



4 September 2018



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## Mahalo Gas Purchase Option Agreement with Stanwell Corporation Extended & Modified

### Key Points:

- **Sunset Date, for Final Investment Decision (FID) at Mahalo, extended by 11 months to 30 September 2019**
- **Comet Ridge and Stanwell Corporation Limited (Stanwell) agree to negotiate a new Gas Sales Agreement (GSA) with market-based gas price**

Comet Ridge Limited (ASX:COI) is pleased to announce that it has executed a Deed of Amendment (2018 Agreement) with Stanwell Corporation Limited (Stanwell), which amongst a number of important changes, extends the Sunset Date for Final Investment Decision (FID) at Mahalo under the 2014 Agreement from 20 October 2018 to 30 September 2019.

The 2014 Agreement, details of which are set out below and which have previously been released to the market, remains in place with the key variation being the Sunset Date for FID at Mahalo nominated under the 2014 Agreement, being amended and extended to 30 September 2019.

Stanwell and Comet Ridge have now agreed to negotiate a new Gas Sales Agreement (**New GSA**) for Mahalo gas, which if successfully concluded, will replace the 2014 Agreement. The New GSA is to be finalised by 15 July 2019. Under the 2014 Agreement, Stanwell has the right to purchase up to one third of Comet Ridge's Mahalo gas up to a maximum of 40 PJ. This volume of gas will not change under the New GSA. Comet Ridge will be marketing the remainder of its Mahalo gas volume into the east coast market, with buyer(s) and terms for this volume yet to be finalised.

Commenting on the 2018 Agreement, Comet Ridge Managing Director Tor McCaul said: "Extending the Sunset Date for FID at Mahalo is a positive outcome for both parties as it provides Comet Ridge the time to continue the significant progress made in relation to the Mahalo Gas Project and allows Stanwell the ability to further optimise its gas requirements. The Deed also allows the parties to move to a simpler gas pricing model and to a more familiar GSA structure that better reflects current market pricing and practices."

### Background:

In March 2014 Comet Ridge announced that it had concluded an agreement (see ASX market announcement dated 19 March 2014) with Stanwell, whereby Stanwell would transfer to Comet Ridge its 5% interest in the Mahalo Gas Project as well as agreeing to the relinquishment of

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Stanwell's option to acquire up to a further 35% interest in the Mahalo Gas Project, which Stanwell had acquired under an earlier agreement (see ASX market announcement dated September 2011) in exchange for either of the following on FID of the Mahalo Gas Project:

1. Stanwell and Comet Ridge entering into a 20 PJ to 40 PJ gas sales agreement; or
2. Stanwell receiving a cash payment of \$20 million, escalated from that date at CPI.

#### Terms of the 2018 Agreement:

The 2014 Agreement remains in place, however the Sunset Date for FID at Mahalo nominated under that agreement has been extended from 20 October 2018 to 30 September 2019.

While the 2014 Agreement currently remains in force, Stanwell and Comet Ridge have agreed to negotiate a New GSA which, if successfully concluded, will replace the 2014 Agreement.



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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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