

Comet Ridge

ASX Conference - Sydney

6 September 2018



ASX Code : COI

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Comet Ridge - Corporate Overview

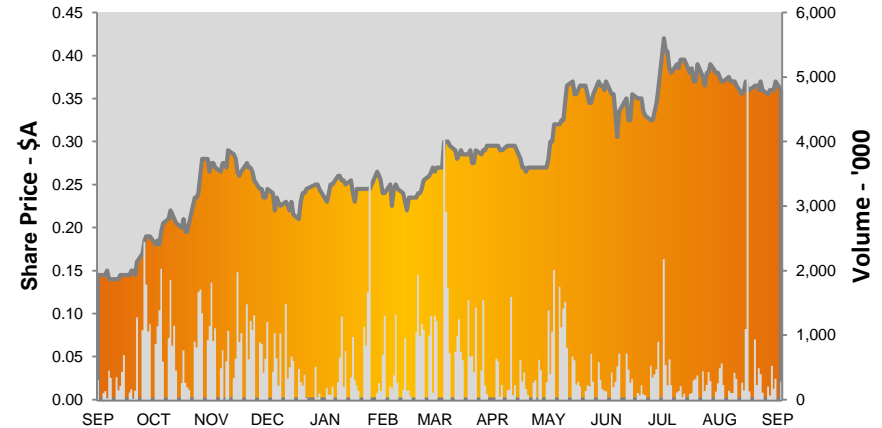


Capital Structure – ASX: COI

| | |
|--------------------------------------|----------|
| Share price (3 September 2018 close) | \$0.36 |
| Shares on issue | 676.7m |
| Performance rights | 4.4m |
| Market capitalisation | \$243.6m |
| Cash (30 June 2018) | \$11.5m |

12 Month Share Price Performance

Share Price and Volume Last 12 months to 3 September 2018



James McKay
Non-Exec Chairman

- 30 years in business (commerce/law background)
- Considerable public company experience including Sunshine Gas



Chris Pieters
Commercial Director

- Geologist with 12 years in oil & gas
- Previously Chief Commercial Officer, Sunshine Gas



Tor McCaul
Managing Director

- Petroleum engineer with 30 years in oil & gas
- Previously Head of Commercial for Cairn plc in India



Mike Dart
Non-Exec Director

- 20 years experience in M&A and Finance
- Director of Dart Capital Partners, private venture capital fund



Gillian Swaby
Non-Exec Director

- 30+ years in Finance & Resources
- Former Chair of WA Council of Chartered Sec.



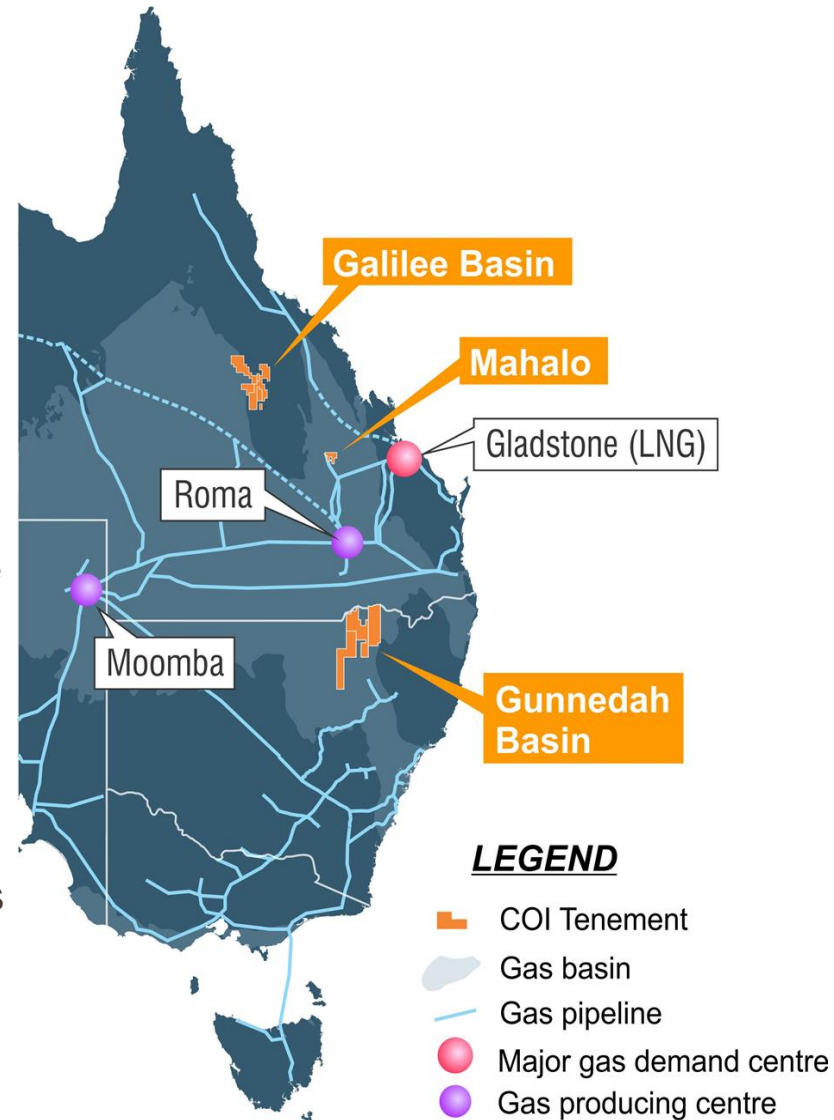
Peter Harding-Smith
Chief Financial Officer

- 20 years experience in Finance
- 10 + years experience in public companies,

Comet Ridge - Summary



- ✓ **Mahalo - Southern Bowen (Mahalo) – CSG**
 - Significant net 2P⁺ (172PJ) & 3P⁺ (374PJ) reserves located 240km west of Gladstone
 - Comet targeting being FID ready 2018/19
 - JV with Santos and APLNG
- ✓ **Galilee – CSG, Sandstone and Shale**
 - Appraisal well, Sandstone target - June 2018
 - **First measured gas flow**
 - Significant resource base northwest of Gladstone (over 2200 PJ 3C)⁺
 - Opportunities for early commercialisation
 - Target to drill CSG pilot late 2018
- ✓ **Gunnedah – CGS – NSW**
 - Assets cover ~17,000km² located north of Santos Narrabri development
 - Longer term hold-then-follow strategy



Comet Ridge - Its been a busy 12 months.....



