

6 October 2020

Mahalo Gas Hub Area Activities Update

Comet Ridge Limited (ASX:COI) is pleased to provide an update on recent activities in the Mahalo Gas Hub area.

Key points:

- Petroleum Survey Licence (PSL) 2048 has been issued to Comet Ridge for a period of two years.
- Memorandum of Understanding signed with Mine Energy Solutions and IntelliGas Group to assess the feasibility of using Mahalo North pilot gas as high density compressed natural gas to displace diesel fuel and for transport of gas from wellhead to market via virtual pipeline technology.
- Planning for appraisal activities at Mahalo North and the recently awarded Mahalo East blocks continues.

Petroleum Survey Licence

Petroleum Survey Licence (PSL) 2048 has been issued to Comet Ridge over a wide area of 1962 km² for a period of two years. This area covers a large part of the Mahalo Gas Hub area (refer Figure 1), importantly including the export route to the south where there are two existing large diameter pipelines running into Gladstone (Jemena Queensland Gas Pipeline for domestic gas and Santos GLNG pipeline for export gas).

Comet Ridge Managing Director, Tor McCaul said that although he believes the logical way to develop the Mahalo Gas Hub area is with tolled third-party common facilities, it is still important for Comet Ridge to have access to this entire area, to form its own views on pipeline routes and plant and gathering station locations. Comet Ridge has built a material position in the area, and subsequently infrastructure in place would need to support efficient development of all blocks where Comet Ridge has an equity interest.

High Density Compressed Natural Gas MOU

Comet Ridge has signed a Memorandum of Understanding with Mine Energy Solutions Pty Ltd (MES) and IntelliGas Group Limited (IntelliGas) to assess the feasibility of the supply of Mahalo North pilot gas to displace diesel and/or for the generation of behind the fence power in nearby coal mines. Such an option could provide flexibility for initial gas production and provide an early revenue stream and environmental benefits for gas that would otherwise be flared. Comet Ridge would see a significantly reduced facility capex requirement for this early gas opportunity.

A compelling east coast gas play

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MES is a world leader in the manufacture of CNG (Compressed Natural Gas) into HDCNG® (High Density Compressed Natural Gas) as a fuel to displace diesel in a dual fuel mix for mobile mining equipment using patented specialist gas technologies in these applications. MES is seeking guaranteed long-term supply availability of high-quality geographically available methane to offer to its prospective customers in the southern Bowen Basin as an integral part of its contracts for service and materials.

IntelliGas specialises in gas technology including HDCNG® storage and refuelling, dual fuel engine systems, gas compression systems, gas transportation and an ultra-low pressure well gas lift system with numerous patents applicable across the range of technologies. The gas transportation technology is used as a Virtual Pipeline (VP) to transport gas from the wellhead to market (either delivered to customers directly or to a pipeline entry point for further transport to market). The IntelliGas ultra-low pressure gas lift (iLift) technology is designed to significantly enhance well production, deliverability and availability, reduces well workovers, increases hydrocarbon recovery and ultimately enhance recoverable reserves.

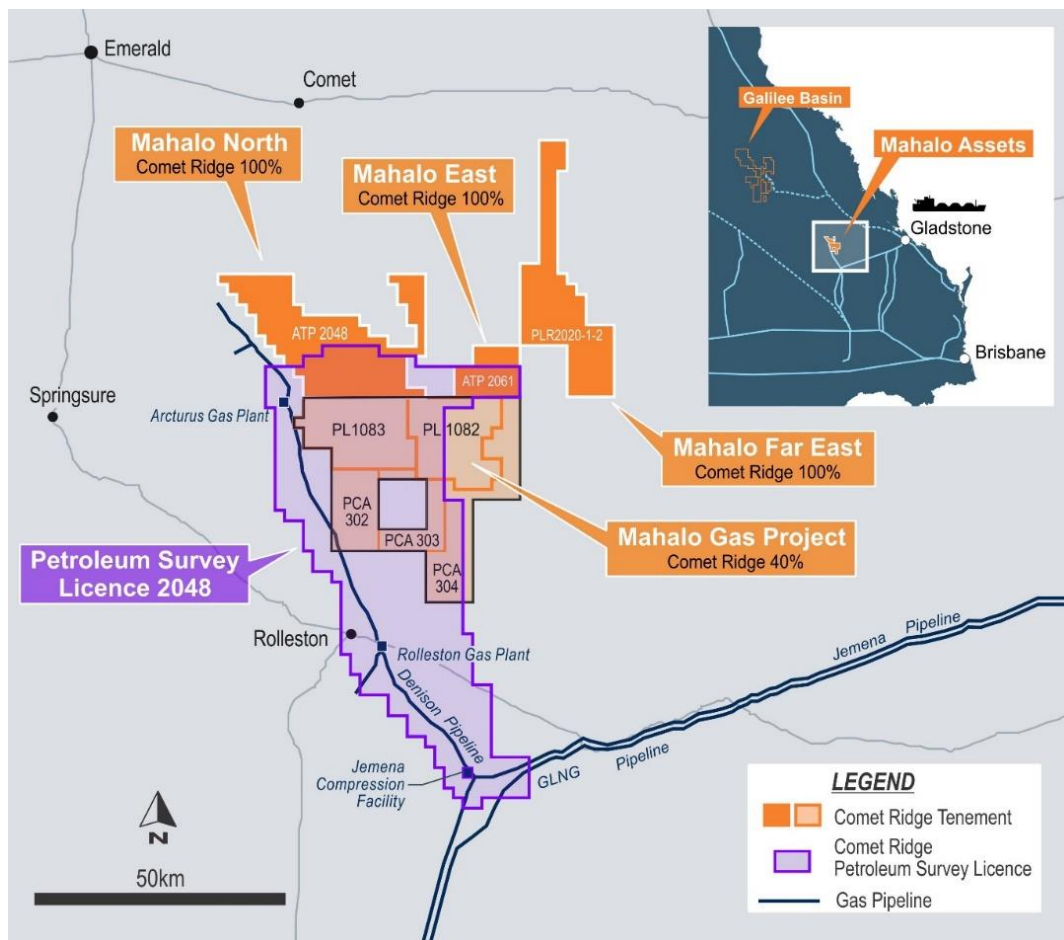


Figure 1 – Petroleum Survey Licence 2048 issued to Comet Ridge for the Mahalo Gas Hub area, marked in purple.

Appraisal program planning for Mahalo North and Mahalo East

Following the award of ATP 2061 for the Mahalo East block (see Figure 1) announced on 28 September 2020, Comet Ridge is progressing its internal planning activities for a combined Mahalo North and Mahalo East appraisal program.



Comet Ridge is also finalising an internal contingent resource assessment for these two blocks based on the significant drilling and seismic data that exists principally from historical coal exploration. The objective of the appraisal program will be to prove commercial gas flows from pilot wells (with the opportunity to monetise this pilot gas via the HDCNG® feasibility) and lead to independent certification of Reserves and Resources to add to Comet Ridge's gas portfolio.

Funding of the appraisal program is currently being discussed with interested parties and may comprise project equity, farm-in or gas prepayment.

By Authority of 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 gas resources for the east coast Australian market. The company has tenement interests and a suite of prospective projects in Queensland and New South Wales. Our flagship Mahalo Gas Hub projects are low cost, sales spec gas blocks, close to Gladstone. Our exploration assets in the Galilee and Gunnedah basins offer further upside amid increasing domestic and international demand for gas as a source of cleaner energy.