



12 September 2019

Mahalo Block Petroleum Lease Applications

- Mahalo and Humboldt Petroleum Lease Applications formally lodged
- Applications cover key initial development area of northern Mahalo Block
- First step of the Queensland Government gas field development process

Comet Ridge Limited (ASX:COI) is pleased to announce that the Mahalo Joint Venture (MJV) has lodged two Petroleum Lease Applications (PLA) which will cover the initial development area for the Mahalo Gas Project (see Figure 1). This procedure is managed by the Department of Natural Resources Mines and Energy (DNRME) in Queensland as the first step in the process for gas field developers to convert relatively shorter term exploration tenure (an Authority to Prospect or “ATP”) into a much longer term development tenure (a Petroleum Lease or “PL”).

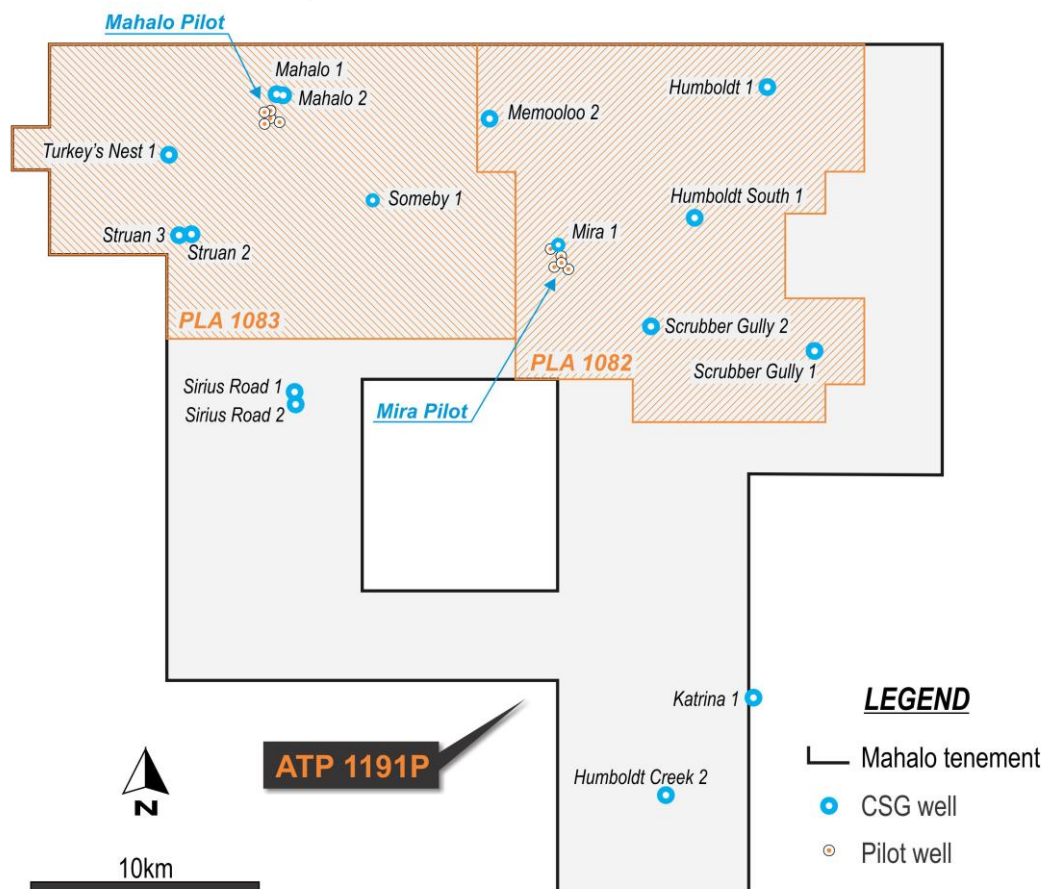


Figure 1: Initial Development secured by the Mahalo and Humboldt PLAs.

It is expected that once granted, the PL's will have a 30-year lease term, with the requirement to commence production within two years from the date of grant. Gas produced from the Mahalo Gas Project will be separately marketed in the respective equity share of the MJV participants, Comet Ridge with 40%, APLNG holding 30% (Origin ASX:ORG acting as upstream developer for APLNG) and Santos (ASX:STO) with 30%.

As advised in Comet Ridge's (ASX:COI) announcement on 8 July 2019, the development of the northern part of the Mahalo block is planned to:

- Be a series of mostly dual lateral wells, intersecting vertical production wells;
- Target the Castor and Pollux Seams in the most northern part of the field where coals are at relatively shallow depths (See Figure 1). Other coal seams will be targeted in later stages of the development;
- Have a modular gas plant that is likely to be sized for an 80 TJ/d gas capacity;
- Be based on a modular Compression concept; expected to be initially 40 to 60 TJ/d with room for expansion; and
- Include a pipeline connection of approximate 65km and sized with a capacity up to 120 TJ/d.

Comet Ridge's Managing Director, Tor McCaul, said he was extremely pleased that the MJV has lodged these PLA's which now activated the development timeline for the Project as another key step towards first gas. The optimisation of the well design to a more economically efficient dual lateral and vertical production well pair, and accessing only the Castor and Pollux seams initially, will see less wells drilled as part of a more efficient initial development, than originally envisaged in the Comet Ridge 2017 development plan.

The MJV is also finalising a number of applications for Potential Commercial Area's (PCA's) which will cover the remaining area of the Mahalo Block not covered by the PLA's, which would underpin future development stages. It is expected that these will be lodged in the coming days.

Work also continues to finalise the required environmental applications which are expected to also be lodged with Federal and State departments shortly.

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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 also holds a 70% interest 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.