



# ASX Announcement

31 January 2024

## December 2023 Quarterly Activities Report

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### Highlights

- **Gas Sales Agreement** with CleanCo Queensland Limited approved by its shareholders.
- **Mahalo North 3P Reserves** increased by 35% to 149 PJ.
- **Mahalo North approvals** (Petroleum Lease application, and Queensland and Federal environmental applications) progressing within various government departments.
- **Mahalo Joint Venture** progressing through Concept Select phase this quarter, to be followed by Gas Production, Processing and Transport FEED (managed by Santos as Development Operator).
- **Additional Gas Sales Agreement negotiations** continued during the quarter.
- **\$7.8 million of cash** at end of December 2023 (unaudited).

### 1. Mahalo Gas Hub Area, Bowen Basin, QLD

Comet Ridge holds 100% equity in three project areas in the Mahalo Gas Hub area, and a 57.14% interest in the Mahalo Joint Venture Project (with Santos QNT Pty Ltd (Santos) holding 42.86% as Operator). These projects are close to existing pipeline infrastructure and the main natural gas demand and hub centres in Queensland, being Gladstone to the east and Wallumbilla to the south (see *Figure 1*).

The current net acreage position for Comet Ridge across the Mahalo Gas Hub is substantial at 1,450 km<sup>2</sup>, with a large portion of these blocks sitting over the Mahalo Gas Hub's high quality, shallow fairway (see *Figure 2*).

This fairway has been extensively appraised and, importantly, has produced 1.4 MMcfd (million standard cubic feet of gas per day) from a lateral pilot well (Mira 6) drilled only 924 m in coal. Further confirmation of the high productivity fairway has been demonstrated from the Mahalo North 1 pilot well (in ATP 2048, Comet Ridge 100% equity), which has achieved a very impressive gas flow of 1.75 MMcfd from a single vertical pilot production well intersected by a dual lateral well.

A compelling east coast gas play

Comet Ridge Limited | ABN 47 106 092 577 | ASX: COI

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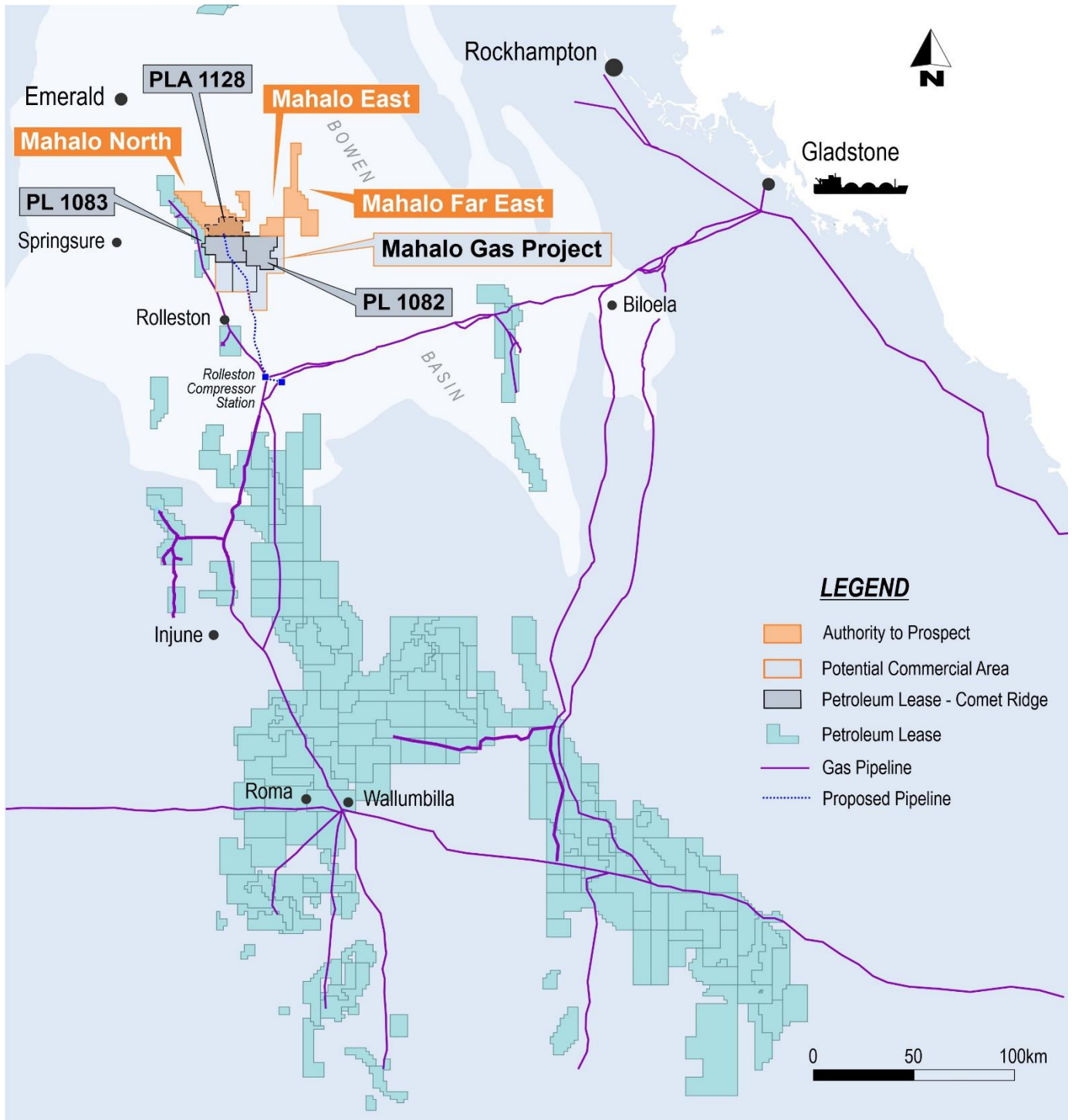


