1 November 2017

Comet Ridge Limited

Vintage Energy to Farm into Comet's Significant Galilee Sandstone Gas Potential

- **Agreement executed with Vintage Energy Pty Limited for Galilee Basin Sandstone Farm-in**
- **Funding by Vintage of approx. $8.5 million will entitle it to 30% interest in the Sandstone targets**
- **Key step in unlocking Galilee Basin**
- **Transaction is subject to Vintage funding and other conditions**
- **Comet Ridge continues to hold the Coal Seam Gas Contingent Resource at 100% equity**

Comet Ridge Limited (COI) is pleased to advise that an agreement to farm-out the Sandstone reservoir sequence of its Galilee Basin permits ATP743, ATP744, and ATP1015 (Galilee Permits) has been executed with Vintage Energy Pty Limited (Vintage).

The farm-out relates only to the 'Deeps Area' (Deeps) within each of the Petroleum blocks, which is defined as including all strata commencing underneath the Permian coals (Betts Creek Beds or Aramac coals) with the main target being the Galilee Sandstone sequence, which has previously flowed gas to surface during formation testing at the Lake Galilee 1 (1964) and Carmichael 1 (1995) wells.

Comet Ridge Managing Director, Tor McCaul, said this transaction is a key step in unlocking significant value potential from the Galilee Basin.

Vintage Energy Pty Ltd:

Vintage is a private South Australian based company headed by Reg Nelson and Neil Gibbins, who were previously the Managing Director and Chief Operating Officer at the ASX listed Beach Energy Limited. Vintage has been recently established to acquire, explore and develop energy assets principally within Australia. The Company has a highly experienced board and technical team with many decades of management, operational and technical experience in the oil and gas industry.

Comet Ridge Managing Director, Tor McCaul, said he was extremely pleased to welcome the petroleum pedigree that Vintage brings to the Galilee Basin. He said their decades of onshore experience enabled them to recognise the significant potential in the Sandstone sequence in the eastern Galilee Basin and the major part it could play in the supply story for the eastern Australian gas market.

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Vintage Energy Managing Director, Neil Gibbins, said that given the Lake Galilee 1 and Carmichael 1 wells had previously flowed gas at low rates during exploration for oil many years ago, he felt the application of latest technology and the utilisation of Nitrogen drilling could unlock significant upside. In addition, he noted that there are additional targets beyond the two wells that had flowed gas in the past.

Agreement to Farm-in:

Vintage, through this two-stage farm-in, may earn up to a 30% interest in the Deeps (sandstone targets) by committing to spend approximately $8.5 million as part of an up to $15 million work program, commencing with the drilling of one conventional gas appraisal well on the Albany sandstone structure, close to where the Carmichael 1 well flowed gas in 1995 (refer Figure 1). Comet Ridge continues to hold a 100% equity interest in the "Shallows" (the coal targets that generally range from approximately 600 metres down to 1,100 metres).

