

17 January 2022

Mahalo North production testing successfully commenced

Key points:

- Final surface production equipment installed earlier this month
- Production testing commenced at low pump speed and low water rate (initially)

Comet Ridge Limited (ASX:COI) is pleased to provide an update on its Mahalo North work program, where Comet Ridge holds 100% equity and is the Operator. The drilling and production testing operations are targeting the high-quality fairway in the southern part of ATP 2048, approximately 3.7km to the north of the existing Mahalo Pilot Scheme.

Figure 1 on the following page shows the position of the two lateral wellbores which were drilled (in total) almost 1900m through coal from Mahalo North 2, whilst Figure 2 shows the production test facilities that have been installed.

Before the Christmas holiday break, a workover rig was mobilised to site on 18 December for installation of downhole completion equipment in the Mahalo North 1 vertical well, including production tubing, downhole pump and pressure gauge. This work was completed on 20 December and the workover rig released. Concurrent with the Mahalo North 1 completion activities, two fully lined 1.4 ML storage tanks have been installed, ready for commencement of dewatering operations.

Field crews returned to site on 10 January to finalise the installation of electrical power, fuel tank, gas-water separator, flowlines and flare stack. Testing and commissioning of this equipment was undertaken with the production test commencing on Friday 14 January. The downhole pump was started at a low speed with water successfully being produced to the on-site water storage tanks.

Over the weekend, the pump has performed as designed at a steady water rate of approximately 110 barrels of water per day. A measurable gas rate is not expected for a number of weeks whilst dewatering operations are progressed.

Comet Ridge expects that based on the excellent permeability already observed in Mahalo North 1 and the high fluid losses experienced whilst drilling both lateral sections of Mahalo North 2, that higher water and gas rates should be expected. In anticipation of these higher water and gas rates Comet Ridge has secured a larger water storage tank which is now expected to be installed late in the first quarter of 2022.

This will provide Comet Ridge with ample water handling facilities for the duration of the production testing phase.

A compelling east coast gas play

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Comet Ridge Managing Director, Tor McCaul said “It is very pleasing to have the Mahalo North production test underway. It is a long dual lateral well, drilled in a great spot on the fairway and indications from drilling fluid losses are that the well will have very high productivity. We look forward to providing regular operations updates over the coming weeks”.

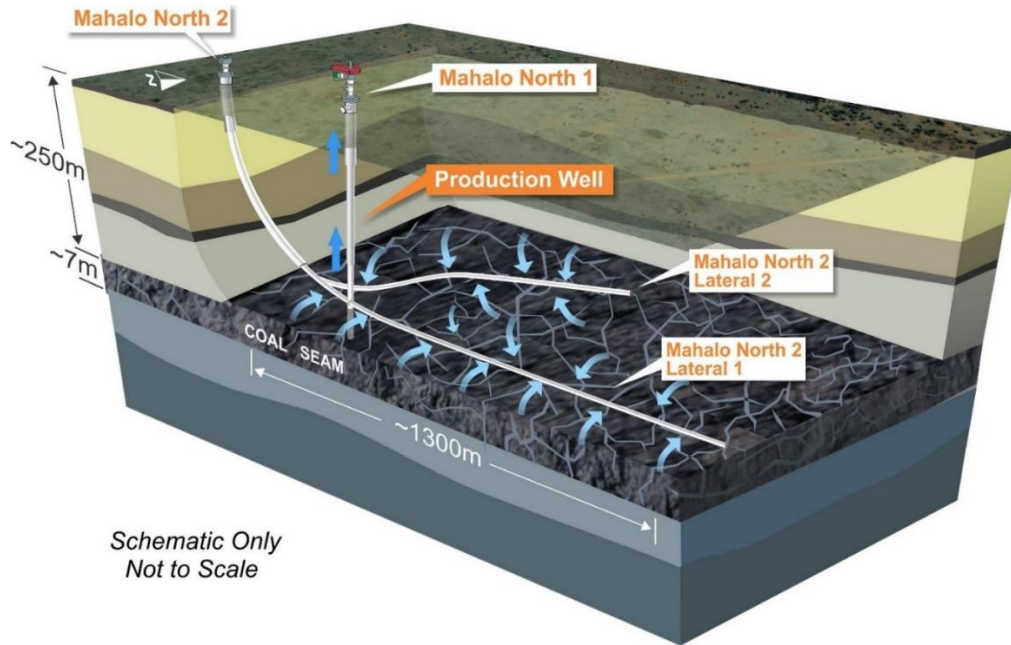


Figure 1: Cutaway diagram of the relative position of both Mahalo North 2 dual lateral well sections, deviating from surface, tracking through almost 1900m of coal reservoir with significant fluid losses, indicating a strong natural fracture network.



Figure 2: Mahalo North 1 well pad with water storage tanks and well test facilities installed, where the production test has recently commenced.



By Authority of the 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.