Figure 1: Mahalo Gas Hub Area (north of Rolleston), near pipeline infrastructure and gas markets

## Certified Gas Reserves and Contingent Resources

Comet Ridge's share of 2P Gas Reserves and 2C Contingent Gas Resources at the Mahalo Gas Hub is a very material 406 Petajoules (PJ) as shown in *Table 1* below. On a 3P Gas Reserves and 3C Contingent Gas Resources basis, Comet Ridge's share is 827 PJ.

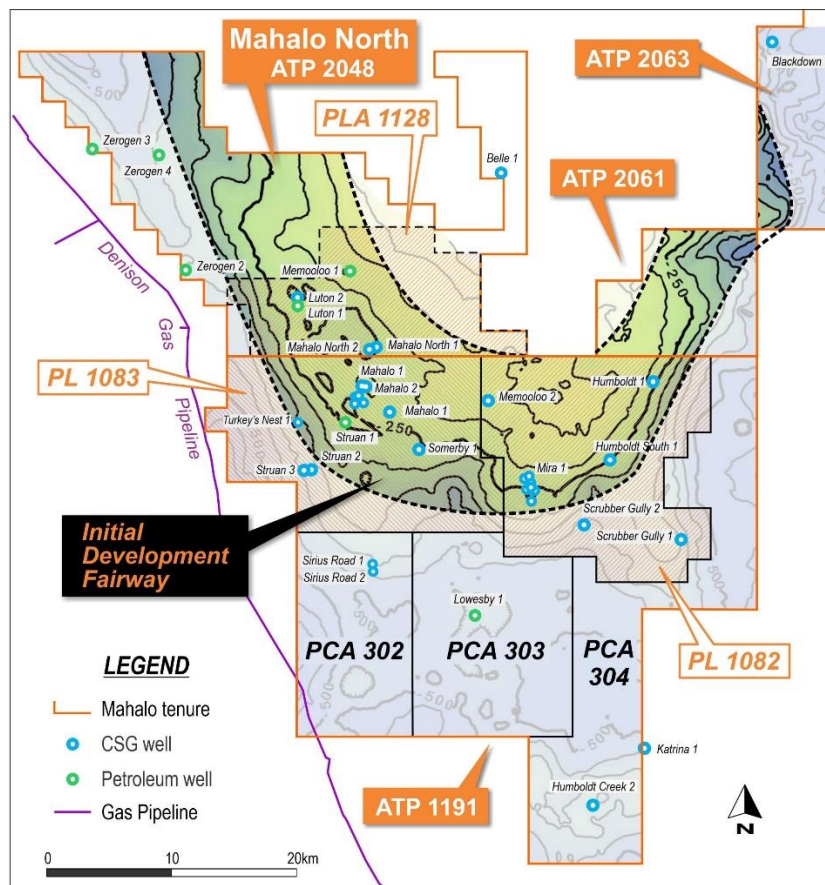


Mahalo Gas Hub permits	COI Interest	Net Reserves (PJ)		Net Contingent Resources (PJ)		Totals (COI net share)	
	%	2P	3P	2C	3C	2P+2C	3P+3C
<b>Mahalo JV project</b> (PL 1082, 1083) (PCA 302, 303, 304)	57.14	152	262	180	294	332	556
<b>Mahalo North</b> (PLA 1128, ATP 2048)	100	43	149	-	-	43	149
<b>Mahalo East</b> (ATP 2061)	100	-	-	31	122	31	122
<b>Mahalo Far East</b> (ATP 2063)	100	-	-	Being evaluated		-	-
<b>Totals</b>		195	411	221	416	406	827

**Table 1:** Comet Ridge’s share of net Gas Reserves\* and Contingent Gas Resources\* for Mahalo Gas Hub

\* Refer to Listing Rule 5.42 disclosure on page 8 of this report.

Comet Ridge’s certified 2P Gas Reserves are derived from several successful pilot production tests within the Mahalo Gas Hub’s high quality shallow fairway, shown in *Figure 2* below.



**Figure 2:** Mahalo Gas Hub high quality shallow fairway



## Project Development Activities

Comet Ridge is developing its Mahalo Gas Hub assets to provide meaningful gas supply for the east coast gas market, commencing with initial planned production from Comet Ridge’s 100% owned and operated Mahalo North and the larger, Santos operated, Mahalo Joint Venture Project (COI interest 57.14%). These significant gas reserves will be further supplemented by development of gas resources from Comet Ridge’s other 100% held permits, Mahalo East and Mahalo Far East.

### Mahalo North (Comet Ridge 100%)

Key development activities undertaken at Mahalo North during the December 2023 quarter include:

3P Reserves upgrade	<ul style="list-style-type: none"> <li>✓ 3P Reserves increased by 35% from 110 PJ to 149 PJ.</li> <li>✓ Reserves independently certified by leading global firm Sproule Incorporated.</li> <li>✓ Optimisation of project design during pre-FEED led to the increase in the developable area for 3P Reserves.</li> </ul>
Petroleum Lease application	<ul style="list-style-type: none"> <li>✓ An initial Petroleum Lease application (PLA) was submitted to the Queensland Department of Resources in October 2023.</li> <li>✓ DOR ascribed permit number PLA 1128 and the application process is progressing in parallel with environmental approvals.</li> </ul>
Queensland environmental application	<ul style="list-style-type: none"> <li>✓ An Environmental Application (EA) was submitted in October 2023 to the Queensland Department of Environment and Science.</li> <li>✓ Public notification is likely to commence in the current quarter with a decision expected next quarter.</li> </ul>
Federal environmental referral	<ul style="list-style-type: none"> <li>✓ A referral was submitted in October 2023 to the Federal Department of Climate Change, Energy, the Environment and Water under the EPBC Act in relation to Mahalo North development activities within PLA 1128.</li> <li>✓ The referral entered the gateway process at the end of the December quarter with the process expected to take a number of months to complete.</li> </ul>
Pre-FEED activities	<ul style="list-style-type: none"> <li>✓ Studies have been undertaken in relation to gas compression and water handling facilities, operational readiness and pipeline connections.</li> <li>✓ Final FEED studies will commence in parallel with resolution of the above government applications and the preferred export pipeline solution for Mahalo North.</li> </ul>

The initial Mahalo North PL application area (PLA 1128) where development activities are progressing, and initial production is planned, is shown in *Figure 3* below.