- ✓ 2017 work programme resulted in significant Reserves and Resources Upgrade for Mahalo – 172 PJ 2P net to Comet Ridge
- ✓ Re-appointed Exploration Agent for Mahalo by Santos, 2018 work programme signed off by JV
- ✓ Mira 6 (short single lateral) well hitting 1.4 mmcf/d, exceeding all expectations
- ✓ Farmout 15-30% of Galilee Sandstone to Vintage
- ✓ First Measured Gas Flow from Lake Galilee Sandstone Reservoir – 230,000 scf/d
- ✓ Strong Value Growth



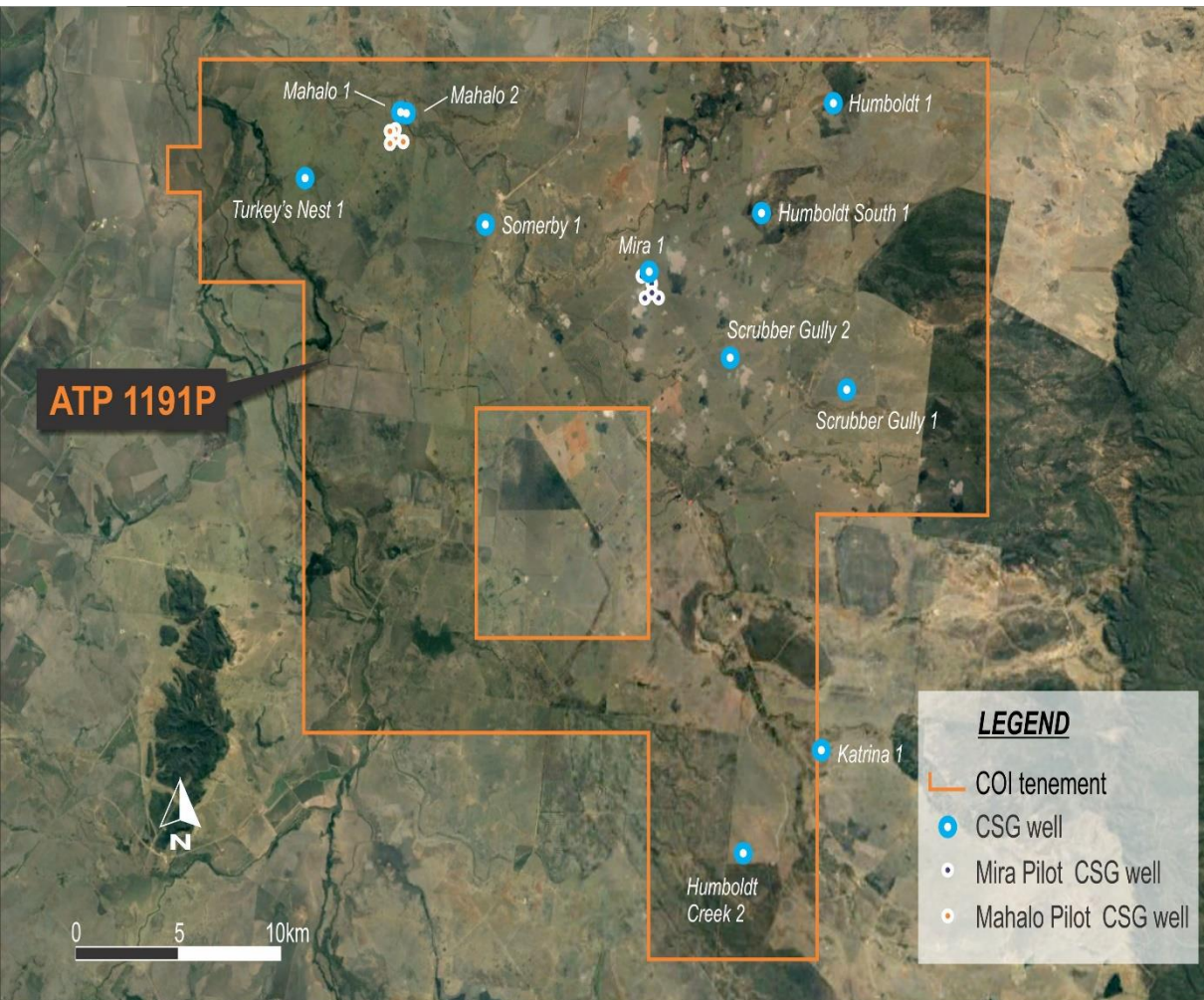
Comet Ridge - Strategic East Coast Gas Portfolio



| | | | | | | | |
|--|----------------------------|----------------------|------------|------------|----------------------------------|------------|--------------|
| Mahalo QLD | | +Reserve (PJ) | | | +Contingent Resource (PJ) | | |
| | Type | 1P | 2P | 3P | 1C | 2C | 3C |
| | CSG | 18 | 172 | 374 | 224 | 385 | 389 |
| Galilee QLD | | +Reserve (PJ) | | | +Contingent Resource (PJ) | | |
| | Type | 1P | 2P | 3P | 1C | 2C | 3C |
| | CSG | | | | | 67 | 1,870 |
| | Sandstone | | | | 56 | 153 | 417 |
| Gunnedah NSW | | +Reserve (PJ) | | | +Contingent Resource (PJ) | | |
| | Type | 1P | 2P | 3P | 1C | 2C | 3C |
| | CSG | | | | | | 562 |
| Total Assets East Coast Australia | COI Total | +Reserve (PJ) | | | +Contingent Resource (PJ) | | |
| | Type | 1P | 2P | 3P | 1C | 2C | 3C |
| | CSG + Sandstone | 18 | 172 | 374 | 280 | 605 | 3,238 |

+Refer to the Competent Persons Statement at Page 21 and the ASX announcement dated 6 March 2018 for further information on COI's Reserves and Contingent Resources

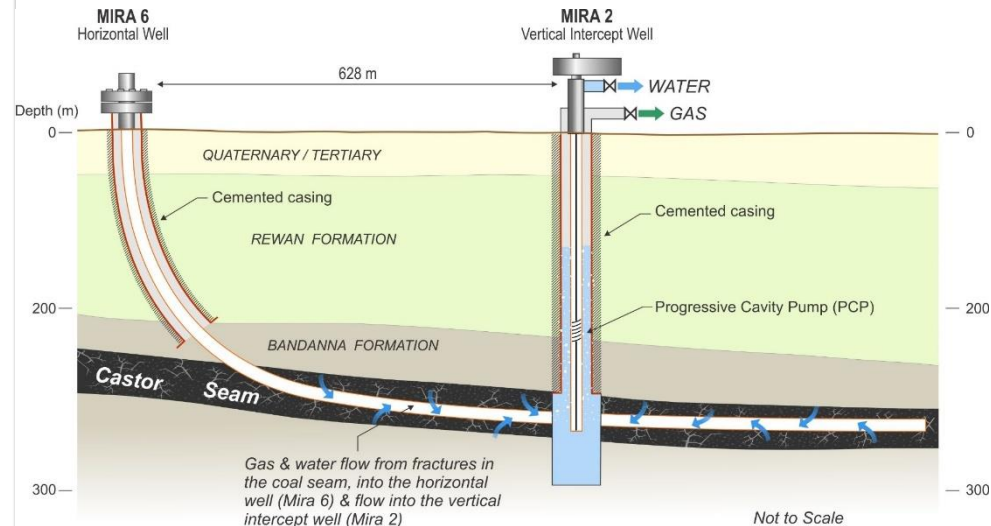
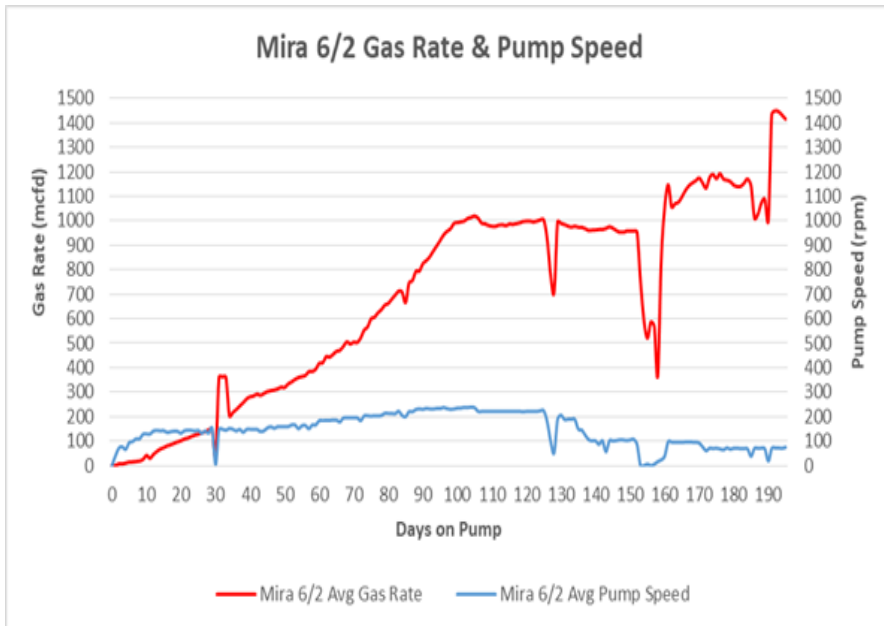
Mahalo Project