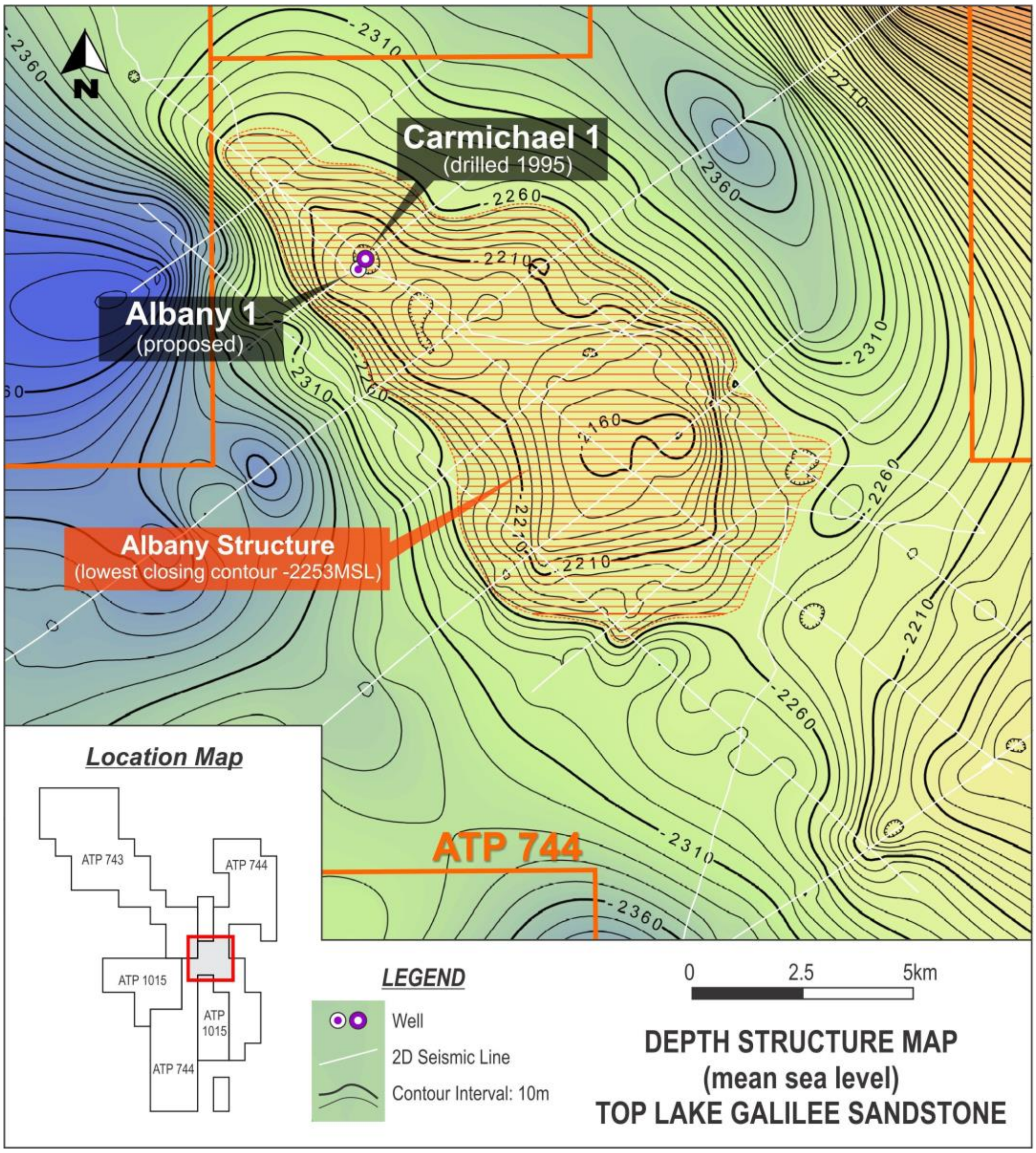

Figure 1 – Location of proposed Albany 1 well

If Comet elects not to participate in Stage 2 and Vintage decides to do so, the cost of Stage 2 will be met by Vintage at 100% entitling it to increase its participating interest in the Deeps up to 48.5%.

By undertaking the farm-in, Vintage will also earn its proportional share of the 417 PJ 3C contingent resource that is currently held by Comet Ridge over the Albany Structure alone. It is the intention of the Comet-Vintage Joint venture to obtain significantly more resources and reserves, from a series of other sandstone targets.

The agreement to farm-in is subject to several conditions precedent that are due to be satisfied within 12 weeks. One of the principle conditions is the confirmation by Vintage that it has raised the funds for its Stage 1 farm-in obligation.

The other conditions relate to regulatory approvals and the conclusion of the terms of the agreements between the parties including the Joint Operating Agreement and a Co-operation Agreement between the Deeps and the Shallows interest holders.

Farm-in Stages:

Stage 1 of the agreement to farm-in is divided into steps.

- Stage 1a requires the drilling and post well production testing of one conventional gas appraisal well on the Albany sandstone structure, close to where the Carmichael 1 well flowed gas in 1995.
- Vintage will fund the first $3.35 million of the Stage 1a expenditure to earn a 15% interest in the Deeps across the three Galilee Permits.
- The total cost of Albany 1 and the associated production testing has been estimated to be approximately $3.5 to $3.8 million and each party will pay its proportional share
- (15%/85%) of the difference between the $3.35 million cap and the actual well drilling and testing costs.
- Stage 1b is the provision for well stimulation and subsequent production testing of the Albany 1 well. The decision to proceed with this stage will be determined by the gas flow rate of the Albany well once completed. The cost of this stage has been estimated at $1.2 million. If Vintage and Comet both agree to proceed with Stage 1b the cost will be shared on a 25% (Vintage) and 75% (Comet) basis.
- 2If Comet elects not to participate in this stage, but Vintage decides to do so, it may carry out the stage at its sole cost which will entitle it to a further 3.5% interest in the Deeps bringing its total interest to 18.5%.

