



19 July 2017

June 2017 Quarterly Activities Report

Highlights:

- **Operational tempo increases at Mahalo with the aim of significant additional Reserves**
- **Focus on Galilee Basin as a gas source for East Coast continues**
- **\$5.3 million Institutional Placement completed**

ATP 1191 Mahalo – Southern Bowen Basin, Qld (Comet Ridge 40%), Santos (30%), APLNG (30%)

At the beginning of the quarter, the Company announced that it had concluded an agency agreement with Santos, which saw Comet Ridge assume responsibility to manage the field subsurface work in respect of the Mahalo 2017 Joint Venture Exploration Work Program and Budget, in its capacity as agent for Santos as Exploration Operator, until 31 December 2018.

Shortly after this announcement, the Company advised that the Mahalo Joint Venture (Comet Ridge-40%, Santos-30%, and APLNG-30%) had unanimously approved the Mahalo 2017 Joint Venture Exploration Work Program proposed by Comet Ridge.

The Mahalo Block sits approximately 240km west of Gladstone, 14km east of a Santos-APLNG owned pipeline and approximately 40km north of both Jemena's Queensland Gas Pipeline and the GLNG main line to Gladstone.

The Company currently has 219 PJ of 3P Reserves and 112 PJ of 1C Contingent Resources at Mahalo. Comet Ridge expects that the 2017 Exploration Work Program (Work Program) can add significant additional Reserves to each of the Joint Venture participant's portfolio.

The Work Program will commence with the under-reaming of the Mira pilot wells and then moves on to drilling the Humboldt South 1 corehole, the location of which lies about 6km to the east-northeast of Mira (See Figure 1 below).

Late in the June quarter, the Company announced that a Drilling Services Agreement had been awarded to TDC Drilling Pty Limited (TDC). TDC are headquartered in Western Australia with an operating base in

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Roma, Queensland. Comet Ridge has previously successfully used TDC for part of its Galilee Basin work in the Gunn Project Area in ATP 744.

Comet Ridge has been preparing for the Mahalo Block field program throughout the June quarter. This work has included well design and planning, selection of contractors and ordering of equipment. The JV and TDC will be using a two-rig plan for this work which maximises efficiency and reduces overall costs.

Rig 8, a dedicated service rig, will be mobilised from Roma first, to undertake the Mira under-reaming work. This involves pulling out tubing and pumps from the wells, under-reaming the coals and then re-running tubing and pumps back into the wells so they can be put back onto production.

As that work comes to an end, Rig 10, a larger drilling rig, will be mobilised to the field from Roma to drill the new Humboldt South 1 corehole.

The mobilisation of Rig 8 is expected to commence next week with a further operational update to be provided before the end of July.