- JV– Comet 40%, Santos 30% & APLNG 30%
- Located central eastern QLD, near Rolleston
- Covers 911 km²
- Close to pipeline infrastructure (to Gladstone)
- Low end of the cost curve
- Near term production potential

Mahalo - Well productivity exceeded expectations

- The Mira 6 / 2 horizontal-vertical well combination was brought on-line in December 2017 and commenced producing gas after only two days (fully saturated)
- Gas rate has risen to over 1.4 mmcf/d (late June) from 924m horizontal well in Castor seam
- **Mira 6 performance has exceeded expectations** and assisted in maiden 1P reserve
- Development wells could be twice as far in coals as Mira 6, and have horizontal well paths in two or more coals = significantly more productivity for low incremental cost



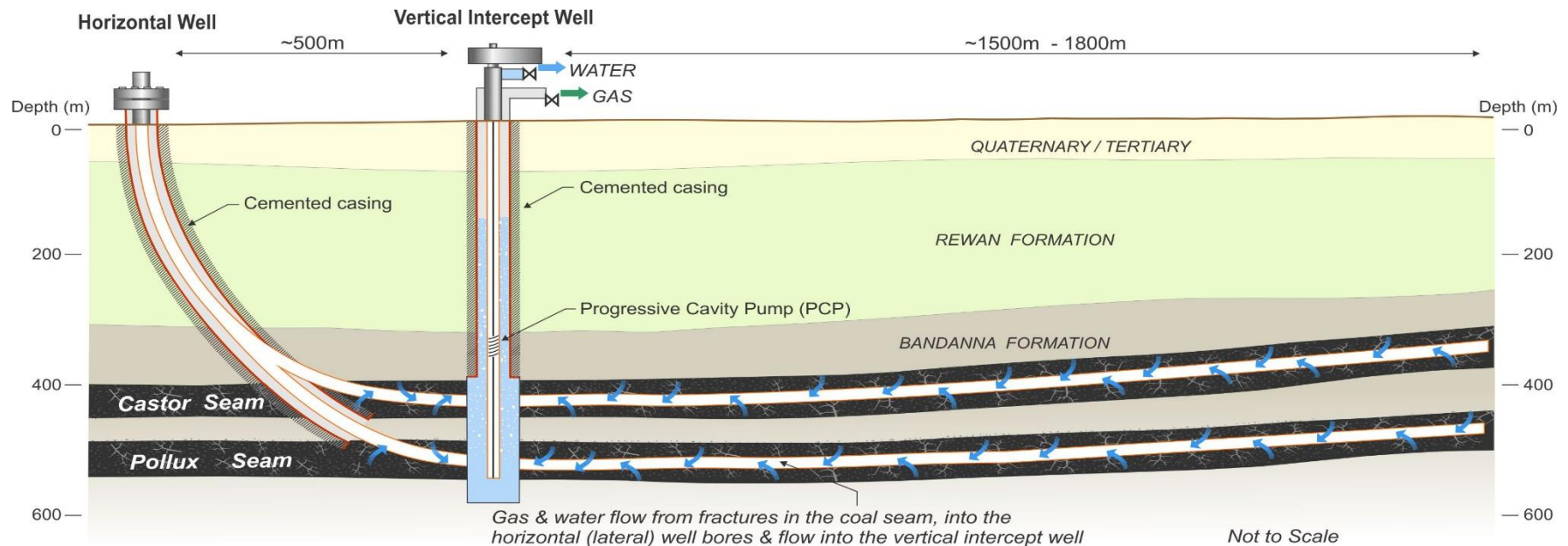
Mahalo – Current Work Programme

Current work programme includes:

- Environmental and other studies – to support a Petroleum Lease and Pipeline Licence application
- 7 well bores - 3 vertical wells and 2 dual lateral intercept wells into 2 of the vertical wells (see image below)
- Production testing for gas and water
- Dual lateral wells to extend knowledge of the deeper sections of the field

Expected outcomes :

- ✓ Extend the area and scale of the development area
- ✓ Ready to lodge application for Petroleum Lease and Pipeline Licence
- ✓ Additional 2P/3P conversion at very modest cost
- ✓ Development concept validated – dual lateral wells concept



Mahalo - likely to be at **low end of cost curve**



Mahalo will get development priority because:

- Shallow**
 - ✓ Only 225 to 400 metres to coal
 - ✓ Lower drilling and completion costs

- Permeable**
 - ✓ Mahalo 7 and Mira 6 flowed 1200 to 1500 scfd per metre of coal intersected
 - ✓ Higher flowrates means less wells

- Less Water**
 - ✓ Low water-gas ratio on both Mahalo 7 & Mira 6
 - ✓ Lower water handling capex and opex

- Low maintenance**
 - ✓ No coal fines minimising workovers

- Gas Quality**
 - ✓ No expensive CO₂ or H₂S removal to get to sales gas spec
 - ✓ Use basic carbon steel in wells, flowlines and plant

