

8 November 2021

Mahalo North 2 first lateral section successfully drilled

Key points:

- First Mahalo North 2 lateral well section successfully drilled and lined, reaching a total (along hole) distance of 1735m.
- Approximately 1300m of Castor-Pollux coal reservoir intersected for production testing.
- Early indications based on drilling fluid volume losses shows a good natural fracture network along this first lateral well path.
- Drilling operations for the second lateral section are continuing over the coming week.

Comet Ridge Limited (ASX:COI) is pleased to provide an update on its drilling operations that are underway at the Mahalo North 2 well in ATP 2048, where Comet Ridge holds 100% equity and is the Operator.

Mahalo North 2 is located on the high-quality fairway in the southern part of ATP 2048, approximately 3.7km to the north of the existing Mahalo Pilot Scheme, and 450m to the west-southwest of the recently drilled Mahalo North 1 (vertical) well.

The Mahalo North 2 lateral well has been designed to drill inside the coal reservoir, over a long distance, to allow a pathway for water and gas to flow from the natural fractures inside the coal reservoir and into the vertical well (Mahalo North 1) for transport to surface. After shallow surface casing was set, cemented and successfully pressure tested, the Mahalo North 2 well was gradually steered to build angle until it entered the target coal seam at approximately 250m in vertical depth, oriented almost horizontally, with drilling steered on a precise heading to the east-northeast.

After running inside the coal seam for 170m, Mahalo North 2 successfully intersected the vertical production well Mahalo North 1 and then continued drilling out the other side for a long distance on the same heading. Mahalo North 2 progressed for a further 1130m after the intercept, reaching a total (along hole) distance of 1735m on Friday 5 November 2021. As a result, the well has exposed approximately 1300m of Castor-Pollux coal reservoir for production testing. *Figure 1* below shows a schematic of Mahalo North 1 and the first lateral section of Mahalo North 2.

At 0600 hrs this morning, the 3 1/2" diameter GRE (glass reinforced epoxy) production liner had been run into the well, to provide a production conduit through the lateral section, and preparations were being made to commence drilling a second lateral Mahalo North 2 wellbore. This second lateral will commence from the point where the current lateral has entered the coal seam and will be oriented on a more northerly heading out to the northeast.

A compelling east coast gas play

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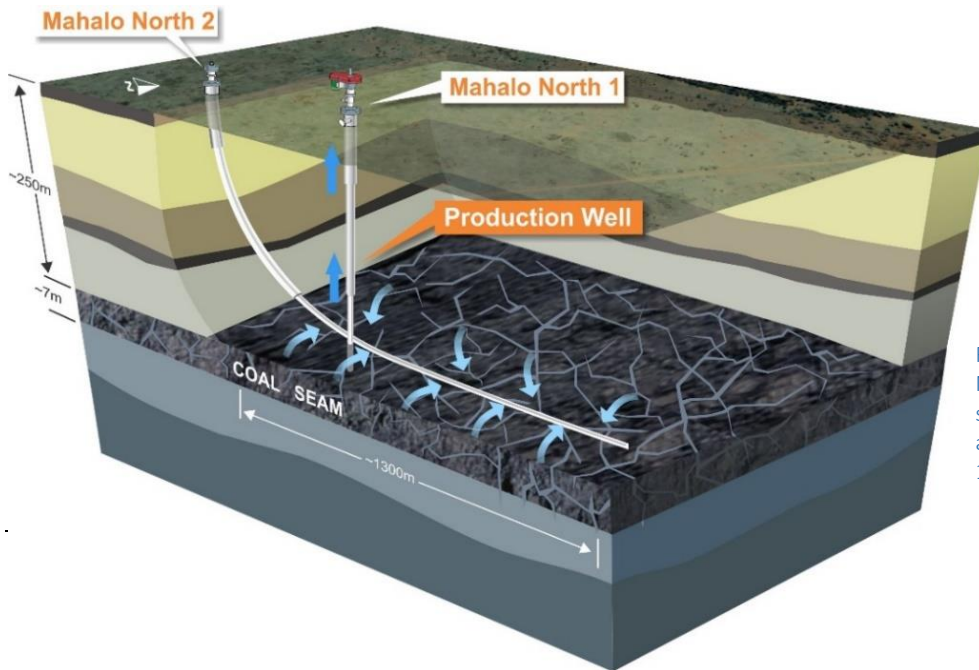


Figure 1 - Cutaway diagram of Mahalo North 2 lateral well deviating from surface, intercepting Mahalo North 1 and tracking through approximately 1300m of coal reservoir.

Comet Ridge Managing Director, Tor McCaul said:

“We are pleased to have completed the first lateral section for this well and are especially happy that it was lined over such a long interval in the main Castor-Pollux seam. Based on our drilling fluid volume losses, we have early indications of a very promising natural fracture network along this first lateral wellbore path. Drilling operations for the second lateral section are expected to continue for the next week and then we look forward to commencing production testing of this appraisal well next month.”

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 natural 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 natural gas blocks, close to Gladstone. Our exploration assets in the Galilee and Gunnedah basins offer further upside amid increasing domestic and international demand for natural gas as a source for cleaner energy and as a key manufacturing feedstock that makes thousands of products, used daily.