Stage 2 of the agreement to farm-in requires each party to spend up to $5 million each (for a $10 million total programme) for Vintage to earn a further 15% equity to go to 30%.

- Stage 2 of the Farm-in work programme includes further drilling on the Albany structure, focussing on increasing resources and reserves beyond what was achieved on the first well.
- Approximately half the Stage 2 funding would also be allocated towards 2D and 3D seismic acquisition to define further drilling targets in the many other sandstone targets across the Galilee Permits.
- Participation in Stage 2 by each party to the agreement to farm-in will be at the election of each party and most likely dependent upon each of the parties' assessment of the results of the Stage 1 drilling programme.
- If both parties elect to proceed and contribute the expected $5 million each, Vintage will earn another 15% in the Deeps increasing its total holding to 30% (or 33.5% if it carried out Stage 1b itself).

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- The total cost of Stage 2 is expected to be $10 million. Each party will contribute equally to this cost. Any expenditure over the estimated cost will be borne by the respective parties in the interests that they would otherwise hold at the end of Stage 2.
- If Comet elects not to participate in Stage 2, Vintage may elect to proceed and fund 100% of the Stage 2 work program. In exchange for funding the whole of the $10 million, Vintage will be entitled to an extra 15% interest in the permits meaning that subject to it having completed Stage 1b on its own, shall earn up to 48.5% in the Galilee Permits.

Comet Ridge, through its 3 permits has a very large acreage position of 9,685 km^2 (see Figure 2) in the eastern part of the Galilee basin. The area is lightly explored but has 2,287 PJ of 3C* contingent resource independently certified for both conventional gas and coal seam gas.

Comet Ridge continues to discuss a farm-out of the coal seam gas potential of these blocks (Shallows) with several parties.

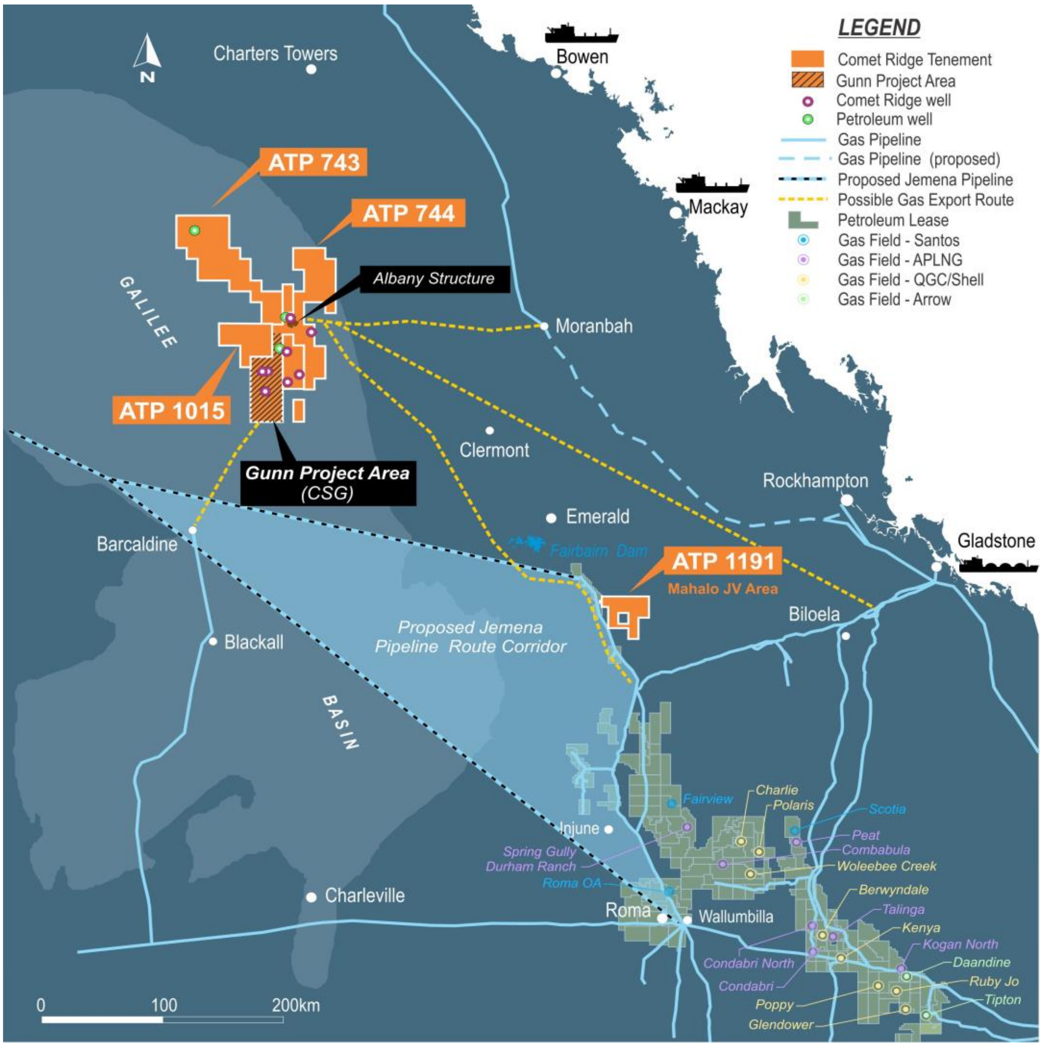
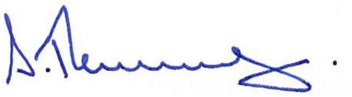


Figure 2 – Regional Location Eastern Galilee Basin Blocks, with the main Bowen & Surat basin CSG development areas supplying Gladstone and the domestic market

***ASX Listing Rule 5.42 - Reporting on Oil and Gas Activities**
The Contingent Resource for the Albany Structure referred to in this announcement are taken from an independent report by Dr Bruce McConachie of SRK Consulting (Australasia) Pty Ltd, originally released to the Market in the Company's announcement of 6 August 2015.

The contingent gas resource estimates for ATP 744 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 Company confirms that it is not aware of any new information or data that materially affects the information in this announcement to the market of the Net Recoverable Resources announced as detailed above and that all of the material assumptions and technical parameters underpinning the estimates in those announcements continue to apply and have not materially changed.



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COMET RIDGE LIMITED – OVERVIEW

Comet Ridge Limited has significant Coal Seam Gas (CSG) projects in key regions of Queensland and northern New South Wales. Gas resources have been certified, by independent professional certifiers, at several projects and gas reserves were certified in 2014 and expanded in 2015, at the Mahalo project in Queensland. The company is listed on the Australian Securities Exchange (ASX Code: COI) and is based in Brisbane. The Board and Management are experienced in establishing and developing energy projects.

Corporate Strategy

Comet Ridge's early entry into well-located exploration areas, has allowed shareholders to gain substantial leverage into the considerable upside value potential associated with exploration success.

Comet Ridge conducts CSG exploration and appraisal, with the aim of maturing exploration acreage from Gas Resources into Proven and Probable Gas Reserves. This process initially involves drilling wells in order to certify Prospective and Contingent Resources and then through further appraisal via Pilot Projects, with the intention of progressing into certified Reserves.

Where possible, Comet Ridge takes high equity positions in its large exploration permits, including a 100% interest in three blocks in the Galilee Basin. Comet Ridge has 40% equity in the ATP 1191 Mahalo Block in the Bowen Basin and is now acting as agent for the Exploration Operator in order to manage work on the block. The Company also has CSG equity of 29.55%, 59.09% and 68.42% respectively in PEL 6, PEL 427 and PEL 428 in the Gunnedah Basin in New South Wales.

Work Programme

Comet Ridge has an active exploration and appraisal work plan for CSG projects in eastern Australia, focused on the conversion of contingent resources to reserves.