



Comet Ridge Limited

30 April 2019

## March 2019 Quarterly Activities Report

- Mahalo – Production testing continues
- Galilee – 336 km seismic acquired, 619 km of existing seismic data being reprocessed
- Galilee – Drilling Rig Contract executed, lease construction paused due to wet weather
- Corporate – Board changes, Entry into All Ords Index, Appointment of Auditor

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

#### Production testing continues

At the start of the quarter, Comet Ridge finished drilling the last long lateral appraisal well, Sirius Road 2. Subsequently, after being completed with tubing and a downhole pump, the Sirius 2/1 combination and the Struan 3/2 combination were then brought online for production testing by Santos. The vertical Memooloo 2 well had already been testing since late 2018.

Pump speeds at the wells have been slowly increased, while monitoring the water performance and pressure draw down. Gas flaring continues to be observed at Struan 3/2 and Sirius Road 2/1 as shown in Figure 1 and 2 below (photos taken 25 March). These gas rates continue to increase slowly on both wells as pressure drawdown is applied.



Figure 1 – (late March) Flare from Struan 2



Figure 2 – (late March) Flare from Sirius Road 1

Laboratory analysis of coal and gas samples obtained from the vertical core holes is nearing completion and technical review has commenced.

## ATP 743, ATP 744 & ATP 1015 – Galilee Basin, Qld (Comet Ridge 100% in “Shallows”, Farming down in “Deeps” to 70%)

Comet Ridge retains a large acreage position of 9685 km<sup>2</sup> in the eastern part of the Galilee Basin. This acreage contains 2,287 PJ of gross 3C Contingent Resources<sup>†</sup>, which has been independently certified at two stratigraphic levels. These comprise sandstone gas (from a depth of approximately 2600m) in the Albany structure and also coal seam gas (CSG) in the Gunn project area (from a depth of approximately 700m to 1000m).

### 336 km seismic acquired

The Kobarra 2D seismic acquisition program was successfully completed early in the quarter, with processing underway and expected to be completed over the next few weeks. Interpretation and mapping of the data will immediately follow. In addition, Comet Ridge is reprocessing 619 km of existing 2D seismic data to generate the best possible images of potential targets.

While it is still early in the evaluation process, views of initial field images indicate several possible Lake Galilee Sandstone leads in the vicinity of Lake Galilee 1. Comet Ridge has identified strong structural trends on new regional seismic lines in areas where only sparse seismic data has previously been acquired. This is encouraging and may extend the area of interest northwest from the Albany and Lake Galilee wells.

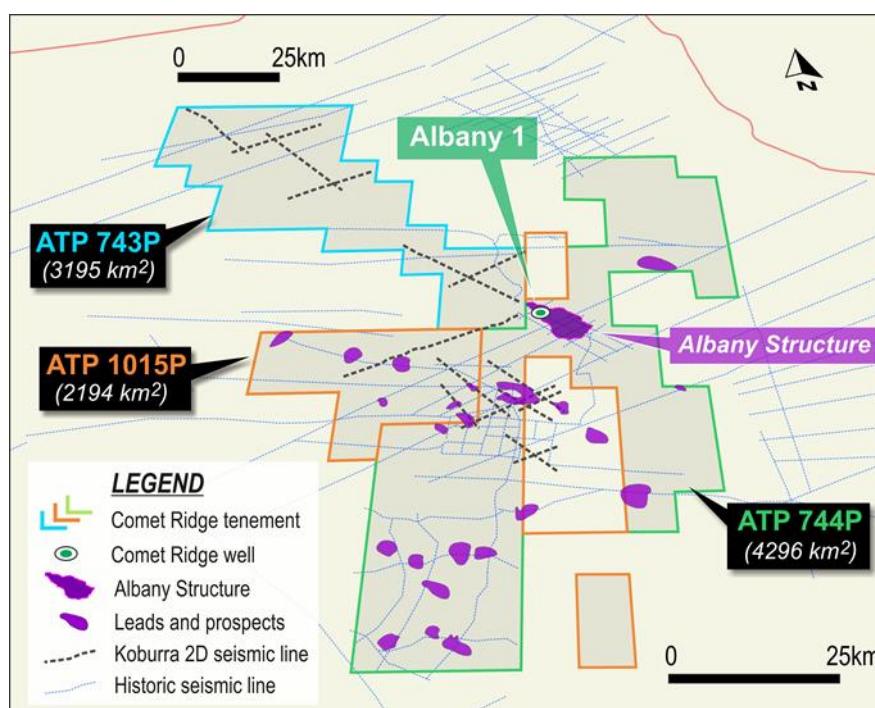


Figure 3 – Regional map of the Galilee Permits, detailing the Kobarra 2D seismic lines.

### Drilling Rig Agreement executed

A rig contract with Ensign Drilling was executed in January for Rig 932, which is depth rated to 3,200 metres making it significantly larger and more powerful than the rig previously utilised on the project. This rig will both increase drilling performance for the Albany 2 and Albany 1 ST (sidetrack) wells and reduce trip times when changing drill bits and other components on the bottom hole assembly as the wells are

progressed. Figure 4 indicates the position of the Albany 2 and 1 wells on the structure as it is currently mapped.

Once access roads have dried from recent rain events in the Galilee Basin, the well pad preparation will be finalised and mobilisation of the rig from the Cooper Basin will take place.

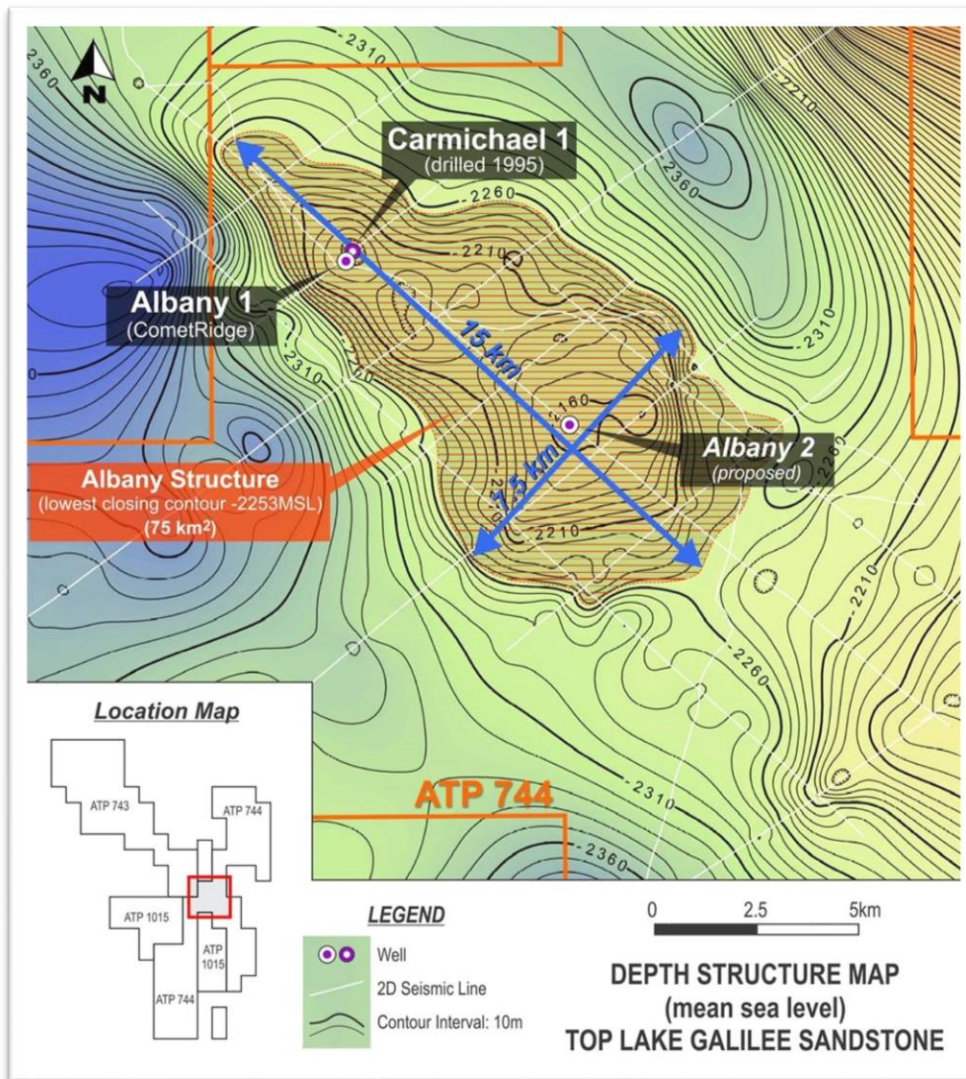


Figure 4 – The Albany structure and position of Albany 1 and Albany 2 wells

## Corporate

### Appointment of Martin Riley to the Board, Resignation of Mike Dart

On 13 March 2019, Comet Ridge announced the appointment of Non-Executive Director, Mr Martin Riley. Martin, a petroleum engineer, has almost 35 years' experience in the upstream oil and gas industry and was involved in the commercial inception of the Coal Seam Gas (CSG) industry in Queensland since 1996. Martin has held number of senior executive positions and sub surface technical management roles within the industry.

Comet Ridge also announced the resignation of Mike Dart from the Board. Mike has accepted a full-time role and was unable to commit to the Comet Ridge Board to a level he felt was required. With Mike's

resignation, Martin has been appointed as a member of the Audit, Risk and Remuneration Committees reflecting his status as an independent Non-Executive Director.

### Entry into All Ords Index

Effective 18 March 2019, Comet Ridge Limited was included in the ASX All Ordinaries index.

### Appointment of PwC as auditors

During the quarter, the Board appointed PwC as auditors of Comet Ridge Limited and its subsidiaries. The appointment was as a result of review the external audit process in order to obtain an understanding of market and confirm the best fit for Comet Ridge as it transitions from an explorer to developer.

### Cash Position

As at 31 March 2019, Comet Ridge had \$16.3m cash on hand (un-audited).

### Shares and Performance Rights Position

No shares were issued during the quarter. At 31 March 2019 there were 727,876,423 shares on issue.

No performance rights were issued during the quarter. At 31 March 2019 there were 5,475,000 rights on issue.



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Company Secretary  
**Comet Ridge Limited**

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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 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.

### Listing Rule 5.42

\*The details of the Contingent Resource for the Albany Structure in ATP 744 referenced on page 2 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 2 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.