



ASX Announcement

12 May 2023

MOU executed with Jemena for Mahalo North pipeline connection

Key points:

- Comet Ridge and Jemena have executed an MOU and a pre-FEED agreement to facilitate a new gas pipeline connection for Comet Ridge's Mahalo North Project into the domestic gas market.
- Jemena to immediately undertake a pre-FEED study for a Jemena built, owned and operated 73km pipeline connection from Mahalo North to Jemena's Queensland Gas Pipeline.
- Jemena will prepare the pre-FEED study as a precursor to a FEED study and, once approved, construction of the pipeline connection.
- The opportunity being progressed with Jemena focusses on Mahalo North but can accommodate all future production from Comet Ridge's 100% owned and operated projects.

Comet Ridge Limited (ASX:COI) is pleased to advise that it has executed a Memorandum of Understanding (MOU) with Jemena Limited (**Jemena**) to establish a framework between the parties to deliver much needed new gas supply from Comet Ridge's 100% held Mahalo North Project (ATP 2048) into the domestic gas market.

Under the MOU and associated pre-FEED agreement, Comet Ridge has engaged Jemena to immediately undertake a pre-FEED (front end engineering design) study of a Jemena built, owned, and operated high-pressure gas transmission pipeline of approximately 73km from the Mahalo North Gas Project to Jemena's Queensland Gas Pipeline (QGP).

Jemena owns and operates a diverse portfolio of energy processing and gas transportation assets in Australia. With more than \$12.4b of major utility infrastructure, and \$1.2b invested in new midstream gas assets over the past decade, Jemena has developed industry-leading expertise in the design, construction and operation of gas processing and transmission pipelines that connect gas fields to Australia's east coast market.

In November 2022, Comet Ridge announced the independent certification¹ of 43 Petajoules of 2P Reserve and 110 Petajoules of 3P Reserve of natural gas for Mahalo North, following the highly successful pilot production test which achieved a very strong gas flow rate of 1.75 million cubic feet per day². Comet Ridge plans to move these Gas Reserves into production as quickly as possible, leveraging the newly formed partnership with Jemena to provide the necessary infrastructure route to market.

¹ Refer ASX Announcement dated 2 November 2022 and Listing Rule 5.42 disclosure at the end of this announcement.

² Refer ASX Announcements dated 26 and 31 August 2022.



Such infrastructure would also unlock value in Comet Ridge's other 100% owned acreage, including Mahalo East, where the Company has independently certified³ 31 Petajoules of 2C and 122 Petajoules of 3C Contingent Resource. The pre-FEED study will initially focus on delivering Comet Ridge with a pipeline connection from Mahalo North to the QGP (*see proposed route in the map on the following page*) for a minimum of 25 Terajoules per day of gas supply to the domestic market.

Comet Ridge Managing Director, Tor McCaul, said: "The pre-FEED study with Jemena is being run in parallel with the previously announced joint study with Denison Gas, which provides for a potential earlier (westerly) route to market for Mahalo North gas, although at a lower gas rate and for a shorter-duration. This additional work with Jemena, on a longer and potentially larger diameter pipeline, is complementary to the work with Denison. Jemena's gas pipeline would take a southerly route direct into Jemena's own QGP, which gives us direct access to both Gladstone and Wallumbilla markets. This gas production would have a slightly later start date but would allow a larger volume of Comet Ridge gas into the domestic gas market, allowing our other projects, at Mahalo East and Mahalo Far East, to feed in sequentially. Jemena has the balance sheet, experience and expertise to be able to deliver this project quickly and efficiently, as it did with Senex on the Atlas development."

Jemena Managing Director, Frank Tudor, said: "We have a proud history of partnering with Australian energy companies who are producing, or looking to produce, much needed additional gas for the domestic market, and are thrilled to have taken initial steps to forge a partnership with Comet Ridge. Today's announcement means we will be able to leverage our experience and understanding of regional Queensland to conduct a pre-FEED study with a view to constructing a 73km pipeline which is capable of delivering around 25 Terajoules of gas per day to the domestic market."

"Today's announcement will be welcomed by commercial and industrial customers who are seeking certainty of supply to underpin their operations in the face of forecast gas shortages over the medium and long-term. It is also good news for local communities in regional Queensland who stand to benefit from an influx of jobs and local contracts throughout the planning, construction, and commissioning of the proposed pipeline and broader development as part of Comet Ridge's Mahalo North Project."

The initial obligations of each of the parties under the MOU are summarised below:

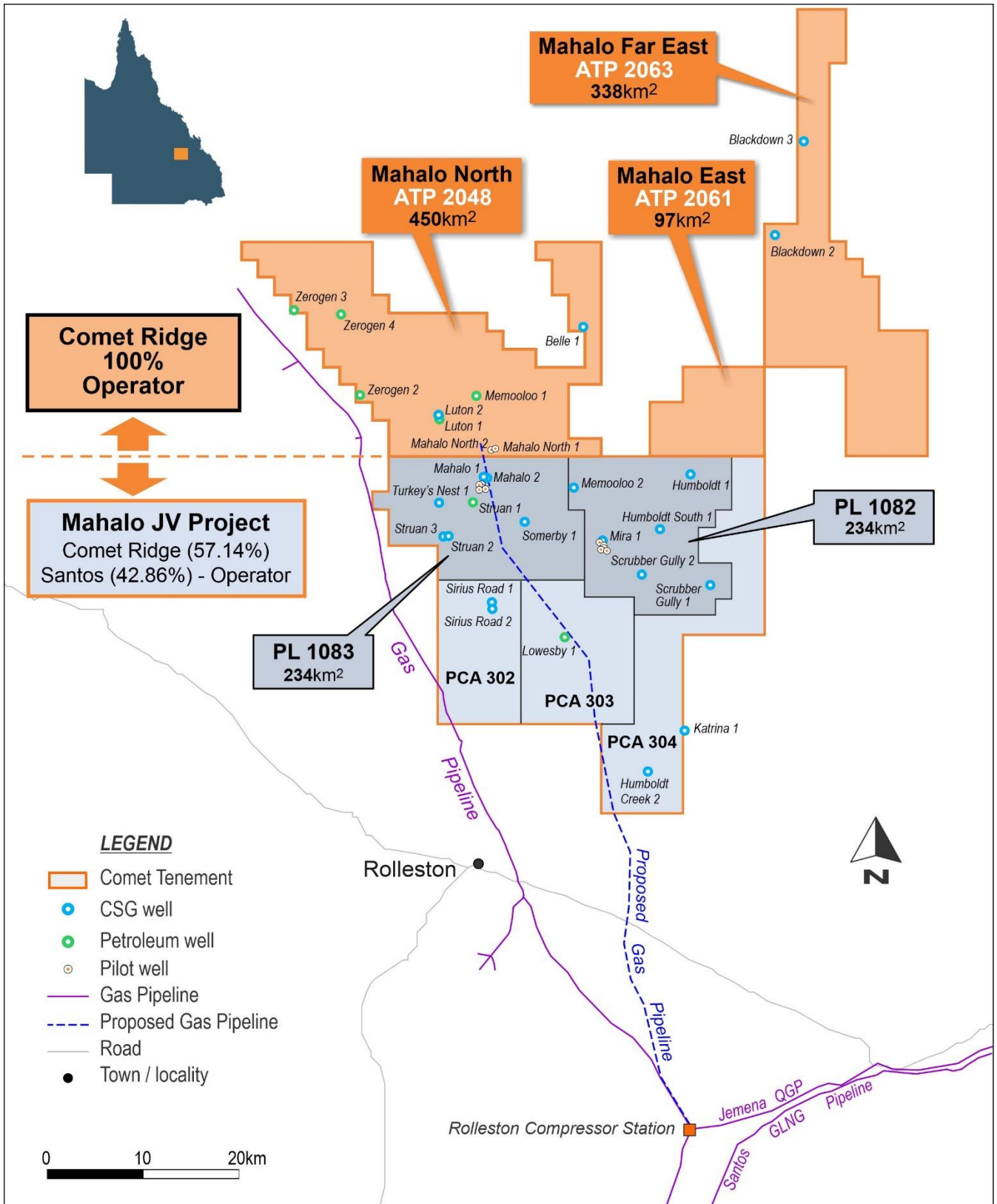
1. Jemena obligations

- Undertake the pre-FEED study (Jemena to provide internal labour at its own cost);
- Lead any external consultants' studies (at Comet Ridge's cost estimated at \$50,000) during the pre-FEED study stage;
- Develop stakeholder engagement plans (including landholders);
- Prepare a Pipeline Survey Licence application ready for submission with the Queensland Department of Resources; and
- Prepare detailed FEED study terms in preparation for execution by the parties.

2. Comet Ridge obligations (Mahalo North)

- Finalise the almost completed environmental studies;
- Prepare and submit both the state and federal environment approval applications;
- Prepare and submit an initial Petroleum Lease application with the Queensland Department of Resources; and
- Progress field development plans and studies for the upstream component of the project, including production wells, gathering system, compression and water handling facilities for the very low CO₂ gas.

³ Refer ASX Announcement dated 19 December 2022 and Listing Rule 5.42 disclosure at the end of this announcement.



Prior to finalisation of the studies and commencement of construction, the parties will explore opportunities to optimise the pipeline size to accommodate a much larger volume of gas from the entire Mahalo Gas Hub area.



Key project milestones for the Mahalo North development (via proposed Jemena pipeline connection) are:

- Finalise environment and Petroleum Lease applications and submit with respective government departments - Quarter 3, 2023;
- Receive environmental approvals and Petroleum Lease award - Quarter 2, 2024;
- First gas by Quarter 4, 2025.

By Authority of the Board per: Tor McCaul, Managing Director

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Listing Rule 5.42 disclosure

The details of the Reserves and Contingent Resources referenced throughout this release in respect to Mahalo North and Mahalo East were announced to the market on 2 November 2022 and 19 December 2022. In accordance with Listing Rule 5.42.3, Comet Ridge confirms that it is not aware of any new information or data that materially affects the information in those announcements reporting the details of the Reserves and Contingent Resources for ATP 2048 and ATP 2061, and that all of the material assumptions and technical parameters underpinning the estimates in those announcements continue to apply and have not materially changed.

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 strained east coast Australian market. The company has tenement interests and a suite of prospective projects in Queensland. Our flagship Mahalo Gas Hub project consists of high volume, low cost, sales spec natural gas blocks, close to Gladstone, containing very low CO₂. Our exploration assets 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.

Comet Ridge plans to transition its Mahalo Gas Hub assets into meaningful gas supply into the east coast gas market, commencing with Mahalo North, followed by the larger Mahalo Gas Project, in joint venture with Santos QNT Pty Ltd (as the Development Operator).