



ASX Announcement

3 August 2021

Funded Acquisition of APLNG's 30% of Mahalo Gas Project

Key points:

Transformative Acquisition

- Comet Ridge to acquire Australia Pacific LNG Pty Ltd's 30% interest in the Mahalo Gas Project, taking ownership to 70% on completion.
- \$20m consideration in staged payments - \$12m at completion and \$8m deferred.
- Significant increase in Comet Ridge 2P and 3P gas Reserves on completion.
- Favourable deal terms with metrics of \$0.25/GJ 2P Reserves and \$0.15/GJ 3P Reserves.

Upfront Consideration Funded

- Joint Venture (JV) partner Santos providing a loan package to fund the upfront consideration in exchange for an option for increased equity (to 42.86%) in the Mahalo Gas Project pro rata on APLNG acquisition terms.
- Santos also has a right to negotiate with Comet Ridge to increase its equity to 50% in the Mahalo Gas Project and acquire 50% equity in Comet Ridge's 100% Mahalo North and Mahalo East assets on commercial terms to be agreed.

JV Alignment Unlocks Mahalo

- Acquisition unlocks Mahalo Gas Project providing pathway to project development with Comet Ridge to be appraisal operator (as agent) to drive Mahalo towards a Final Investment Decision, then Santos to be development operator.
- The Transactions with Santos will provide a platform for the Mahalo Gas Hub area to become a significant new source of gas supply, with a streamlined JV, to meet demand in the east coast and LNG markets.

References to \$ in this announcement are in AUD unless stated otherwise

A compelling east coast gas play

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Comet Ridge Limited (ASX: COI) is pleased to advise that it has entered into binding agreements to acquire Australia Pacific LNG Pty Ltd's (APLNG) 30% interest in the Mahalo Gas Project¹, taking Comet Ridge's interest from 40% to 70% on completion (the "Acquisition"). Comet Ridge has also executed a funding and option agreement with the continuing Mahalo JV partner, Santos Ltd (ASX:STO). The Acquisition and the Santos agreements are referred to as the "Transactions".

The Mahalo Gas Project encompasses the "Shallows" strata from surface down to the base of the Lower Mantuan Coal. The "Deeps" will continue to be held 50:50 by Santos and APLNG. There has been no new drilling activity in the Mahalo Deeps since the Lowesby 1 well was drilled in 1991.

Key terms of the Transactions:

- Cash consideration of \$12 million payable to APLNG at completion of the Acquisition and \$8 million post-completion payment in deferred tranches.
- Comet Ridge has access to \$13.15 million of debt funding from Santos Ltd to fully fund the upfront Acquisition consideration (\$12 million) and stamp duty costs (\$1.15 million), due late 2021.
- In exchange for receiving loan funding for the Acquisition, Comet Ridge is providing Santos with the following rights to acquire various interests in the Mahalo Gas Hub area:
 - **Option 1** - Santos may elect (for a period up to six months post completion of the Acquisition) to purchase a 12.86% interest in the Mahalo Gas Project from Comet Ridge at proportional Acquisition value (\$8.57 million); and
 - **Expansion option** – Santos has an exclusive right to negotiate an option, on commercial terms to be agreed, to purchase from Comet Ridge, an additional 7.14% interest in Mahalo Gas Project (equalising Santos and Comet Ridge interest at 50% each) as well as 50% interests in Mahalo North and Mahalo East. The expansion option will be subject to Option 1 being exercised by Santos.

The Acquisition represents attractive deal metrics relative to other comparable acquisitions, with staged completion payments favourable to Comet Ridge:

- \$0.25/GJ 2P Reserves²; and
- \$0.15/GJ 3P Reserves².

Commenting on the Transactions, **Comet Ridge Managing Director, Tor McCaul**, said, *"These Transactions are transformational for Comet Ridge. Built on compelling acquisition metrics, they establish a streamlined joint venture with Santos to not only progress development plans for the Mahalo Gas Project, but the whole Mahalo Gas Hub area. The terms we have been able to agree with APLNG and Santos unlocks the potential of the entire Mahalo Gas Hub area to become a significant supplier of gas to the east coast market where industry dynamics have strengthened considerably as we continue to see a tightening of gas supply."*

¹ PL 1082, 1083 and PCA 302, 303, 304. Mahalo Gas Hub area refers to Mahalo Gas Project plus Mahalo North and Mahalo East.

