



30 October 2018

September 2018 Quarterly Activities Report

- Mahalo - Mira 6/2 well shut-in after flow rate exceeds expectations
- Mahalo – Drilling contract signed for 5 well programme
- Mahalo – Memooloo 2 well Spudded
- Galilee – Albany 1 well suspended, forward work programme planning progressed
- Corporate – Stanwell Agreement extended to 30 September 2019
- Corporate - \$17.4 million placement, at market

Comet Ridge Limited (ASX:COI) is pleased to provide its September Quarterly Activities Report.

ATP 1191 Mahalo – Southern Bowen Basin, Qld (Comet Ridge 40%), Santos (30%), APLNG (30%)

Mira 6/2 well shut-in after flow rate exceeds expectations

During July 2018, the Mira 6/2 horizontal-vertical well combination was shut-in. The well reached a maximum gas rate of 1.4 mmscf/d, exceeding expectations, and peaked at a water rate of only 30 bwpd. Figure 1 details the production performance since December 2017. The well enabled a significant amount of reservoir performance data to be obtained and has provided valuable information for design of the current drilling programme, which commenced 28 October 2018.

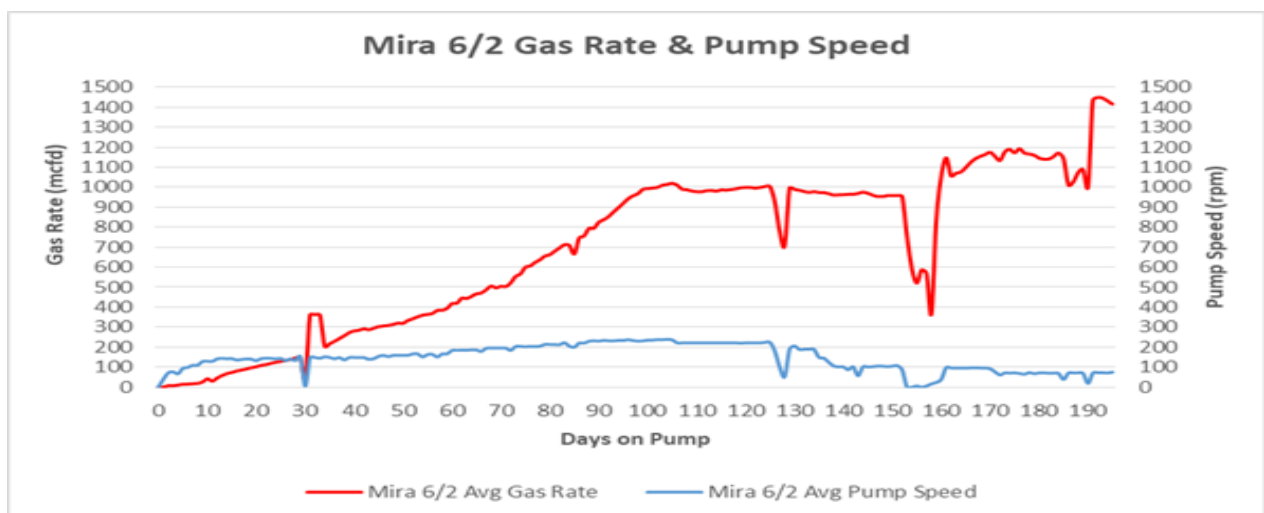


Figure 1 – Mira 6/2 gas rate from start up in December 2017

Drilling contract signed for 5 well programme

During the quarter, Comet Ridge as the agent for the Exploration Operator, executed a drilling contract appointing Silver City Drilling to carry out the 5 well drilling programme at the Mahalo block, located in ATP 1191. Silver City Rig 20 is being utilised for the programme which is the same rig that successfully drilled the Mira 6 well referred to above.

Memooloo 2 Spudded

Following the end of the quarter, Comet Ridge announced that Silver City Rig 20 spudded the Memooloo 2 well on 28 October 2018. Memooloo 2 is a vertical well and is located in the north of the permit directly east of the Mahalo Pilot where the coal seams are shallower. The well is designed to assess the coal characteristics in this area, including gas content, permeability and saturation at the depths where the main target seams are shallower than 200m.

Once drilling is completed at Memooloo 2, the rig will then be mobilised to the Struan location to drill the first dual horizontal-vertical well combination, Struan 3/2 and then drill the second dual horizontal-vertical well combination at Sirius Road 2/1.