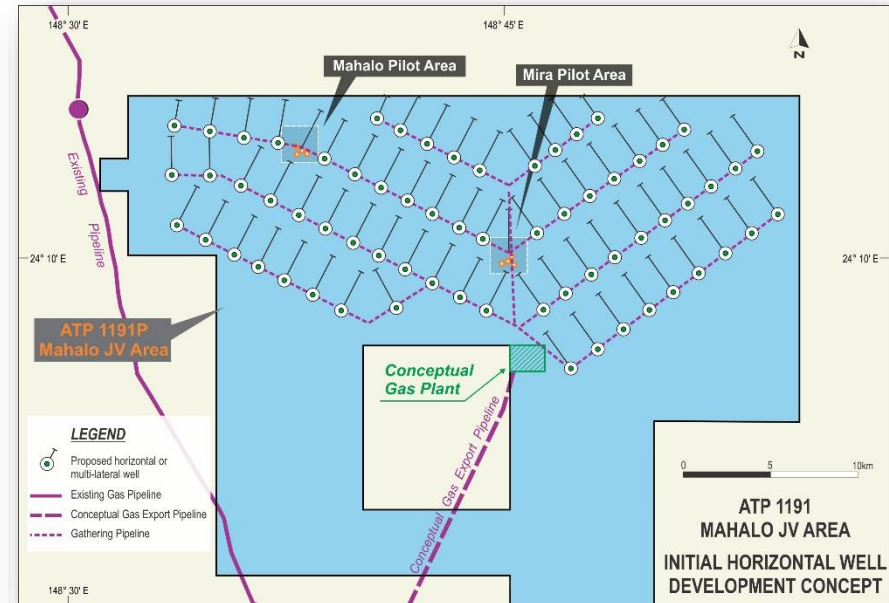
- Close to infrastructure**
 - ✓ 14 km - nearest pipeline connection
 - ✓ 60 km - Mira Pilot to Jemena pipeline
 - ✓ 63 km - Mira Pilot to GLNG pipeline

Mahalo - Development Concept

*Development Concept: possible option displayed

Development concept – Targeting 120 TJ/d production

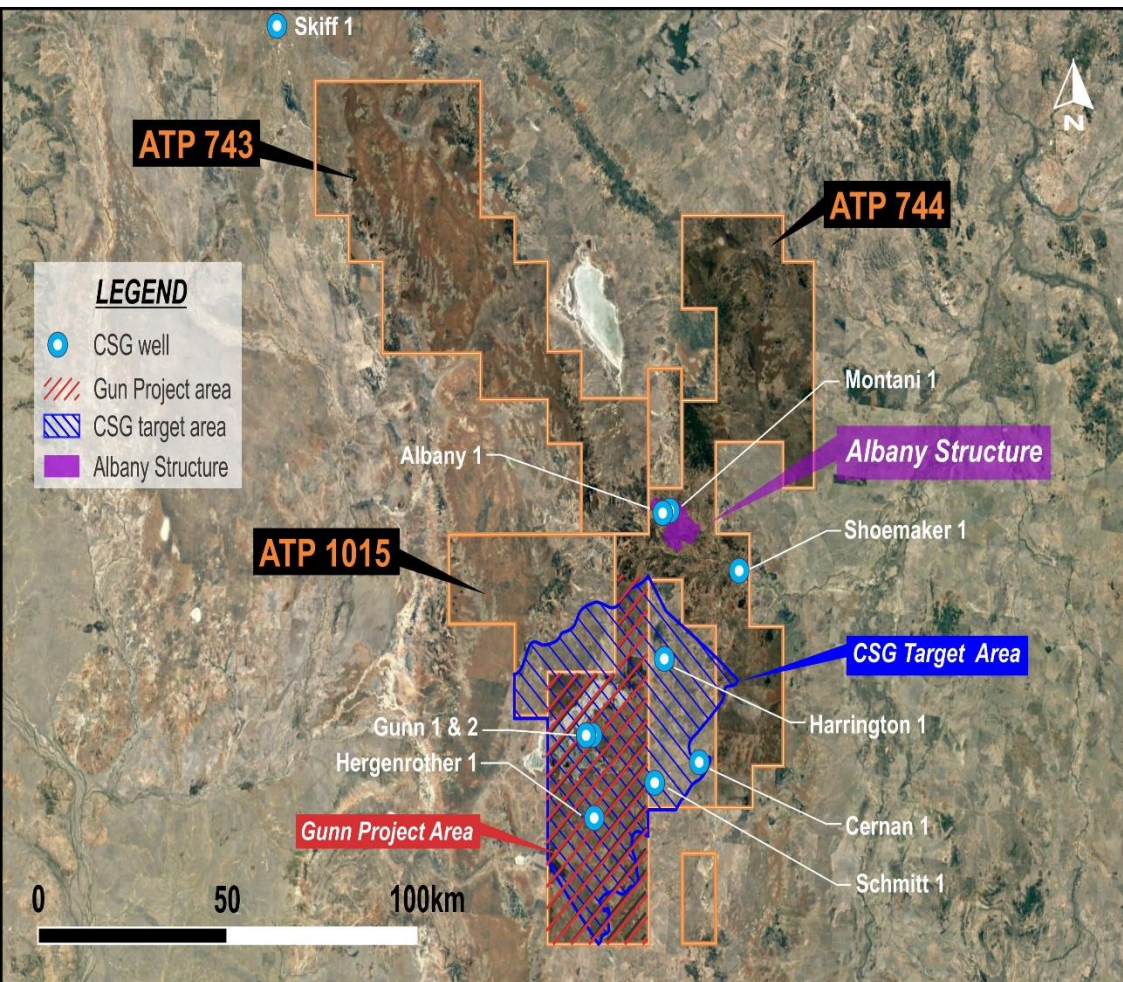
- ❖ **Phase 1**
 - 60 TJ/d modular plant targeting the northern part of the block,
 - 12 inch Gas Export Pipeline (120TJ/d capability),
 - Water treatment,
 - Wells and gathering system.
- ❖ **Phase 2 – following quickly**
 - Second 60 TJ/d modular plant targeting remaining resources, increasing production to 120 TJ/d
 - Increased water treatment,
 - Wells and gathering system.



Minimum gas processing required – only separation, compression and dehydration

*Comet Ridge internal concept. Development remains subject to approval of Joint Venture.

Galilee Projects

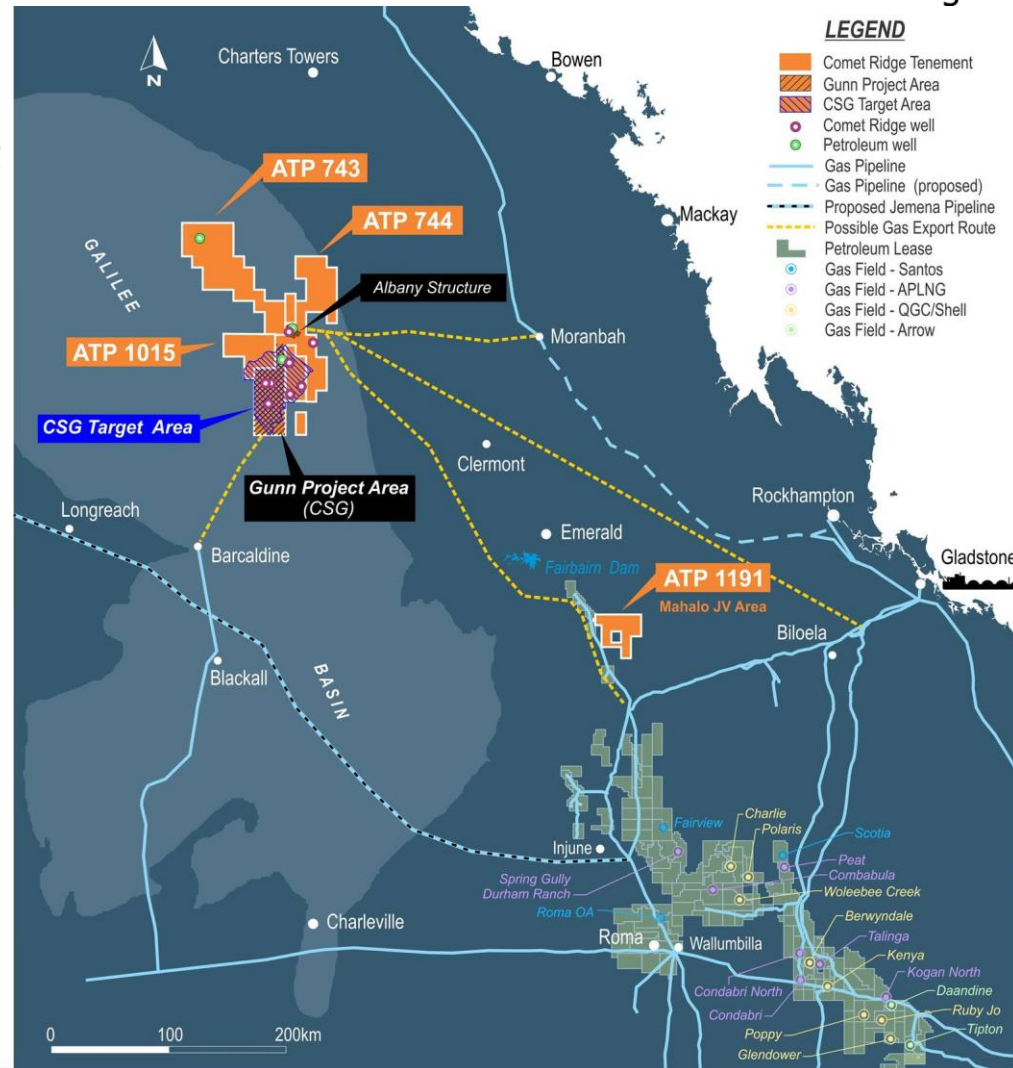


- Total area of permit – 9,685km²
- Sandstone Deeps JV – Comet 85%, Vintage Energy (ASX:VEN) 15% (can earn up to 30%)
- CSG – Comet 100%
- Maiden gas flowrate of 230,000 scf/d from Albany 1
- Potential for early commercialisation with nearby Mining and Industrials companies
- Significant gross 3C resources certified

Galilee Basin – Australia’s next significant basin



- Basin covers a large part of central western Queensland (~250,000km²)
- Comet has a massive position in the east portion of the Basin
- Land use is grazing on very large stations
- Historic oil exploration (1964 & 1995) includes gas flows from Sandstones at 2800 metres
- Comet has multiple **Sandstone, CSG** and **Shale** opportunities
- Non-binding MOU with APA Group for Pipeline
- Jemena announced plans to fast track extension of Northern Gas Pipeline from Mt Isa to Roma
- Planned Galilee coal mine(s) just to the east, potential gas buyer(s)

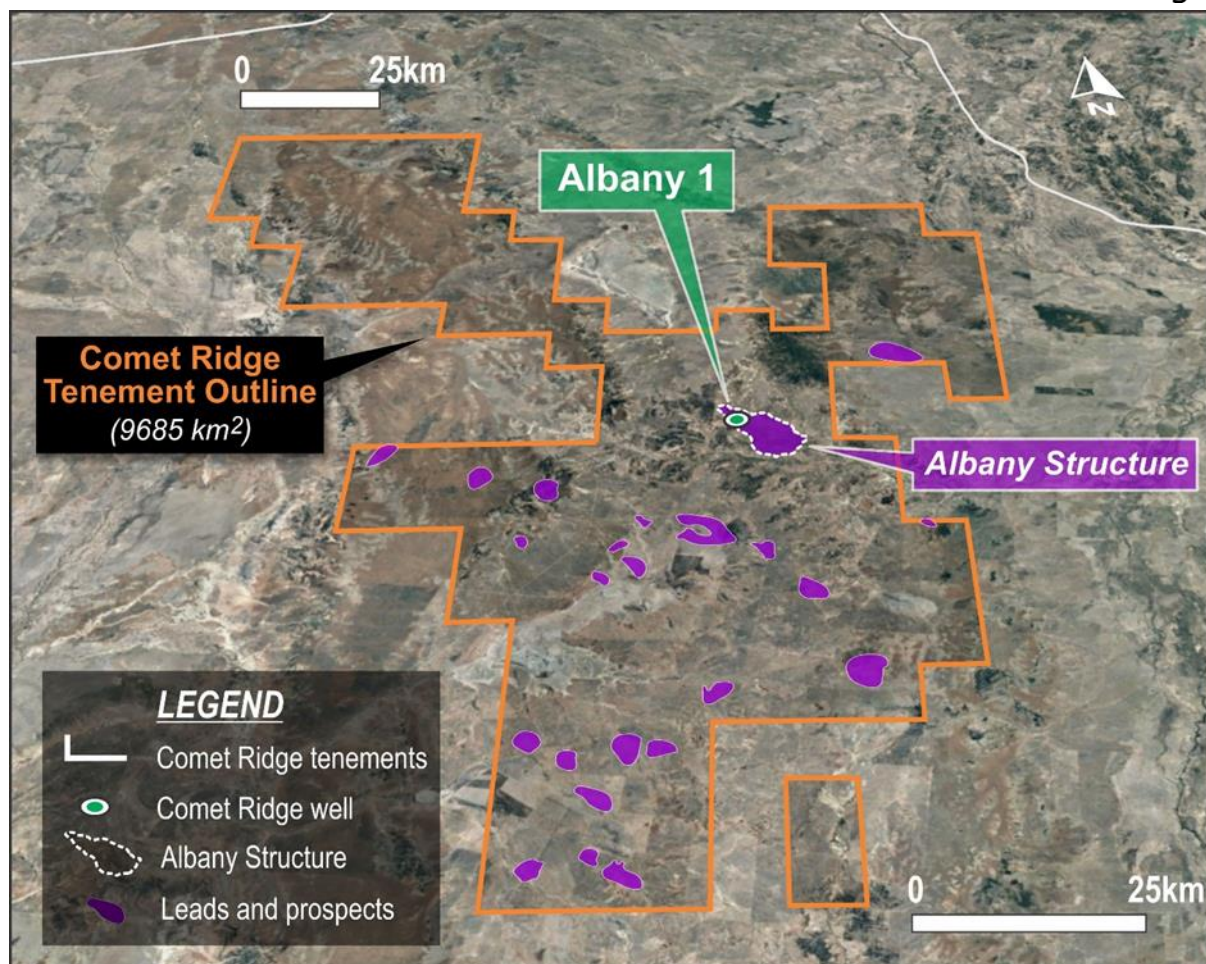


Significant Scale, Multiple Targets

Galilee Sandstone – Large Number of Potential Targets



- Significant gross 3C+ resources certified in conventional Sandstones (417PJ) in one structure (Albany)
- Previous gas flows from oil exploration wells in Comet blocks
- Seismic is sparse, therefore likely other unidentified structures
- Basin has up to 140m of gross sandstone target



