# ASX Announcement

17 December 2025

# Comet Ridge to take 100% ownership of Mahalo Gas Project
## via acquisition of Santos 42.86% interest

## Key points:

- Comet Ridge to acquire Santos QNT Pty Ltd's 42.86% interest in the Mahalo Gas Project[1], taking Comet Ridge ownership to 100% on completion.
- $40m firm consideration payable on completion, scheduled to occur at Final Investment Decision (FID) for the Mahalo Gas Project, or 30 June 2026, whichever is sooner.
- An additional $20m in contingent payments linked to production milestones.
- Consolidates ownership of the entire Mahalo Gas Hub area, with Comet Ridge as Operator.
- Comet Ridge 2P Reserves and 2C Resources at the Mahalo Gas Hub will increase to 677 PJ on completion.
- Comet Ridge to target domestic gas sales.
- Comet Ridge in advanced discussions to fund the acquisition.

Commenting on the acquisition, **Comet Ridge Managing Director, Tor McCaul**, said, *" By moving to hold 100% equity across all gas blocks in the Mahalo Gas Hub area, and by boosting our 2P + 2C Reserve and Resource base to over 670 PJ+, Comet Ridge will be able to optimise the development of the whole of the Mahalo gas resource.*

*"The simplified ownership structure will allow Comet Ridge to ensure Mahalo does make a significant contribution to the east coast domestic gas market at a critical time.*

*"We are pleased to announce this transaction providing a pathway to the role of Mahalo Gas Project operator. Santos has now taken the Mahalo Gas Project well into Front End Engineering Design, and we look forward to picking up that work in the first quarter of 2026 as we move towards a Final Investment Decision on development."*

Comet Ridge Limited (ASX: COI) is pleased to advise that it has entered into binding agreements to acquire Santos QNT Pty Ltd's (Santos) 42.86% interest in the Mahalo Gas Project[1], taking Comet Ridge's interest from 57.14% to 100% on completion (the Acquisition). This means upon completion, Comet Ridge will hold and operate the entire Mahalo Gas Hub area of approximately 1,850 km$^2$.

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

[1] PLs 1082, 1083 and PCAs 302, 303, 304. Mahalo Gas Hub area refers to Mahalo Gas Project plus Mahalo North and Mahalo East.



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The total area to be held under 100% ownership by Comet Ridge will comprise:

- Two Mahalo development Petroleum Leases that form Stage 1 of the Mahalo Gas Project (PLs 1082 & 1083).
- Three Mahalo Potential Commercial Areas (PCAs) to the south (PCAs 302 to 304).
- Two Mahalo North Petroleum Lease Applications to the northwest (PLAs 1128 & 1132).
- Three Authorities to Prospect to the northeast (ATPs 2061, 2063 & 2072).

**Key terms of the Acquisition:**

Comet Ridge has agreed to acquire Santos's Mahalo Gas Project joint venture interests for the following consideration:

- Cash deposit of $2 million payable to Santos within ten business days of the date of agreement.
- Cash consideration of $38 million payable to Santos at completion of the Acquisition, which is scheduled to be the earlier of the FID or 30 June 2026.
- Up to two $10 million contingent payments, with the first tranche payable after 10 PJ sales gas and the second tranche after 20 PJ sales gas from the Mahalo Gas Project.

The binding acquisition agreement contains other clauses typical of an agreement of this nature, including:

- Conditions precedent – completion is subject to Comet Ridge arranging funding for the Acquisition, any Comet Ridge shareholder approval required (if applicable) and other customary assignments and approvals.
- Payment – the $2 million cash deposit is non-refundable if Comet Ridge fails to comply with its completion deliverables or the conditions precedent have not been satisfied or waived by 30 June 2026 and the sale agreement is terminated.
- Effective date of 15 November 2025.
- Standard representations and warranties for a transaction of this nature.
- Assets acquired – the Mahalo Gas Project interest acquired from Santos encompasses the "Shallows" strata from surface down to the base of the Lower Mantuan Coal. Specifically, this comprises PLs 1082 and 1083 and PCAs 302 to 304. The "Deeps" will continue to be held 50:50 by Santos and Australia Pacific LNG Pty Ltd (APLNG). There has been no new drilling activity in the Mahalo Deeps since the Lowesby 1 well was drilled in 1991.