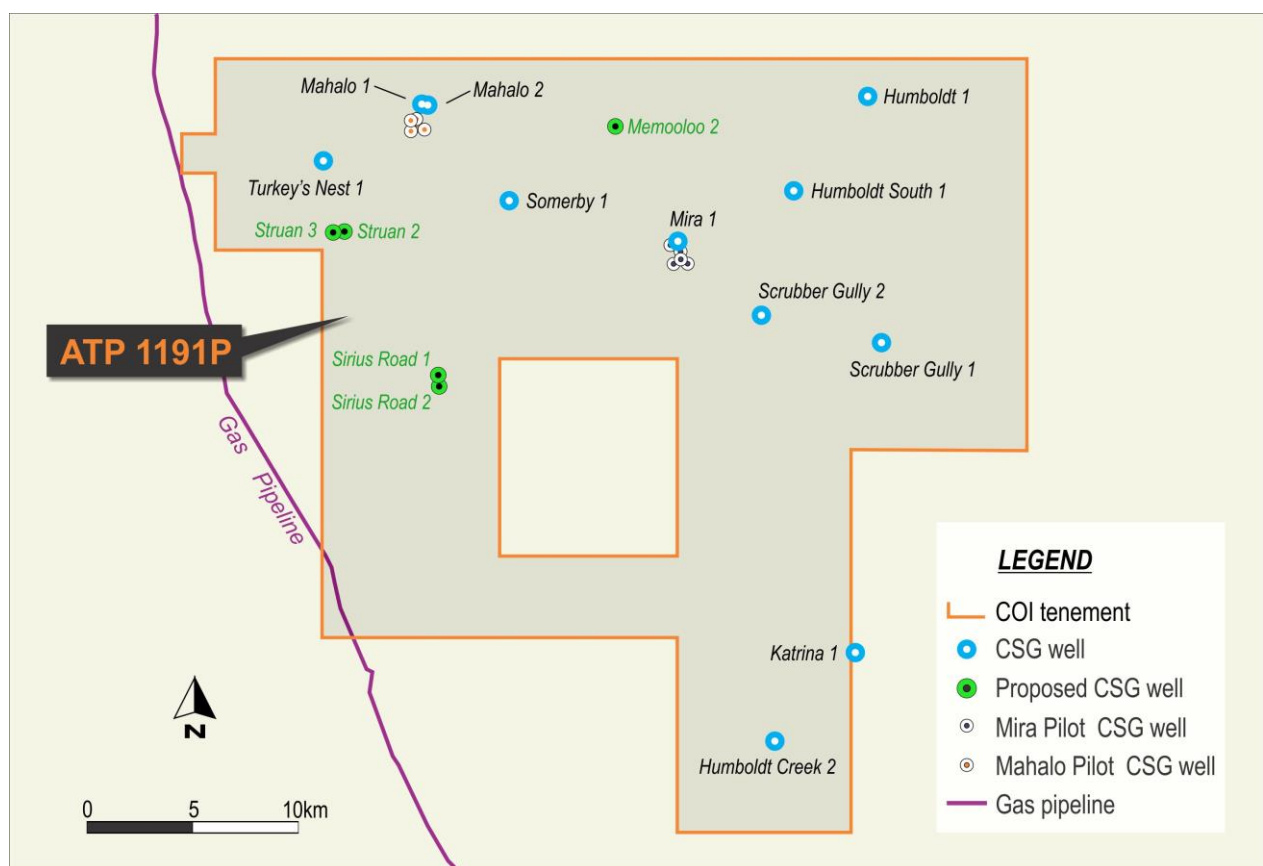


Figure 2 – Map of the Mahalo Gas Project with the Memooloo 2, Struan 3/2 and Sirius Road 2/1 well locations.

Key elements and focus of the 2018/19 Mahalo work programme include:

- Environmental and other studies – to support a Petroleum Lease and Pipeline Licence application.
- 5 well programme – comprising 3 vertical wells and 2 dual lateral intercept wells into 2 of the vertical wells (see Figure 2).
- Production testing for gas and water.
- Dual lateral wells to extend knowledge of the deeper sections of the field and confirm development well concept.

ATP 743, ATP 744 & ATP 1015 – Galilee Basin, Qld (Comet Ridge 100%, farming down ‘Deeps’ to 70%)

Comet Ridge retains a large acreage position of 9685 km² in the eastern part of the Galilee Basin. This acreage contains 2,287 PJ of 3C Contingent Resources⁺, which has been independently certified at two stratigraphic levels. These comprise sandstone gas (from a depth of approximately 2800m) in the Albany structure and also coal seam gas (CSG) in the Gunn project area (from a depth of approximately 700m to 1000m).

