



6 March 2019

Mahalo Gas Project – Production Testing Update

- All three production tests running smoothly with water rates between 20 & 36 bwpd
- Both Struan 3/2 and Sirius Road 2/1 starting to produce gas at low rates
- Bottomhole pressures still relatively high with scope to steadily speed up pumps

Comet Ridge Limited (ASX:COI) is pleased to provide an initial production testing update on the Memooloo 2, Struan 3/2 and Sirius Road 2/1 well combinations in the Mahalo Block. These wells were drilled in a five well programme between late October 2018 and early January 2019. The Mahalo Gas Project lies approximately 240 km west of Gladstone in central Queensland.

Each of the production test wells were brought on-line at very low pump speeds resulting in initial water rates of approximately 10 to 12 bwpd (barrels of water per day) for each well. Pump speeds have been progressively and slowly increased on the wells over the past couple of months. This has been to ensure bottomhole pressures are brought down slowly to avoid mechanical damage to the natural fracture system in the coal reservoirs. Currently, Memooloo 2, the first well on-line, is producing 36 bwpd, Struan 3/2, the second well to be started, is producing 25 bwpd and Sirius Road 2/1 is producing 20 bwpd. When production tested, water rates for all wells (these and others) in the Mahalo Block have been consistently low, notwithstanding the significant gas rate of 1.4 MMcfd that was achieved last year on the Mira 6/2 combination in the Mira pilot scheme.

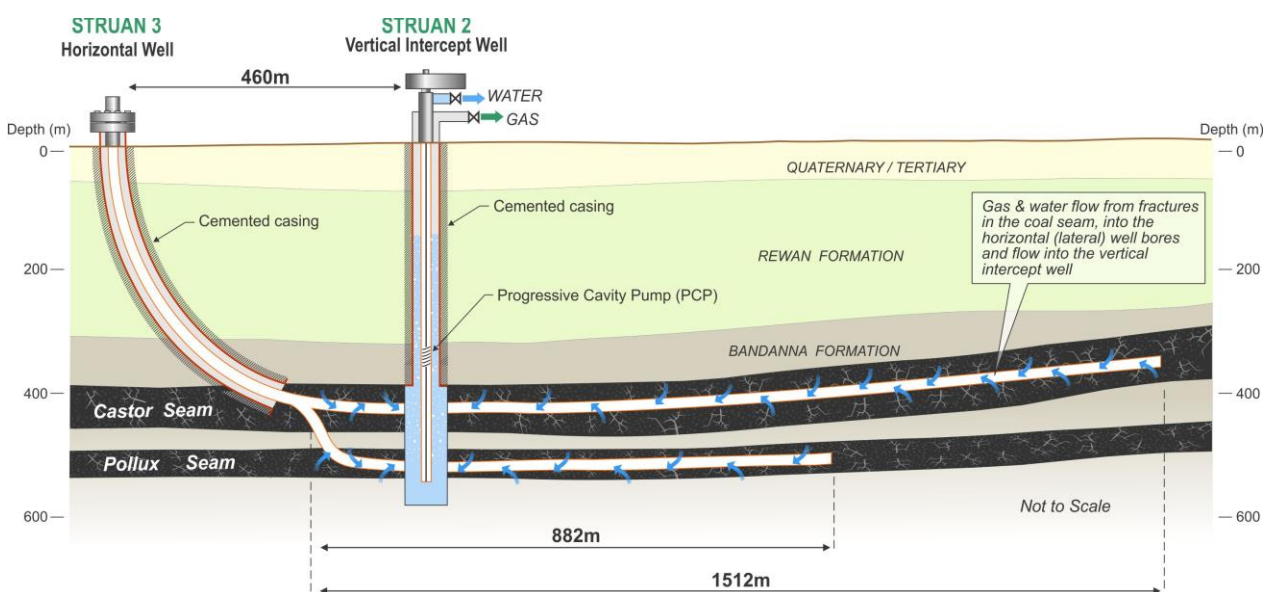


Figure 1 – Cross-section view of the Struan 3 dual lateral well, intersecting the Struan 2 vertical well (not to scale).