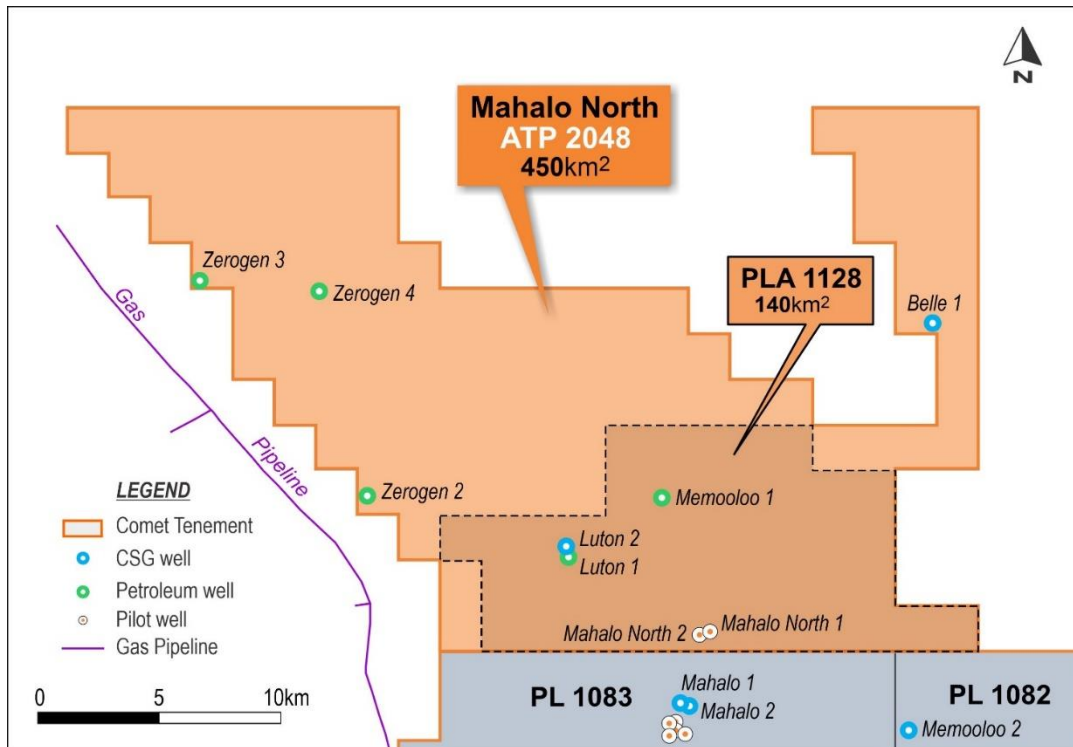


Figure 3: Initial Mahalo North PL application area (PLA 1128 within ATP 2048)

### Mahalo Joint Venture (Comet Ridge 57.14%)

The Mahalo Joint Venture (JV) participants, Comet Ridge and Santos, are progressing the Concept Select phase for the development of the Mahalo JV Gas Project. The development pathway has been streamlined over the past 12 months with APLNG exiting the project, and with Comet Ridge (40% to 57.14%) and Santos (30% to 42.86%) acquiring a proportional share of APLNG's 30% equity. Santos is now the Development Operator of the project.

The Mahalo JV Gas Project has approvals in place for gas extraction and processing requirements, with the final step a new ~80 km pipeline connection to both Jemena's Queensland Gas Pipeline (for domestic gas supply) and to GLNG's pipeline to its Gladstone LNG facility. The pipeline connection will require a Queensland Government pipeline licence and landholder access arrangements.

Santos, as Operator, continues to progress through the Concept Select phase of the project, which is aimed at optimising the planned sales gas offtake rate, selecting key technology for gas and water processing facilities, and identifying the number of wells to be drilled in the first phase of the development. The JV is considering a large diameter transmission pipeline and is evaluating the concepts that have been applied at Santos' successful nearby operations for gas and water plant design. Preliminary field layouts and well designs have been completed and are currently under Joint Venture review. It is anticipated that the Concept Select phase will be completed late Q1 2024 as a precursor to a full Front End Engineering Design (FEED) for the Mahalo Field.

