

  
Comet Ridge Limited**17 June 2019**

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## **Option Agreement with Stanwell Corporation Limited Amended**

- **Deed of Option has been extended through to 30 September 2022**
- **Market-based gas price retained, volume to be fixed based on final development**
- **Future cash settlement if parties are unable to finalise a Gas Sales Agreement**

Comet Ridge Limited (ASX:COI) is pleased to announce that it has executed an agreement with Stanwell Corporation Limited (Stanwell), which has amended the 2014 Deed of Option between the parties, extending the Final Option Date under the Deed to 30 September 2022.

The 2019 Agreement, has removed Stanwell's option to select either a Gas Sales Agreement (GSA) or a cash settlement from the 2014 Agreement as well as terminating the 2018 Agreement. This option has now been replaced with the ability for Comet Ridge Mahalo Pty Ltd (CML) to commence negotiations on a GSA by 29 September 2021, or if CML does not commence negotiations, Stanwell may commence negotiations for a GSA by 8 October 2021.

If CML and Stanwell are unable to come to an agreement on a GSA or neither party commence negotiations for a GSA, then a cash settlement of \$20 million, indexed for CPI from March 2014, would be triggered on or before 8 November 2021 (Payment Amount). Upon payment by Comet of the Payment Amount, the obligations under the 2014 Agreement and the 2019 Agreement will have been fully discharged as between the parties.

The 2019 Agreement allows for CML and Stanwell to negotiate a market priced GSA and fixes gas volumes between 20 to 30 PJ, depending on the final development of the Mahalo Gas Project.

"As work continues in the background on gas sales arrangements for Comet Ridge's 40% share of Mahalo gas, we are pleased to have Stanwell continue as a potential customer for 20 to 30 PJ of that gas. Stanwell is a strong counterparty to have on board with this development, which will support the securing of bank funding" said Tor McCaul, Comet Ridge Managing Director.

### **Background and Terms of Agreement:**

In March 2014, Comet Ridge announced the conclusion of an agreement (ASX:COI - 19 March 2014) with Stanwell, whereby Stanwell agreed to transfer to CML its interest in the Mahalo Gas Project as well as the relinquishment of its option to acquire up to a further 35% interest in the Project, which Stanwell had acquired under an earlier agreement (ASX:COI - 30 September 2011) in exchange for either of the following on the reaching of a Financial Investment Decision (FID) for the Mahalo Gas Project:

1. Stanwell and Comet Ridge entering into a 20 PJ to 40 PJ gas sales agreement; or
2. Stanwell receiving a cash payment of \$20 million, escalated from March 2014 at CPI.

**(“the 2014 Agreement”)**

In September 2018 (ASX:COI - 4 September 2018) Comet Ridge announced that it and Stanwell had agreed to vary the 2014 Agreement, by changing the sunset date for FID at Mahalo Gas Project from 20 October 2018 to 30 September 2019. In conjunction with this variation, Comet Ridge and Stanwell agreed in parallel, to negotiate a new GSA which, which if successfully concluded, would replace the 2014 Agreement. The effect of the 2019 Agreement is to terminate the obligations of both parties under the 2018 Agreement.



Stephen Rodgers  
Company Secretary

Comet Ridge Limited  
**COMET RIDGE LIMITED**

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**COMET RIDGE LIMITED – OVERVIEW**

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 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.