Comet Ridge Managing Director, Tor McCaul, said these early production testing results are still preliminary but pleasing. There is significant scope to increase pump speeds in these wells over the coming weeks, with only about a quarter of the bottomhole pressure in each of the wells drawn down so far.

The Company will provide updates on the production testing results for these wells at regular intervals. Figure 1 shows the Struan 3/2 well combination with the vertical lateral well paths drilled in the Castor and Pollux seams, whilst Figure 2 details a map of the Mahalo Block in the area around the current well testing operations.

Core data was also taken from the three vertical wells (Memooloo 2, Struan 2 and Sirius Road 1) for gas content and isotherm analysis. Gas content laboratory analysis has now been completed on the Memooloo 2 and Struan 2 vertical wells and is still ongoing on the Sirius Road 1 well. Preliminary results for gas contents on the first two wells are in line with expectations, with Memooloo 2 results being particularly pleasing where one of the key objectives was to demonstrate developable gas content in the north of the block at a shallow depth.

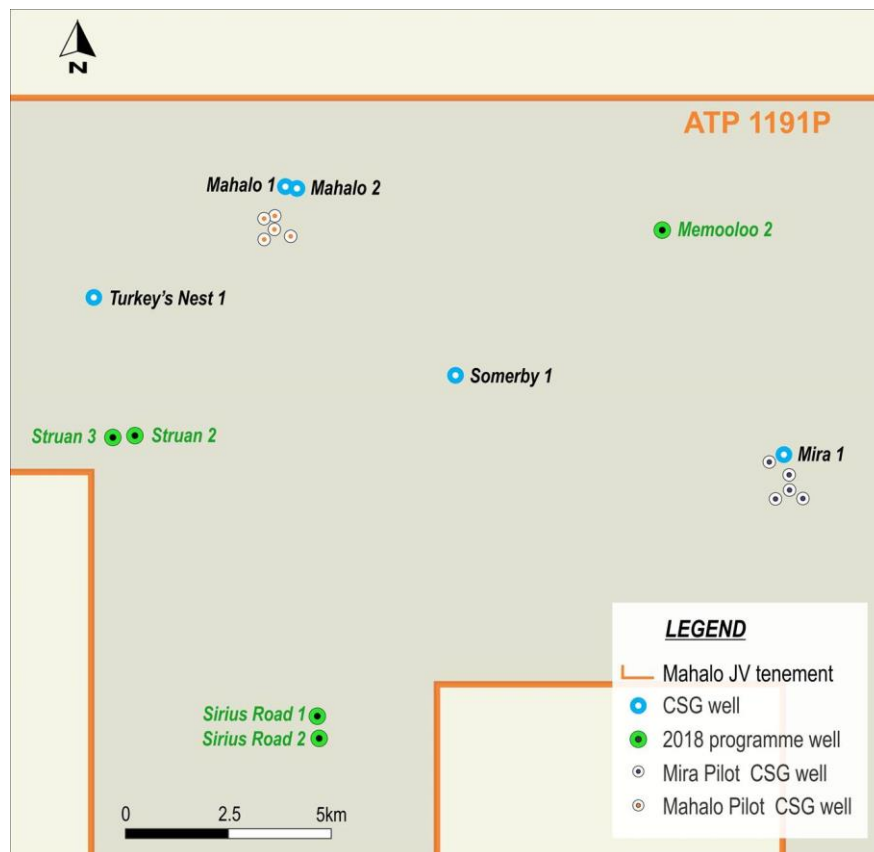


Figure 2 – Map of part of the Mahalo Gas Project with the Memooloo 2, Struan 2&3 and Sirius Road 1&2 well locations

Comet Ridge (40%) drilled the five wells under an Agency Agreement for Santos as Exploration Operator (30%). The other JV participant in the Mahalo block is APLNG (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.

