



5 October 2017

Mahalo Block – Mira Field Technical Update On Under-reaming

- Under-reaming has been highly effective in removing near-wellbore damage
- Damage removal confirmed and quantified in recent pressure build-up surveys
- Mira 3, 4 & 5 wells continue to have pump speeds gradually increased
- Mira 5 already producing measurable and steadily increasing gas

Comet Ridge Limited (**ASX:COI**) is pleased to provide a technical update on the very successful under-reaming programme that has recently been completed at the Mira production pilot. Mira is located in the northern central part of the Mahalo Block, approximately 240km west of Gladstone in central Queensland. Figure 1 details the layout of the Mira pilot in the northern part of the Mahalo Block.

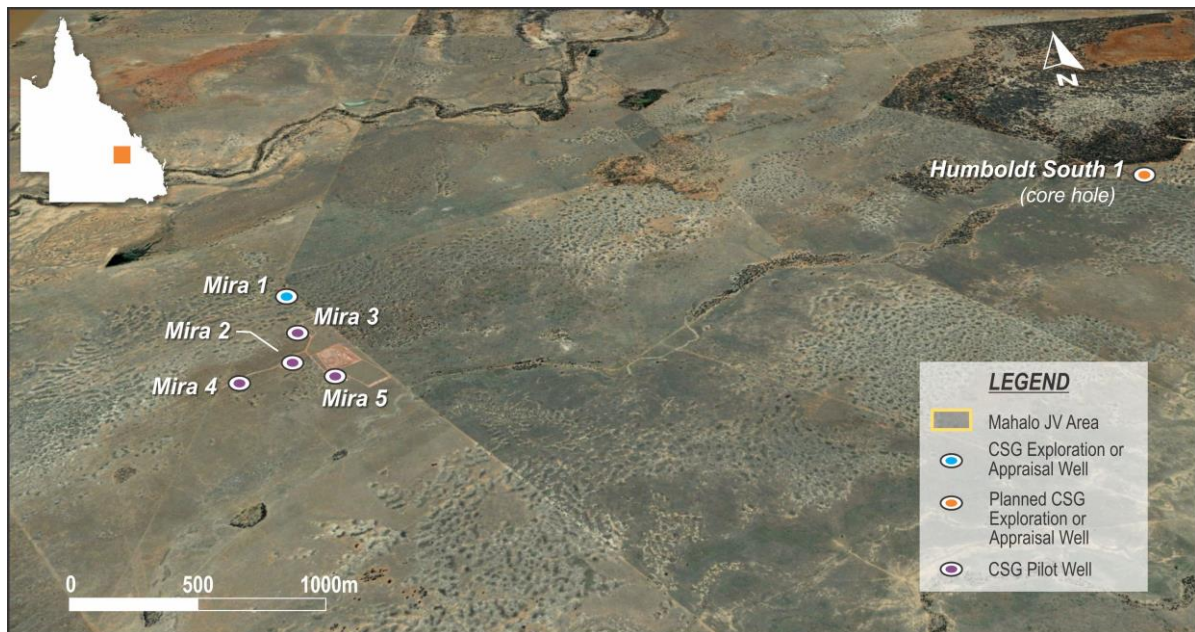
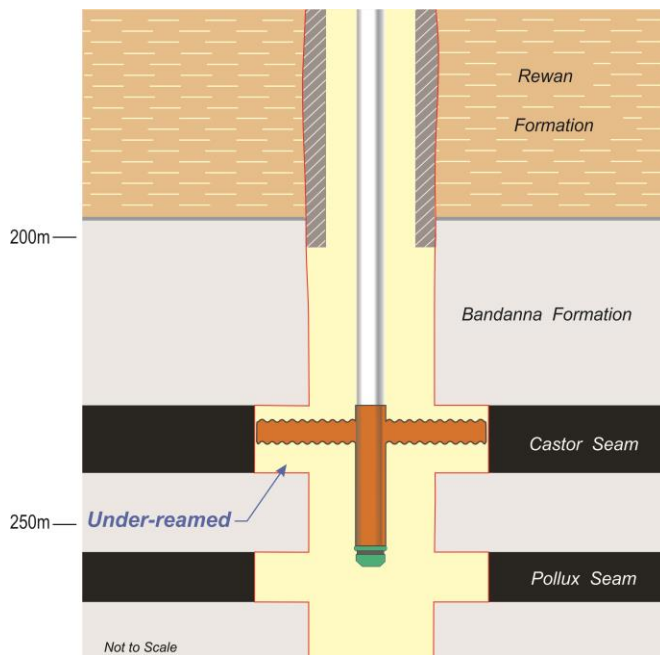


Figure 1 – northern Mahalo Block area showing the focus on the Mira area pilot wells and the recently drilled, Humboldt South 1 corehole.

The Mira 3, 4 and 5 wells were under-reamed during August to remove up to 48 inches (diameter) of coal from the immediate near-wellbore region.

When the well is initially drilled, the coal around the wellbore can be damaged by natural fractures being invaded with drilling and completion fluids which contain solid particles. If the fractures are partially plugged, then the flow path for water and gas into the wellbore is restricted and the well’s production performance suffers.

Under-reaming is a means of removing the damaged coal and providing a clear pathway for water and gas to flow to the wellbore through clean fractures (refer Figure 2 for schematic).



Pressure build-up (PBU) surveys are commonly utilised in the industry to measure and quantify the magnitude of the blockage or damage in the coal immediately around the well. In a PBU survey, the well is flowed for a period of time, and then flow is stopped for a short period (“shut-in”). The pressure increase in the wellbore is measured and then analysed and a value of wellbore “skin” is determined for the individual well from its pressure response.

A high skin value means significant damage around the well, whilst a low skin value means little damage. The theoretical optimum is to achieve a skin of zero which means no damage at all. However, this is rarely achieved and a very low skin value is usually the best practical outcome.

Figure 2 – Schematic of under-reamed section at bottom of well

Over the past week, PBU surveys were completed for all three under-reamed wells at Mira to quantify how successful the under-reaming was in removing damage near the well.

Table 1 illustrates that the under-reaming has been highly effective in removing skin damage as the values after the recent under-reaming programme in August are very low compared to the high skin values measured prior to commencement of the programme.

Well	Skin Value Prior To Under-reaming	Skin Value After Under-reaming
Mira 3	74	2.5
Mira 4	56	7.7
Mira 5	41	3.0

Table 1 – comparison of skin damage value for the Mira wells pre and post under-reaming showing great success from the programme in August.

Comet Ridge Managing Director, Tor McCaul, said he was exceptionally pleased with the PBU survey results and that the under-reaming programme has been a great success. The Mahalo 7 well demonstrated that horizontal wells can be very effective in producing gas in this block, and now the productivity potential of the vertical wells has been significantly enhanced.

The longer-term implications of the very low skin values are that water and gas rates from these wells should increase significantly and be much higher than demonstrated in the past with increases in pumping speed. The gradual increases in pumping speeds at the Mira 3, 4 and 5 wells are continuing with the wells having now moved up from 40 rpm to over 70 rpm with corresponding increases in water rates. Mr McCaul said that over the past six days, Mira 5 has delivered measurable, continuous and steadily increasing gas rates.

Comet Ridge is in the final stages of preparation for drilling the Mira 6 horizontal well, which will be positioned to intersect the Mira 2 vertical well running down through the centre of the Mira pilot scheme. The objective of this horizontal well is to produce alongside the Mira vertical wells to accelerate water and gas production from the Mira field and to assess the optimal production well design for the first phase of development at Mira. The well is expected to spud during October and a further update on Mira 6 will be provided at this time.



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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 is now acting as agent for the Exploration Operator in order to manage work on the block. 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.

Work Programme

Comet Ridge has an active exploration and appraisal work plan for CSG projects in eastern Australia, focused on the conversion of contingent resources to reserves.



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