FEED studies will be undertaken by Santos on gas field infrastructure (including well layout, well design) in parallel with the pipeline approval and design process. Once completed, Comet Ridge will be able to utilise this pipeline connection for its share of Mahalo JV gas production as well as production from its 100% owned Mahalo North, East and Far East projects. Combining all Mahalo Hub gas into one large diameter pipeline provides economies of scale for the transportation of natural gas to the connection points for both domestic gas and LNG markets.



Key attributes of the Mahalo JV Gas Project (see *Figure 4* below) are:

- ✓ Two Petroleum Leases approved (PL 1082 and PL 1083) by the Queensland Government.
- ✓ State and Federal environmental approval in place for up to 95 production wells.
- ✓ A material volume of gross 2P Reserves (266 PJ independently certified by Comet Ridge) and gross 3P Reserves (458 PJ independently certified by Comet Ridge) in the PL areas alone.
- ✓ Additional gross 2C Resource upside (316 PJ independently certified by Comet Ridge) in the three PCA areas further south.
- ✓ Targeting an initial production rate of 60 to 70 TJ/d (approximately 22 to 25 PJ/a) which would generate gross revenue of approximately \$260 to \$300 million annually for the plateau period of the project if the current \$12/GJ price cap (for non-exempt gas producers) were to be applied.
- ✓ Large scale development of sales spec gas with very low CO<sub>2</sub>.
- ✓ Designed to benefit from Santos' modular and low-cost approach already implemented at nearby Santos operated CSG fields.