² \$0.25/GJ 2P Reserves = \$20m consideration / 80 PJ of additional 2P Reserves; \$0.15/GJ 3P Reserves = \$20m consideration / 137 PJ of additional 3P Reserves (refer to *Table 1* for details of Reserve additions following the completion of the Acquisition).



Mr McCaul added “We are very pleased to see Santos’ operated Arcadia project, just to the south of Mahalo, performing strongly. This whole area will become increasingly important for east coast gas production.”

Following completion, the streamlined Mahalo Gas Project JV will see Comet Ridge and Santos focused on moving the Mahalo Gas Hub area into production on a time and cost-effective basis. The arrangements put in place with Santos create a platform for integration, optimisation and alignment across the high-quality fairway blocks in the Mahalo Gas Hub area to establish a gas project with potential to supply material volumes of natural gas to both domestic and LNG gas markets on the east coast. This partnership enables the Mahalo Gas Project to be developed using a low-cost “modular” plant design.

Santos Managing Director and Chief Executive Officer, Kevin Gallagher, said, *“Santos is keen to continue to develop our Queensland resources and this transaction provides another option for additional gas reserves. We look forward to working collaboratively with Comet Ridge to assess the potential of the Mahalo Gas Project”.*

Work will continue at the Mahalo Gas Project throughout the period up to completion of the Acquisition with established technical teams already in place benefitting from years of combined Mahalo experience. The sell down of further equity and the farm-in of Santos across the Mahalo Gas Hub area provides capital for Comet Ridge to fund ongoing development and northern appraisal activities ahead of a Final Investment Decision at Mahalo.

Commercial benefits and implications for Mahalo Gas Project

The Transactions, once completed, provide Comet Ridge with a number of valuable commercial benefits:

- Creation of a streamlined JV between Comet Ridge and Santos with a common focus to equalise equity ownership and finalise development plans for the whole Mahalo Gas Hub area to achieve significant scale;
- Maintains continuity of the Mahalo Gas Project operator - Santos has been exploration operator to this point and will continue as development operator, with a series of operating bases for support, just south of Mahalo around the significant Arcadia and Fairview fields;
- Comet Ridge appointed Agent by Santos to undertake, on a time and cost-efficient basis, any final activities in the Mahalo Gas Project area prior to progressing to project development;
- Enables the Mahalo Gas Project to be developed using a similar low cost “modular” plant design which Santos has very successfully implemented at the nearby Arcadia Project, just south of Mahalo, generating low-cost gas which is currently producing in excess of 85 TJ/day; and
- Provides common facilities at the Mahalo Gas Project for Comet Ridge to commercialise its northern blocks, adding significant scale and further cost efficiencies to the whole Mahalo Gas Hub area.



1. Mahalo Gas Project - Background

The Mahalo Gas Project is a heavily appraised and proven gas field which has clearly demonstrated strong commercial gas rates including 1.4 MMcf/d (million standard cubic feet of gas per day – equivalent to almost 1.5 TJ/d) at Mira 6 from a single (short) lateral pilot well.

The Mahalo Gas Project has a number of compelling features which set it apart from many other “not on production” east coast gas projects:

- **Fully licenced** – development ready with Petroleum Leases and environmental approvals granted;
- **Shallow depth** – between approximately 180 to 400 metres to target coals (low drilling and completion costs);
- **Permeable coals** – Mahalo 7 and Mira 6 short lateral pilot wells flowed between 1200 to 1500 standard cubic feet of gas per metre of coal intersected;
- **Very low water production** – resulting in lower capex and opex;
- **No coal or clay fines production** – reducing workover opex;
- **High gas quality** – pipeline spec gas and almost no CO₂ (measured at only 0.05%); and
- **Close to infrastructure** – approximately 65km connection to GLNG and Jemena pipelines to Gladstone.

Comet Ridge’s share of the Mahalo Gas Project independently certified Reserves and Contingent Resources (based on 70% equity following completion of the Acquisition) is significant (refer *Figure 1* below and *Table 1*). Developing the Mahalo Gas Project in combination with Mahalo North and Mahalo East, across the whole shallow coal fairway, will lead to a larger scale and even more cost-efficient development project.