Albany 1 well suspended, forward work programme planning underway

After successfully achieving a stabilised gas flowrate of 230,000 scf/d (standard cubic feet per day) across a 13m interval in the Lake Galilee Sandstone (LGS) Reservoir from 2582 to 2595m at the Albany 1 well, the well was suspended. On completion a basic wireline logging suite was run to evaluate the open hole reservoir section and correlate back to the Carmichael 1 well which was drilled originally in 1995.

Since suspending Albany 1, planning of the Albany 2 well has progressed significantly and Comet Ridge as the operator of the Deeps Joint Venture (Comet Ridge Limited 85% & Vintage Energy Limited 15%) is actively engaging with the drilling companies to secure a suitable rig to commence drilling as soon as possible. A wellhead and other equipment has been ordered.

Work has continued on planning and designing a seismic acquisition programme in the Galilee Basin, specifically focused on a number of these identified sandstone leads and prospects to firm several of them up into drillable targets. Planning is currently underway for the seismic acquisition to be completed this year. Information gained from the programme will be processed immediately to identify drilling targets for 2019.

Gunnedah Basin, NSW

(Comet Ridge CSG equity: PEL 427: 59.09%, PEL 428: 68.42%, PEL 6: 29.55%)

(Comet Ridge Conventional equity: PEL 427: 100%, PEL 428: 100%, PEL 6: 99.7%)

The Company continues to await approval of the renewals for PEL 6, PEL 427 and PEL 428.

Corporate

Stanwell Agreement extended to 30 September 2019

During September 2018, Comet Ridge concluded an agreement with Stanwell Corporation Limited (Stanwell) to extend the Sunset Date for Final Investment Decision (FID) at Mahalo.

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.

Please refer to the ASX announcement from 4 September 2018 for further information regarding the changes that were agreed.

\$17.4 million placement, at market

On 14 September 2018, Comet Ridge announced the successful completion of a \$17.4 million placement at an issue price of \$0.34 per share. The Placement, received strong cornerstone interest from a small number of new substantial Australian equities fund managers, and was strongly supported by existing institutional shareholders.

Given the strong institutional demand, the Placement was priced without any discount to Comet Ridge's last closing price of \$0.34 on 12 September 2018. Comet Ridge issued approximately 51.2 million Placement shares within its then current Listing Rule 7 placement capacity, representing 7.6% of its current issued capital.

Cash Position

As at the 30 September 2018, Comet Ridge had \$24.9m cash on hand (un-audited).

Shares and Performance Rights Position

During the quarter, the Company issued 51,225,443 ordinary shares as part of the Placement noted above, bringing the total shares on issue to 727,876,423, as at 30 September 2018.

No Employee Performance Rights were issued during the quarter. At 30 September 2018, there were 4,375,000 Employee Performance Rights on issue.



Stephen Rodgers
Company Secretary
Comet Ridge Limited

For further information please contact:
Tor McCaul
Managing Director
tor.mccaul@cometridge.com.au
+61 7 3221 3661

Listing Rule 5.42

*The details of the Contingent Resource for the Albany Structure in ATP 744 referenced on page 3 of this Quarterly Activities report are taken from an independent report by Dr Bruce McConachie of SRK Consulting (Australasia) Pty Ltd, and were originally released to the Market in the Company's announcement of 6 August 2015, and were estimated using the deterministic method with the estimate of contingent resources for ATP 744 not having been adjusted for commercial risk.

The unconventional (CSG) Contingent Resource estimates for ATP 744 referenced on page 3 of this Quarterly Report were determined by Mr John Hattner of Netherland, Sewell and Associates Inc. (NSAI) in accordance with Petroleum Resource Management System guidelines. Mr Hattner is a full-time employee of NSAI, and is considered to be a qualified person as defined under the ASX Listing Rule 5.42 and has given his consent to the use of the resource figures in the form and context in which they appear in this announcement. The unconventional Contingent Gas Resource estimates for ATP 744 provided in this announcement 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 744 not having been adjusted for commercial risk.

COI confirms that it is not aware of any new information or data that materially affects the information included in any of the announcements relating to ATP744 referred to above and that all of the material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed.

COMET RIDGE LIMITED – OVERVIEW

Comet Ridge Limited has a 40% interest in the Mahalo Coal Seam Gas (CSG) project located in Queensland's Bowen Basin. The Company also holds 85% interests in the Albany sandstone gas project, farming down 'Deeps' to 70% and 100% interest in the Gunn CSG project in the Galilee Basin together with interests in three prospective licenses in 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 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.

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 gas 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% CSG interest and 85% Sandstone interest, farming down to 70%, in three blocks in the Galilee Basin. Comet Ridge has 40% equity in the ATP1191 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.