



8 June 2018

Comet Ridge Limited

## Continued Improvement in Gas Rate at Mira 6 Horizontal Well

- **Increasing Gas Rate at Mira 6/2 horizontal-vertical combination well continues**
- **Gas Flow Rate about to pass 1.2 million scf/d**

Comet Ridge Limited (ASX:COI) is pleased to advise that it expects the gas flow rate from the Mira 6/2 vertical-horizontal combination pilot well to shortly pass 1.2 million scf/d (approx. 1.2 TJ/d).

The gas flow rate from the pilot as at 5 June 2018 was 1.193 million scf/d and continues to increase. At the time of the last update for the Mira 6/2 well on 27 April 2018 the Company reported that the well was flowing at 1.0 million scf/d (standard cubic feet per day). However, the well's performance beyond 1 million scf/d was being impeded by the small diameter of the Mira pilot's surface flowline and flare system constructed in 2013.

In recent weeks, Comet Ridge has been working with its Joint Venture partners to resolve the gas production constraint. Production performance is shown in **Figure 1** below. Pleasingly, recent adjustments to the surface flare facility including cleaning of the flame arrestor have allowed for a slight reduction in bottomhole pressure which has had the immediate result of an approximate 20% increase in the gas rate.

Further work on reducing surface system operating pressure is currently taking place which if successful, should lead to even further increase gas rate.

Pump speed has been reduced over the last month with a corresponding decrease in water rate which is in line with Comet's view that the water production rates in the Mahalo area are low, which from a cost perspective bodes well for the future development of this field. Even with a decrease in pump speed and water rate, gas flow rates have increased demonstrating the excellent flow performance of the reservoir in this area.

Comet Ridge Managing Director, Tor McCaul, said. "Comet Ridge extrapolated the reservoir gas flow performance limit in the Mira 6/2 well back in April, to be in the range of 1.2 to 1.3 million scf/d. These results now validate our production model and we are more confident than ever that there is scope for improved performance of the pilot given the response of the wells to the modifications to the surface facilities. With further improvements planned for the flowline restrictions we are hopeful that the gas flow rate will reach and perhaps exceed our estimate of 1.3 million scf/d."

These improved flow rates coupled with the expected low workover costs over the life of the field, due to low water rates and absence of produced solids, are exceptionally pleasing and supports Comet's view that Mahalo can contribute strongly into the east coast market.

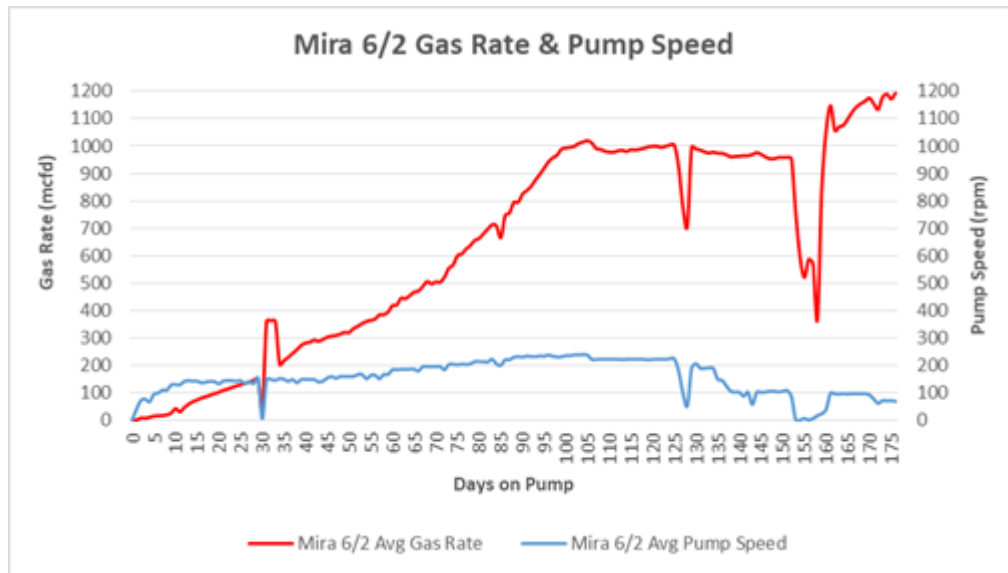


Figure 1 - Mira 6/2 gas flow rate and pump speed

The Mahalo project is located approximately 240 km 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 a 70% effective interest (consequent on the successful Farm-in of Vintage Energy Limited) in the Albany conventional gas project and 100% in the Gunn CSG project in the Galilee Basin (ATP 743, ATP 744 and ATP 1015). 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 and 2018 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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