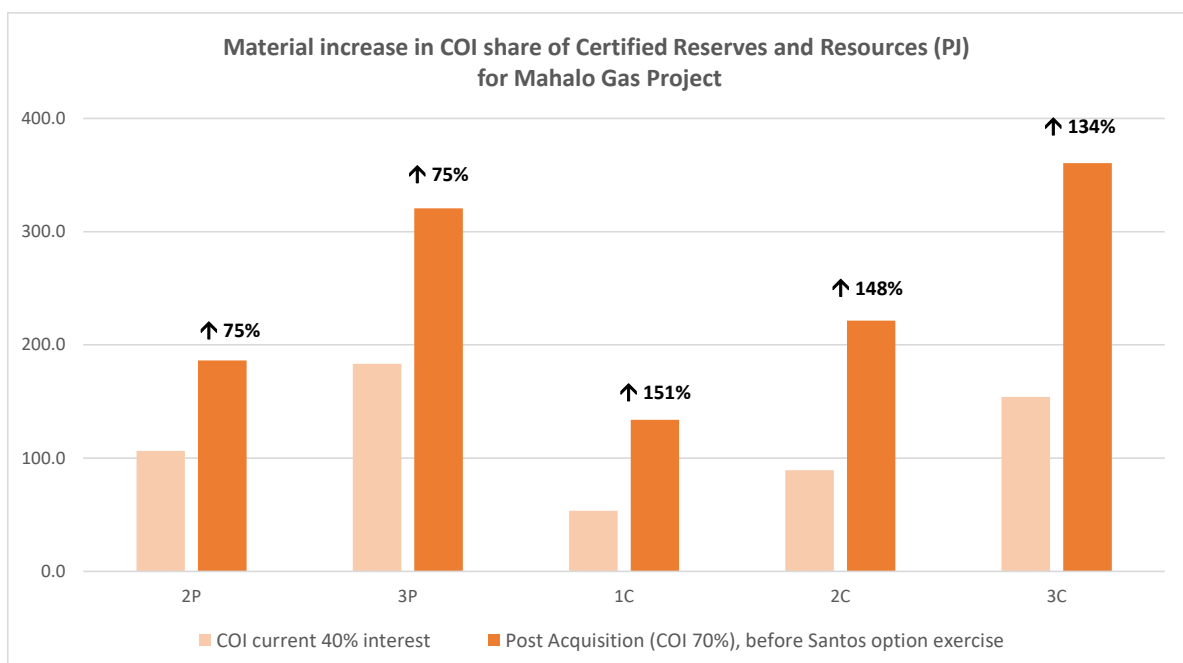


Figure 1 – The Acquisition of APLNG’s 30% interest provides a material increase in Comet Ridge’s share of Mahalo Gas Project certified Reserves and Contingent Resources (based on Comet Ridge estimates)



Progress at the Mahalo Gas Project has slowed over the past year as a result of differing priorities among the JV participants. This was further exacerbated with the onset of COVID-19 and the corresponding decline in global oil prices, leading to gas producers in Australia cutting expenditure and focusing development on core, already connected assets.

As shown in *Figure 2* below, the Mahalo Gas Hub area is located close to the Santos operated Arcadia and Fairview projects with cost and time savings able to be achieved by developing the Mahalo Gas Hub area using the same modular design as Arcadia, with operational, technical, logistics and warehousing support just to the south. Arcadia has become a very successful gas field with production levels now in excess of 85 TJ/d and is on track to become the lowest unit cost coal seam gas field for Santos.