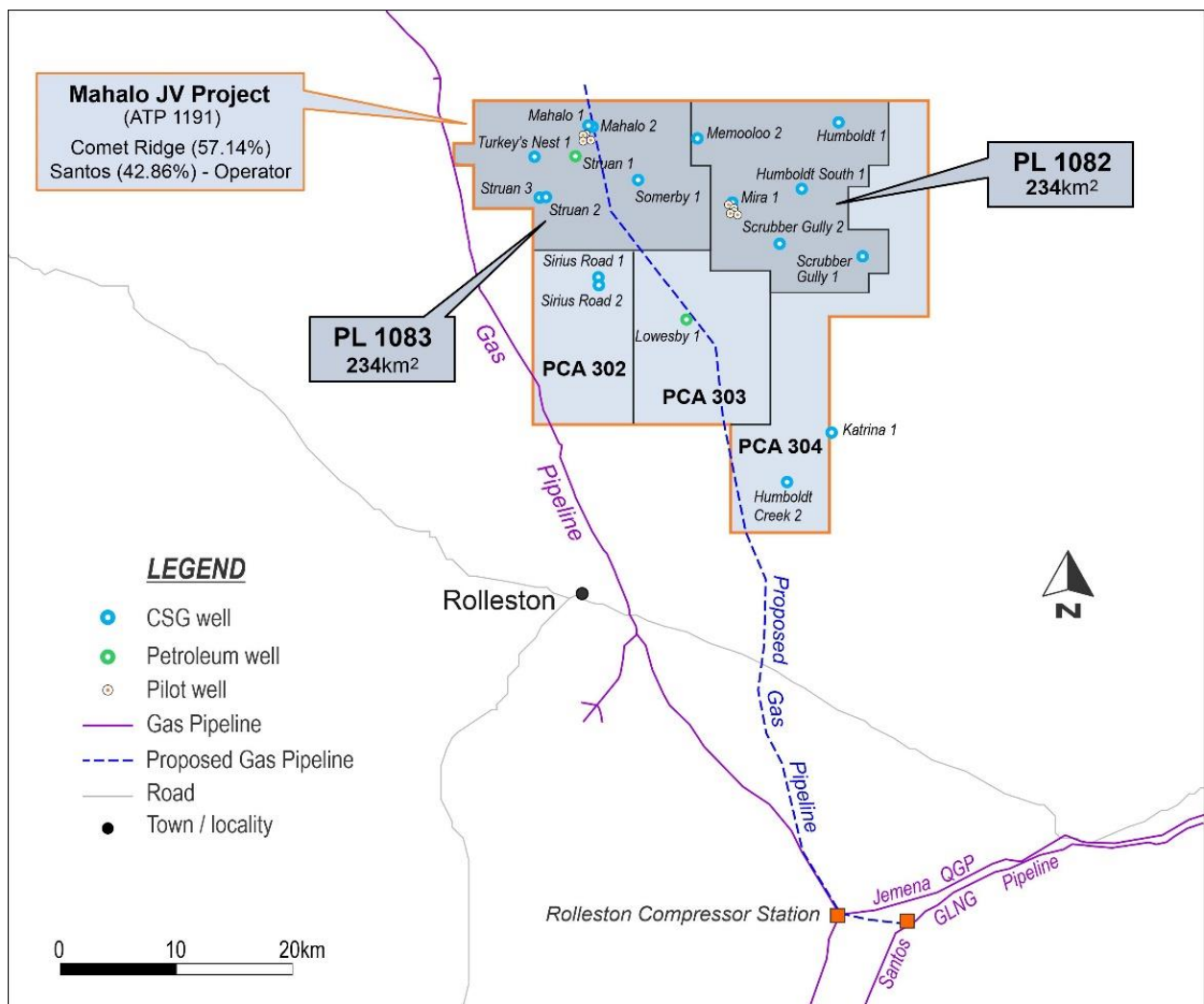


Figure 4 – 989 km<sup>2</sup> Mahalo Joint Venture PL and PCA areas, showing CSG wells drilled



## Dataroom Process

Comet Ridge disclosed in the September quarterly report that a dataroom process was established to facilitate project funding requirements. Significant progress has been achieved in the December quarter in relation to various corporate priorities for the Company, starting with project funding and now expanded to infrastructure access, additional gas supply along with funding prepayment and corporate transactions. Comet Ridge's dataroom has been accessed by several parties who have undertaken the necessary due diligence, and commercial discussions are progressing towards term sheet stage. Whilst this process is, in Comet Ridge's view, progressing positively, these discussions are at an early stage, incomplete and confidential and there is no guarantee that a final proposal will be received or received on commercially acceptable terms, or that any transaction will eventuate.

## Gas Marketing Activities

### CleanCo GSA

Comet Ridge and CleanCo Queensland Limited (CleanCo) executed a gas sales agreement (GSA) for supply of gas by Comet Ridge into CleanCo's Swanbank E gas-fired power station. The GSA received approval from CleanCo's shareholding ministers in December 2023.

This is Comet Ridge's first GSA and is an important milestone for the Company. The natural gas will be produced from the Mahalo Gas Hub in Central Queensland, where CleanCo will offtake 3 PJ per annum of natural gas. Comet Ridge and CleanCo have agreed for supply to commence in a 12-month window between 1 July 2025 and 30 June 2026, which will allow Comet Ridge flexibility ahead of a Final Investment Decision (FID) on its Mahalo Gas Hub projects.

### Other gas supply opportunities

Following the introduction of the Gas Market Code in 2023, Comet Ridge has received a small domestic supplier exemption from ACCC, which means it is not subject to the price cap under the Gas Market Code. Comet Ridge is progressing discussions with numerous domestic gas consumers, including Orica and several other parties in relation to new gas supply opportunities for coal substitution, industrial use and gas portfolio contracting. It is likely that these opportunities will target gas supply from late 2026 onwards, coinciding with the planned commencement of production from the larger Mahalo Joint Venture project.

## 2. Corporate Activities

### Cash Position and Debt Facilities

At 31 December 2023, Comet Ridge had \$7.8 million cash on hand (unaudited).

Comet Ridge's secured debt facilities with PURE Asset Management remained unchanged at 31 December 2023.

Lender	Amount Drawn	Maturity date	Comments
PURE Asset Management Pty Ltd (secured loan)	\$10.0m	17 Sep 2025	PURE has 65.9m warrant shares exercisable at an average price of \$0.152 per share. Upon exercise, Comet Ridge will receive \$10.0 million of cash which can be used to repay the loan amount.

