


Comet Ridge Limited

11 November 2019

Comet to Undertake Strategic Review of Assets

- **Board to undertake strategic review of assets**
- **In principle agreement received from ATO indicating demerger relief available**

In light of the many recent milestones that the Company has achieved, such as securing the 100% North Mahalo tender, the agreement reached with the Mahalo JV on initial development of that asset, and recent progress in the Galilee Basin Deeps conventional gas project, the Board has embarked upon a Strategic Review of the Company and its multiple assets.

James McKay, Comet Ridge's Chairman, said that Comet Ridge's asset portfolio has broadened and evolved significantly in recent years. Comet Ridge now effectively holds two asset classes:

- Near term production assets, close to infrastructure, in the Mahalo JV (Comet Ridge 40% equity), and the recently awarded and operated Mahalo North Project (Comet Ridge 100% equity); and
- Very large positions, with significant scale and upside, in earlier stage exploration and appraisal assets in the Galilee and Gunnedah Basins where the Company is presently focused on the Galilee Deeps JV (Comet Ridge 70% equity).

Comet Ridge is pleased to advise that it has received an indicative, in principle agreement from the Australian Taxation Office (ATO) with respect to the availability of demerger roll-over relief for Comet Ridge's early stage exploration assets in the Galilee and Gunnedah Basins.

The in-principle agreement remains conditional upon the issue and gazettal of a final Class Ruling. This ruling would be conditional upon the implementation of any demerger being undertaken in a manner consistent with the Class Ruling. Comet Ridge expects these requirements should be able to be satisfied but will ultimately be determined by the terms of any implemented demerger.

Each Comet Ridge asset class has a different scale, risk profile and capital requirement, and potentially attracts a different investor profile. The Class Ruling would, if implemented in the manner set out in formal interaction to date with the ATO, allow a tax effective demerger of one of the asset groups into a new company. This in-principle agreement has been secured to help facilitate the Board's strategic review of the group in the first quarter of 2020 to determine the optimal path forward.

Tor McCaul, Comet Ridge Managing Director, said any decision to demerge will be considered carefully by the Board after reviewing exploration and evaluation progress over the coming months, as well as a range of other matters including management and technical requirements for each asset group.

While the review is being undertaken, Comet Ridge will continue to progress all of its assets in the normal course of business. Over the coming quarter, particular emphasis will be given to the Mahalo JV and the new and exciting Mahalo North Project in the southern Bowen Basin, as well as finalising the 2019 evaluation programme in the Galilee Basin in which Comet Ridge is partnered with Vintage Energy in the Galilee Deeps JV. Two deep wells (Albany 2 and Albany 1 ST) have just been drilled and are about to be stimulated and production tested.

Mr McCaul noted also that as the Company moves through the first quarter of 2020, he expected to see value for the Company emerge in its Galilee Coal Seam Gas Project (Comet Ridge 100% equity) and in the Gunnedah Basin in NSW, based on positive work being undertaken in both of those areas by other Operators.

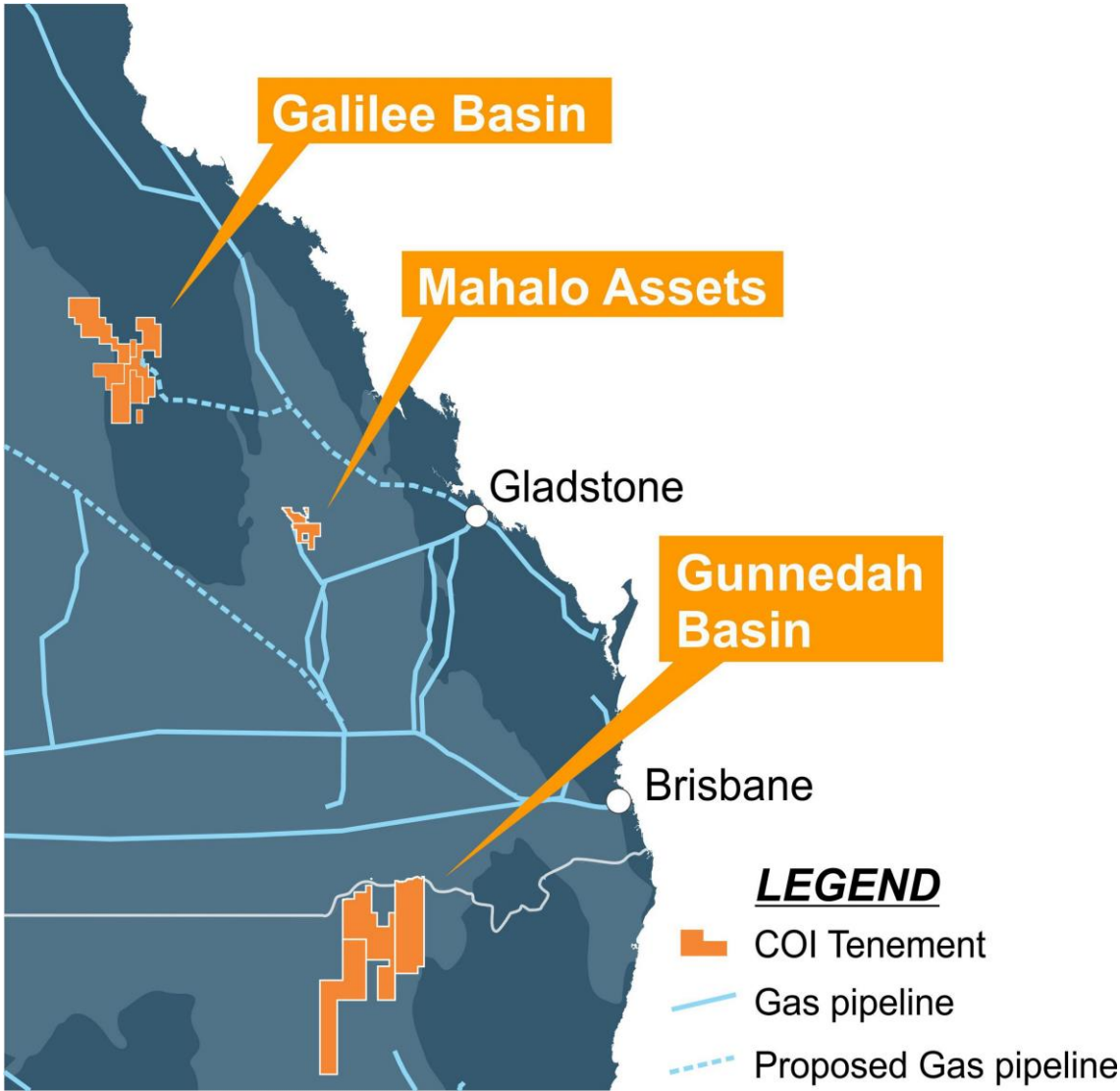


Figure 1 – Location of Comet Ridge significant asset base in Queensland and northern New South Wales

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COMET RIDGE LIMITED – OVERVIEW

Comet Ridge Limited has been awarded preferred tenderer status for ATP 2048, Mahalo North. Once granted Comet Ridge will hold a 100% interest in the permit. Comet Ridge holds a 40% interest in the Mahalo Coal Seam Gas (CSG) project located in ATP 1191. Both are 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.