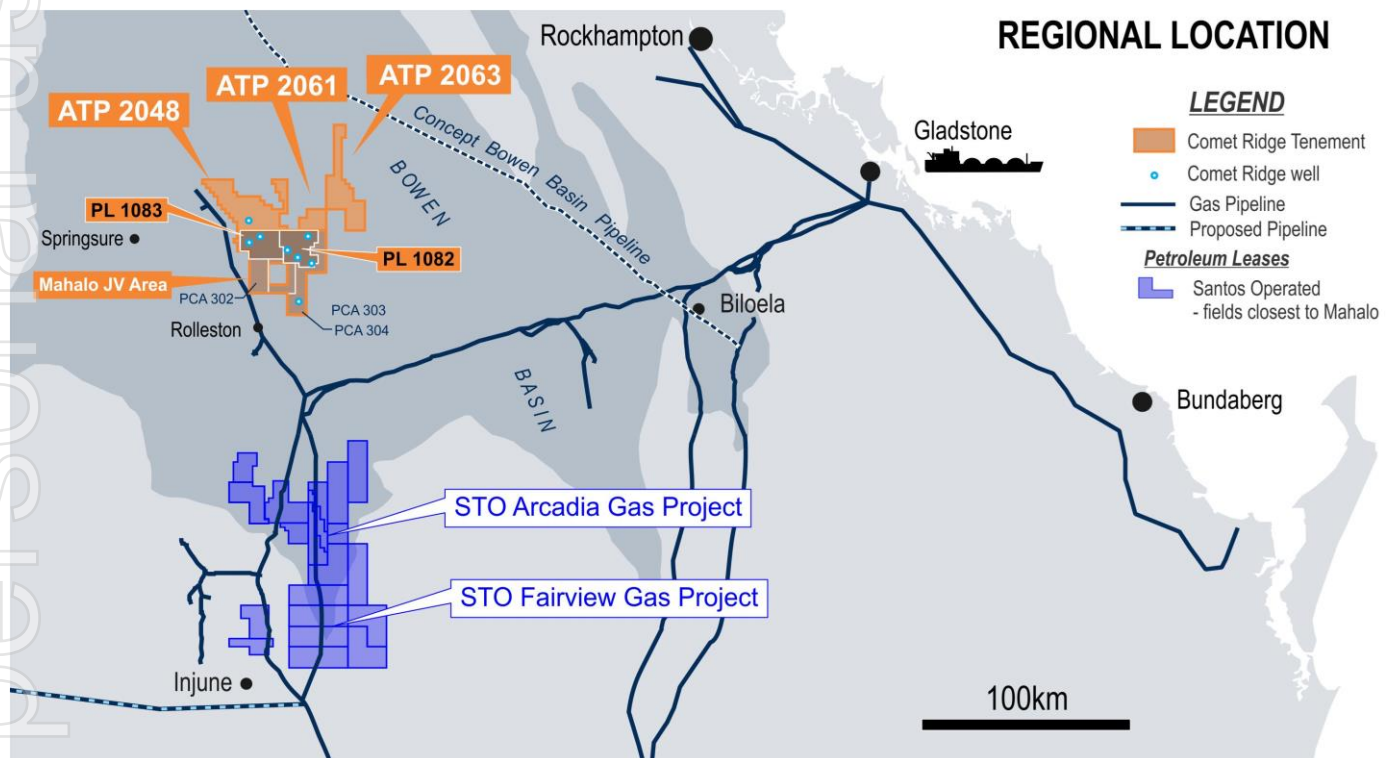


Figure 2 – Regional location of Mahalo Gas Hub area in proximity to Santos’ operated Arcadia and Fairview Gas Projects.

2. Terms of the Acquisition

Consideration

Comet Ridge Mahalo Pty Ltd, a 100% subsidiary of Comet Ridge Limited, has entered into a binding agreement with APLNG to acquire its 30% interest in the Mahalo Gas Project for a total cash consideration of \$20 million to be paid in tranches. APLNG is currently the development operator and will resign from that role upon completion of the Acquisition.



The Acquisition consideration payable by Comet Ridge to APLNG is:

- a) \$12 million payable on completion; and
- b) \$8 million payable in four annual instalments post-completion of \$2 million each unless a post completion trigger event occurs, in which case the unpaid balance will become payable.

Post-completion trigger events are:

- Mahalo Gas Project achieving Final Investment Decision or first gas;
- Comet Ridge change of control; or
- Sale of an interest greater than 15% in the Mahalo Gas Project by Comet Ridge.

A deposit of \$1 million will be paid by Comet Ridge and will be deducted from the \$12 million completion payment. Stamp duty of approximately \$1.15 million is also payable by Comet Ridge at completion. The Acquisition is expected to complete in late 2021.

Additional areas included in the Acquisition

On the completion of the Acquisition, the following two additional “Shallows” areas from the Denison Trough JV (Santos and APLNG) are being transferred into the Mahalo Gas Project area:

- PL 1083 West - a small area in the extreme west of PL 1083 which was previously outside of the Mahalo Gas Project area; and
- The Lowesby Cutout - an area within PCA 303, previously excluded from the Mahalo Gas Project.

Figure 3 shows the locations and participating interests of these additional asset areas being acquired by Comet Ridge.

The inclusion of these additional areas will expand the Mahalo Gas Project area by approximately 9% to 989 km².

Following completion of the Acquisition, Comet Ridge will have a 70% interest in the Mahalo Gas Project area (comprising PL 1082, PL 1083, PCA 302, PCA 303 and PCA 304 which includes the two new areas described above).

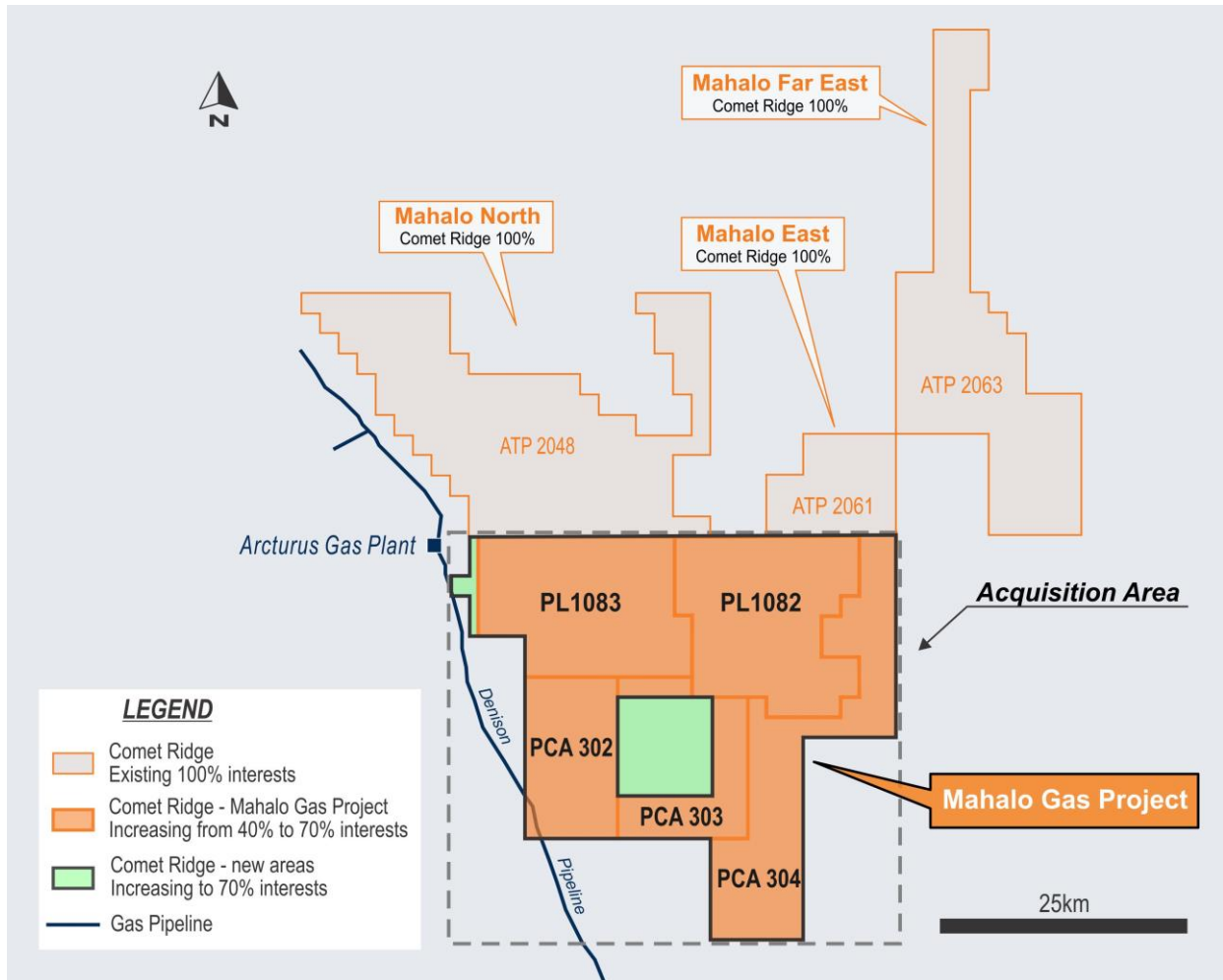


Figure 3 – Map of Mahalo Gas Hub area showing the Mahalo Gas Project asset interests being acquired by Comet Ridge

Santos loan terms

Comet Ridge and Santos have agreed terms for Santos to provide loan funding to Comet Ridge for completion of the upfront consideration for the Acquisition in exchange for Santos receiving the options noted on page two of this announcement (“Key terms of the Transactions”).

The key loan terms are summarised below:

- Total loan of up to \$13.15 million to be made available to Comet Ridge prior to completion of the Acquisition;
- Loan to be secured by first ranking charge over Comet Ridge’s interest in the Mahalo Gas Project permits;
- If Santos exercises Option 1, the \$5.14 million purchase price payable by Santos to Comet Ridge shall be applied to reducing the loan principal;
- The remaining loan principal is repayable by Comet Ridge following Santos exercising Option 1 or the six-month option expiry date; and
- Interest to accrue at a rate of 5.125% per annum.



Acquisition conditions and expected timing

The Acquisition is conditional on the following:

- Queensland Ministerial approval of the transfer of the title interests;
- Comet Ridge, Santos and APLNG agreeing to JV consent, restructuring and coordination requirements prior to completion;
- Comet Ridge obtaining unconditional funding of not less than \$13 million which will be satisfied by the Santos loan; and
- De-amalgamation of the Denison Trough environmental authority (which currently applies to Mahalo) to be replaced with a new Mahalo environmental authority and provision of financial assurance for the new Mahalo environmental authority.

It is expected that the conditions will be satisfied within approximately four months, enabling completion of the Acquisition to occur by late 2021.

3. Acquisition Metrics

Material increase in Reserves and Contingent Resources

The Acquisition will provide Comet Ridge with a **75%** increase to its certified Reserves through its increase in equity in the Mahalo Gas Project and between a **134% to 151%** increase to its Contingent Resources for the Mahalo Gas Project through the step up in equity and the inclusion of the additional areas.

Comet Ridge – Net Recoverable Gas Reserves and Contingent Resources for Mahalo Gas Project						
COI Net Equity Position	Gas Reserves ³			Gas Contingent Resources		
Mahalo Gas Project (PL 1082, 1083 and PCA 302, 303, 304)	1P	2P	3P	1C	2C	3C
30 October 2019 Certification; Current interest (COI 40%) ¹	-	106.4	183.2	53.4	89.3	154.1
30 July 2021 Certification: Post-Acquisition (COI 70%) ²	-	186.2	320.6	133.9	221.5	360.4
30 July 2021 Certification: If Santos Option 1 exercised (COI 57.14%)	-	152.0	261.7	109.3	180.8	294.2

Table 1 – The Transactions will result in a material increase to Comet Ridge's Gas Reserves and Contingent Resources for the Mahalo Gas Project (based on the Sproule revision of Reserves and Content Resources in the Mahalo Gas Project at 30 July 2021).



Notes to Table 1:

- ¹ Comet Ridge's estimates of current Reserves and Contingent Resources for the Mahalo Gas Project were contained in the Company's announcement to ASX dated 30 October 2019.
- ² Comet Ridge's estimates of post-Acquisition Reserves and Contingent Resources for the Mahalo Gas Project have been estimated by Sproule, taking into account an increase in equity interest (assuming the Acquisition is completed) from 40% to 70% and the inclusion of the new 70% interest in the PL 1083 West and Lowesby Cutout areas (see page 6 Terms of Acquisition).
- ³ The reported volumes include a 1% adjustment for fuel and shrinkage and have been calculated at the wellhead (which is the reference point for LR 5.26.5).

Table 1 details Comet Ridge's increased gas Reserves and Contingent Resources for the Mahalo Gas Project, following completion of the Acquisition and on a diluted basis assuming exercise of Option 1 by Santos, based on the review of the Reserves and Contingent Resources conducted by Sproule at 30 July 2021 (refer to ASX Listing Rule disclosure – Appendix 1).

Compelling Acquisition metrics and rationale

The Acquisition metrics are compelling for Comet Ridge with a 2P reserve metric of \$0.25/GJ versus comparable transactions which have been above \$1.00/GJ. In addition, with Production Licences (PL 1082 and PL 1083) having been awarded by the Queensland Government in June 2020 for the Mahalo Gas Project, the Acquisition provides the catalyst and alignment amongst the remaining JV participants to progress development plans on a timely and cost-efficient basis.

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.



APPENDIX 1 – Additional Information Required Under Chapter 5 of the Listing Rules

Statement in compliance with ASX Listing Rule 5.32.3

Listing Rule 5.32:

As a consequence of the Transactions detailed in this announcement, Comet Ridge engaged Sproule International ("Sproule") to prepare an estimate of the revisions to the coal seam gas ("CSG") Reserves and Contingent Resources associated with the Bandanna Formation coals within the Mahalo Gas Project, located in Queensland Australia, consequent upon and following the successful completion of the Acquisition of APLNG's 30% interest in the Mahalo Gas Project and the addition of two areas previously excluded from the Comet Ridge interest.

The estimates of Reserves and Contingent Resources presented in this announcement have been prepared in accordance with the definitions and guidelines set forth in the June 2018 Petroleum Resources Management System ("PRMS"), as well as the 2011 Guidelines for Application of the PRMS, approved by the Society of Petroleum Engineers. The current Reserves and Contingent Resources attributed to the Mahalo Gas Project were contained in the Company's ASX announcement dated 30 October 2019.

In the first half of 2020, the Mahalo Joint Venture (COI 40%, STO 30% and APLNG 30%) received federal and state government environmental approvals and was granted two Petroleum Leases (PL) in the northern part of the Mahalo Gas Project (PL 1082 and PL 1083) and three Potential Commercial Areas (PCA) (PCA 302, PCA 303 and PCA 304) over the remaining southern area by the Queensland Government.

Comet Ridge Mahalo Pty Ltd, a 100% subsidiary of Comet Ridge Limited, has entered into an agreement with APLNG to acquire its 30% interest in the Mahalo Gas Project ("the Acquisition"). APLNG is currently the development operator and will resign from this role upon completion of the Acquisition.

Prior to completion of the Acquisition, the following two additional areas from the Denison Trough JV (Santos and APLNG) are being transferred into the Mahalo Gas Project area:

1. PL 1083 West - a small area in the extreme west of PL 1083 which was previously outside of the Mahalo Gas Project area; and
2. The Lowesby Cutout - an area of approximately 78 km² previously excluded from the Mahalo Gas Project area.

Subject to the completion of the Acquisition, Comet Ridge will have a 70% interest in the Mahalo Gas Project area (comprising PL 1082, PL 1083, PCA 302, PCA 303 and PCA 304 which includes the two new areas described above) as shown in Figure 3 of this announcement. The Acquisition will expand the Mahalo Gas Project area by approximately 9% to 989 km².

LR 5.31.1 Material Economic Assumptions:

There have been no other changes to the material economic assumptions detailed in any of the Company's announcements 28 August 2014 (Initial Reserves), 2 December 2015 (Reserves Update), 6 March 2018 (Reserves & Contingent Resources Upgrade) and 30 October 2019 (Reserves & Resources Revision), collectively referred to as the "Prior Reserves and Contingent Resources Announcements", which relate to the Mahalo Gas Project.

The estimate of the increase for Comet Ridge in the Reserves and Contingent Resources through the acquisition of APLNG's interest and the increase of the Contingent Resources through the addition of two areas previously excluded from the Comet Ridge interest remains conditional upon the completion of the Acquisition as detailed in this announcement.

LR 5.31.2 Overview of Operatorship of Production:

The Mahalo Gas Project is governed by the Denison Trough Joint Operating Agreement ("JOA") the parties to which are the joint venture participants named above. The JOA provides for the appointment of an Exploration Operator and a Production Operator. The Exploration Operator is Santos QNT Pty Ltd while Australia Pacific LNG Pty Ltd is currently the Production Operator. Under the terms of the Acquisition announced today, APLNG will resign as the Production Operator on completion of the Acquisition and Santos QNT Pty Ltd will be appointed in its place. However, Comet Ridge is to be appointed appraisal operator (as agent of Santos QNT Pty Ltd) prior to a Final Investment Decision, after which Santos will resume as Development Operator.



LR 5.31.3 & LR 5.33.1 Types of Permits:

The Permits that now make up the Mahalo Gas Project include Petroleum Lease 1082 & Petroleum Lease 1083 as well as the Potential Commercial Areas (PCA) 302, 303 and 304 and these permits include within their boundaries the addition of two areas previously excluded from the Comet Ridge interest (see Figure 3).

