority / Mining Lease
Alpha Coal Project	GVK / Hancock	30 Mtpa	\$6.4b	Aug 2012	Aug 2012 (varied Aug 2014)	Oct 2014
Carmichael Coal Project	Adani Group	60 Mtpa	\$16.5b (\$7.2b initial)	May 2014	Jul 2014	Application submitted
China First Coal Project / Galilee Coal Project	Waratah Coal Pty Ltd	40 Mtpa	\$6.4b	Aug 2013	Dec 2013	-
Kevin's Corner Project	GVK	30 Mtpa	\$4.2b	May 2013	Nov 2013	Application submitted

Additional projects at EIS stage:

- China Stone Project (MacMines AustAsia Pty Ltd) – EIS being prepared by proponent
- South Galilee Coal Mine (AMCI (Alpha) Pty Ltd and Alpha Coal Pty Ltd) – supplementary information to EIS being assessed by Co-ordinator General

Notes:

* Conditional approval

Sources:

Department of State Development, Infrastructure and Planning, Company announcements

Gunnedah Basin NSW



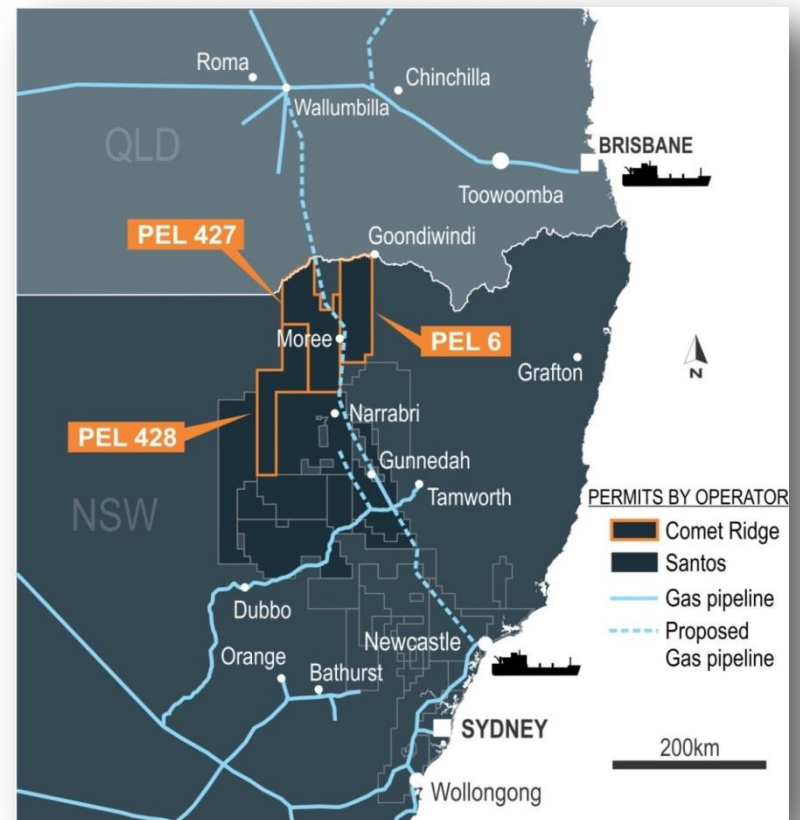
Gunnedah Basin – Recent Announcements



Comet Ridge Limited

- Significant investment has been made in the basin (ESG, Santos, EnergyAustralia) and material Reserves delineated ~ 1,600 PJ 2P
- Santos holds 55,000 km² in NSW – COI in JV over 18,000 km² at 22.5%, 50% and 60% equity in CSG and COI holds almost 100% conventional equity
- Significant gas supply crunch coming in NSW, which will require Gunnedah Basin production to mitigate consumer and manufacturing industry impact
- Chief Scientists report released end September after 19 month review
 - Review indicates CSG can proceed given appropriate regulation, professionalism, engineering and monitoring
- NSW Government Gas Plan released two weeks ago
 - To provide a clear, strategic framework to deliver world's best standards while securing vital gas supplies for the state
 - All 16 recommendations from Chief Scientist accepted

PEL 6, PEL 427, PEL 428 (CSG & Conventional)



High quality Mahalo Project



- Initial Reserves certified
- Two pilots continuing to operate with horizontal well starting
- Current production testing and work program to expand Reserves, leading to field development plan

Adjacent to infrastructure connecting to Gladstone market, short of gas



- Mahalo Field Pilot located 11km from pipeline linking to Gladstone LNG and domestic markets
- Strong gas pricing environment with recent contracts at +\$9/GJ

Mahalo JV partners represent 2 of the 3 Gladstone LNG projects



- Mahalo Project equity interests - COI 40%, Santos 30% and APLNG 30%
- COI 40% Mahalo equity interest strategic for operational control and a material gas supply source for LNG train optimisation and expansion

Significant further upside potential within portfolio projects



- ~2 Tcf contingent resource, 100% owned in east of Galilee Basin close to coal mine projects
- Significant acreage and equity position in Gunnedah Basin (JV with Santos), just north of Pilliga Project



Comet Ridge Limited

Contact

Level 3
283 Elizabeth Street
Brisbane 4000

GPO Box 798
Brisbane 4001

Telephone: +61 7 3221 3661
Facsimile: +61 7 3221 3668
Email: info@cometridge.com.au

www.cometridge.com.au



Important Notice and Disclaimer



Comet Ridge Limited

Disclaimer

This presentation (Presentation) has been prepared by Comet Ridge Limited (ABN 47 106 092 577) (Comet Ridge). The Presentation and information contained in it is being provided to shareholders and investors for information purposes only. Shareholders and investors should undertake their own evaluation of this information and otherwise contact their professional advisers in the event they wish to buy or sell shares. To the extent the information contains any projections, Comet Ridge has provided these projections based upon the information that has been provided to Comet Ridge. None of Comet Ridge or its directors, officers or employees make any representations (express or implied) as to the accuracy or otherwise of any information or opinions in the Presentation and (to the maximum extent permitted by law) no liability or responsibility is accepted by such persons.

Summary information

This Presentation contains summary information about Comet Ridge and its subsidiaries and their activities current as at the date of this Presentation. The information in this Presentation is of general background and does not purport to be complete. It should be read in conjunction with Comet Ridge's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), which are available at www.asx.com.au.

ASX Releases

Investors are advised that by their nature as visual aids, presentations provide information in a summary form. The key information on detailed Resource statements can be found in Comet Ridge's ASX releases. Resource statements are provided to comply with ASX guidelines but investors are urged to read supporting information in full on the website.

Past performance

Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Future performance

This Presentation contains certain "forward-looking statements". Forward looking words such as, "expect", "should", "could", "may", "plan", "will", "forecast", "estimate", "target" and other similar expressions are intended to identify forward-looking statements within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Such forward-looking statements, opinions and estimates are not guarantees of future performance.

Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This presentation contains such statements that are subject to known and unknown risks and uncertainties and other factors, many of which are beyond the control of Comet Ridge, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates. Such forward-looking statements are relevant at the date of this Presentation and Comet Ridge assumes no obligation to update such information.

Investment risk

An investment in Comet Ridge shares is subject to investment and other known and unknown risks, some of which are beyond the control of Comet Ridge. Comet Ridge does not guarantee any particular rate of return or the performance of Comet Ridge. Persons should have regard to the risks outlined in this Presentation.

Important Notice and Disclaimer



Comet Ridge Limited

Competent Person Statement and ASX Listing Rules Chapter 5 - Reporting on Oil and Gas Activities

The estimate of Reserves and Contingent Resources for the MGP as part of ATP 337P provided in this presentation, is based on, and fairly represents, information and supporting documentation determined by Mr Timothy L. Hower of MHA Petroleum Consultants LLC Inc in accordance with Petroleum Resource Management System guidelines. Mr Hower is a full-time employee of MHA, and is a qualified person as defined under the ASX Listing Rule 5.42. Mr Hower has consented to the publication of the Reserve and Contingent Resource estimates for the MGP in the form and context in which they appear in this presentation. The reserve and contingent gas resource estimates for ATP 337P provided in this presentation were originally released to the Market in the Company's announcement of 28 August 2014, and were estimated using the deterministic method with the estimate of contingent resources for ATP 337P not having been adjusted for commercial risk.

The contingent resource estimates for ATP 744P and PMP 50100 provided in this presentation are based on and fairly represent, information and supporting documentation determined by Mr John Hattner of Netherland, Sewell and Associates Inc, Dallas, Texas, USA, in accordance with Petroleum Resource Management System guidelines. Mr Hattner is a full-time employee of NSAI, and is considered to be a qualified person as defined under the ASX Listing Rule 5.42 and has given his consent to the use of the resource figures in the form and context in which they appear in this presentation.

The contingent gas resource estimates for ATP 744P provided in this statement were originally released to the Market in the Company's announcement of 25 November 2010, and were estimated using the deterministic method with the estimate of contingent resources for ATP 744P not having been adjusted for commercial risk.

The contingent gas resource estimates for PMP 50100 provided in this statement were originally released to the Market in the Company's announcement of 26 September 2011 and were estimated using a combination of the deterministic and probabilistic methods with the estimate of contingent resources for PMP 50100 not having been adjusted for commercial risk.

COI confirms that it is not aware of any new information or data that materially affects the information included in the two announcements referred to above and that all of the material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed.

The contingent resource estimates for PEL 6, PEL 427 and PEL 428 referred to in this presentation were determined by Mr Timothy L. Hower of MHA Petroleum Consultants LLC in accordance with Petroleum Resource Management System guidelines. Mr Hower is a full-time employee of MHA, and is a qualified person as defined under the ASX Listing Rule 5.42. Mr Hower consented to the publication of the resource figures which appeared in the announcement of 7 March 2011 made by Eastern Star Gas Limited (ASX:ESG) and any reference and reliance on the resource figures for PEL 6, PEL 427 & PEL 428 in this presentation is only a restatement of the information contained in the ESG announcement.

The contingent resource estimates for PEL 6, PEL 427 and PEL 428 were estimated using the deterministic method with the estimate of contingent resources for PEL 6, PEL 427 and PEL 428 not having been adjusted for commercial risk.

COI confirms that it is not aware of any new information or data that materially affects the information included in the ESG announcement of 7 March 2011 and that all of the material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed.