



ASX Announcement

21 September 2020

Comet Ridge Mahalo Gas Hub position significantly expanded with double block win

Comet Ridge Limited (ASX:COI) is excited to announce that the Company has been selected by the Queensland Government as preferred tenderer for two additional gas blocks, in the highly sought after and emerging Mahalo Gas Hub, west of Gladstone in central Queensland.

Key points:

- Comet Ridge builds significantly on the Mahalo North block win from October 2019, with two further blocks immediately to the east of Mahalo North and also adjoining the Mahalo Gas Project (see Figure 1 below).
- Comet Ridge will be Operator of both blocks on a 100% equity basis, allowing the Company to control the style and speed of appraisal and development.
- These new blocks in conjunction with Mahalo North (ATP 2048) provide a substantial area for gas development, as an extension of the main gas fairway at the advanced Mahalo Gas Project.
- Timing of award coincides with the Federal Government push to fast track gas development, with the Mahalo Gas Hub emerging as a prime candidate to deliver gas for supply to the domestic market.

Details of the new blocks awarded to Comet Ridge in the recent tender process are:

1. PLR2020-1-1 (which will be called **Mahalo East**) covers an area of 97 km² and is located immediately east of Mahalo North (and north of the Mahalo Gas Project) in the same high-quality gas fairway. Similar to Comet Ridge's 100% owned Mahalo North project, Mahalo East is considered an immediate extension of the Mahalo Gas Project.
2. PLR2020-1-2 (which will be called **Mahalo Far East**) covers an area of 338 km² and is located slightly further east again. This block is interpreted to contain the north-eastern extent of the high-quality gas fairway and to have a very large gas in place volume, providing significant potential upside within the Mahalo Gas Hub.

A compelling east coast gas play

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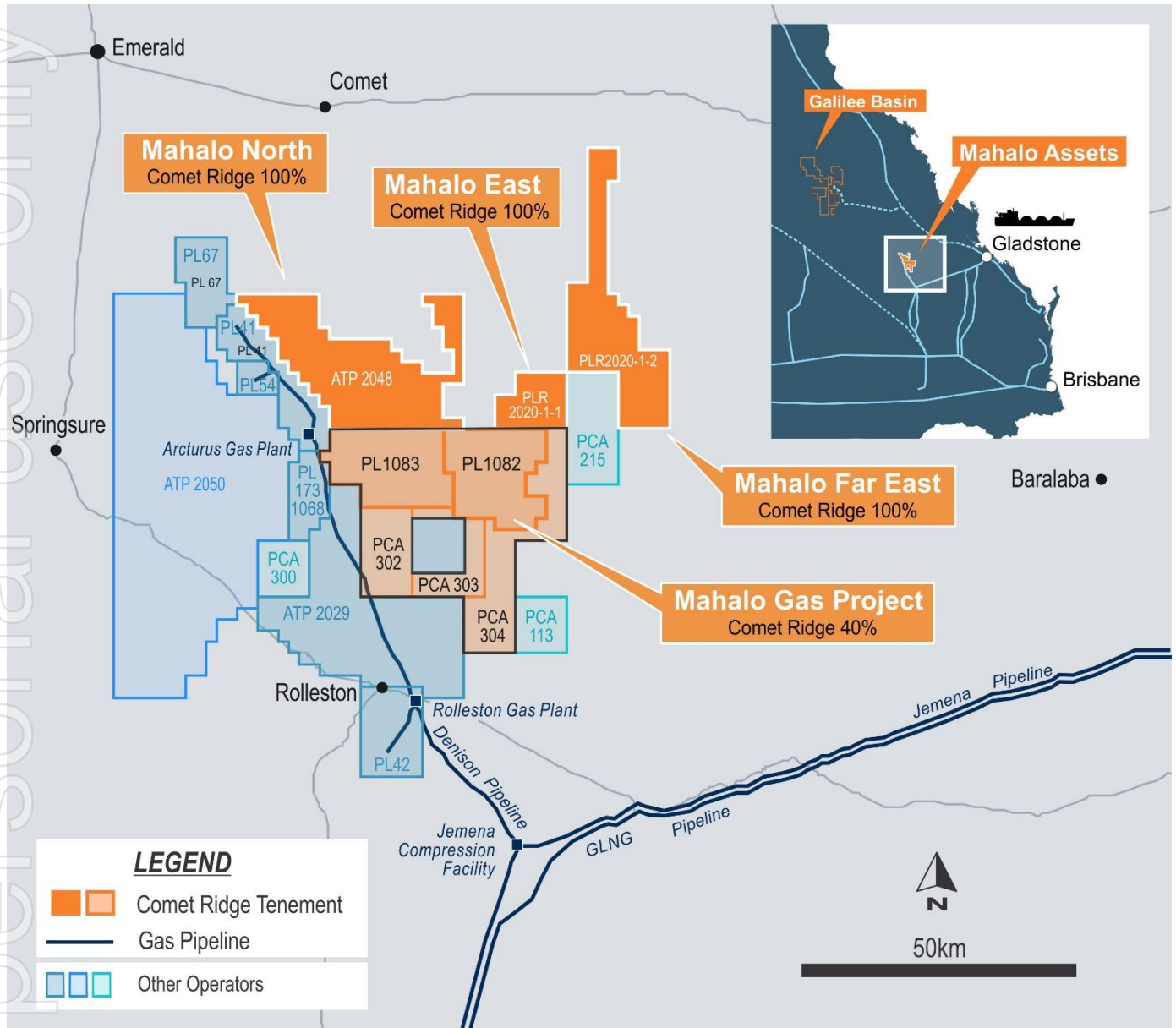


Figure 1 – Location map showing the main Mahalo Gas Project (in lighter orange) where Comet Ridge is a 40% participant and the Mahalo North, Mahalo East and Mahalo Far East blocks (in darker orange) where Comet Ridge holds 100%. The PLR2020-1 tender areas (Mahalo East and Mahalo Far East) will become ATPs over the coming months, following environmental and native title approvals.

These blocks also contain conventional (sandstone) gas potential underneath the coals, which Comet Ridge will also hold at 100% equity. Appraisal and development of gas from these blocks will consider the entire gas volume available (coal seam gas and conventional gas).

Comet Ridge Managing Director, Tor McCaul said the Comet Ridge board and his team were very excited to be awarded preferred tenderer status on both of these well positioned blocks, significantly increasing the Company’s 100% footprint in the Mahalo Gas Hub. He said these new blocks, along with Mahalo North, provide Comet Ridge with a very large area to appraise and develop. The Company plans to leverage its strong geological, operational and local knowledge, gained over many years, advancing the Mahalo Gas Project to its development ready status. Additionally, the Comet Ridge team also have conventional gas



experience from this area dating back to the 1980s and 1990s when several sandstone gas fields nearby were developed for the domestic market.

When combined with the Mahalo Gas Project, all three of these 100% awarded blocks provide Comet Ridge with significant additional equity gas and added scale to improve economic outcomes for the Company. Mr McCaul said the most efficient way to develop the area would be with a common pipeline and gas plant, potentially built by a third-party infrastructure provider, so that scale economies would provide gas at a low unit cost.

The Company will now seek environmental and native title approvals (over the next few months) for an Authority to Prospect (ATP) to be awarded for each block, in similar fashion to Mahalo North. After winning preferred tenderer status in late 2019, Mahalo North was formally awarded as ATP 2048 in April this year.

Mr McCaul added that the award of these two new blocks was very timely, given both the Queensland Government's and also the Federal Government's enhanced focus on natural gas as a key contributor to both renewable supported power generation and manufacturing in Australia. Both new block tender areas are subject to the Australian market supply condition, to support local industry.

Mr McCaul concluded by saying, "The Mahalo Gas Hub is an emerging gas area that is well positioned to deliver significant near-term volumes of gas into the domestic market, and Comet Ridge as 100% owner of these three additional blocks, is well positioned to fast track development." He noted that the Queensland Government has also recently allocated \$5million for studies related to connecting the Northern Bowen Basin into the east coast gas network, and Mr McCaul said he believes this pipeline connection may pass directly through or very close to the Mahalo Gas Hub area.

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 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 North and Mahalo projects are low cost, sales spec gas blocks, close to Gladstone. Our exploration assets in the Galilee and Gunnedah basins offer further upside amid increasing domestic and international demand for gas as a source of cleaner energy.