



29 October 2019

September 2019 Quarterly Activities Report

- Mahalo – Initial Development Progressing with Petroleum Lease (PL) and environmental applications lodged
- Galilee – Albany Drilling Campaign recommenced
- Galilee – APA granted a Survey Licence for the Galilee to Moranbah Pipeline
- Corporate – Vintage equity in the Galilee Deeps Joint Venture increased to 30%

**ATP 1191 Mahalo – Southern Bowen Basin, Qld
Comet Ridge (40%), Santos (ASX:STO) (30%), APLNG (ORIGIN (ASX:ORG) Upstream Operator) (30%)**

Mahalo Gas Project – Initial Development Work Progressing

During the Quarter, Comet Ridge continued work in conjunction with its Joint Venture partners to progress the Mahalo Gas Project. The Mahalo JV has now lodged two Petroleum Lease Applications, (“PLA”), PLA 1082 Humboldt and PLA 1083 Mahalo, with the Queensland Department of Natural Resources, Mines and Energy (“DNRME”).

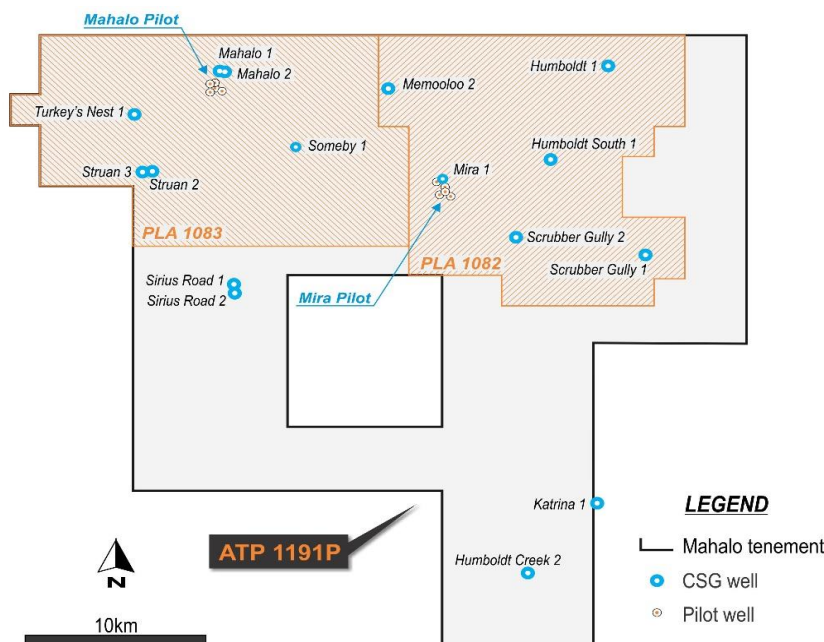


Figure 1 - The 2 PL application areas, which denote the area of the Initial Development Plan.

Applications for production licences have been lodged with the 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 (Petroleum Lease or “PL”). Once granted, the PL’s will have a 30-year lease term, with the formal Queensland government requirement to commence production within two years from the date of grant.

In addition to the Petroleum Leases, three Potential Commercial Areas (“PCA”) applications have also been lodged over the remainder of the Mahalo Project Area.

In September 2019, the EPBC application (Environment Protection and Biodiversity Conservation Act 1999) was lodged with the Federal Department of Environmental and Energy. At the State Government level, the Environment Authority (“EA”) application is expected to be lodged shortly, with approval expected to be received in the same timeframe as the Federal environmental approval.

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

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 gross 3C Contingent Resources⁺, 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).

Albany Drilling Campaign

During the Quarter, the Galilee Deeps Joint Venture (“GDJV”) commenced the second round of drilling at the Albany structure, following on from the successful gas flow from the Albany 1 well last year. The primary objective of the campaign is to determine the presence of hydrocarbons in the Lake Galilee Sandstone reservoir section in the southeast culmination of the Albany Structure and to test the ability to obtain commercial gas flow rates through hydraulic stimulation. The secondary objective of the well’s is to acquire data (core, logging, pressure data) required for geomechanical and reservoir modelling in designing an optimised stimulation program for development.