Significant number of sandstone leads and prospects identified from relatively sparse seismic data set in the eastern Galilee

Galilee Sandstone – Albany 1 well

- ✓ Initial 13 metre section of Sandstone produces stabilised gas flow of 230,000 scf/d
- ✓ Drilling suspended due to wellbore difficulties
- ✓ Approximately 100 metres of sandstone yet to be tested in Albany 1
- ✓ Pre-drill objectives of improving flow through underbalanced drilling and confirming the reservoir as an excellent stimulation candidate have been met
- ✓ Compositional analysis of the hydrocarbon stream from laboratory analysis: 88.4% C1, 4.0% C2, 1.2% C3, 0.4% C4, 0.2% C5+, 5.6% N2, 0.03% CO2

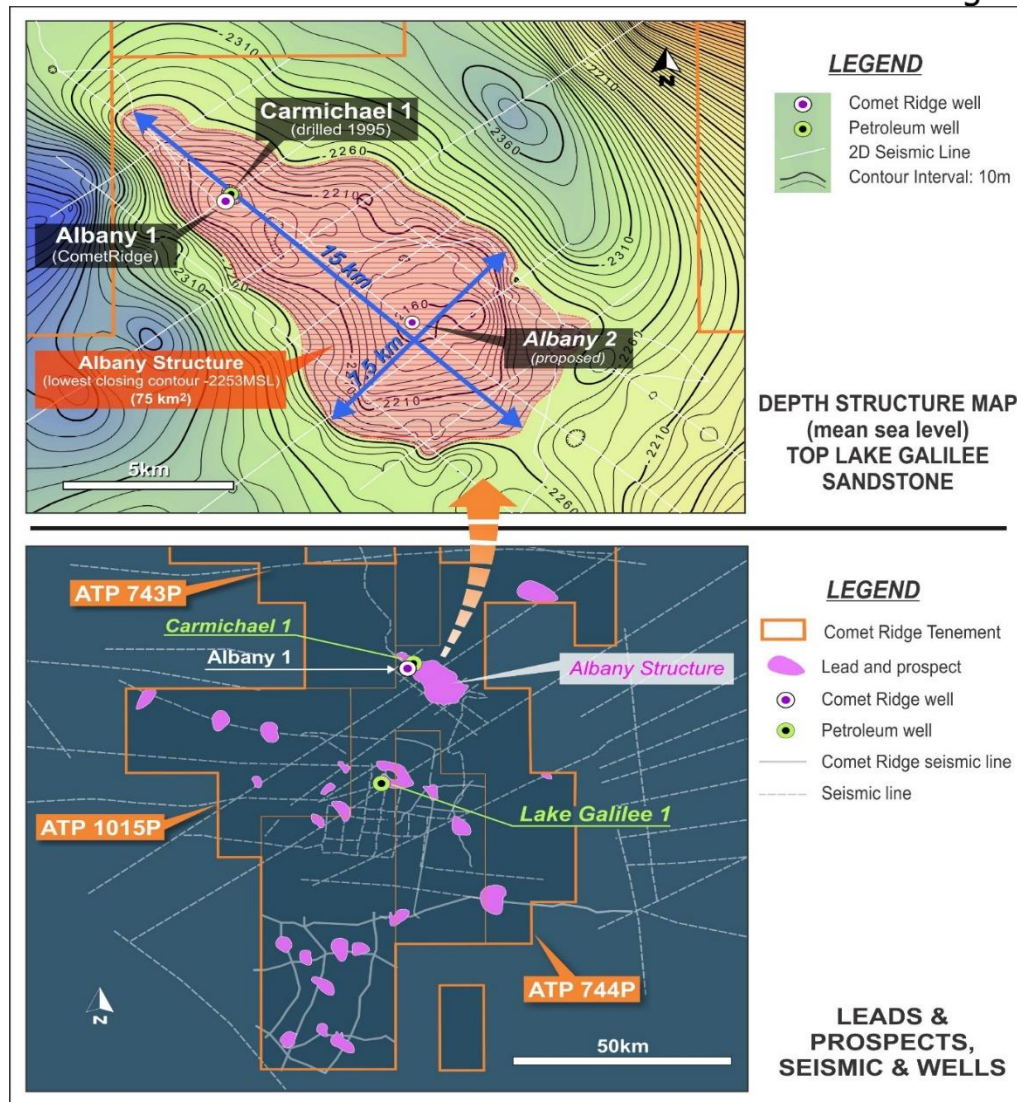


**First Measured Gas Flow from Lake Galilee
Sandstone Reservoir**

Galilee Sandstone - work program Vintage Energy



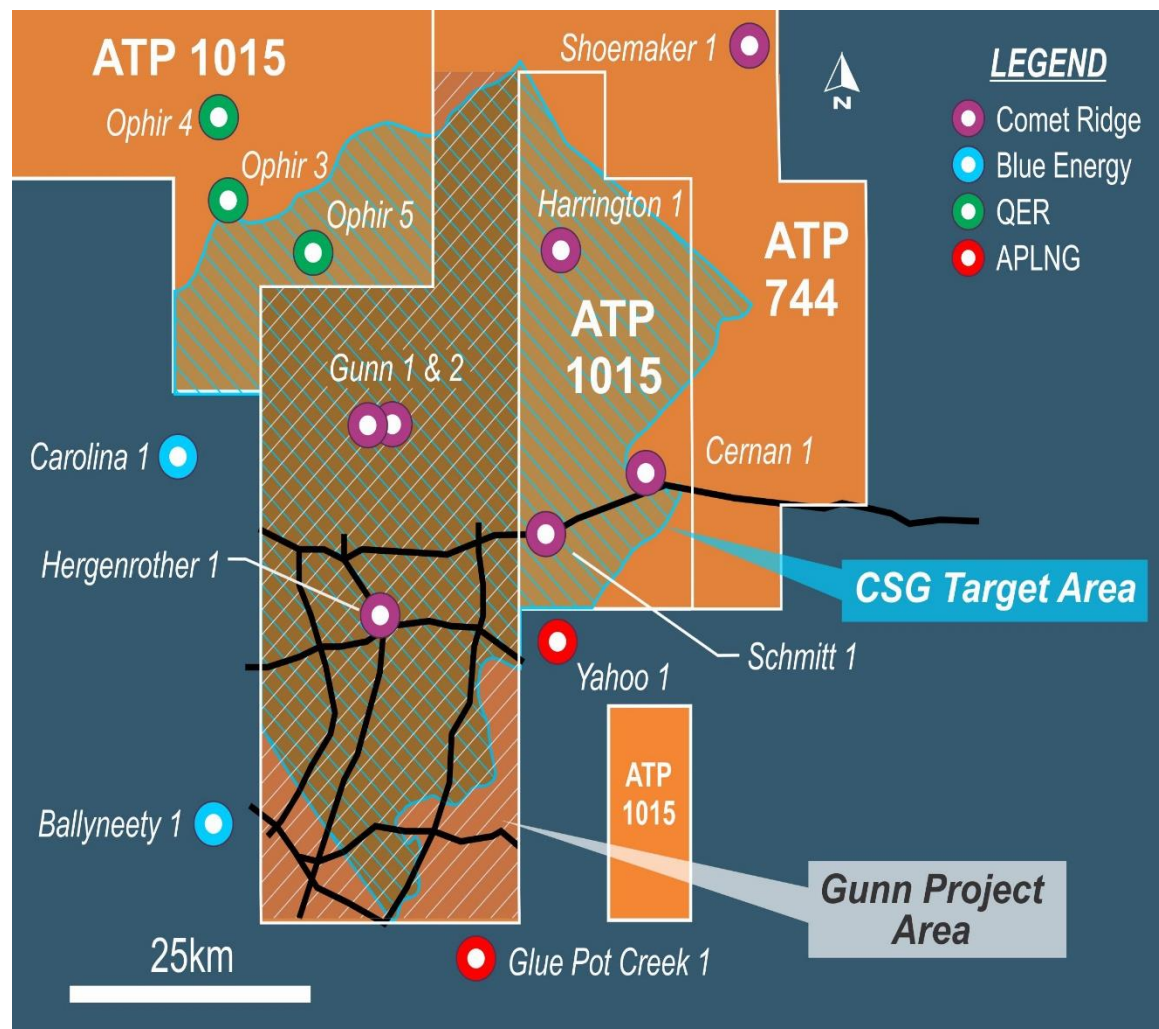
- Vintage Energy farm-out for up to 30% of the Sandstone reservoir sequence (“Deeps”) of Comet Ridge’s ATP743, 744 and 1015 (Galilee Permits) – Proven JV Partners.
- Current Sandstone targets have been identified from a few, widely spaced 2D seismic lines, more work to be done.
- Forward work programme to include:
 - Seismic – 2D
 - Completion of Albany 1
 - Drilling of Albany 2
- Expected Outcomes
 - Drill ready targets
 - Conversion of Resources to Reserves
 - Gas Sales Agreement



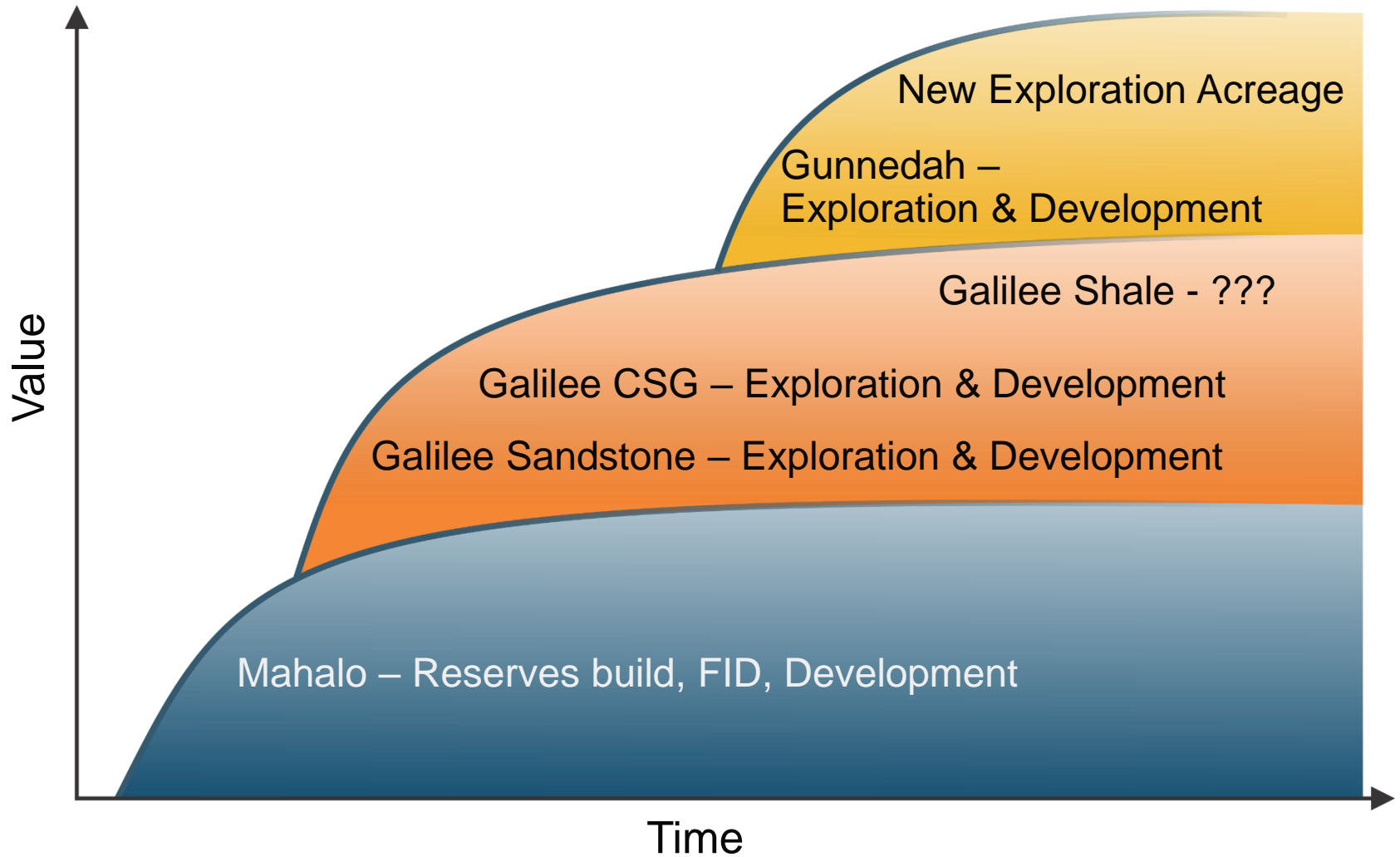
Galilee CSG – recoverable gas over 1,865 km²



- Gunn Project area and ATP 1015 area (COI 100%) coals contain recoverable gas over an estimated 1,865 km²
- 6 individual coal seams
- Depth to coal 700 - 1,000m
- 16 to 24m net coal deposited over large area
- Average gas content 4.3 m³/t (high 7.3 m³/t)
- Good to excellent permeability within target coals
- Significant CSG resource independently certified at over 1.8 Tcf in ATP 744
- COI working towards CSG pilot drilling 2H 2018

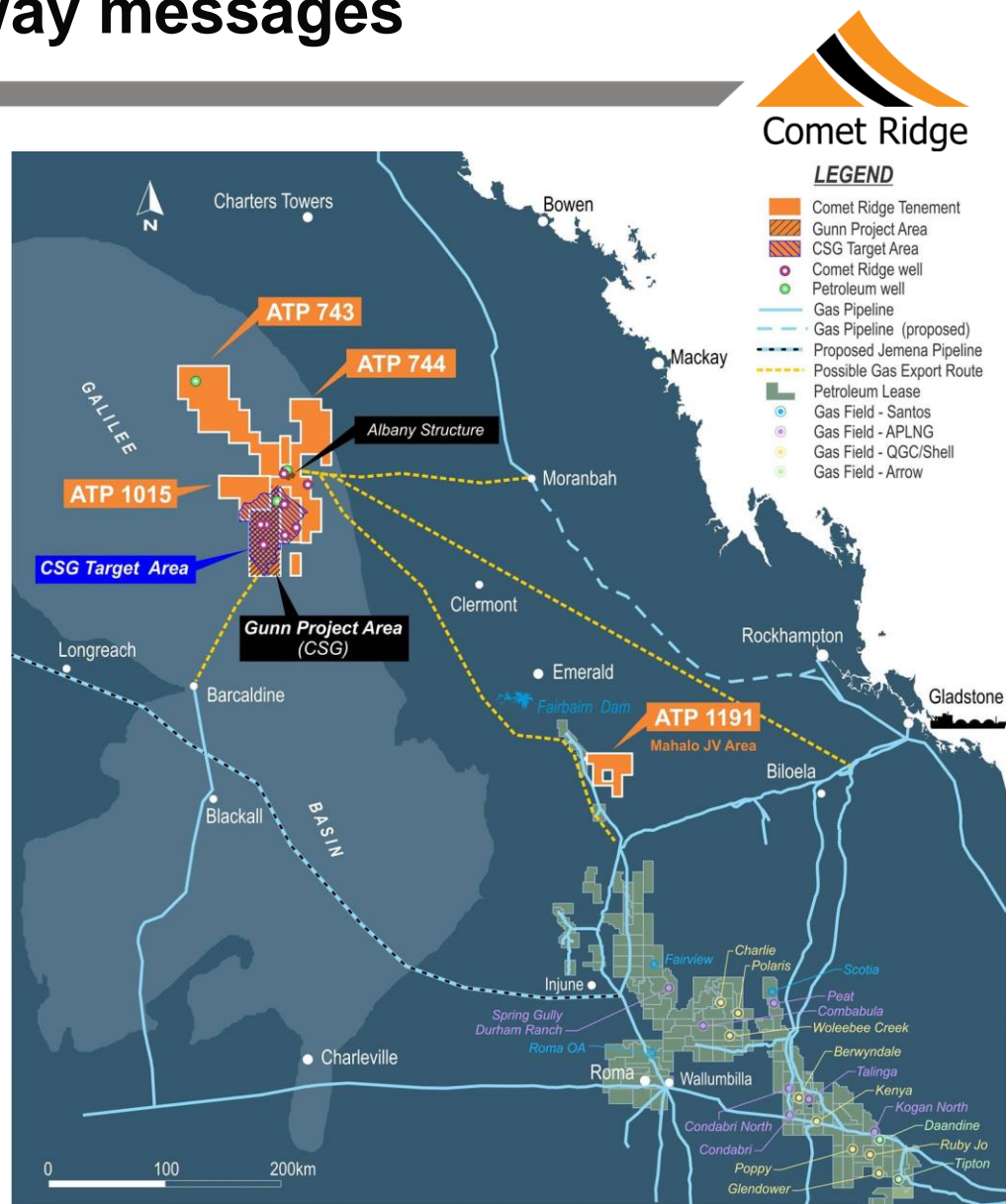


Comet Ridge – Value Curve



Comet Ridge – Key take away messages

- Mahalo is one of the east coast's largest, most productive and proximal to market gas fields not currently in production
- Significant upside from Galilee – Proof of concept with successful flow of gas from Albany 1. CSG production pilot next step
- East coast gas market continues to tighten due to moratoria on gas exploration, shut-down of coal fired generation and increasing LNG demand
- Comet Ridge well placed to form part of the supply solution for the east coast gas market





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ASX Listing Rule 5 Disclosure



Competent Person Statement and ASX Listing Rules Chapter 5 - Reporting on Oil and Gas Activities

The Contingent Resource for the Albany Structure located ATP 744 are taken from an independent report by Dr Bruce McConachie of SRK Consulting (Australasia) Pty Ltd, an independent petroleum reserve and resource evaluation company. The Contingent Resources information has been issued with the prior written consent of Dr McConachie in the form and context in which they appear in this Annual Reserves Statement for 2016. His qualifications and experience meet the requirements to act as a qualified petroleum reserves and resource evaluator as defined under the ASX Listing Rule 5.42 to report petroleum reserves in accordance with the Society of Petroleum Engineers ("SPE") 2007 Petroleum Resource Management System ("PRMS") Guidelines as well as the 2011 Guidelines for Application.

The estimate of Reserves and Contingent Resources for the Mahalo Project as part of ATP 1191P provided in this presentation, is based on, and fairly represents, information and supporting documentation determined by Mr Timothy L. Hower of MHA Petroleum Consultants LLC Inc (MHA) in accordance with Petroleum Resource Management System guidelines. Mr Hower is a full-time employee of MHA, 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 Mahalo in the form and context in which they appear in this presentation.

The reserve and contingent gas resource estimates for ATP 1191P provided in this presentation were originally released to the Market in the Company's announcement of 28 August 2014, updated in an announcement dated 2 December 2015, and further upgraded in an announcement dated 6 March 2018 and were estimated using the deterministic method with the estimate of contingent resources not having been adjusted for commercial risk.

The contingent resource estimates for the unconventional gas located in ATP 744 provided in this presentation are based on and fairly represent, information and supporting documentation determined by Mr John Hattner of Netherland, Sewell and Associates Inc, Dallas, Texas, USA, in accordance with Petroleum Resource Management System guidelines. Mr Hattner is a full-time employee of NSAI, and is considered to be a qualified person as defined under the ASX Listing Rule 5.42 and has given his consent to the use of the resource figures in the form and context in which they appear in this presentation.

The contingent gas resource estimates for ATP 744 provided in this statement were originally released to the Market in the Company's announcement of 25 November 2010, and were estimated using the deterministic method with the estimate of contingent resources for ATP 744 not having been adjusted for commercial risk.

COI 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 either ATP 1191P or ATP 744P 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.

The contingent resource estimates for PEL 6, PEL 427 and PEL 428 referred to in this presentation were determined by Mr Timothy L. Hower of MHA Petroleum Consultants LLC in accordance with Petroleum Resource Management System guidelines. Mr Hower is a full-time employee of MHA, and is a qualified person as defined under the ASX Listing Rule 5.42. Mr Hower consented to the publication of the resource figures which appeared in the announcement of 7 March 2011 made by Eastern Star Gas Limited (ASX:ESG) and any reference and reliance on the resource figures for PEL 6, PEL 427 & PEL 428 in this presentation is only a restatement of the information contained in the ESG announcement.

The contingent resource estimates for PEL 6, PEL 427 and PEL 428 were estimated using the deterministic method with the estimate of contingent resources for PEL 6, PEL 427 and PEL 428 not having been adjusted for commercial risk.

COI confirms that it is not aware of any new information or data that materially affects the information included in the ESG announcement of 7 March 2011 and that all of the material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed.