

  
Comet Ridge Limited**10 December 2018**

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## **Mahalo Gas Project – first dual lateral well successfully drilled at Struan 3**

- **Struan 3 (dual lateral) well drilled through Castor and Pollux seams, both intersecting the Struan 2 vertical well**
- **Drilling Rig moving to Sirius Road 1 vertical well**
- **Struan 3/2 expected to be completed and production testing commenced during December**

Comet Ridge Limited (ASX:COI) is pleased to advise that the Struan 3 dual lateral well was successfully drilled, with the rig released at 0500 hrs on Saturday, 8 December 2018.

Struan 2, the vertical intercept well drilled prior to Struan 3 as its target, intersected a total net coal package of 8.29 metres. The Castor Seam intersected at Struan 2 was slightly thicker than predicted at 3.75 metres and the Pollux Seam was split, with one of the two ply's being 1.23 metres thick.

The well was initially directionally drilled and cased into the Castor Seam, before drilling down into the lower Pollux Seam, where it was geo-steered through the seam, intersecting the previously drilled Struan 2 vertical well before drilling out further into the coal reservoir. See Figure 1.

Due to the thin nature of the Pollux ply in this lateral, geosteering effort required more peaks and troughs in the wellbore path, which limited the length drilled. A total length of 822 metres was drilled, of which 88% was within the seam. A 3-1/2" diameter, pre-perforated production liner was run into this lateral section.

After drilling the Pollux, the drill string was pulled back to the upper Castor Seam and then geo-steered through the Castor, intersecting the Struan 2 vertical well (for the second time) and was drilled to a total length of 1512 metres, achieving 95% within seam. This lateral section was also lined.

Comet Ridge Managing Director, Tor McCaul said "Achieving over 2.3 km of combined Castor and Pollux lateral well length in this one well, is an excellent outcome for the Mahalo Gas Project, particularly as this is only the first dual lateral well drilled in the block. I would expect this to be one of the main production well designs for the Mahalo development. I would also expect lateral well lengths to increase and drilling time to decrease, as more experience is gained with this type of lateral well in the Block".

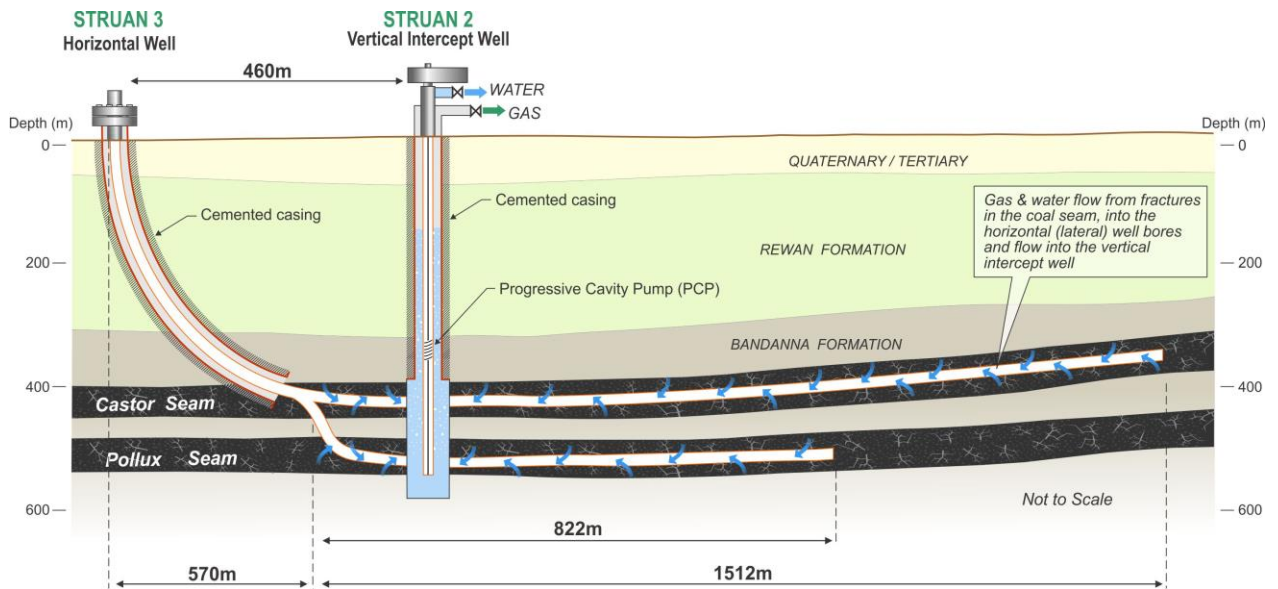


Figure 1 – Cross-section view of the Struan 3 dual lateral well, intersecting the Struan 2 vertical well (not to scale).

The rig is currently moving approximately 8.3 km to the southeast onto the Sirius Road 1 well pad, where it will drill the next vertical well, which is expected to be spudded by 12 December 2018. Once the vertical well is drilled, the rig will move approximately 500m south to drill Sirius Road 2, the next dual lateral intercept well.

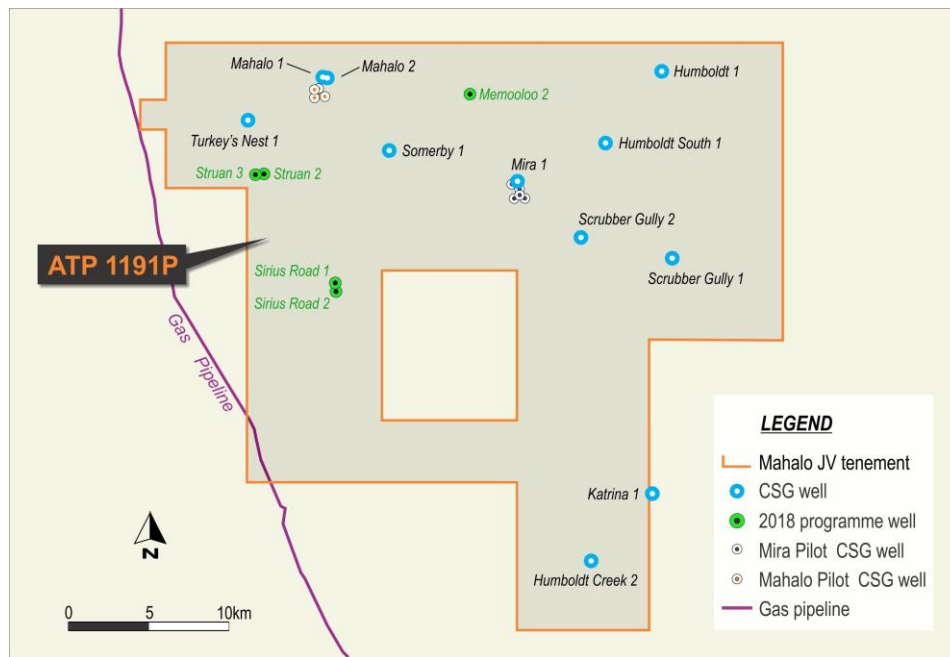


Figure 2 – Map of the Mahalo Gas Project with the Memooloo 2, Struan 2&3 and Sirius Road 1&2 well locations

All three of the vertical wells drilled in this current programme, will be completed with tubing and pumps (with a smaller completions rig) and then put on line for production testing to gain longer term flow data. The Memooloo 2 vertical well had its downhole pump installed during the latter part of November and is already on-line for production testing. An update on this well will be provided over the next several days.

Comet Ridge (40%) is operating under an Agency Agreement for Santos as Exploration Operator (30%). The other JV participant in the Mahalo block is APLNG (30%).

Stephen Rodgers  
Company Secretary

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**COMET RIDGE LIMITED – OVERVIEW**

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Comet Ridge Limited has a 40% interest in the Mahalo Coal Seam Gas (CSG) project located in ATP 1191 in Queensland's Bowen Basin. The Company is currently acting as agent for the Exploration Operator to manage work in the block. The Company also holds a 70% effective interest (consequent on the successful Farm-in of Vintage Energy Limited) in the Albany conventional gas project and 100% in the Gunn CSG project in the Galilee Basin (ATP 743, ATP 744 and ATP 1015). The Company also has CSG equity of 29.55%, 59.09% and 68.42% respectively in PEL 6, PEL 427 and PEL 428 in the Gunnedah Basin in New South Wales. Gas resources have been certified by independent professional certifiers at several projects, and gas reserves were certified in 2014 and expanded in 2015 and 2018 for the Mahalo project. The Company is listed on the Australian Securities Exchange (ASX Code: COI) and is based in Brisbane. The Board and Management are experienced in establishing and developing energy projects. Comet Ridge's early entry into well-located exploration areas, has allowed shareholders to gain substantial leverage into the considerable upside value potential associated with exploration success.