Table 2 – Comet Ridge debt facilities



## Payments to Related Parties

The aggregate value of payments to related parties and their associates of \$250k for the December 2023 quarter (shown in item 6.1 of the attached Quarterly Cashflow Report) relates to the salary of the Managing Director and fees paid to Directors (including PAYG and superannuation payments made on their behalf).

## Shares and Performance Rights

At 31 December 2023, the total number of securities on issue was:

- **Ordinary shares:** 1,015,513,555 (following the conversion of 5,140,470 vested performance rights into ordinary shares after vesting performance conditions were met);
- **Performance rights:** 4,000,000 following the conversion of the abovementioned performance rights into ordinary shares, the lapse of a further 3,878,280 performance rights whose vesting conditions were not satisfied, and the award of an additional 4,000,000 performance shares, including 1,000,000 to the Managing Director following approval at the 2023 AGM; and
- **Warrants:** 65,909,091 (no change during the December quarter).

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 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 low cost, sales spec natural gas blocks, close to Gladstone containing low CO<sub>2</sub> Gas Reserves. 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).*

*More information regarding Comet Ridge is available at [www.cometridge.com.au](http://www.cometridge.com.au).*

### \* Listing Rule 5.42

The details of the Reserves and Contingent Resources referenced throughout this release in respect to the Mahalo Gas Hub were announced to the market on 30 October 2019, 26 September 2022, 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 PL 1082, 1083; PCA 302, 303, 304, ATP 2048, 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.



## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

**COMET RIDGE LIMITED**

ABN

**47 106 092 577**

Quarter ended ("current quarter")

**31 December 2023**

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for:		
(a) exploration & evaluation	(17)	(22)
(b) development	-	-
(c) production	-	-
(d) staff costs	(367)	(724)
(e) administration and corporate costs	(439)	(978)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	38	80
1.5 Interest and other costs of finance paid	-	(302)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other - JV recoveries	(15)	(35)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(800)</b>	<b>(1,981)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(1,106)	(1,960)
(e) investments	-	-
(f) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (Security deposits)	71	63
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(1,035)</b>	<b>(1,897)</b>

<b>Consolidated statement of cash flows</b>		Current quarter	Year to date (6 months)
		\$A'000	\$A'000
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(5)	(5)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(5)</b>	<b>(5)</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	9,608	11,651
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(800)	(1,981)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,035)	(1,897)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(5)	(5)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period - refer to end note regarding post quarter cash</b>	<b>7,768</b>	<b>7,768</b>
<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b>	Current quarter	Previous quarter
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		\$A'000	\$A'000
5.1	Bank balances	7,768	9,608
5.2	Call Deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above) - refer to end note regarding post quarter cash</b>	<b>7,768</b>	<b>9,608</b>
<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	Current quarter	
		\$A'000	
6.1	Aggregate amount of payments to related parties and their associates included in item 1		250
6.2	Aggregate amount of payments to related parties and their associates included in item 2		-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>			
<b>7.</b>	<b>Financing facilities</b>	Total facility amount	Amount drawn at
Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the source of finance available to the entity.		at quarter end	quarter end
		\$A'000	\$A'000
7.1	Loan facilities	10,000	10,000
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	<b>Total financing facilities</b>	<b>10,000</b>	<b>10,000</b>
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have not been entered into or are proposed to be entered into after the quarter end, include a note providing details of those facilities as well.		
<p>Lender: Pure Asset Management Pty Ltd  Loan facility: \$10,000,000  Interest Rate: 12% p.a.  Maturity Date: 17 September 2025  Secured loan</p>			

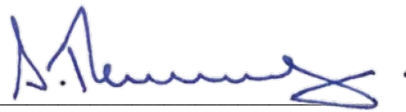
<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(800)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,106)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,906)
8.4 Cash and cash equivalents at quarter end (item 4.6)	7,768
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	7,768
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>4.1</b>
<p><i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise a figure for the estimated quarters of funding available must be included in item 8.7.</i></p>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows from the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<p><i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i></p>	

**Compliance statement**

1. This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
2. This statement gives a true and fair view of the matters disclosed.

Date: 31/01/2024

Authorised by: \_\_\_\_\_



By the Authority of the Board

Print Name: Stephen Rodgers  
Company Secretary

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.