**Commercial benefits and implications for Mahalo Gas Project**

The Acquisition, once completed, will provide Comet Ridge with 100% ownership of a very large and strategic position in the east coast gas market. The Mahalo Gas Hub comprises a compelling development with a large acreage position and gas resource, production licences in place, and Front End Engineering Design work nearly complete.

By consolidating 100% ownership, Comet Ridge unlocks several valuable commercial and practical benefits:

- Increase in 2P Reserves and 2C Resources to 677 PJ across the Mahalo Gas Hub.
- Ability to optimise the planning and sequencing the development of the Mahalo Gas Hub for the benefit of both gas consumers in Queensland and Comet Ridge shareholders.

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- Opportunity to integrate the Mahalo North and Mahalo East resources into the most capital efficient development.
- Increased scale, providing flexibility in the delivery of gas to end users and opportunities to optimise capital and operating costs.
- Full control over strategic and operational decisions for the project.

## Comet Ridge Funding Strategy

As shareholders are aware, Comet Ridge has (for some time) been progressing discussions with various potential funding partners for the development of the Mahalo Gas Project. Certain fundamental complexities in those discussions arise from the fact that Comet Ridge is currently not the operator, the project is subject to a joint venture, and the Mahalo Gas Project is not integrated with Comet Ridge's Mahalo North and East projects. This Acquisition will remove these complexities.

Comet Ridge is in very productive discussions with multiple parties that give the Company confidence it will fund the Acquisition and set the platform for the development of the Mahalo Gas Hub on terms that create value for its shareholders.

Taylor Collison Limited is acting as financial advisor to Comet Ridge and Corrs Chambers Westgarth is acting as legal advisor to Comet Ridge on the Acquisition.

## Information in relation to ASX Listing Rule 11.1

Whilst no definitive decision has been made at this stage, it is possible that some or all of the funding for the Acquisition will be raised by way of issue of new shares in Comet Ridge (subject to obtaining all required shareholder approvals for such issue, including under ASX Listing Rule 7.1 (if required)). Detailed information about any such issue (if undertaken), including its effect on the total issued capital of Comet Ridge, will be disclosed if and when a decision has been made in that regard. It is also possible that funding for the Acquisition will be obtained as part of the funding package required for the project to reach FID.

The Acquisition may involve a significant change to the nature or scale of Comet Ridge's activities for the purposes of ASX Listing Rule 11.1. If so, ASX has a discretion to require Comet Ridge to obtain shareholder approval for the Acquisition or, in some circumstances, to require that it meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if it were applying for admission to the official list of ASX. Comet Ridge has sought in-principle advice from ASX that it will not exercise its discretions under Listing Rule 11.1 to require shareholder approval or that the Company re-comply with Chapters 1 and 2 of the ASX Listing Rules in relation to the Acquisition and will keep shareholders informed in relation to this in accordance with its continuous disclosure obligations. Further information relevant to the potential application of ASX Listing Rule 11.1 is contained in Appendix 3.

## By Authority of the 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 strained east coast Australian market. The company has tenement interests and a suite of prospective projects in Queensland and holds one block in NSW with Santos, just north of the main Narrabri project. Our flagship Mahalo Gas Hub project consists of low cost, sales spec natural gas blocks, close to Gladstone, containing very low $CO_2$ Gas Reserves. Our exploration assets include a large position in the Galilee Basin and 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.*

*Comet Ridge plans to transition its Mahalo Gas Hub assets into meaningful gas supply into the east coast gas market. The initial development of the Mahalo Gas Project and the Mahalo North block can be further supplemented by sequential development of gas resources from Comet Ridge's other 100% held permits, Mahalo East, Mahalo Far East and Mahalo Far East Extension.*

*More information regarding Comet Ridge is available at [www.cometridge.com.au](http://www.cometridge.com.au).*

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## Appendix 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 1.44 MMcfd at Mira 6 from a single (short) lateral pilot well and 1.75 MMcfd just across the block boundary at Mahalo North.

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

- **Licenced** – development ready with Petroleum Leases and EPBC 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 $CO_2$; and
- **Close to infrastructure** – Jemena pipeline to Gladstone approx. 80km south.

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 more cost-efficient development project. As shown in *Figure 2* below, following completion of the Acquisition, Comet Ridge's independently certified 2P & 2C Reserves and Contingent Resources and 3P & 3C Reserves and Contingent Resources at the broader Mahalo Gas Hub will total 677 PJ and 1,240 PJ respectively.

| Mahalo Gas Project (PL 1082, 1083; PCA 302, 303, 304) | COI Interest | Reserves (PJ) | | | Contingent Resources (PJ) | | |
|---|---|---|---|---|---|---|---|
| | % | 1P | 2P | 3P | 1C | 2C | 3C |
| COI Interest – Current | 57.14 | - | 152 | 262 | 109 | 181 | 294 |
| COI Interest – Post Acquisition | 100 | - | 266 | 458 | 191 | 316 | 515 |

*Figure 1: Comet Ridge's Mahalo Gas Project Reserves and Contingent Resources currently and following completion of the Acquisition.*

| Mahalo Gas Hub (post Acquisition) | COI Interest | Reserves (PJ) | | | Contingent Resources (PJ) | | |
|---|---|---|---|---|---|---|---|
| | % | 1P | 2P | 3P | 1C | 2C | 3C |
| 1 Mahalo Gas Project (PL 1082, 1083; PCA 302, 303, 304) | 100 | - | 266 | 458 | 191 | 316 | 515 |
| 2 Mahalo North (PLA 1128, PLA 1132) | 100 | 12 | 43 | 149 | - | - | - |
| 3 Mahalo East (ATP 2061) | 100 | - | 52 | 118 | - | - | - |
| 4 Mahalo Far East (ATP 2063) | 100 | - | - | - | - | being evaluated | |
| 5 Mahalo Far East Ext (ATP 2072) | 100 | - | - | - | - | being evaluated | |
| TOTALS | 100 | 12 | 361 | 725 | 191 | 316 | 515 |

*Figure 2: Comet Ridge's Mahalo Gas Hub Reserves and Contingent Resources following completion of the Acquisition.*

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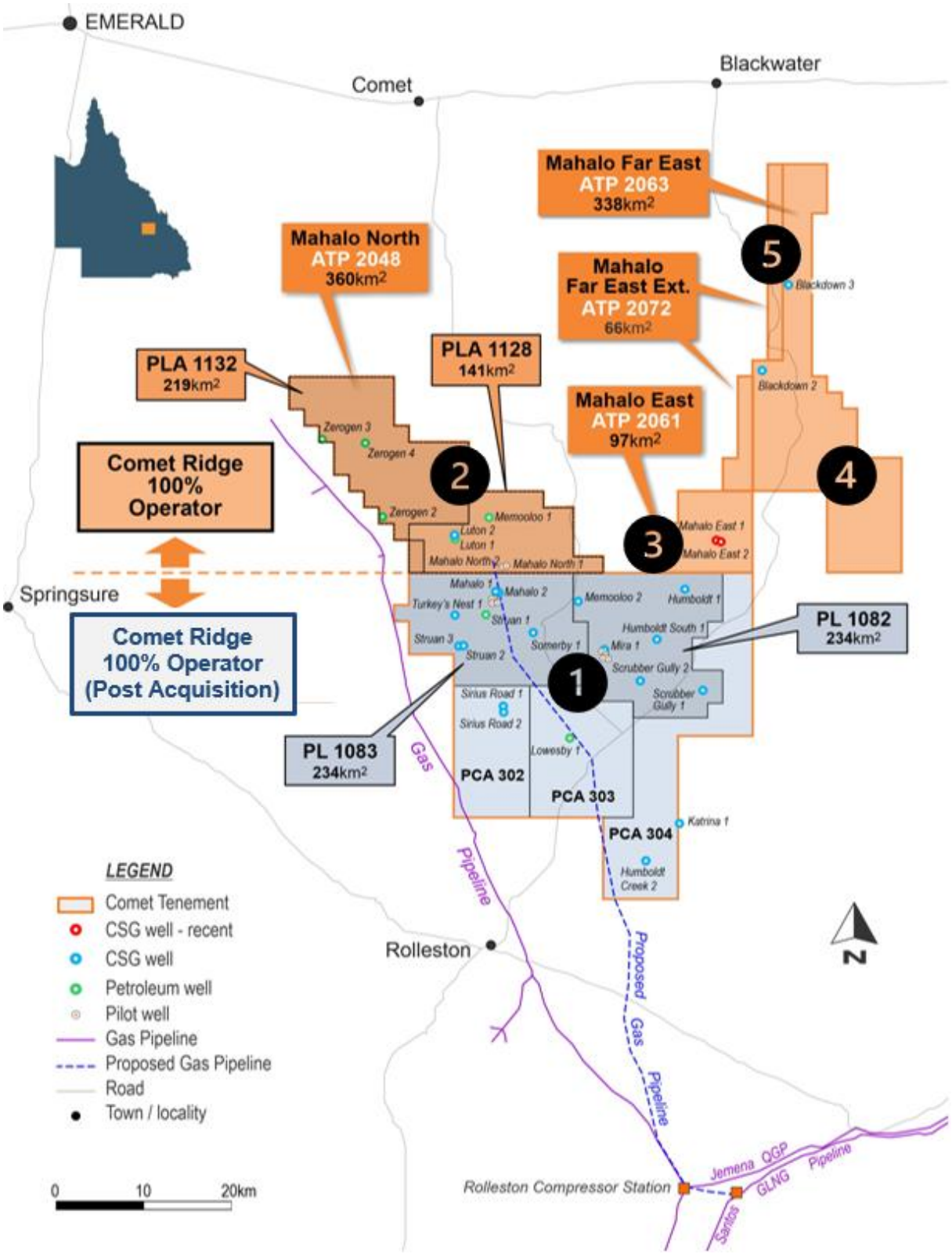


*Figure 3: Comet Ridge's Mahalo Gas Hub area interests following completion of the Acquisition.*

## Appendix 2 - Competent Person Statement & ASX Listing Rules Chapter 5 - Reporting on Oil and Gas Activities

The estimate of Reserves and Contingent Resources for the Mahalo Gas Project and Mahalo Gas Hub provided and referenced in this Announcement are based on, and fairly represents, information and supporting documentation 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.

The Reserve and Contingent Resource estimates for Comet Ridge's 57.14% existing interest (and the projected 100% interest following completion of the acquisition of Santos's 42.86% interest) in the Mahalo Gas Project having been prepared by Sproule International were released to the Market in the Company's ASX announcement of 30 October 2019 and 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 announced its revised allocation of the Reserves and Resources for its increased holding in the Mahalo Gas Project on 26 September 2022 post its acquisition of the APLNG interest.

The Reserves estimate for Comet Ridge's 100% interest in the Mahalo North Project (ATP 2048) and Mahalo East Project (ATP 2061) provided in this Announcement is based on, and fairly represents, information and supporting documentation determined by Mr Timothy L. Hower of Sproule, in accordance with Petroleum Resource Management System guidelines.

Mr Hower has consented to the publication of the Reserve estimates for the Mahalo North Project in the form and context in which they appear in this Announcement. The Reserve estimates for Comet Ridge's 100% interest in the Mahalo North Project were released to the Market in the Company's ASX announcements of 2 November 2022 and 20 December 2023 and were estimated using the deterministic method.

The Reserve estimates for Comet Ridge's 100% interest in the Mahalo East Project were released to the Market in the Company's ASX announcement of 25 July 2025 and were estimated using the deterministic method.

Comet Ridge confirms that it is not aware at this time of any new information or data that materially affects the information included in any of the announcements relating to the Mahalo Gas Project, the Mahalo North Project, or the Mahalo East Project (collectively referred to as the Mahalo Gas Hub) and that all material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed.

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## Appendix 3 – Notification under ASX Listing Rule 11.1

The following additional information is provided for the purposes of ASX Listing Rule 11.1 and ASX Guidance Note 12:

- Details of the parties to, and the material terms of, the Acquisition are contained in the announcement.
- Information on the likely effect of the Acquisition on Comet Ridge's consolidated total assets, total equity interests, annual revenue, annual expenditure, EBITDA and annual profit before tax is set out in the table below. In accordance with ASX Guidance Note 12, the financial metrics in the table are based on Comet Ridge's financial statements for the last twelve months to 30 June 2025.

| Particulars | Prior to Acquisition $000's | Effect of Acquisition $000's | Pro-forma after Acquisition $000's | % change due to Acquisition |
|---|---|---|---|---|
| Consolidated total assets | $124,995 | $61,068[1] | $186,063 | 48.9% |
| Consolidated total equity interests | $80,319 | $0 | $80,319 | 0% |
| Consolidated annual revenue | $2,789 | $0 | $2,789 | 0% |
| Consolidated annual expenditure | $6,409 | $0 | $6,409 | 0% |
| Consolidated EBITDA | -$2,939 | $0 | -$2,939 | 0% |
| Consolidated annual profit (loss) before tax | -$3,620 | $0 | -$3,620 | 0% |

[1] Assuming both contingent payments are made in the future and including transaction costs (stamp duty)

### Assumptions

The following assumptions have been made in producing the transaction-based comparison table set out above:

- Consolidated annual revenue: No revenue on Mahalo Gas Project earned pre operations;
- Consolidated annual expenditure : All expenditure on Mahalo Gas Project capitalised pre operations;
- Consolidated EBITDA: All expenditure on Mahalo Gas Project capitalised pre operations;
- Consolidated annual profit (loss) before tax: All expenditure on Mahalo Gas Project capitalised pre operations.
- Whilst no definitive decision has been made at this stage, it is possible that funding for the Acquisition (including transaction costs) will be raised [in whole or part] by way of issue of new shares in Comet Ridge (subject to obtaining all required shareholder approvals for such issue, including under ASX Listing Rule 7.1 (if required)). Detailed information about any such issue (if undertaken), including its effect on the total issued capital of Comet Ridge, will be disclosed if and when a decision has been made in that regard.
- It is also possible that funding for the Acquisition (including transaction costs) will be obtained as part of the funding package required for the project to reach FID.
- No changes to Comet Ridge's Board of Directors or senior management team are expected as a result of the Acquisition.

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- If the Acquisition involves a significant change to the nature or scale of Comet Ridge's activities, ASX has discretion to require that Comet Ridge obtain shareholder approval by ordinary resolution. Similarly, ASX has a discretion to require Comet Ridge to re-comply with Chapters 1 and 2 of the ASX Listing Rules in relation to the Acquisition. Comet Ridge has sought in-principle advice from ASX that it will not exercise its discretion to require shareholder approval or re-compliance with Chapters 1 and 2 of the ASX Listing Rules and will keep shareholders informed in relation to this in accordance with its continuous disclosure obligations.
- Subject to satisfaction or waiver of the conditions, completion of the Acquisition is scheduled to occur at Final Investment Decision (FID) for the Mahalo Gas Project, or 30 June 2026, whichever is sooner.