



# ASX Announcement

3 August 2021

## \$10m loan facility provides funding for Mahalo Gas Hub

### Key points:

- \$10 million corporate loan facility.
- Strengthens balance sheet, providing Comet Ridge with funding to progress its Mahalo Gas Hub assets.
- Competitive and flexible terms.
- Validation of Comet Ridge's project development strategy, with initial warrants to acquire ordinary shares issued at 16.5 cps, an 83% premium to the last traded share price.

Comet Ridge Limited (ASX:COI) ("Comet Ridge," or the "Company") is pleased to announce it has entered into a binding agreement with PURE Asset Management Pty Ltd ("PURE" or the "Lender") to provide Comet Ridge access to a term loan facility for up to \$10 million.

The facility is provided in two tranches of \$6.5 million and \$3.5 million respectively. The first tranche of \$6.5 million will be immediately drawn, following execution of loan documentation, providing a proforma cash balance of approximately \$10 million (before fees) at 30 June 2021. The facility will provide Comet Ridge with funding to progress a Final Investment Decision ("FID") on the Mahalo Gas Project (40% interest, increasing to 70% upon completion of the acquisition of APLNG's Mahalo Gas Project interests, also announced today) and other corporate activities.

Commenting on the facility, **Comet Ridge Chief Financial Officer, Phil Hicks**, said, *"This corporate loan facility represents a significant milestone for Comet Ridge, broadening the capital structure of the Company with a new source of funding from a long-term partner in PURE Asset Management. The Pure facility complements the funding arrangements that Comet Ridge has put in place with its joint venture partner, Santos Ltd, to support the Company's Mahalo Gas Hub project development strategy."*

**PURE Resources Portfolio Manager, Dan Porter**, commented, *"We are extremely excited about entering into a partnership to support Comet Ridge in its ambition to bring the Mahalo Gas Project into production. We believe that the growth in east coast gas demand is structural and that our funding will strengthen the Company's position to progress the project to FID."*

## A compelling east coast gas play

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The \$10 million loan facility will be provided in two tranches:

- i. \$6.5 million four-year term loan facility together with attached warrants with an exercise price of 16.5 cents per share (cps) (83% premium to the last trade share price), which if exercised would provide funding to extinguish the loan in full or to be applied to other corporate funding requirements; and
- ii. \$3.5 million four-year loan facility (available to be drawn as required by Comet Ridge subject to customary conditions) with attached warrants, which if exercised would further strengthen Comet Ridge's cash position. No line fees are payable on this line of credit.

Key terms of the facility are provided below:

<b>Structure</b>	Two Tranche Term Loan, with detached warrants.
<b>Facility Size</b>	Total: \$10,000,000: <ul style="list-style-type: none"><li>• Tranche 1: \$6,500,000.</li><li>• Tranche 2: \$3,500,000.</li></ul>
<b>Interest rate</b>	Prior to FID: 12%. Post FID: 10%.
<b>Term</b>	48 months from utilisation of Tranche 1 loan.
<b>Fees</b>	Arrangement fee of 3% per tranche, payable on utilisation of each tranche.
<b>Repayment</b>	Non-amortising bullet repayment. Voluntary prepayment(s) subject to cascading fees.
<b>Warrants</b>	Tranche 1: 39,393,939 warrant shares. <ul style="list-style-type: none"><li>• Exercise price is 16.5 cps.</li><li>• Term: 48 months from the utilisation of Tranche 1 loan.</li></ul> Tranche 2: 14,583,333, warrant shares. <ul style="list-style-type: none"><li>• Exercise price is the lower of (i) 24 cps; or (ii) the 20-day volume weighted average price (VWAP) of shares for the 20 trading days immediately before the utilisation date of the Tranche 2 loan, multiplied by 1.6; or (iii) the lowest issue price per share of any issuance announced after the date of this announcement but before the utilisation date for the Tranche 2 loan, multiplied by 1.6; and subject to approval by the ASX.</li></ul> Exercise price of warrants may adjust lower insofar as there are future issue(s) of equity securities (at an issue price less than the warrant price) exceeding 15% of the number of shares on issue in Comet Ridge (on a diluted basis) immediately prior to the new issue(s), in any 12-month period.
<b>Security</b>	Tranche 1: First ranking general security over all present and after-acquired property of the Company and subsidiaries, excluding the Mahalo Gas Project. Tranche 2: As per Tranche 1 and second-ranking security over the Mahalo Gas Project.
<b>Use of proceeds</b>	General corporate purposes of the Company or any other purpose(s) approved by the Lender in writing.



**By Authority of Board per: Tor McCaul, Managing Director**

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**About Comet Ridge**

*Comet Ridge Limited (ASX: COI) is a publicly-listed Australian energy company focused on the development of natural gas resources for the east coast Australian market. The company has tenement interests and a suite of prospective projects in Queensland and New South Wales. Our flagship Mahalo Gas Hub projects are low cost, sales spec natural gas blocks, close to Gladstone. Our exploration assets in the Galilee and Gunnedah basins offer further upside amid increasing domestic and international demand for natural gas as a source for cleaner energy and as a key manufacturing feedstock that makes thousands of products, used daily.*

**About PURE Asset Management**

*PURE Asset Management is a specialist provider of hybrid capital to Australia's most compelling emerging growth companies. Founded in 2018, PURE provides funding for working capital, acquisitions and buybacks via structures that are less dilutive than equity capital, offering companies an alternative to direct equity markets. For more information, please visit [www.puream.com.au](http://www.puream.com.au)*