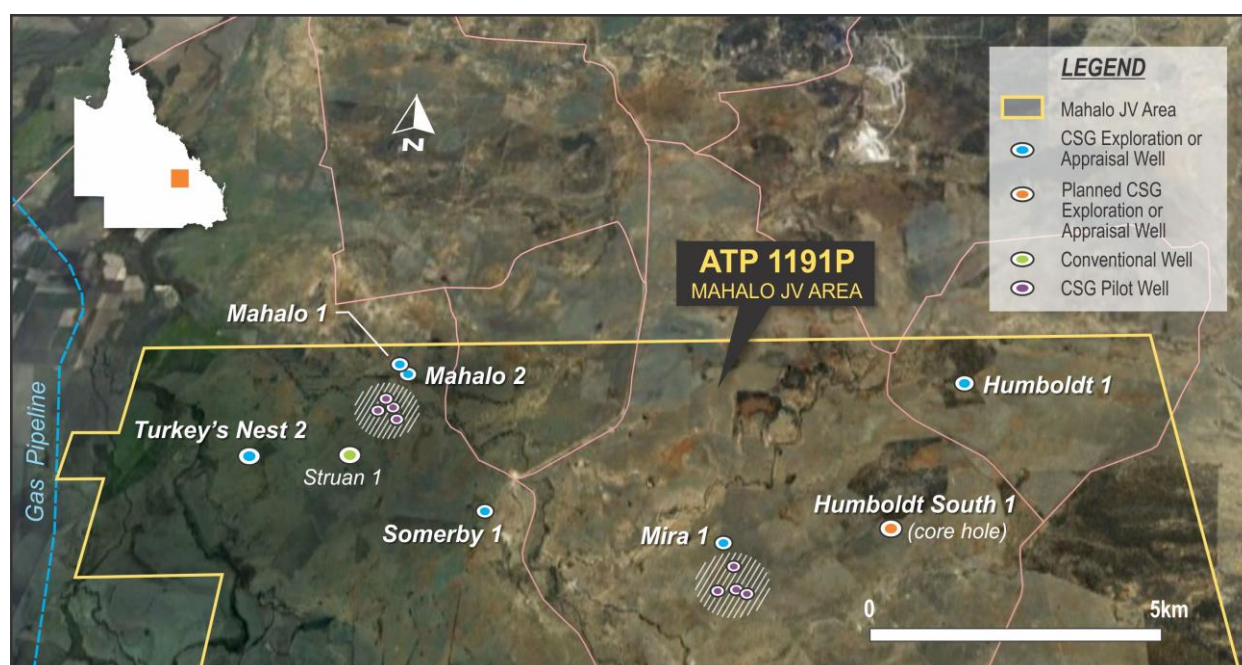


Figure 1 – northern Mahalo Block surface image looking north – proposed 2017 Work Program Focus

ATP 743, ATP 744 & ATP 1015 – Galilee Basin, Qld (Comet Ridge 100%)

Work has continued with gas purchasers, gas transporters and with the Queensland Government, in relation to supply of gas from the Galilee Basin (both sandstone gas and CSG) and the associated infrastructure. There are a range of connection points and supply options available and the Company continues to evaluate these and other options (see Figure 2 below).

LNG supply, industrial, domestic demand, and power generation sectors each have short and long term requirements for gas. The volume of gas resources already certified in the Galilee Basin is significant and as such, multiple market requirements may be able to be met concurrently.

The Company is making progress towards drilling the Albany structure and is in discussions with gas purchasers as a potential option to fund the well.

Comet Ridge has a very large acreage position of 9685 km², in the eastern part of the Galilee Basin which has significant 3C contingent resources independently certified for both sandstone gas and CSG. These are 100% interests in ATP 743, ATP 744 and ATP 1015.

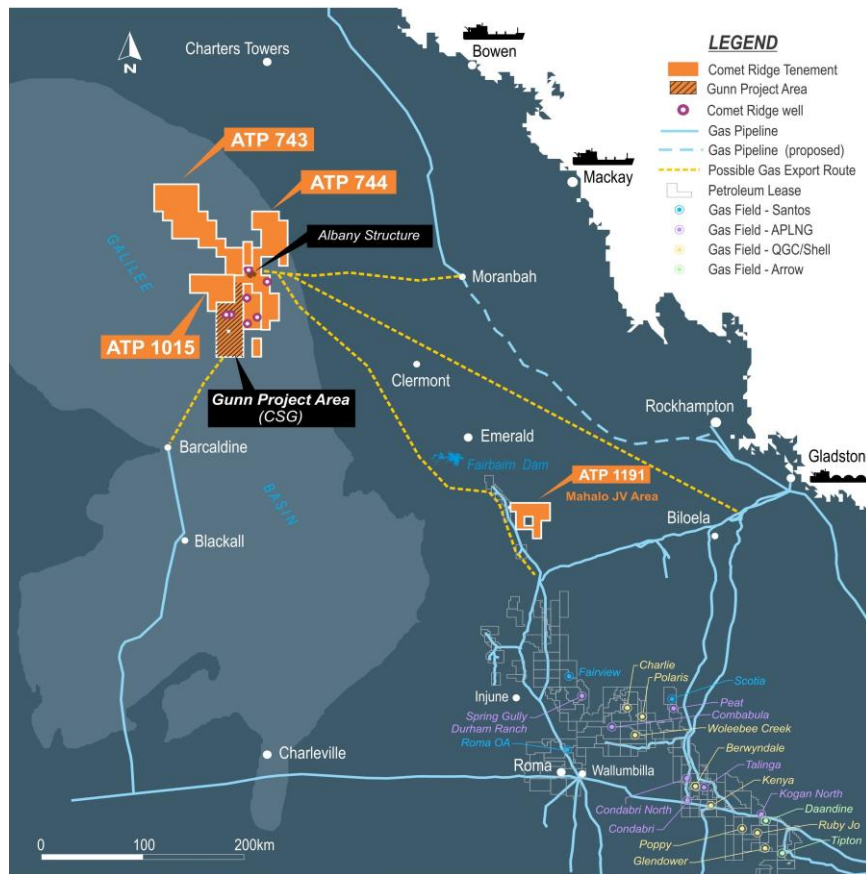


Figure 2 – Regional Location of Mahalo JV Area and Eastern Galilee Basin Blocks, with the main Bowen & Surat basin CSG development areas supplying Gladstone and the domestic market

Gunnedah Basin, NSW

(Comet Ridge CSG equity: PEL 427: 59.09%, PEL 428: 68.42%, PEL 6: 29.55%)

(Comet Ridge Conventional equity: PEL 427: 100%, PEL 428: 100%, PEL 6: 99.7%)

The Company continues to await approval of the renewals for PEL 6, PEL 427 and PEL 428.

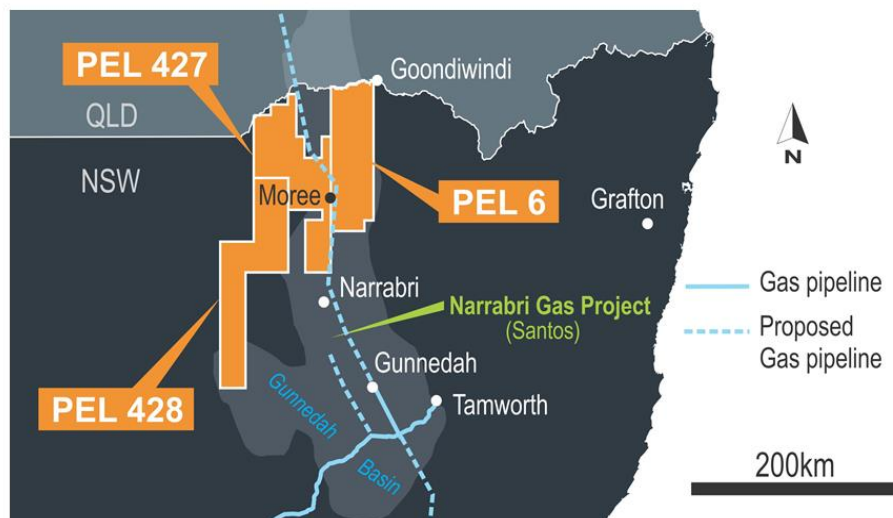


Figure 3 – Comet Ridge’s Gunnedah Basin position

Corporate - \$5.3 million Institutional Placement completed

During the period, the Company successfully completed a \$5.3 million Placement to Institutional Investors of 42.4 million new ordinary shares at \$0.125 per share. The New Shares represent 7.36 % of the then current issued capital of the Company.

The Placement was significantly oversubscribed with strong support from new Institutional Investors. Net proceeds of the Placement are for the approved Mahalo 2017 Joint Venture Exploration Work Program designed to deliver a material upgrade to 2P Reserves, as well as general permit management, corporate overheads and working capital.

Settlement of the Placement occurred on 9 June 2017 with Placement shares having commenced trading on the ASX on 13 June 2017.



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COMET RIDGE LIMITED – OVERVIEW

Comet Ridge Limited has significant Coal Seam Gas (CSG) projects in key regions of Queensland and 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, at the Mahalo project in Queensland. 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 CSG 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% interest in three blocks in the Galilee Basin. Comet Ridge has 40% equity in the ATP 1191 Mahalo Block in the Bowen Basin, and 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.



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