



ASX Announcement

27 September 2021

Corporate and Operations Update

Comet Ridge Limited (ASX:COI) is pleased to provide the following corporate update in relation to recent funding, commercial and operations activities.

1. Funding update

Comet Ridge announced earlier in the month that the Company had completed two important funding initiatives:

- A placement of new shares to institutional investors to raise \$5.0 million (net of costs); and
- Drawdown of the first tranche of the Pure Asset Management facility of \$6.5 million.

The combination of these funding initiatives, plus existing cash and remaining Pure facility, provides Comet Ridge with available cash in excess of \$15 million, which will be applied to the upcoming Mahalo North drilling activities (refer Operations update below) and corporate costs.

2. Commercial update

Comet Ridge has provided a notice to CleanCo Queensland Limited to commence gas sales negotiations in accordance with the 2019 Agreement.

Under the Mahalo JV agreements, Comet Ridge has full rights to market and sell its equity share of production from the Mahalo Gas Project. The Company also holds 100% interests in the Mahalo North (ATP 2048), East (ATP 2061) and Far East (ATP 2063) blocks. These combined blocks cover a very large area of over 1800 km².

Comet Ridge and Santos have had numerous technical meetings in recent months to progress the Mahalo Gas Project and in particular, the final appraisal steps required prior to development, incorporating the northern blocks, 100% held by Comet Ridge. Technical and other data relating to these blocks has been provided to Santos and commercial discussions are continuing around the consolidation of the Mahalo Gas Hub area into one large natural gas project.

3. Operations update

The Company is significantly advanced in preparations for the 4Q 2021 drilling and well testing program in the 100% Mahalo North (ATP 2048) block. The key items for this program are the drilling and testing of the first long development style dual lateral well in the Mahalo Gas Hub area, at Mahalo North 2.

A compelling east coast gas play

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Components of the Mahalo North field program are:

- Drill a vertical core hole (Mahalo North 1) to confirm key coal reservoir data from lab analysis;
- Drill a long development style dual lateral well (Mahalo North 2), which will intersect Mahalo North 1 through the coal reservoir;
- Install a downhole pump in Mahalo North 1 and produce water and gas from both long lateral well bores, via the vertical well; and
- Following the interpretation of a large volume of newly acquired open file well data, determine if a third well location is likely to add value to the program and, if so, select the appropriate location for this step out vertical core hole.

Silver City Drilling has been selected as the drilling contractor for the Mahalo North program, based on its accumulated experience in lateral well drilling with Comet Ridge and other southern Bowen Basin operators. The drilling contract for Silver City's Rig 23 (see photo below) was executed last week with a target spud date for Mahalo North 1 around middle of October.

Preparation of the drilling pad and access tracks at the Mahalo North 1 location has also commenced and the balance of the service agreements will be executed over the coming days.





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.