



26 February 2018

Comet Ridge Limited

Mira 6/2 gas production continues to climb

- **Mira 6/2 horizontal-vertical well combination gas flow passes 625,000 scf/d**
- **Strong upward gas trend continuing**
- **Mira now the best performing pilot scheme in the block**

Comet Ridge Limited (ASX:COI) is pleased to provide an operational update on the progress of the Mira pilot scheme, establishing it as the best performing gas well in Central Queensland’s Mahalo Block.

Managing Director Mr Tor McCaul said the Mira 6/2 well’s pump speed had been gradually increased during the three weeks since the last update while the gas rate had continued to climb strongly on trend past 625,000 scf/d (standard cubic feet per day) as shown in see Figure 1.

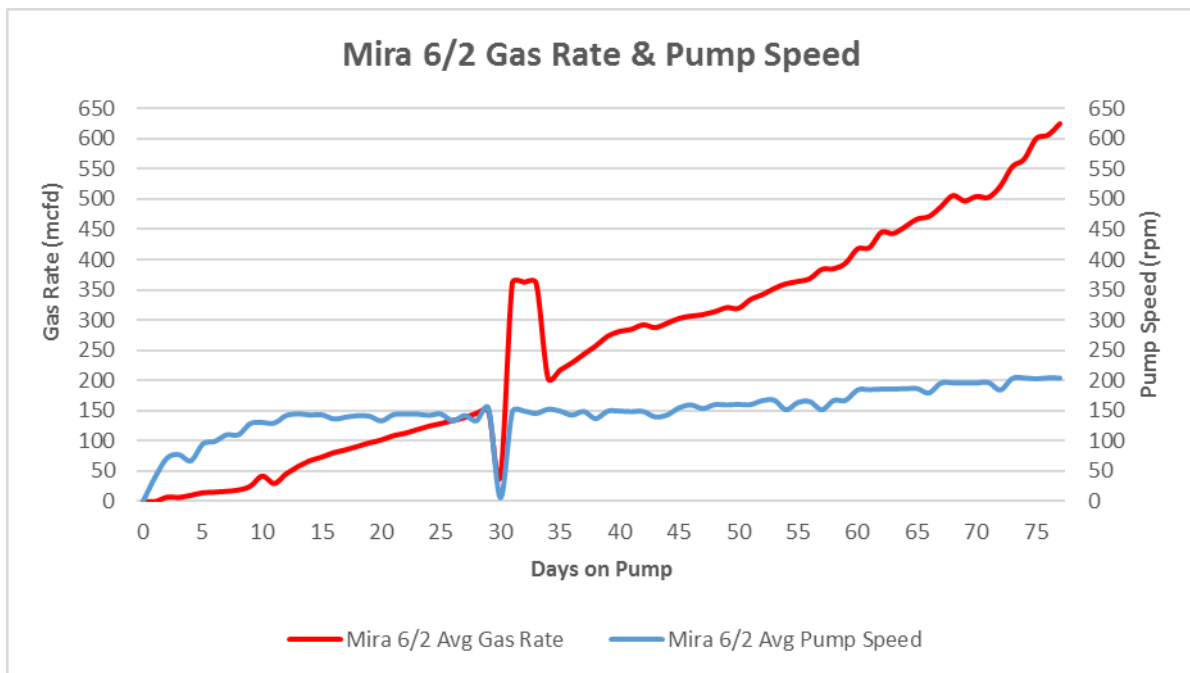


Figure 1 – Mira 6/2 gas flow rate and pump speed since coming on line 10 December 2017

“The Mira 6/2 combination is now the best performing gas producer in the Mahalo Block, having quickly moved past the gas production levels achieved in 2016 by the Mahalo pilot some 13km to the northwest,” Mr McCaul said.

A gas production comparison between the shorter Mahalo 7/6 combination (361 metres in coal) and the longer Mira 6/2 combination (924 metres in coal) is provided in Figure 2.

Mr McCaul said although the gas production rate at Mira was expected to climb further, the Mira pilot had already confirmed expectations of what could be achieved with horizontal wells in the Mahalo block.

“We believe future development wells will be drilled much further in-seam to target higher gas rates beyond what Mira 6 may ultimately achieve,” he said.

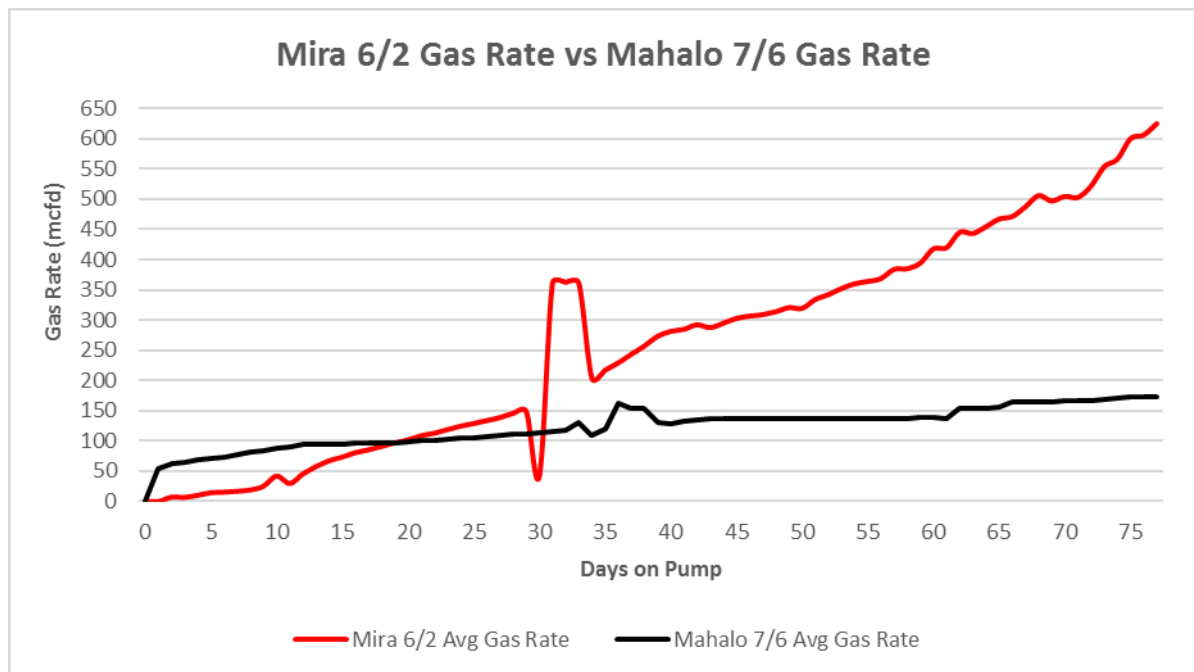


Figure 2 – comparison of Mahalo 7/6 horizontal-vertical combination (from 2016) with the Mira 6/2 horizontal-vertical combination (current performance) since commencement of dewatering.

The Mira 6/2 combination and three vertical wells (Mira 3, 4 & 5) continue to actively dewater the Mira Pilot Scheme. Bottomhole pressure in Mira 6/2 continues to be brought down gradually with increases in pump speed and natural pressure drawdown.

The Mahalo project is located approximately 240km west of Gladstone in the southern Bowen Basin. The Project is close to infrastructure with pipeline connections to the Gladstone domestic and LNG market a short distance to both the west and south of the two pilot schemes.

Equity participants in ATP 1191 Mahalo Coal Seam Gas are Comet Ridge Mahalo Pty Ltd (40%), Australia Pacific LNG Pty Ltd (30%) and Santos QNT Pty Ltd (30%).

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COMET RIDGE LIMITED – OVERVIEW

Comet Ridge Limited has a 40% interest in the Mahalo Coal Seam Gas (CSG) project located in ATP 1191 in Queensland's Bowen Basin. The Company is currently acting as agent for the Exploration Operator to manage work in the block. The Company also holds 100% interests in the Albany conventional gas project and Gunn CSG project in the Galilee Basin (ATP 743, ATP 744 and ATP 1015), with Comet Ridge currently about to farm-down its interest in the conventional sandstone targets in the Galilee Basin (the Deeps) to 70% whilst retaining 100% of the equity in the CSG project. 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. Gas resources have been certified by independent professional certifiers at several projects, and gas reserves were certified in 2014 and expanded in 2015 for the Mahalo project. 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. 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.



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