LR 5.31.4 Mahalo Gas Project:

There have been no other changes to the assumptions for the basis for confirming the commercial producibility of the reserves detailed in the Company's Prior Reserves and Contingent Resources Announcements.

There has been no other data or processes utilised other than those previously announced. The update of the estimate of petroleum Reserves and the changes to the Contingent Resources have been prepared by Sproule utilising a deterministic estimation method for the Reserves and a probabilistic method for the Contingent Resources.

LR 5.31.5 Estimated Quantities (in aggregate) to be recovered:

As a consequence of the Acquisition and subject to its successful completion, the estimated quantities of petroleum Reserves and Contingent Resources attributable to Comet Ridge has increased as per the details contained in Table 1. There have been no other changes to the assumptions detailed in the Company's Prior Reserves and Contingent Resources Announcements, as regards to estimated quantities to be recovered.

LR 5.31.6 Statement in relation to Undeveloped Petroleum Reserves:

Comet Ridge believes that sufficient technical data is now available for the Mahalo Gas Project, and sufficient reserves have been independently certified, to make a decision to develop the field which has been supported by the award of the two Petroleum Leases by the Queensland Government. Further work on field development and pipeline options as required will be ongoing between the joint venture participants. Any decision to develop remains subject to a collective agreement by the joint venture participants.

The Mahalo Joint Venture currently has no transportation infrastructure for gas in place. Third party infrastructure exists at the QGP (Jemena) and GLNG pipelines approximately 65 km south of the Mira pilot scheme, which represent possible tie-in points for a connection to the Mahalo Gas Project.

LR 5.31.7 Petroleum Reserves which relate to Unconventional Petroleum Resources

The estimate of reserves in the Mahalo Gas Project relate to coal seam gas in the Bandanna Formation coals, which is an unconventional resource. A volumetric analytical procedure was applied to estimate the recoverable reserve quantities based on the deterministic method. Discrete parts or segments of the accumulation were defined that reflect high, best and low confidence cases based on distance from control points to reflect the uncertainty range of the project. The area covered by these confidence segments on a cumulative basis is up to 414 km². The commercial assessment of the project, based on the 3P reserves case, contained 331 lateral wells of a variety of well lengths (very short lateral wells were assumed in the shallow sections of the reservoir). The low estimate considered was sub-economic and therefore Proved Reserves were not reported. Since the 2019 reserves estimate, optimisation studies have demonstrated consistent longer lateral well lengths with greater well spacing are achievable across the Project, resulting in a significant reduction in well count and capital requirements.

LR 5.31.8: Exclusion of 1P Reserves

In consideration of 1P Reserves, if the volume attributed is not considered economically developable in isolation from the lower reserve categories (2P & 3P), the Company has taken the view not to include this category in its reported estimates.

For the purposes of **Listing Rule 5.34.3**: The Permits that now make up the Mahalo Gas Project include Petroleum Lease 1082 & Petroleum Lease 1083 as well as the Potential Commercial Areas (PCA) 302, 303, and 304 and these permits include within their boundaries the addition of two areas previously excluded from the Comet Ridge interest (see Figure 3). There has been no change to the basis for confirming the existence of the potentially moveable hydrocarbons and the determination of the discovery. The same analytical procedures have been used to estimate the contingent resources as had previously been used and there have been no changes to the key contingencies that prevent the Contingent Resources from being classified as petroleum Reserves save that percentage of the Contingent Resources that have been reclassified as petroleum Reserves. The reported Contingent Resources do not remain contingent on technology under development.



APPENDIX 2 - 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 announcement, is based on, and fairly represents, information and supporting documentation dated 30 July 2021, 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 announcement and Prior Reserves and Contingent Resources Announcements.

Comet Ridge's estimate of Reserves and Contingent Resources for its current 40% interest in the Mahalo Gas Project, provided in this announcement, were released to the market in the Company's announcement of 30 October 2019 (See Table 1). 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.

Comet Ridge's estimate of Reserves and Contingent Resources for the Mahalo Gas Project pending completion of the APLNG Acquisition, provided in this announcement, have been prepared by Sproule by taking into account Comet Ridge's expected equity increase (assuming the Acquisition is completed) 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.

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 referred to above and that all of the material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed.