

Comet Ridge

Noosa Mining Conference
18 July 2019

ASX Code : COI
www.cometridge.com.au



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Comet Ridge - Corporate Overview



Capital Structure – ASX:COI

Share price (17 July 2019 close)	\$0.25
Shares on issue	727.9m
Performance rights	5.5m
Market capitalisation	\$182m
Cash (31 March 2019)	\$16.3m

Directors



James McKay
Non-Exec Chairman

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



Tor McCaul
Managing Director

- Petroleum engineer 30+ years oil & gas
- Previously Head of Commercial for Cairn plc in India & LNG Contract Manager for VICO (Bontang)



Gillian Swaby
Non-Exec Director

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



Chris Pieters
Executive Director

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

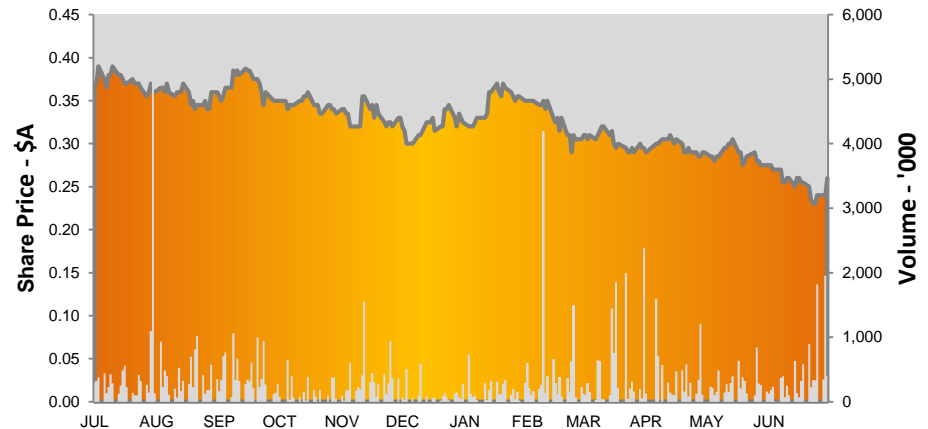


Martin Riley
Non-Exec Director

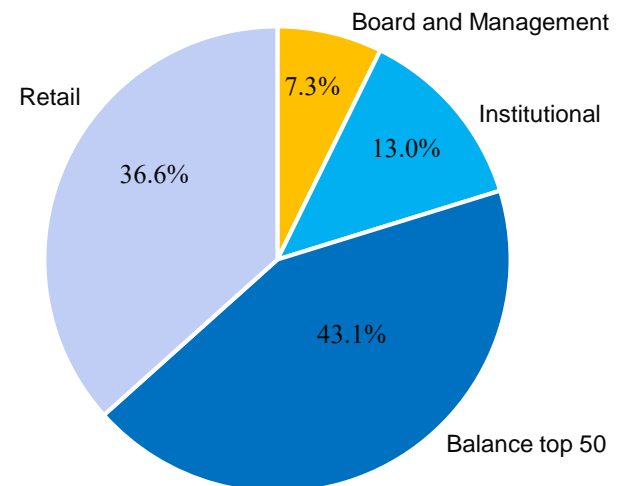
- 35+ years upstream oil & gas
- Influential in commercial inception and development of CSG industry in QLD with Origin Energy

12 Month Share Price Performance

Share Price and Volume Last 12 months to 17 July 2019



Share Registry Breakdown



Comet Ridge (ASX:COI) - Summary



❑ Mahalo Gas Project – Southern Bowen – CSG

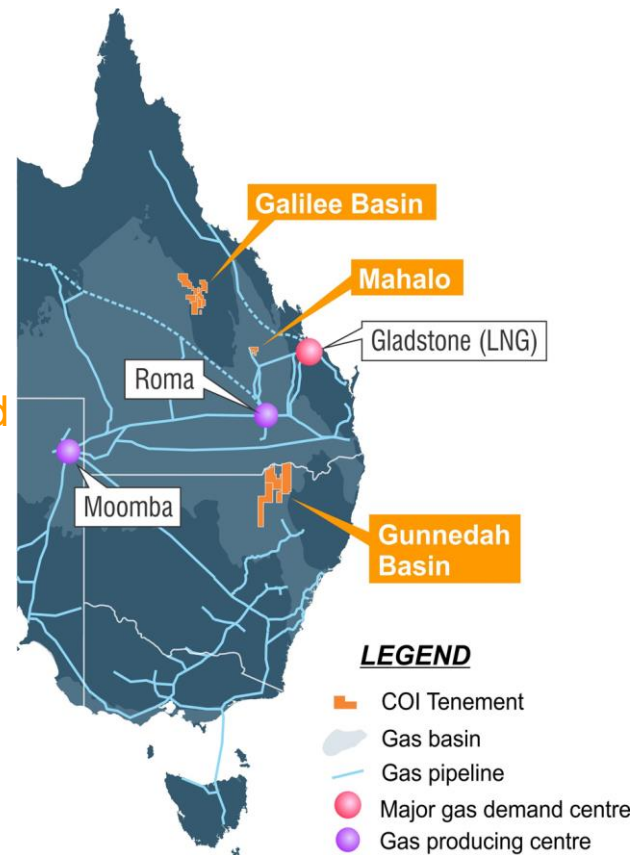
- Initial Development Plan (IDP) currently being finalised
 - applications being lodged in August 2019
- JV with Santos (ASX:STO) and APLNG
- APLNG upstream operator is Origin Energy (ASX:ORG)

❑ Galilee Basin – CSG, Sandstone and Shale

- Albany 1 well, Sandstone target - June 2018 **First measured gas flow from Sandstones in the basin**
- Significant resource base northwest of Gladstone
- Opportunities for early commercialisation
- Gas Resources certified in Sandstones and Coal Seams

❑ Gunnedah Basin – CSG – NSW

- Assets cover ~13,000 km² located north of Santos Narrabri development
- Santos working to have Narrabri Project approvals by year end - **potential to get Gunnedah Basin appraisal moving**



2019 activities and expected news flow



Mahalo

- ✓ Project definition for the development of Mahalo, leading to FID Initial Development Plan being finalised
- ✓ Lodgement of Environmental applications with Federal and State governments Next month
- ✓ Lodgement of Petroleum Lease applications Next month

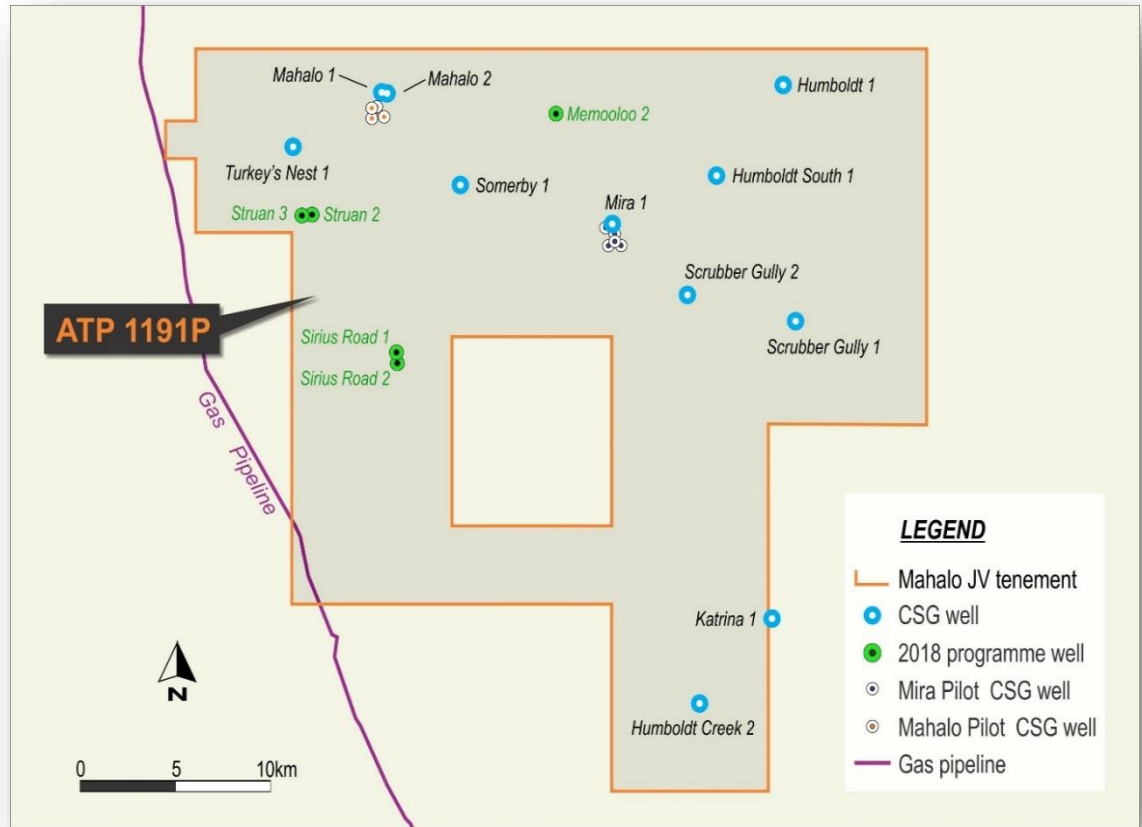
Galilee

- ✓ 2D seismic programme - identifying broad structural trends and delineating drilling targets Completed
- ✓ Drilling results from Albany 1 (deepening) and Albany 2, follow up stimulation activities Spud Next Week
- ✓ Potential for CSG pilot in “shallows” Planning underway
- ✓ Gas sales options Ongoing

Corporate

- ✓ Possible additional tenure through Government land release programmes Ongoing

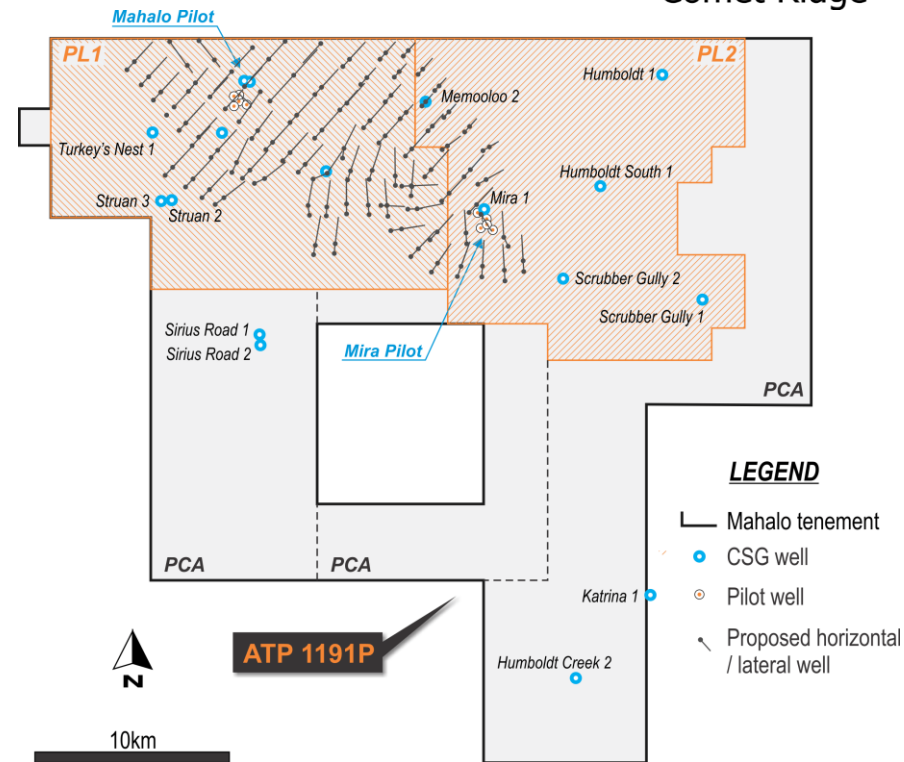
- Joint Venture Equity
 - Comet Ridge (ASX:COI) 40%
 - Santos (ASX:STO) 30%
 - APLNG 30%
- Origin Energy (ASX:ORG)
Upstream Operator for APLNG
- Central QLD
 - between Emerald & Rolleston
- Area 911 km²
- Close to pipeline infrastructure
(to Gladstone)
- Development application to
government next month
- FID June 2020



Mahalo – Initial Development Plan (IDP)

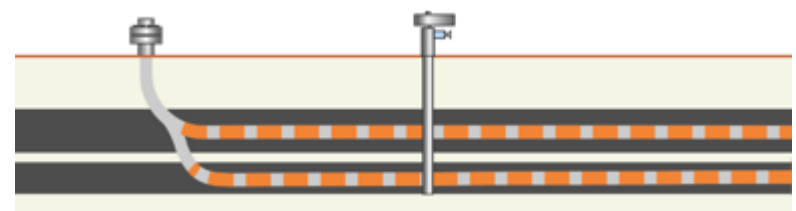
Development concept – Initially targeting up to 80 TJ/d production

- Modular & simple gas plant (water treatment, dehydration, flare) likely sized for 80 TJ/d
- Modular plant could be expanded at a later time
- Initial production rate expected 40 to 60 TJ/d
- 65km pipeline connection (two available export pipelines to the south) sized up to 120 TJ/d
- Initial development will be a series of mostly dual lateral wells, intersecting vertical production wells.
- Submission of key Federal and State government applications for the IDP are scheduled next month



Comet Ridge's view on the 2 PL application areas and potential well layout from the Initial Development Plan.

Image of the dual lateral development well.



Mahalo – Development Timetable



- ✓ Pipeline Survey Licence application **lodged** - 65km connection
- Initial Development Plan and equipment selection finalised – **July 2019**
- EPBC submission - **August 2019**
- Petroleum Lease submission - **August 2019**
- FID - **June 2020**
- Comet Ridge - first gas achievable **15 – 18 months** after FID



Potential Simple Gas Plant design supplied by Equinox Engineering



Example of pipeline installation

DEVELOPMENT TIMELINE	2019		2020				2021				
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Pipeline Survey Licence	✓										
Initial Development Plan	■										
EPBC and EA process	■										
PL Applications process	■										
FID preparation	■										
First Gas							■				★

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

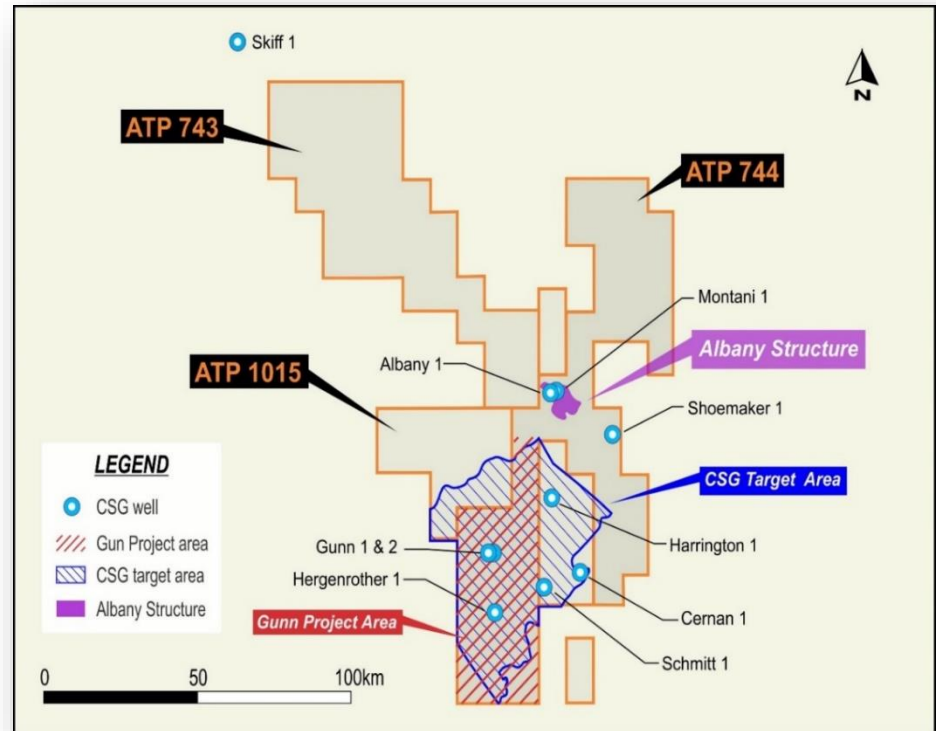


Mahalo will get development priority because:

- Shallow**
 - ✓ Only 225 to 500 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

Galilee Basin – Targets at multiple levels

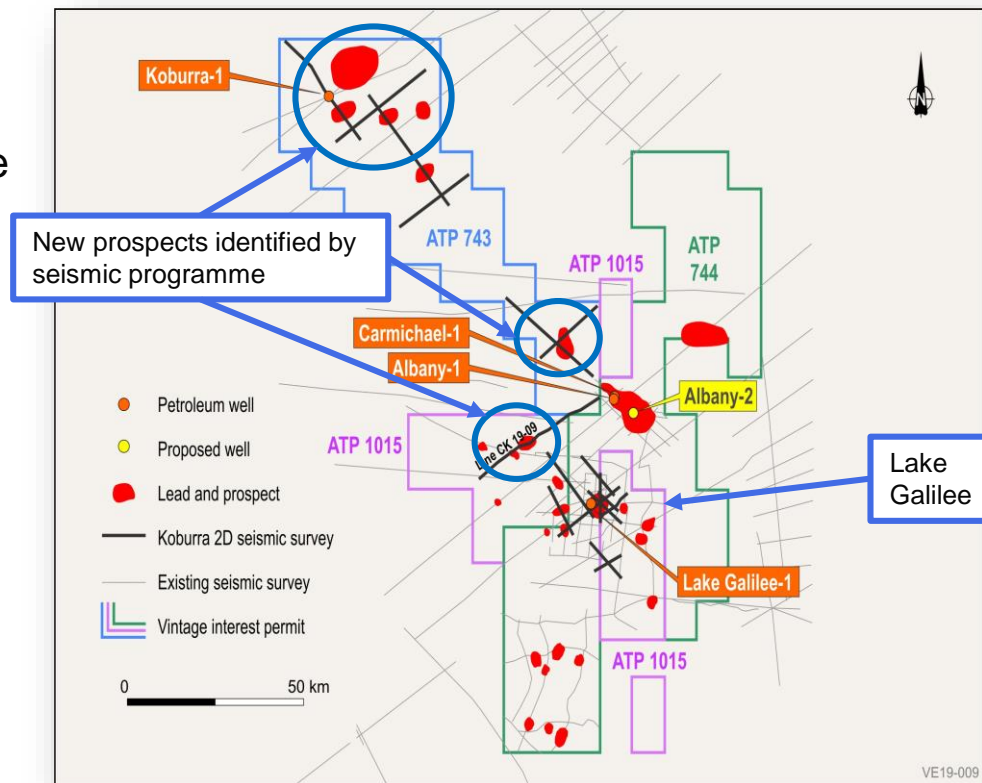
- Basin covers a large part of central western Queensland (~250,000 km²)
- Comet has a massive position in the east portion of the Basin – 9,685 km²
- **CSG (Shallows)** – Comet Ridge 100%
- **Sandstone (Deeps) JV**
 - Comet Ridge 85%, Vintage Energy (ASX:VEN) 15%, moving up to 30%
- Maiden gas flowrate of 230,000 scf/d from Albany 1 Sandstone (June 2018)
- **Marine Shales in deeper section**
- Potential for early commercialisation with nearby Mining and Industrial gas demand
- Significant interest from Infrastructure Providers to assist with gas transportation



Galilee Sandstone – Large Number of Potential Targets



- Significant gross 3C+ resources certified in conventional Sandstones (417PJ gross) in one structure (Albany)
- Basin has up to 140m of gross sandstone section
- Koburra 336km 2D Seismic programme complete in late 2018 & early 2019
 - ✓ Data processing progressing
 - ✓ Initial interpretation ongoing and mapping to follow
 - ✓ Several possible leads identified in the vicinity of Lake Galilee 1
 - ✓ New structural trends ID by regional lines



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

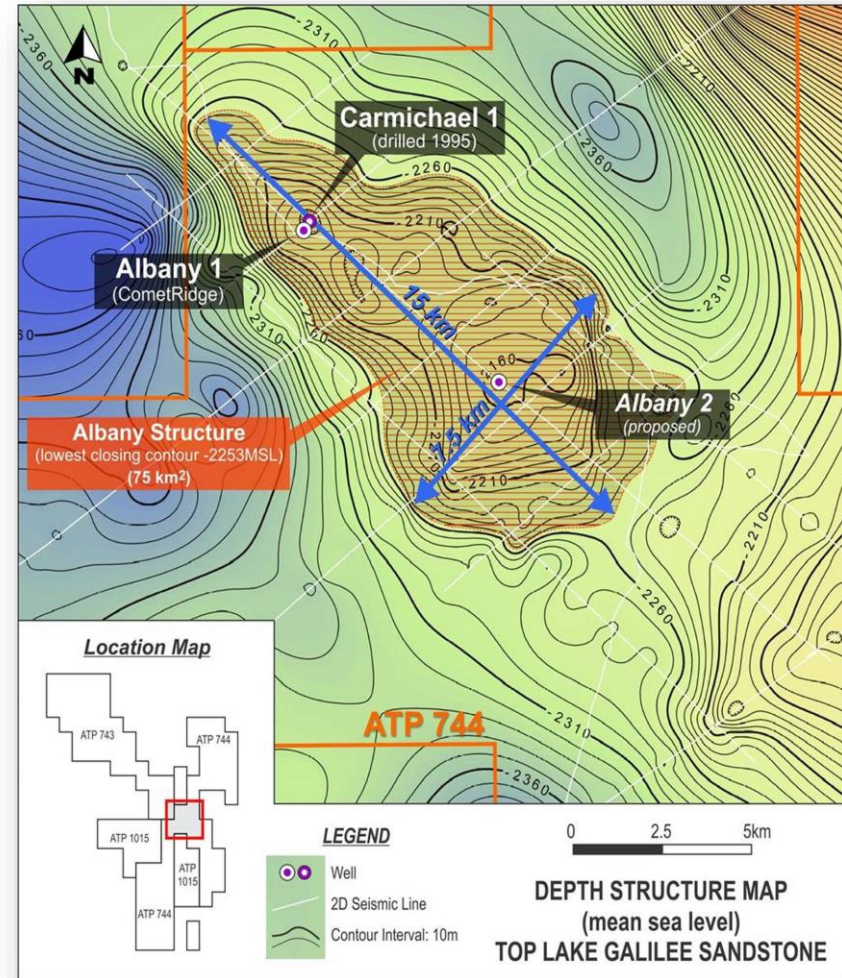
Galilee Sandstone – 2019 Work Programme



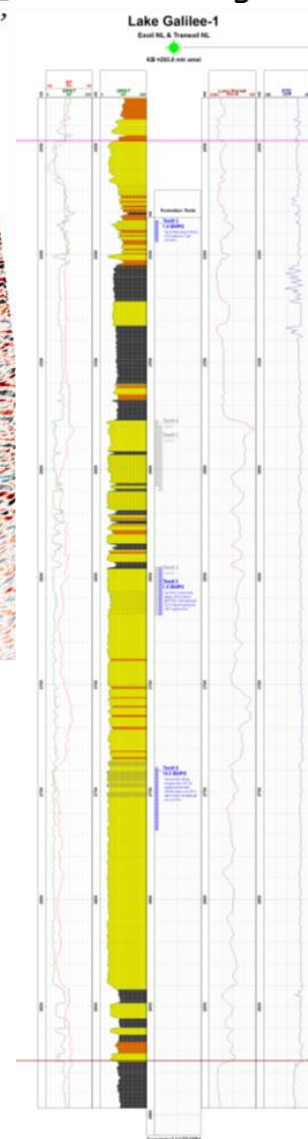
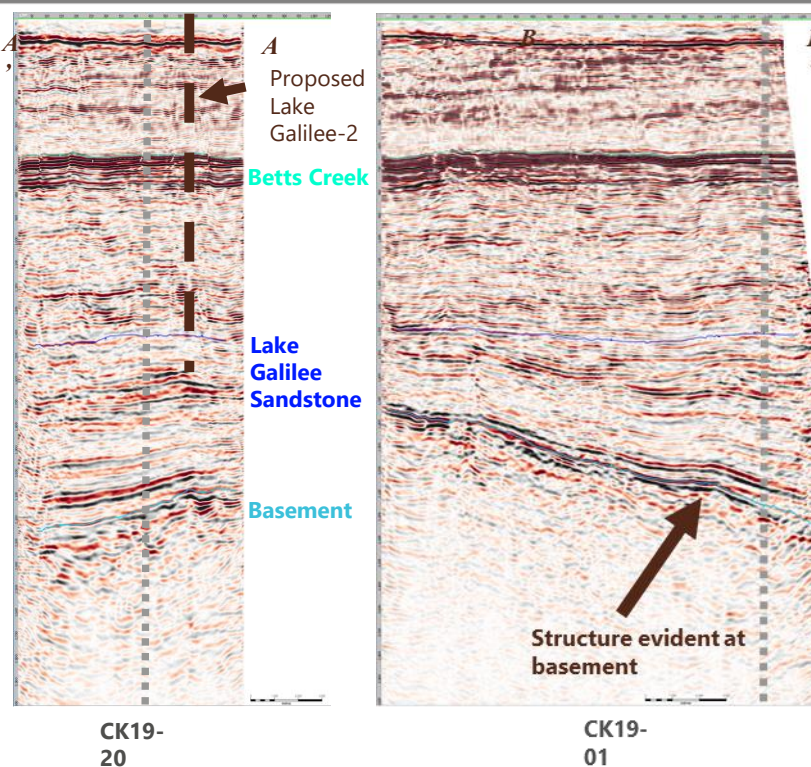
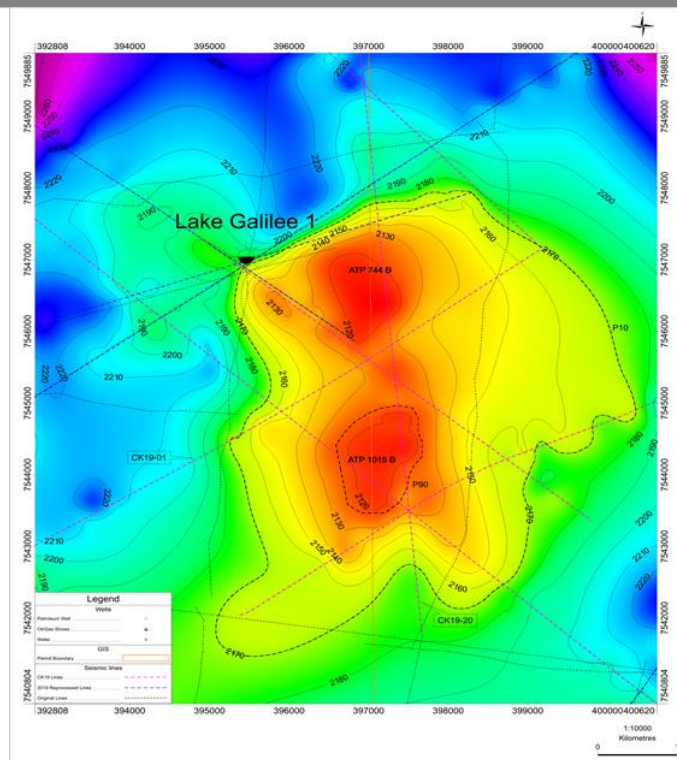
- **Current work programme**
 - Rig on location, spud expected next week
 - Albany 2 to appraise the scale of the Albany structure
 - Albany 1 (sidetrack) to finish drilling all of the original target zone
 - Mud drilled with logs and core
 - Fracture Stimulation of both wells Q4-2019

- **Targeted Outcomes**
 - Additional drilling targets, data being interpreted now
 - Conversion of Resources to Reserves
 - Gas Sales Agreement(s)

+Contingent Resource (PJ) Net – Albany Structure only		
1C	2C	3C
48	130	354



Galilee Sandstone – Lake Galilee Structure



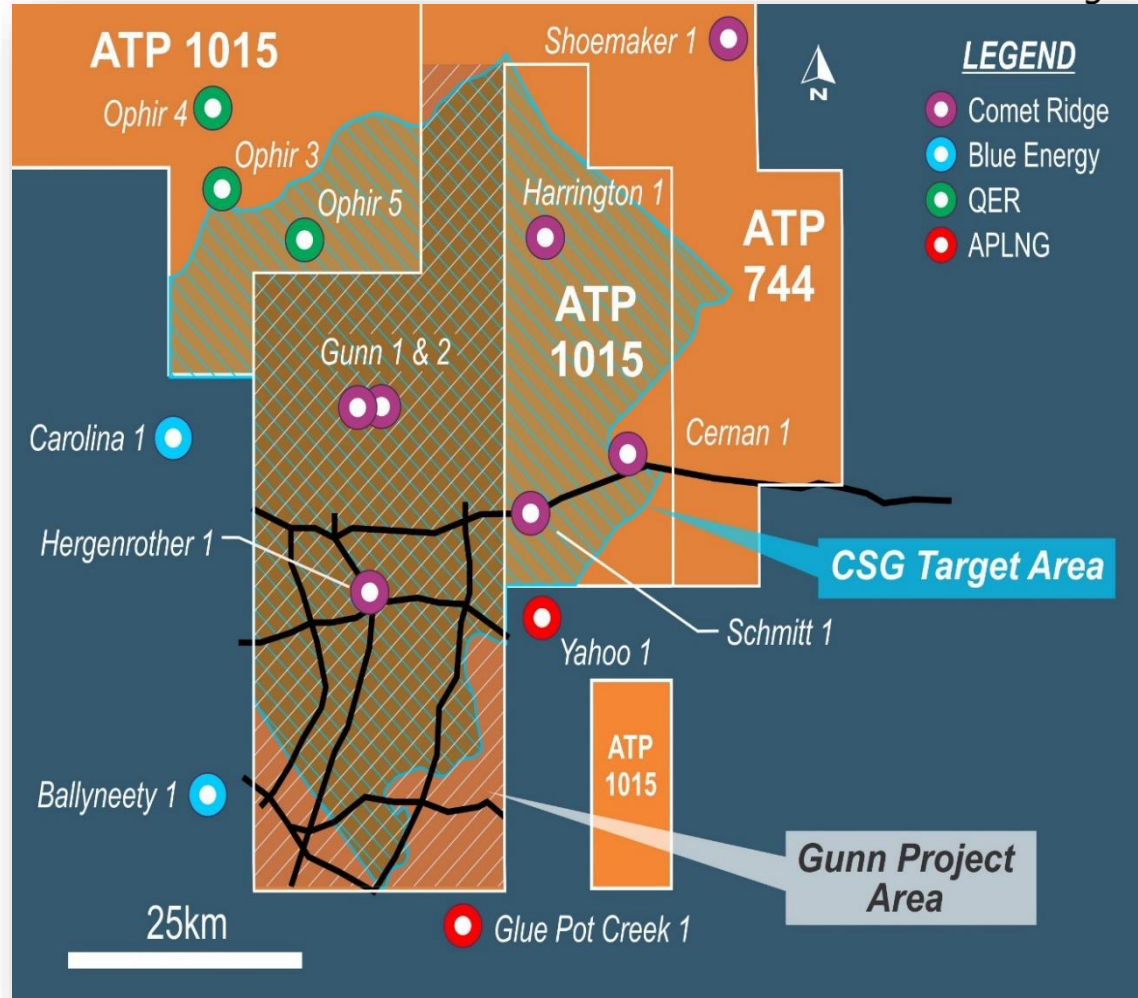
- Originally drilled in 1964 to evaluate hydrocarbon potential
- Recovered oil and gas-cut mud
- Newly acquired seismic survey appears to show that Lake Galilee 1 was drilled outside of potential structural closure
- Structure covers an area of **~20 km²** with a closure height of **~60 m**. This structure represents a good target for drilling to be worked up

Galilee CSG – recoverable gas estimated 2,173 km²



- Gunn Project area (COI 100%) extends across southern portion of ATP744 & ATP1015
- 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
- To date, COI has only sought resource certification for ATP744

+Contingent Resource (PJ) – limited to ATP 744		
1C	2C	3C
	67	1,870



What a Galilee **CSG Pilot** could look like...



- Initial Pilot Development planning well progressed
- Pilot to **target 7.5m C1 coal seam** located at the Schmitt 1 well, **total coal package 21.1m**
- With a 4 well pilot, outside wells ‘shelter’ the central wells, so the central well ends up producing much less water than a single well pilot
- Schmitt 1 to be used as a pressure monitoring well
- Each pilot well planned to be 500m in seam and 250m apart
- ❖ Developable area could be **948km²**, with **623km²** accessed via dual laterals & **325km²** via single lateral wells

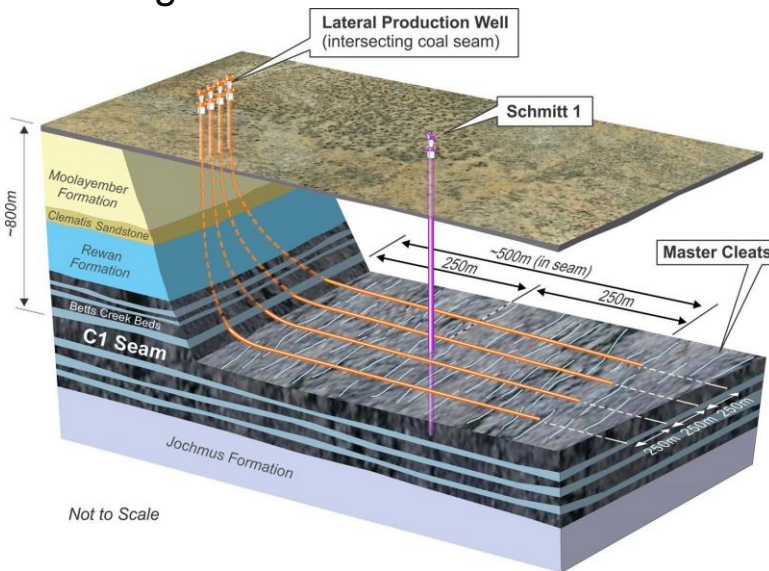
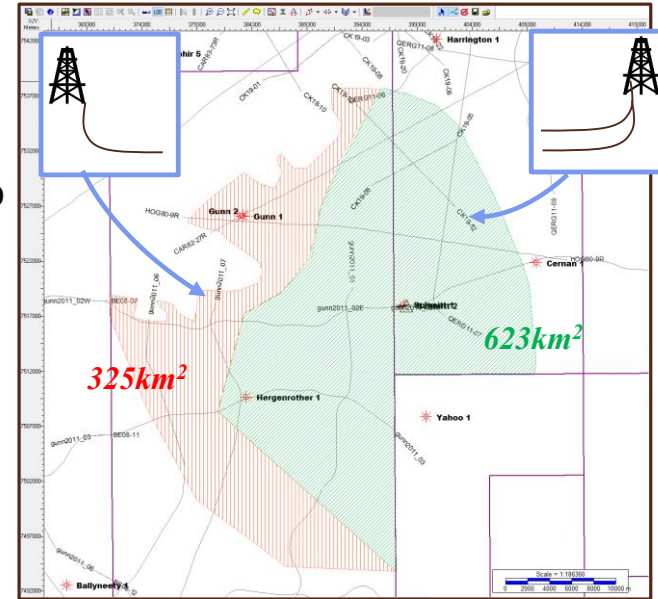
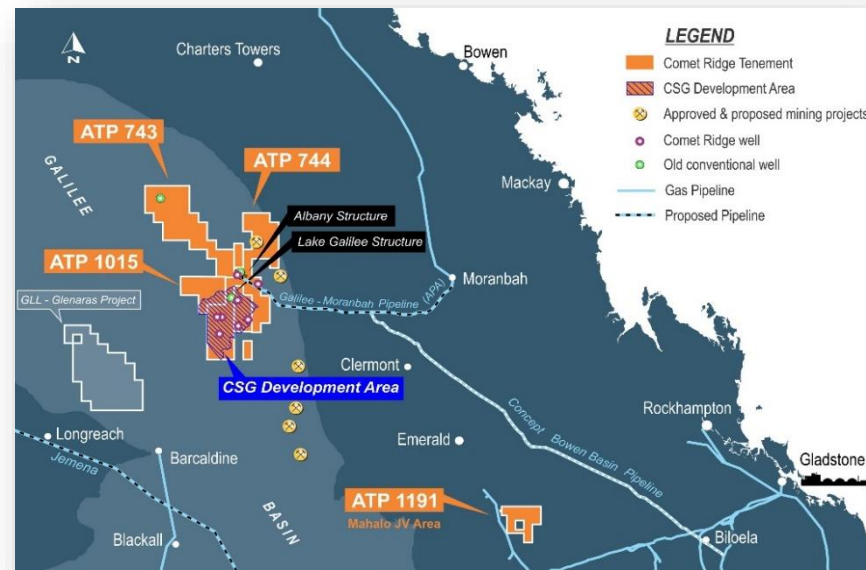


Image of potential 4 well coal seam pilot, targeting the C1 coal

Potential Galilee Gas Demand – Moranbah / Townsville



- North Queensland Gas Pipeline (NQQP) is an existing 391km pipeline (capacity up to 108 TJ/d)
- Moranbah/Townsville market is currently supply constrained
- A number of gas customers with significant current and future gas requirements
- Proposed APA pipeline connects Comet Ridge Galilee Projects to Townsville via Moranbah
- Several new developments planned that will build on the volume of gas required



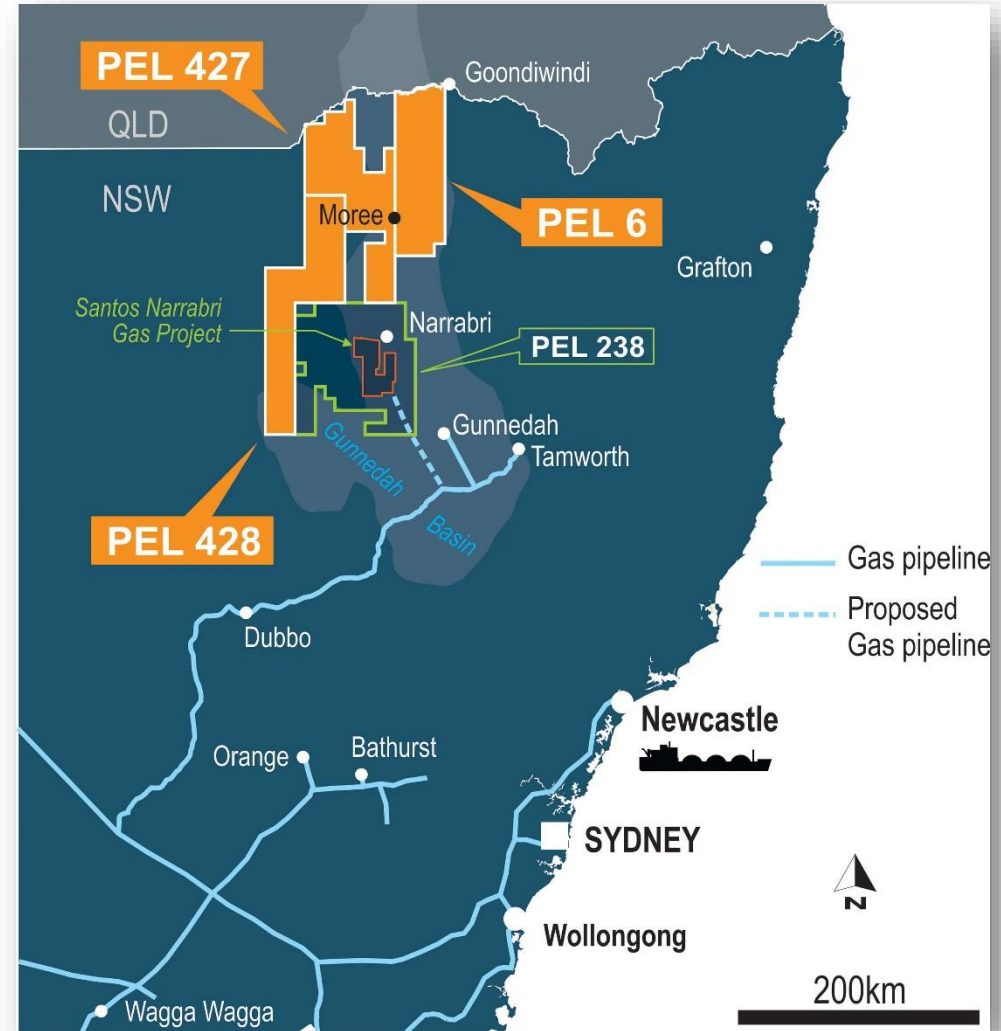
SPONSOR	PROJECT	STATUS	LOCATION
Incitec Pivot	Ammonium nitrate	Online	Moranbah
RATCH	Townsville CCGT	Online	Townsville
Origin	Mt Stuart OCGT	Online	Townsville
Queensland Nickel	Nickel Refinery	Moth-balled	Townsville

Status	Potential Gas Required (TJ/D)
Online & Brown field	50 - 100
Planned	49 - 68
Total potential Demand	108 - 168

Information displayed in the table has been prepared by Comet Ridge from open source data and internal estimates

NSW Potential **closer than expected**

- Santos are working to have their Narrabri approvals from the state government by the **end of the year**
- Opportunity to revisit the **significant acreage** held by Comet Ridge in JV with Santos once Narrabri is approved
- Comet Ridge has commenced an exploration review – magnetics, gravity surveys, seismic, old wells

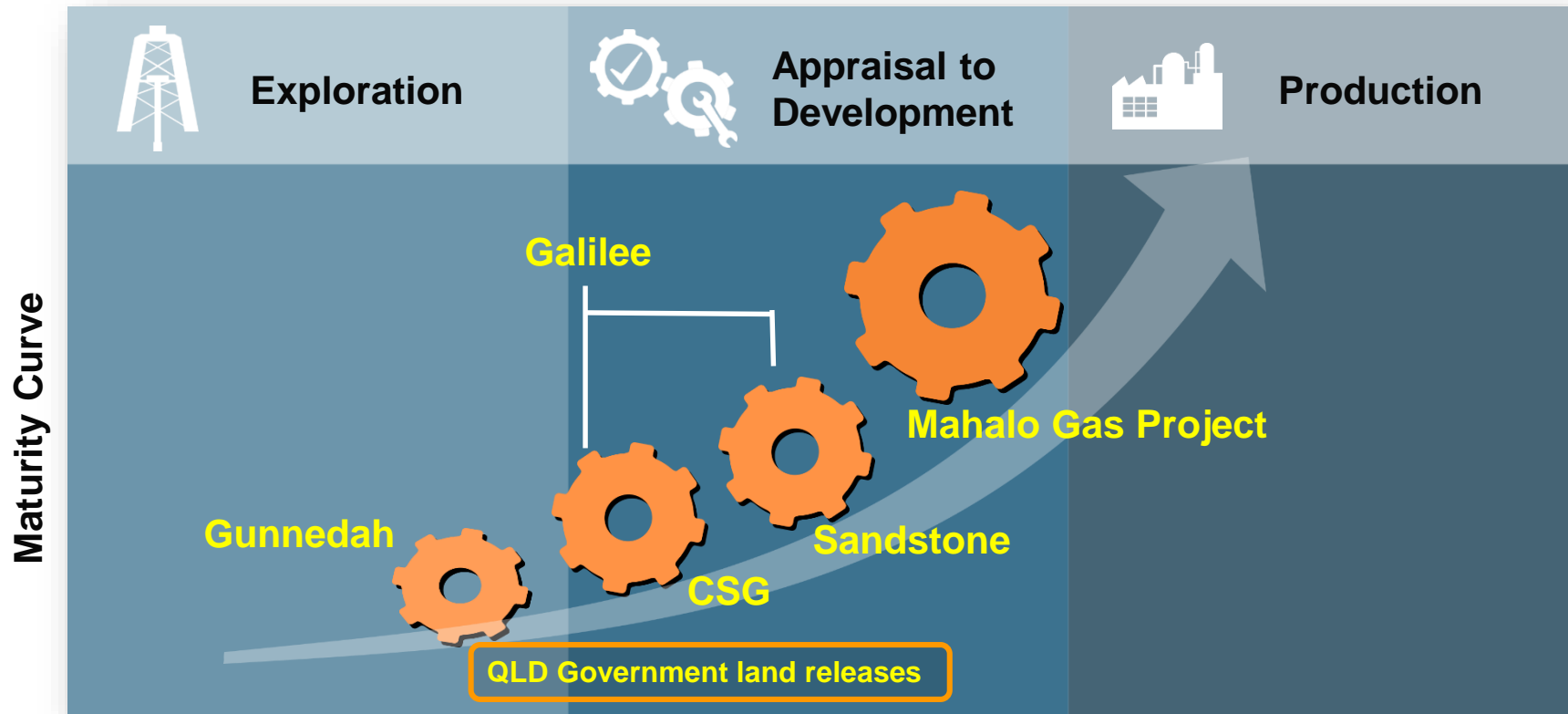


Comet Ridge PEL 6, 427 and 428, which are contiguous to the Santos Narrabri Gas Project, located in PEL 238

Comet Ridge – Growth Pipeline



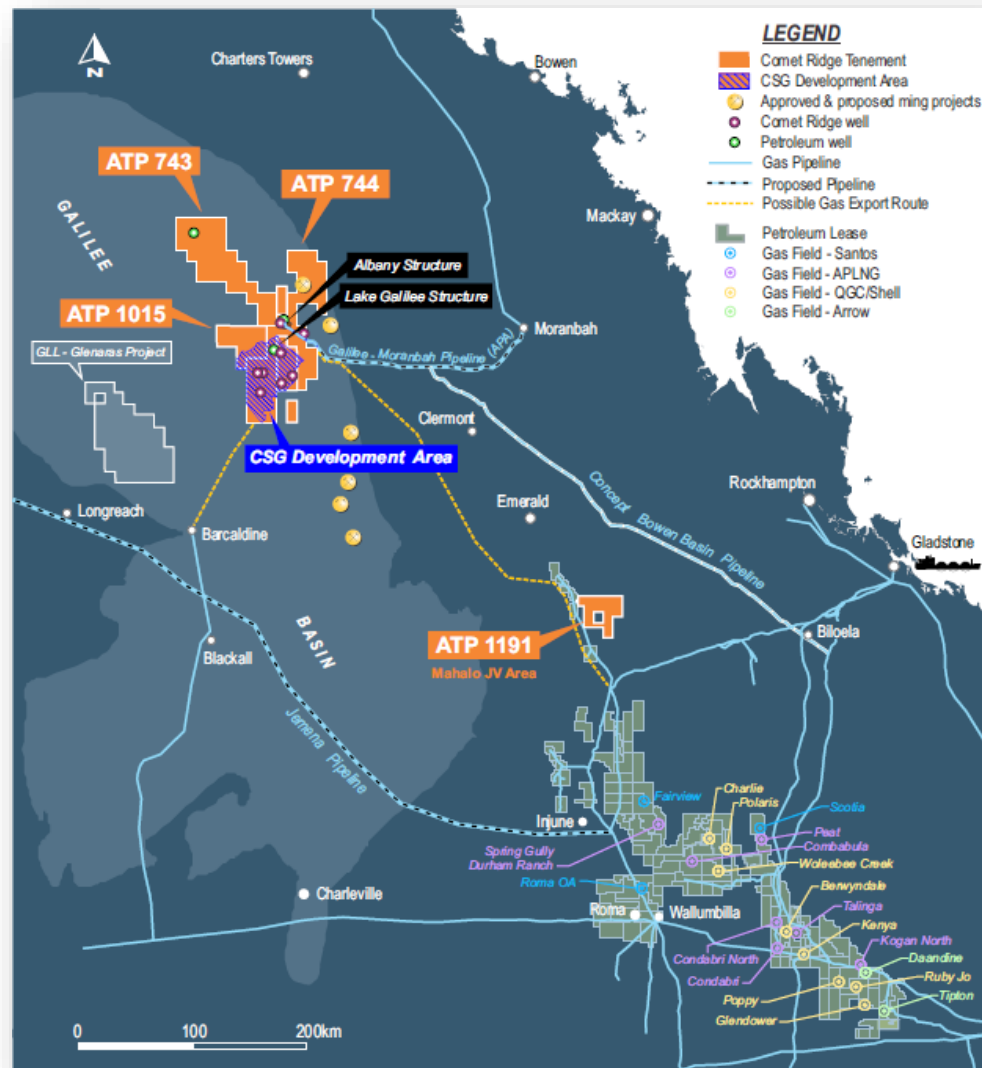
Moving Resources to Reserves as quickly and capital efficiently as possible



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 with targets also in shallower coals (CSG)
- 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



Glossary of Terms



EPBC	Environment Protection & Biodiversity Conservation Act 1999
EA	Environmental Authority (Qld Govt)
IDP	Initial Development Plan
FID	Final Investment Decision
PL	Petroleum Lease (Qld Govt)
PJ	Peta Joule (measure of energy – 10^{15} Joule)
CSG	Coal Seam Gas
SCFD	Standard Cubic feet (of gas) per day
ATP	Authority to Prospect (Qld Govt tenure)



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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 Presentation. 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.