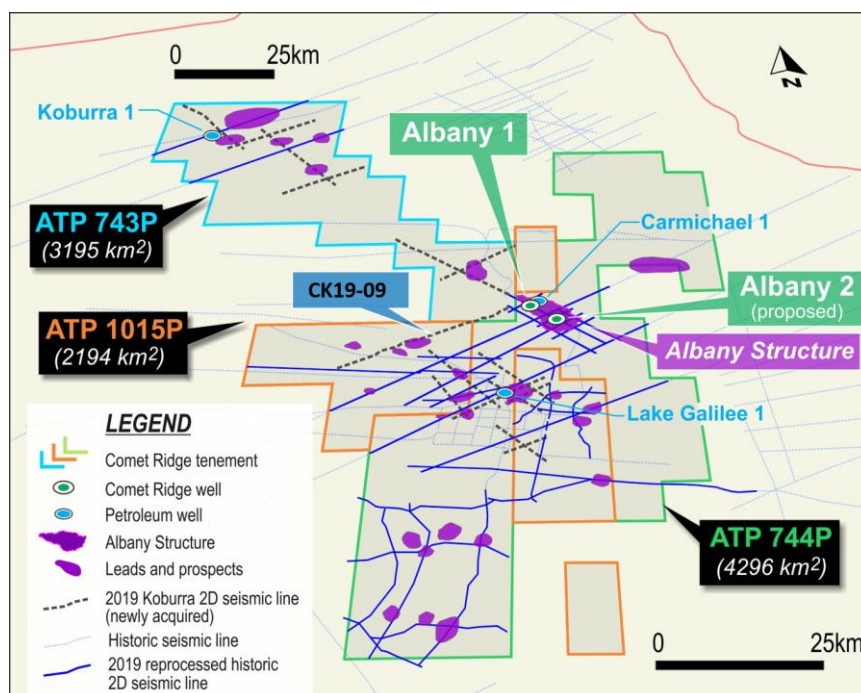


Figure 2 – Regional map of the Galilee Permits, detailing the Koburra 2D seismic lines and drilling location of Albany 1 and 2.

The Albany 2 well was spudded on 30 July 2019 and was drilled to a total depth of 2702m. The GDJV obtained 62m of predominately sandstone core from the Albany 2 well, which is currently being analysed at several laboratories for a variety of technical parameters. Wireline logs were also run and have provided a significant amount of information on the Lake Galilee Sandstone reservoir, including identifying a 13m sandstone section with porosity values ranging from 12 to 15%, which exceeded Comet Ridge’s pre-drilling expectations. Gas shows were recorded from all sandstone packages within the target reservoir, particularly from the 13m section.

Prior to the end of the Quarter, the drilling rig moved from Albany 2 to Albany 1, in preparation to commence re-entering the Albany 1 well bore drilled in 2018 and executing the sidetrack drilling operations.

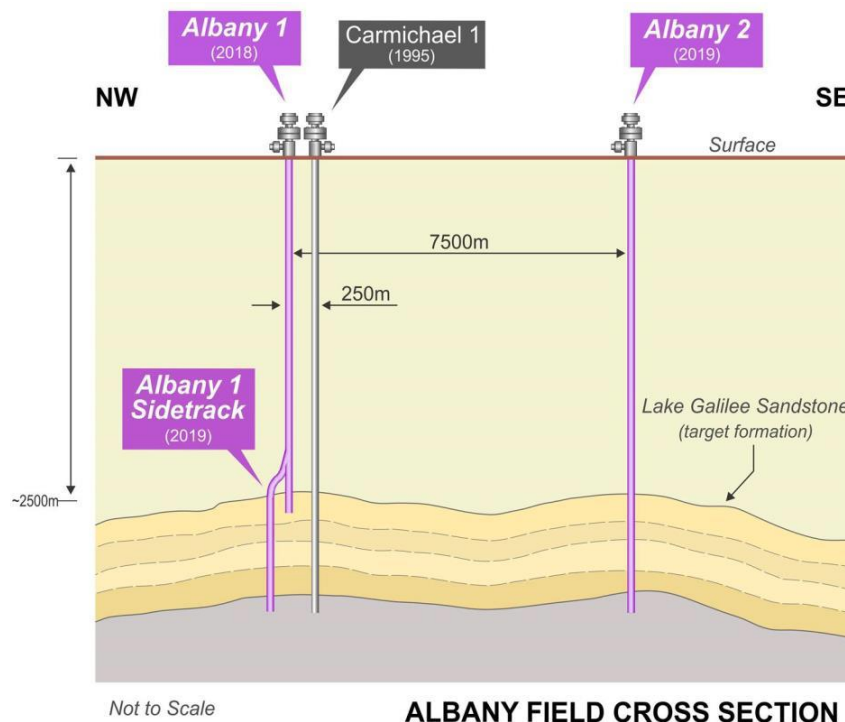


Figure 3 – Cross Section across the Albany field

After the end of the quarter, drilling operations commenced at Albany 1 sidetrack and on 22 October 2019, drilling reached total depth of 2822m. Strong gas shows have been measured right through all four sandstone packages. In 2018, the GDJV had been able to achieve a 230,000 scf/d unstimulated and stabilised flow (over 24 hours) from an upper 13m section of the target reservoir¹.

Since the end of the quarter, logging activities have been completed, which will provide information on the reservoir characteristics and allow the optimisation of the stimulation programme, which will be carried out in early December.

¹ Refer ASX Announcement 28 June 2018 “First Measured Gas Flow from Lake Galilee Sandstone Reservoir”

APA granted a Survey Licence

APA Group (ASX:APA) has been granted a Petroleum Survey Licence (PSL) by the Queensland Government for its proposed Galilee Moranbah Pipeline (GMP) (See Figure 4). This is a key step in progressing towards construction of the GMP, linking new gas resources to gas markets. Now that the PSL has been awarded, APA has commenced the process of engagement with a range of stakeholders and landowners.

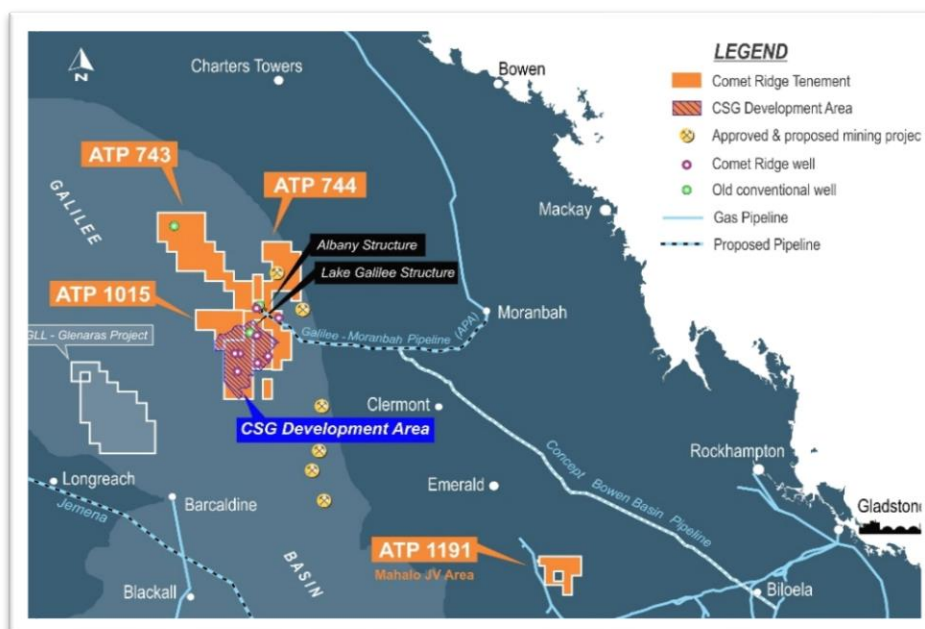


Figure 4 – APA Proposed pipeline route and Comet Ridge Galilee Project area

Construction of the GMP would give the Galilee Deeps Joint Venture (GDJV) access to the east coast market. Additionally, Comet Ridge’s 100% gas resource from the shallower coals would also have a route to market. The GMP would connect to the existing North Queensland Gas Pipeline (NQGP) which moves gas from Moranbah to Townsville. Along the NQGP there are a number of existing industrial customers, as well as a number of potential new commercial customers.

Comet Ridge and Vintage consider the gas demand along the Moranbah and Townsville corridor to be significant and could materially expand over the next several years.

Corporate

Vintage Earn-in to the Galilee Deeps Joint Venture

During the Quarter, the GDJV has reached the pre-determined Stage 2 funding point of \$10 million (gross) and as a result, Vintage has earned the further 15% equity in the GDJV, bringing its total interest to 30%. Vintage was contributing to Stage 2 costs on a 50:50 basis up to the \$10million funding point. With the funding contribution for the joint venture having been reached, expenditure for the GDJV now will be shared in line with the GDJV interests (Comet 70%:Vintage 30%).

As a consequence of Vintage earning its 30% interest in the GDJV, this has had the effect of reducing the net amount of Contingent Resources attributable to Comet Ridge, while overall the total contingent Resources for the Deeps Interest has not changed. The table below details the adjusted allocation of the Contingent Resources to the participants of the GDJV. Note that the Contingent Resources attributable to the GDJV related only to the Albany structure at this point and no other leads and prospects have been formally assessed independently for resources.

Tenement	Participating Interests	Contingent Resource (PJ)*		
		1C	2C	3C
ATP 744 Deeps Interest	Comet Ridge (70%)	39	107	292
ATP 744 Deeps Interest	Vintage Energy (30%)	17	46	125
	Total	56	153	417

Notes to Table:

- 1. Reference Comet Ridge Market announcement of 5 August 2015 quoting independently certified Contingent Resources. Comet Ridge advises that it is not aware of any information other than that which is disclosed in this announcement that materially affects the information included in the table and that all of the material assumptions and technical parameters underpinning the contingent resources in the table continue to apply.*
- 2. Estimates are in accordance with the Petroleum Resources Management System (SPE, 2007) and Guidelines for Application of the PRMS (SPE, 2011) and have been reached using the probabilistic method.*
- 3. No Reserves were estimated.*
- 4. Sales gas recovery and shrinkage have been applied to the Contingent Resource estimation. The losses include those from field use, as well as fuel and flare gas.*
- 5. Contingent Resource numbers have been rounded to the nearest whole number.*

Cash Position

As at 30 September 2019, Comet Ridge had \$9.4m cash on hand (un-audited).

Shares and Performance Rights Position

No shares were issued during the quarter. At 30 September 2019 there were 727,876,423 shares on issue.

No performance rights were issued during the quarter. At 30 September 2019 there were 5,475,000 rights on issue.

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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 70% interests in the Albany sandstone gas project 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 4 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.

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.