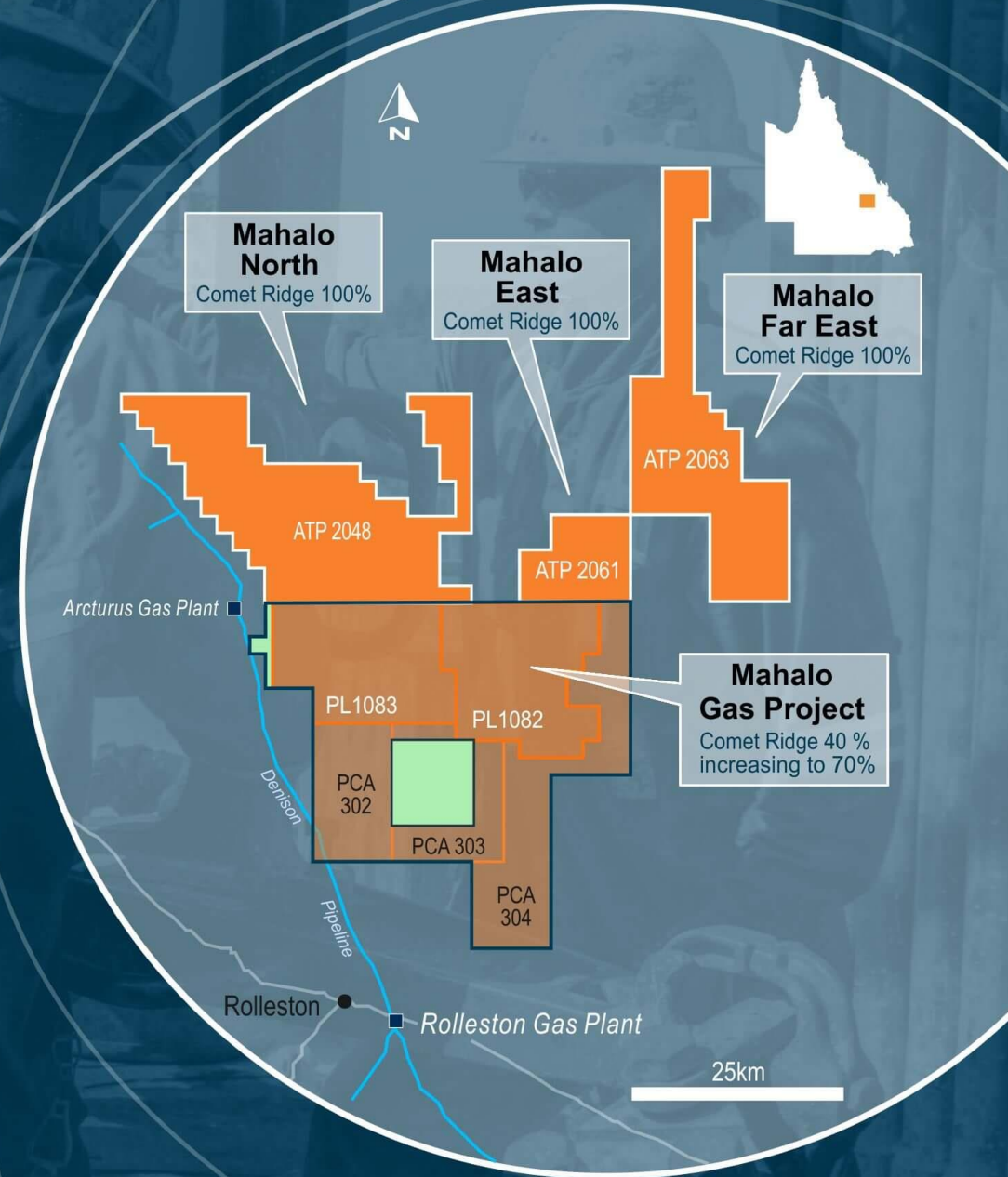




# Placement completed and commencement of Mahalo North Work Programme

10 September 2021



# Important notice and disclaimer

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## Past performance

Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

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This Presentation contains certain "forward-looking statements". Forward looking words such as, "expect", "should", "could", "may", "plan", "will", "forecast", "estimate", "target" and other similar expressions are intended to identify forward-looking statements within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Such forward-looking statements, opinions and estimates are not guarantees of future performance.

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# Agenda

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1. Overview
2. Mahalo Hub Work Programme
3. Placement
4. Mahalo Acquisition

## Appendices:

- A. Loan Facility - Pure Asset Management
- B. Gas Reserves and Contingent Resources

# Section 1

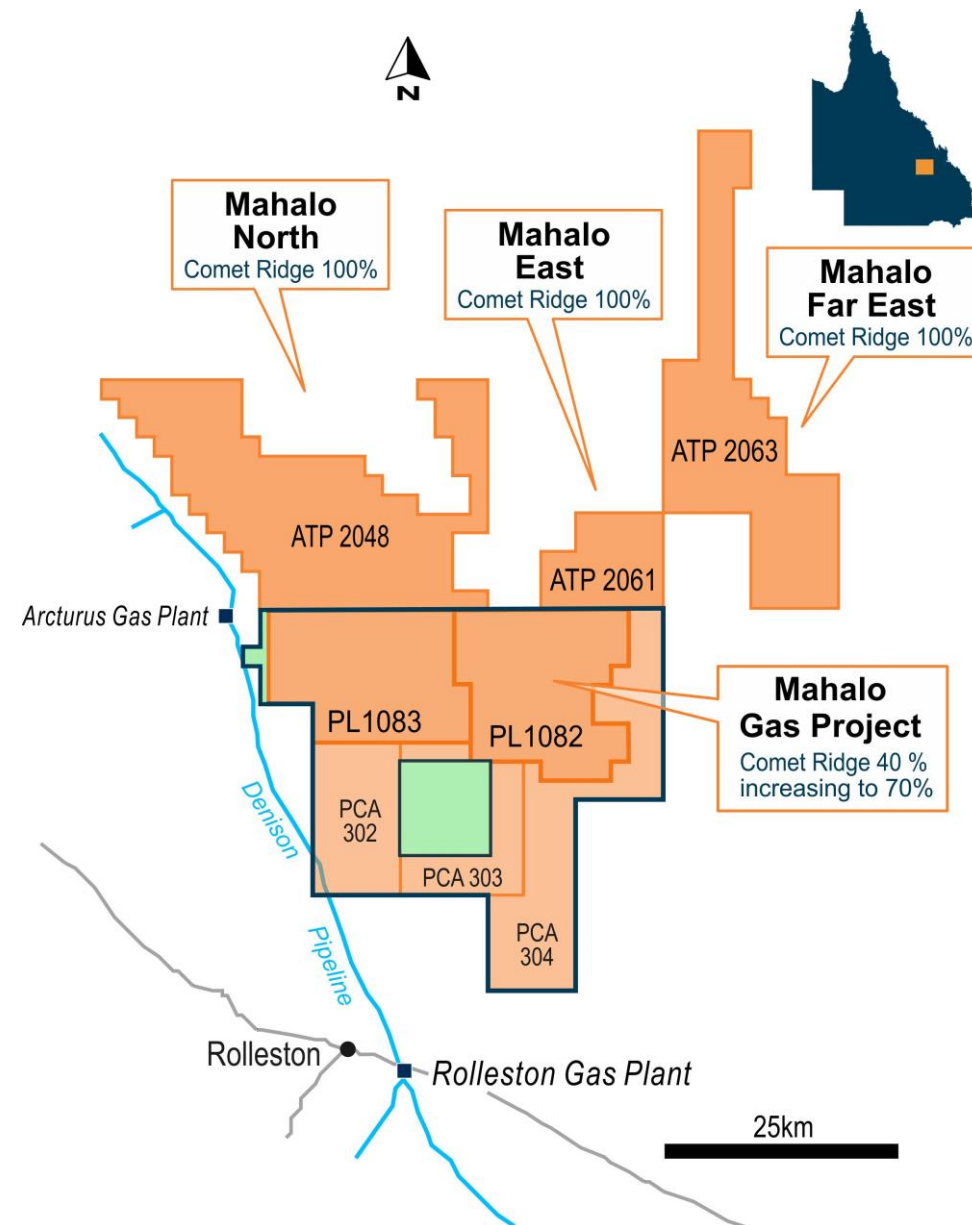
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## Overview

# Overview

- ✓ Acquisition of APLNG's Mahalo interest\* provides platform to unlock the Mahalo Gas Hub
  - Comet Ridge appraisal operator of Mahalo (under Santos agency)
  - Comet Ridge's 100% owned Mahalo North and Mahalo East blocks being appraised to provide additional reserves from high productivity fairway
  - Progressing commercial arrangements with Santos to consolidate Mahalo Gas Hub and equity positions\* into an integrated development project
- ✓ \$5m placement to expand and accelerate work programme to drive project forward
  - Dual lateral pilot well at Mahalo North targeting >2000m in coal and production test
  - One core hole in Mahalo North / East to further increase 2P and 3P reserves
- ✓ Drilling rig secured with planned spud of pilot well next month
  - Provides key well data from northern fairway in 1H 2022 for FID momentum

\* Refer ASX announcement 3 August 2021



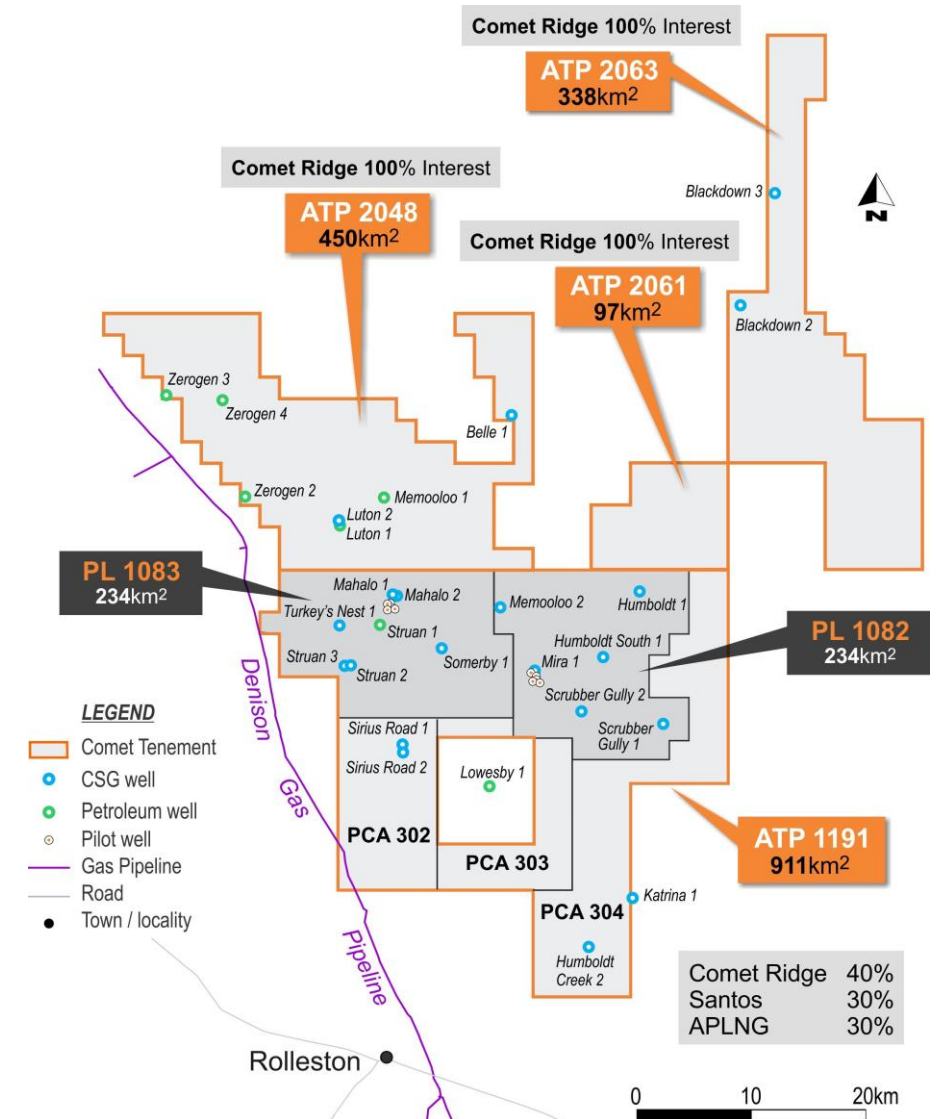
## Section 2

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### Mahalo Hub Work Programme

# Mahalo Gas Project – strong project fundamentals

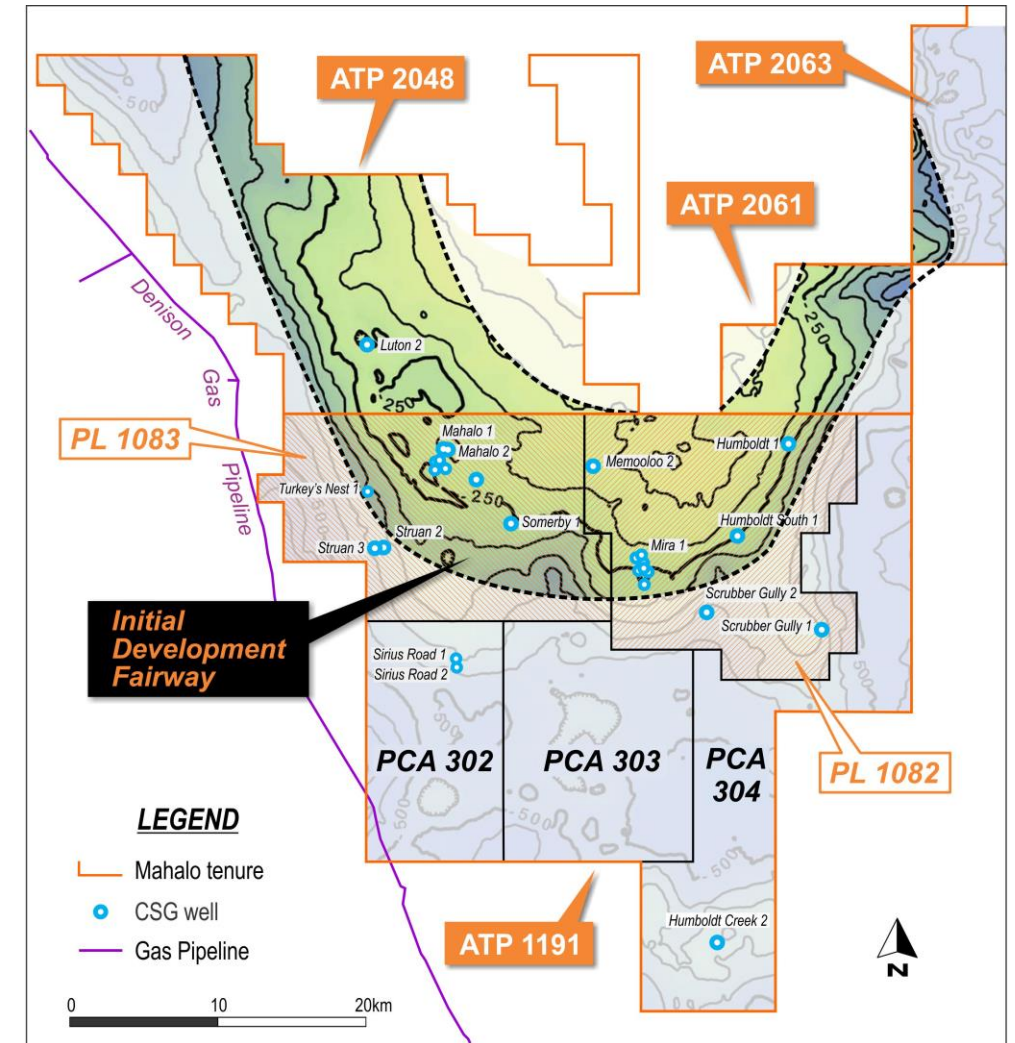
- ✓ Significantly appraised project with proven flow rates
  - Over 20 CSG appraisal wells
  - Mira 6 lateral pilot well flowed 1.4 MMcfd from 924m in coal
  - Development wells will be up to 1500+m in coal (targeting > 2 MMcfd)
- ✓ Certified 2P reserves with further growth expected
  - Gross 2P reserves of 266 PJ within the Mahalo PL areas only
  - Equivalent to 60 TJ/d production for 12 years
  - Further upside from Mahalo North and Mahalo East blocks
- ✓ Fully licensed project close to infrastructure
  - Development ready gas project
  - Petroleum Leases (PL) and environmental approvals granted
  - 65km to Jemena and GLNG pipelines
- ✓ Initial development can be expanded
  - Adding development wells from high productivity fairway in Mahalo North and Mahalo East blocks





# Mahalo Gas Hub – next steps

- Next step for Mahalo Gas Hub is to undertake appraisal of the **high productivity fairway** in Comet Ridge's two 100% owned blocks to the north of Mahalo Gas Project.
- **Work programme** to comprise:
  - Mahalo North Pilot production test comprising a vertical core hole (to become a production well) and a dual lateral well planned to intersect more than 2,000m of coal
  - One step-out core hole either in Mahalo North or Mahalo East
  - Drilling rig has been secured, planned spud next month
- **Objectives:**
  - Demonstrate production potential of development-length well in the shallow, high productivity coals of the northern fairway
  - Certify a meaningful volume of additional 2P and 3P Gas Reserves – make Mahalo Gas Hub project at least 30% bigger
  - Funding allows control of appraisal timeline for 100% owned blocks while commercial arrangements with Santos (per the previously announced option arrangements) are being negotiated to create an integrated Mahalo Gas Hub development
  - Confirm a pilot production test at Mahalo East and any additional step out core holes prior to FID (for additional 2P Reserves)





## Section 3

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### Placement

# Placement overview

Terms	Details		
Offer Structure	Placement of 64.5 million new shares (New Shares) (8.1% of current shares on issue)		
Issue Price	\$0.0825 per share (discount of 12% to 20-day VWAP and 15% to 5-day VWAP)		
Placement amount	\$5.0 million (net of costs) (\$5.3 million gross)		
Capacity	New Shares will be issued within Comet Ridge's current 15% capacity		
Ranking	New Shares will rank pari passu with existing shares on issue		
Timetable	Announce placement:	Friday, 10 September 2021	
	DvP settlement of New Shares:	Thursday, 16 September 2021	
	Allotment of New Shares:	Friday, 17 September 2021	
Capital structure post Placement	Existing shares on issue	795,561,719	88.0%
	Placement Shares	<u>64,472,726</u>	<u>7.1%</u>
	<b>Total Shares</b>	<b><u>860,034,445</u></b>	<b><u>95.1%</u></b>
	Performance Rights	5,010,000	0.5%
	Warrant Shares (Pure Asset Mgt)	<u>39,393,939</u>	<u>4.4%</u>
	<b>Fully diluted securities on issue</b>	<b><u>904,438,384</u></b>	<b><u>100%</u></b>

# Funding plan - next 12 months

Funding for Mahalo acquisition and Mahalo Hub work programme			
Source of funds	\$m	Use of funds	\$m
Cash at 30 June 2021	3.4	Corporate costs (FY22)	4.5
Pure Asset Mgt – Tranche 1 loan*	6.5	Loan arrangement fees and cash interest costs	1.4
Santos loan - for Mahalo acquisition	13.1	APLNG upfront consideration plus stamp duty	13.1
Pure Asset Mgt – Tranche 2 loan (drawdown subject to CP's)	3.5	Mahalo Hub work programme – pilot production well, production test and step out core hole	6.6
Placement (net of costs)	5.0	Other permit costs	1.0
		Closing cash	4.9
<b>Total sources</b>	<b>31.5</b>	<b>Total uses</b>	<b>31.5</b>

The above table excludes the following potential funding sources:

1. Cash proceeds if Pure Tranche 1 warrants (\$6.5m from 39.4m warrants @ 16.5 cps) or Tranche 2 warrants (to be issued once Tranche 2 loan is drawn) are exercised. Refer Appendix A for further details.
2. Cash proceeds from sell-down of additional 7.14% equity in Mahalo Gas Project to Santos on terms to be agreed (Santos have a right to increase their equity in Mahalo if they exercise their initial option over 12.86% of Mahalo).
3. Cash proceeds or contribution to work programme if Comet Ridge and Santos agree terms for Santos to farm-in to Mahalo North and Mahalo East blocks.

\* Facility Agreement signed 9 September 2021 with drawdown of funds in week beginning 13 September 2021

## Section 4

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### Mahalo Acquisition Overview and Santos Arrangements

# Funded acquisition of APLNG's 30% interest in Mahalo Gas Project

Transformational acquisition built on compelling metrics and Mahalo JV alignment

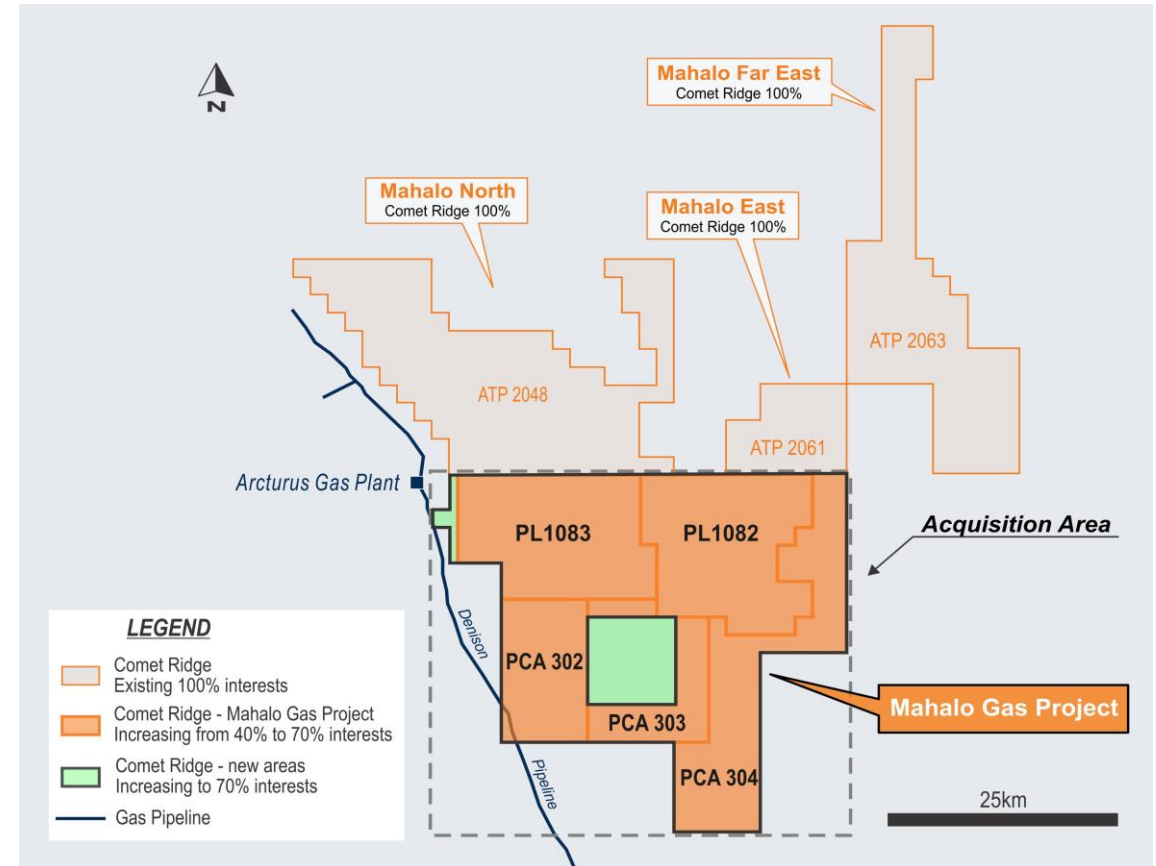
Comet Ridge has executed a binding agreement to acquire APLNG's 30% interest in the Mahalo Gas Project

On completion, Comet Ridge will hold a 70% interest in the Mahalo Gas Project

Upfront consideration of \$12m funded via Santos loan and deferred consideration of \$8m, payable in tranches

Compelling reserve metrics: - \$0.25/GJ (2P Reserves)  
- \$0.15/GJ (3P Reserves)

Santos to become development operator with Comet Ridge to undertake appraisal work (as agent) to drive FID timing



# Back-to-back Santos arrangements

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- Arrangements with Santos provide for **equity alignment** across the Mahalo Gas Hub permits
- Santos providing **loan** of up to \$13.15m to fund upfront APLNG consideration and stamp duty costs
- Santos have **option** (6 months term) to acquire 12.86% of Mahalo from Comet Ridge (STO **↑** to 42.86%) at proportional acquisition value
- On exercise of Option 1 - \$5.1m of Santos loan is extinguished, remainder to be repaid by Comet Ridge
- Santos has rights to negotiate with Comet Ridge (on terms to be agreed) to **↑** Mahalo interest to 50% and acquire 50% of Mahalo North and Mahalo East
- By **equalising project equity** at 50/50 with Santos across these three permits, Comet Ridge will **strengthen its balance sheet** via:
  - Cash proceeds from selldown of additional 7.14% equity in Mahalo Gas Project to Santos.
  - Cash proceeds and/or contribution to work programme via farmin to Mahalo North and Mahalo East blocks.



# Key highlights

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1 Comet Ridge acquiring APLNG's 30% interest in Mahalo Gas Project

2 JV partner Santos providing a loan package to fund the upfront consideration in exchange for an option for increased equity in the Mahalo Gas Project and northern Mahalo blocks

3 Transaction unlocks Mahalo Gas Project providing pathway to project development with Santos to be development operator and Comet Ridge as appraisal operator prior to FID

4 Significant increase in Comet Ridge 2P and 3P Gas Reserves on completion, on favourable metrics

5 Further appraisal commencing next month in northern blocks to continue momentum, targeting further reserves and a much bigger project footprint

6 Development pathway to take advantage of ongoing favorable east coast market dynamics

# Appendices

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# Appendix A – Term Loan Facility with Pure Asset Management

Facility structure	Two tranche term loan, with detached warrants following each loan drawdown	Facility size	\$10m; comprising \$6.5m for Tranche 1 and \$3.5m for Tranche 2
Interest rate	12% p.a. prior to Mahalo Gas Project FID and 10% thereafter	Term	48 months from utilisation of Tranche 1 loan
Repayment	Non-amortising bullet repayment with voluntary prepayment allowed	Use of proceeds	General corporate purposes of the Company
Tranche 1 Warrants	<ul style="list-style-type: none"><li>• 39.4m warrants</li><li>• Exercise price 16.5cps</li><li>• Exercise price of all warrants may adjust lower if the Company issues &gt;15% of its issued capital below the warrant price, in any 12 month period</li></ul>	Tranche 2 Warrants	<ul style="list-style-type: none"><li>• 14.58m warrants to be issued if Tranche 2 loan drawn</li><li>• Exercise price lower of (i) 24cps; or (ii) 1.6 x 20-day VWAP prior to utilisation of Tranche 2 loan; or (iii) 1.6 x lowest price of any issuance prior to utilisation of Tranche 2 loan</li></ul>
Security	<ul style="list-style-type: none"><li>• First ranking general security over assets of Comet Ridge (and subsidiaries), excluding Mahalo Gas Project</li><li>• If Tranche 2 loan drawn, security will include a second-ranking charge over Mahalo</li></ul>		

# Appendix B – Certified Gas Reserves and Contingent Resources

Comet Ridge Limited (PJ's)	Gas Reserves			Contingent Gas Resources		
Mahalo Gas Project, Bowen Basin (QLD) <sup>1</sup>	1P	2P	3P	1C	2C	3C
COI current 40% interest	0	106	183	53	89	154
<i>Post Acquisition (COI 70%)</i>	<i>0</i>	<i>186</i>	<i>321</i>	<i>134</i>	<i>221</i>	<i>360</i>
<i>Post Acquisition, after Santos option (COI 57%)</i>	<i>0</i>	<i>152</i>	<i>262</i>	<i>109</i>	<i>181</i>	<i>294</i>
Galilee Basin (QLD)	1P	2P	3P	1C	2C	3C
CSG, Gunn Project Area (COI 100%) <sup>2</sup>	0	0	0	0	67	1,870
Conventional, Albany Structure (COI 70%) <sup>2</sup>	0	0	0	39	107	292
Gunnedah Basin (NSW)	1P	2P	3P	1C	2C	3C
PEL 6 (COI 29.55%), PEL 427 (COI 59.09%)	0	0	0	0	0	489
<b>COI TOTAL - CURRENT INTERESTS ONLY</b>	<b>0</b>	<b>106</b>	<b>183</b>	<b>92</b>	<b>263</b>	<b>2,805</b>

Notes:

<sup>1</sup> PL 1082, PL 1083, PCA 302, PCA 303, PCA 304

<sup>2</sup> ATP 744

Note that Gas Reserves / Contingent Resources are yet to be certified for Mahalo North, Mahalo East or Mahalo Far East (COI 100%)

Refer to the Competent Person Statement on the following page.

# Appendix B – Competent Person Statement

## Competent Person Statement and ASX Listing Rules Chapter 5 - Reporting on Oil and Gas Activities

The estimate of Reserves and Contingent Resources for the Mahalo Gas Project provided in this Presentation, is based on, and fairly represents, information and supporting documentation determined by Mr Timothy L. Hower of Sproule International (Sproule), in accordance with Petroleum Resource Management System guidelines. Mr Hower is a full-time employee of Sproule, and is a qualified person as defined under the ASX Listing Rule 5.42. Mr Hower is a Licensed Professional Engineer in the States of Colorado and Wyoming as well as being a member of The Society of Petroleum Engineers. Mr Hower has consented to the publication of the Reserve and Contingent Resource estimates for the Mahalo Gas Project in the form and context in which they appear in this Presentation.

The Reserve and Contingent Resource estimates for Comet Ridge's current 40% interest in the Mahalo Gas Project, provided in this presentation, were released to the Market in the Company's ASX announcement of 30 October 2019 and were estimated using the deterministic method with the estimate of Contingent Resources utilising the probabilistic method and not having been adjusted for commercial risk.

The Reserve and Contingent Resource estimates for the Mahalo Gas Project, pending completion of the APLNG acquisition, provided in this Presentation, have been prepared by Sproule International by taking into account Comet Ridge's expected equity increase from 40% to 70% and including an expected 70% interest in the new PL 1083 West Shallows and Lowesby Cutout Shallows areas. The Reserves were estimated using the deterministic method with the estimate of Contingent Resources utilising the probabilistic method, and not having been adjusted for commercial risk.

The Contingent Resource for the Albany Structure located in ATP 744 are taken from an independent report by Dr Bruce McConachie of SRK Consulting (Australasia) Pty Ltd, an independent petroleum reserve and resource evaluation company. The Contingent Resources information has been issued with the prior written consent of Dr McConachie in the form and context in which they appear in this Presentation. His qualifications and experience meet the requirements to act as a qualified petroleum reserves and resource evaluator as defined under the ASX Listing Rule 5.42 to report petroleum reserves in accordance with the Society of Petroleum Engineers ("SPE") 2007 Petroleum Resource Management System ("PRMS") Guidelines as well as the 2011 Guidelines for Application.

The contingent resource estimates for the unconventional gas for the Gunn CSG Project located in ATP 744 provided in this Presentation are based on and fairly represent, information and supporting documentation determined by Mr John Hattner of Netherland, Sewell and Associates Inc, Dallas, Texas, USA, in accordance with Petroleum Resource Management System guidelines. Mr Hattner is a full-time employee of NSAI and is considered to be a qualified person as defined under the ASX Listing Rule 5.42 and has given his consent to the use of the resource figures in the form and context in which they appear in this presentation.

The contingent gas resource estimates for the Gunn CSG Project the located in ATP 744 provided in this statement were originally released to the Market in the Company's announcement of 25 November 2010 and were estimated using the deterministic method with the estimate of contingent resources for ATP 744 not having been adjusted for commercial risk.

The contingent resource estimates for PEL 6, PEL 427 referred to in this presentation were determined by Mr Timothy L. Hower of MHA Petroleum Consultants LLC in accordance with Petroleum Resource Management System guidelines. Mr Hower is a full-time employee of MHA, and is a qualified person as defined under the ASX Listing Rule 5.42. Mr Hower consented to the publication of the resource figures which appeared in the announcement of 7 March 2011 made by Eastern Star Gas Limited (ASX:ESG) and any reference and reliance on the resource figures for PEL 6 and PEL 427 in this Presentation is only a restatement of the information contained in the ESG announcement.

The contingent resource estimates for PEL 6 and PEL 427 were estimated using the deterministic method with the estimate of contingent resources for PEL 6, PEL 427 not having been adjusted for commercial risk.

Comet Ridge 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 the Mahalo Gas Project, ATP 744, PEL 6 or PEL 427 and that all of the material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed.



## FOR MORE INFORMATION

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