



20 November 2019

CHAIRMANS 2019 ANNUAL GENERAL MEETING ADDRESS

What a year it has been for Comet Ridge! Since the last AGM we have:

- Won the highly competitive tender for the Mahalo North block, which is an extension of the Mahalo coal seam gas field. We will be looking to quickly turn Mahalo North into a development either as an extension to the Mahalo field and/or a standalone development tied into existing gas infrastructure.
- Further progressed the Mahalo Gas Project, including reaching agreement with our joint venture partners for a 60TJ/d initial development and 120TJ/d pipeline connection; secured tenure for the project through the lodgement of the applications for petroleum licences with the Queensland Government, as well as lodging environmental approval applications with the Federal Government. I look forward to Government approvals and moving the project to FID in 2020.
- Successfully completed our work as the agent for the exploration operator at Mahalo which ran up until March this year.
- In conjunction with our joint venture partner Vintage Energy, made significant progress in the Galilee Basin with a successful drilling program at Albany, and we are now eagerly awaiting stimulation of Albany 1 and 2 in a few weeks.
- Undertook an extensive seismic program in the Galilee including 336 km of new seismic and 900km of reprocessing of old seismic which identified new structures and firmed up the Lake Galilee gas structure.
- We extended our Memorandum of Understanding with the APA Group on the Galilee Moranbah Pipeline, to export Galilee gas to the east, and then more recently a Petroleum Survey Licence was awarded for that line.
- Renewed the Company's board with the appointment of two very experienced industry experts in Martin Riley and Shaun Scott.
- Announced a strategic review of our assets which I will discuss later.
- Restructured the Stanwell gas sales deal to provide financial flexibility and to give Comet Ridge and Stanwell (now CleanCo) optionality with gas supply.
- Followed with great interest Galilee Energy's work in proving commercial gas in the Galilee basin coals.
- We have achieved all of this with a strong health and safety performance and no environmental incidents.

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Comet Ridge has achieved a lot over the last year but it is the future I am most excited about. I believe that the Company is the compelling east coast gas play. We have five projects:

1. Mahalo has uncontracted reserves near infrastructure and is close to production.
2. Mahalo North covers the same sweet spot as Mahalo, is operated by Comet Ridge and has a gas sales MOU with a high-quality industrial gas user which includes funding support for development.
3. The Galilee Deeps is an advanced conventional gas play with two wells about to be stimulated.
4. The Galilee Shallows is similar play to Galilee Energy's Galilee CSG development. We have adopted a watch and follow strategy and are ready to move when Galilee Energy is successful.
5. Gunnedah CSG, adjacent to Santos' Narrabri Project which we understand may receive development approval in 2020.

Winning the bid for Mahalo North as operator and at 100% equity is the biggest thing to happen to Comet Ridge in many years. The Queensland Government selected Comet Ridge ahead of a long list of gas industry players to deliver gas into the domestic market which I take as a message that we are well regarded as a fast, efficient and competent gas operator.

Comet Ridge is determined to bring this project into production as quickly as possible and believe that by moving quickly on Mahalo North, the Mahalo Gas Project will be positively impacted, through timing synergy and increased economies of scale.

A combination of the progress on the Mahalo JV and the awarding of Mahalo North now sees Comet Ridge standing on the cusp of becoming a producer. The transition from explorer to producer is a significant one for any gas company, with the board constantly working towards its goal of ensuring we are delivering optimal value to shareholders. It is in this context that we are undertaking the recently announced strategic review.

To assist with that review, the Company has obtained an in-principle agreement with the ATO on a potential demerger of our exploration assets. The Board will now engage with management to review our plans and the assets we currently hold. As indicated in the announcement we expect to have this work completed by the end of Q1 2020 and will update the market at that time.

I would also like to acknowledge and address the strong shareholder engagement with this AGM. It was great to see so much of the registered vote at this AGM. I understand that around 76% of our shares were voted.

This year the Board put up eight resolutions for the meeting and I would like to speak specifically to resolution 2 and 3, being the re-election of Gill Swaby and Chris Pieters. I have been on three public company boards over 15 years and numerous private and not for profit boards. Gill and Chris are two of the best directors I have worked with and their contribution to Comet Ridge is considerable.

Gill's speciality is in finance and governance. The board relies on her deep experience in these areas and the Company would be weakened by her not being a director.

Chris is an executive director of the company and is plugged directly into the subsurface team. Chris has played a vital role in the reserves review and in a number of projects the Company has undertaken during the year and at this time. Chris is a geologist by training, commercially astute by nature and is also, a significant contributor to the Board.

We as a Board acknowledge the vote of shareholders and the dissatisfaction with the share price both of which we discussed at yesterday's Board meeting. The board continually aspire to work hard for all shareholders, and I encourage further discussion on this and other aspects later today.

As I mentioned earlier, Comet Ridge is now a multi-asset company, with near term production assets, in Mahalo and Mahalo North, an advanced exploration project in the Galilee Deeps and earlier stage/watch and follow assets in the Galilee Shallow Coals and the NSW Gunnedah CSG acreage. Not many companies of Comet's size have three significant projects.

After a great 2019, we aren't slowing down. 2020 is looking very exciting and Tor will discuss what we have planned for the coming year in his presentation.

On behalf of the Board I would like to take this opportunity to thank all of our shareholders and I look forward to sharing the Company's bright future with you. I would also like to thank my fellow Board members for their dedication, expertise and commitment to progressing Comet Ridge.

I believe we have the best management team in our space, so capably led by Tor McCaul. Whilst it has been a longer journey than most of us would have liked, I doubt that other management teams could have overcome the obstacles that Comet has faced and developed a company of Comet Ridge's potential.

Thank you.



James McKay
Chairman of Directors