

31 July 2024

## June 2024 Quarterly Activities Report

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### Highlights

- **Mahalo East – lateral pilot well drilling** to commence later this quarter, funded from a \$5 million grant from the Queensland Government.
- **Mahalo North - Environmental Authority (EA)** application, requiring Queensland Government approval, is nearing completion and expected to be awarded in August. EPBC approval application is ongoing through the Federal Government.
- **Mahalo Joint Venture** - Santos and Comet Ridge working proactively to finalise select phase facilities design and capital cost optimisation as a precursor to beginning upstream FEED. Planning work with Jemena for Mahalo JV pipeline connection is ongoing with a plan to commence both FEED studies concurrently.
- **Comet Ridge position in Mahalo Gas Hub area extended** – new block awarded to Comet Ridge by the Queensland Government called Mahalo Far East Extension (ATP 2072 awarded).
- **Data Room process** – a high level of activity continued during the June quarter with multiple parties engaged in technical and commercial due diligence and structuring discussions.
- **\$16.8 million of cash** at end of June 2024 (unaudited).

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

#### a) Overview

Comet Ridge holds 100% equity in four project areas in the Mahalo Gas Hub area, and a 57.14% interest in the Mahalo Joint Venture Gas 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 - Gladstone to the east and Wallumbilla to the south (see **Figure 1**).

The Mahalo Gas Hub's high quality, shallow fairway (see **Figure 2**) has been extensively appraised and, importantly, has demonstrated excellent productivity from three separate pilot production tests. The latest, Mahalo North 1 pilot in ATP 2048 (Comet Ridge 100% equity), achieved a very impressive gas flow of 1.75 MMcfd (million cubic feet per day) from a single vertical pilot production well intersected by a dual lateral well. Comet Ridge is finalising plans to commence drilling a new lateral pilot at Mahalo East later this quarter.

## A compelling east coast gas play

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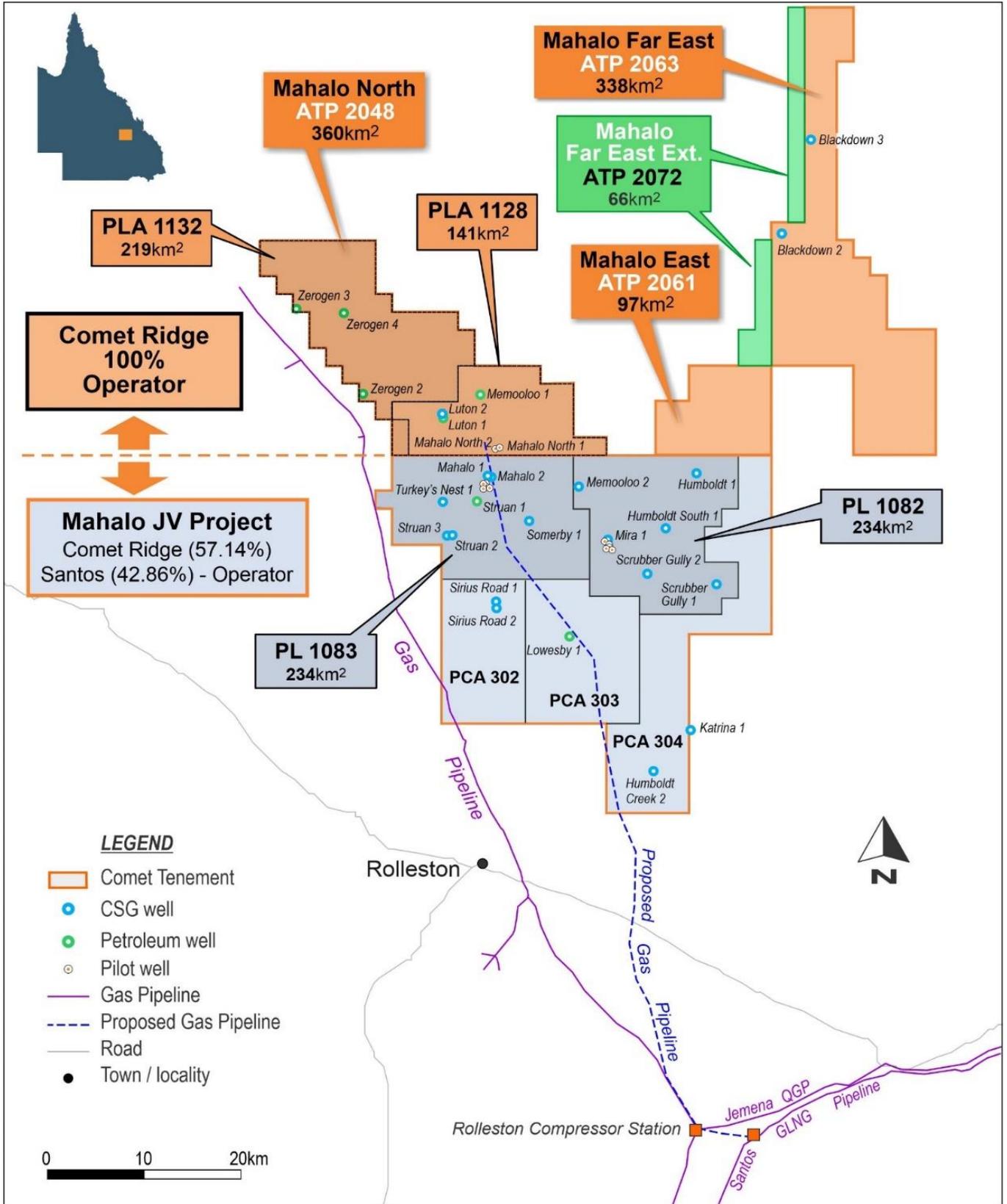


Figure 1: Mahalo Gas Hub Area (north of Rolleston) near pipeline infrastructure and gas markets, with the newly awarded Mahalo Far East Extension (ATP 2072) block shown in green

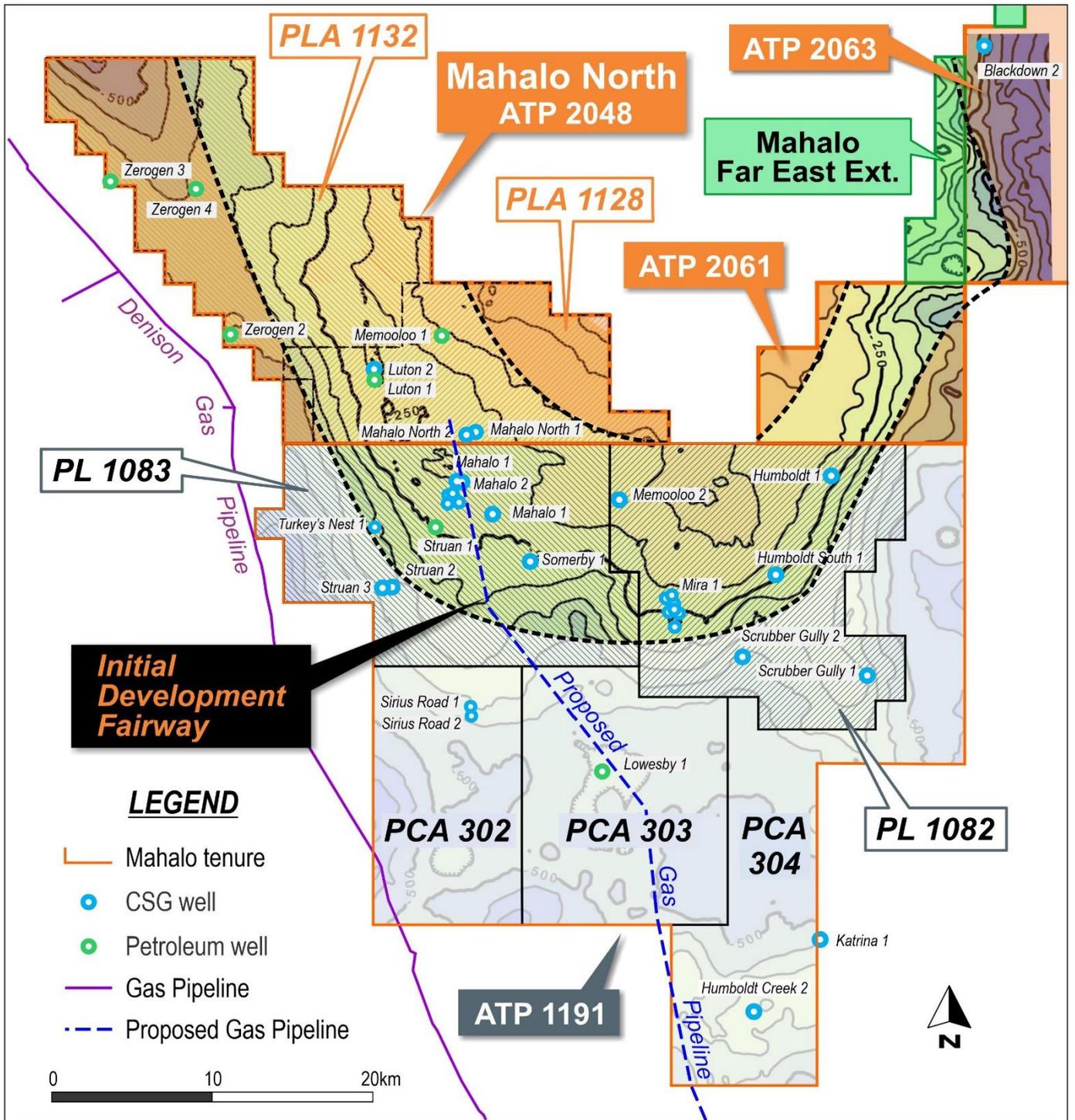


Figure 2: Mahalo Gas Hub high quality shallow fairway

### b) 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.



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 Gas Project</b> (PL 1082, 1083) (PCA 302, 303, 304)	57.14	152	262	180	294	332	556
<b>Mahalo North</b> (PLA 1128, PLA 1132, ATP 2048)	100	43	149	-	-	43	149
<b>Mahalo East</b> (ATP 2061)	100	Pilot testing to confirm		31	122	31	122
<b>Mahalo Far East</b> (ATP 2063)	100	-	-	Being evaluated		-	-
<b>Mahalo Far East Ext.</b> (ATP 2072)	100	-	-	Being evaluated		-	-
<b>Totals</b>		195	411	211	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 9 of this report.

## 2. Project Development Activities

Comet Ridge is developing its Mahalo Gas Hub assets to provide material gas supply for Australia's east coast gas market. The independently certified reserves and resources (to date) include Comet Ridge's 100% owned and operated Mahalo North and Mahalo East blocks, and the larger, Santos operated, Mahalo Joint Venture Gas Project (COI interest 57.14%). These projects will be further supplemented by planned development of gas resources from Comet Ridge's other 100% held permits at Mahalo Far East and the newly awarded Mahalo Far East Extension. Mahalo Far East and Far East Extension are yet to have resources independently certified, however have significant upside potential for feed-in gas production.

### a) Mahalo Joint Venture (Comet Ridge 57.14%) – PLs 1082 & 1083 / PCAs 302 to 304

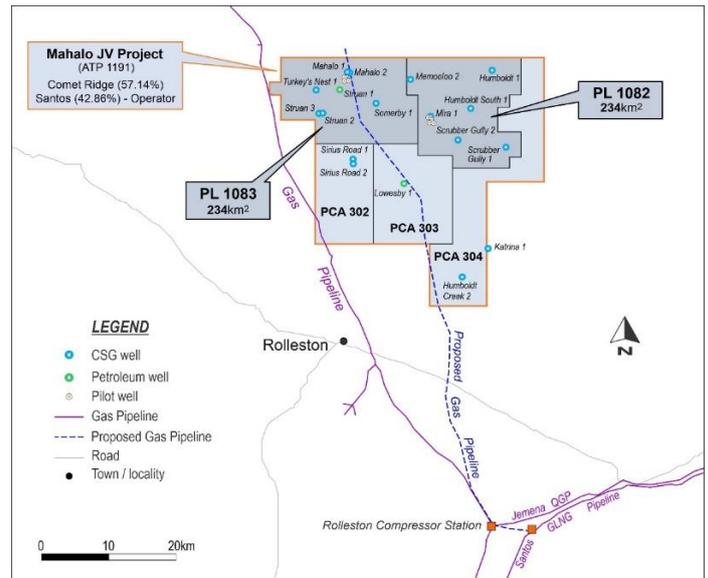
The Mahalo Joint Venture Project has the necessary scale (with 266 PJ gross 2P Reserves and 458 PJ gross 3P Reserves) to support the development of new gas compression facilities and a circa 80 km pipeline connection to both the Queensland Gas Pipeline (domestic) and GLNG Pipeline (LNG export).

The Mahalo Joint Venture (JV) participants, Comet Ridge and Santos, finalised sub-surface development planning in the prior quarter including 62 phase 1 lateral production wells. In the June quarter, work was undertaken to optimise the design and cost of drilling, field and gathering systems, and gas processing facilities. Once the select phase work is completed the next step will be for the JV participants to secure approval to commence Front End Engineering Design (FEED), targeted for the current quarter.



The Mahalo JV Project has approvals in place for gas extraction and processing, with the final step a new circa 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 (see **Figure 3**). The pipeline connection will require a Queensland Government pipeline licence and access agreements with landholders (which are underway).

Licence to develop and operate is becoming increasingly important in a net-zero environment, and projects with these permits and approvals in place will be well positioned to capture what is a significant market opportunity as demand for gas continues to grow with new supply constrained. The Mahalo JV participants are working with Jemena to commence FEED activities for the pipeline in parallel with the Santos managed gas field and facilities FEED studies.



**Figure 3 – 989 km<sup>2</sup> Mahalo Joint Venture PL and PCA areas, showing proposed pipeline connection**

### b) Mahalo North (Comet Ridge 100%) – ATP 2048, PLA 1128 and PLA 1132

Comet Ridge has applied for two Petroleum Leases (PLs) within Mahalo North (PLA 1128 and PLA 1132) to secure long-term tenure and to progress development activities. The first and most advanced of these application areas, PLA 1128, will be the initial development area as shown in **Figure 4** below. Comet Ridge is undertaking FEED activities for PLA 1128, however construction activities cannot commence until environmental approvals are secured and a Petroleum Lease is awarded.

Queensland coal seam gas developments are required to achieve two separate, highly detailed environmental assessments (with subsequent approvals) at both state and federal levels prior to development. The Queensland Government EA is expected to be awarded in August 2024, which can then enable the grant of Petroleum Lease 1128 (the initial Mahalo North development area) by the Queensland Department of Resources.

In relation to approval under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC), a referral was submitted in October 2023 to the Federal Department of Climate Change, Energy, the Environment and Water (DCCEEW) under the EPBC Act for initial development activities within PLA 1128. The referral entered the public notification process in February 2024, however DCCEEW extended the decision notice period. A decision was made by DCCEEW that the referral will proceed as a controlled action and a very detailed preliminary request for further information was provided to Comet Ridge.

A non-controlled action application by Comet Ridge was expected to be concluded by end of 2Q 2024, however the controlled action decision could delay approval beyond 4Q 2024. Comet Ridge is preparing its response to DCCEEW in relation to its detailed information request. The scope also includes drilling new groundwater monitoring bores, which is currently underway by Comet Ridge. Monthly water monitoring information will need to be provided as part of the EPBC approval process.

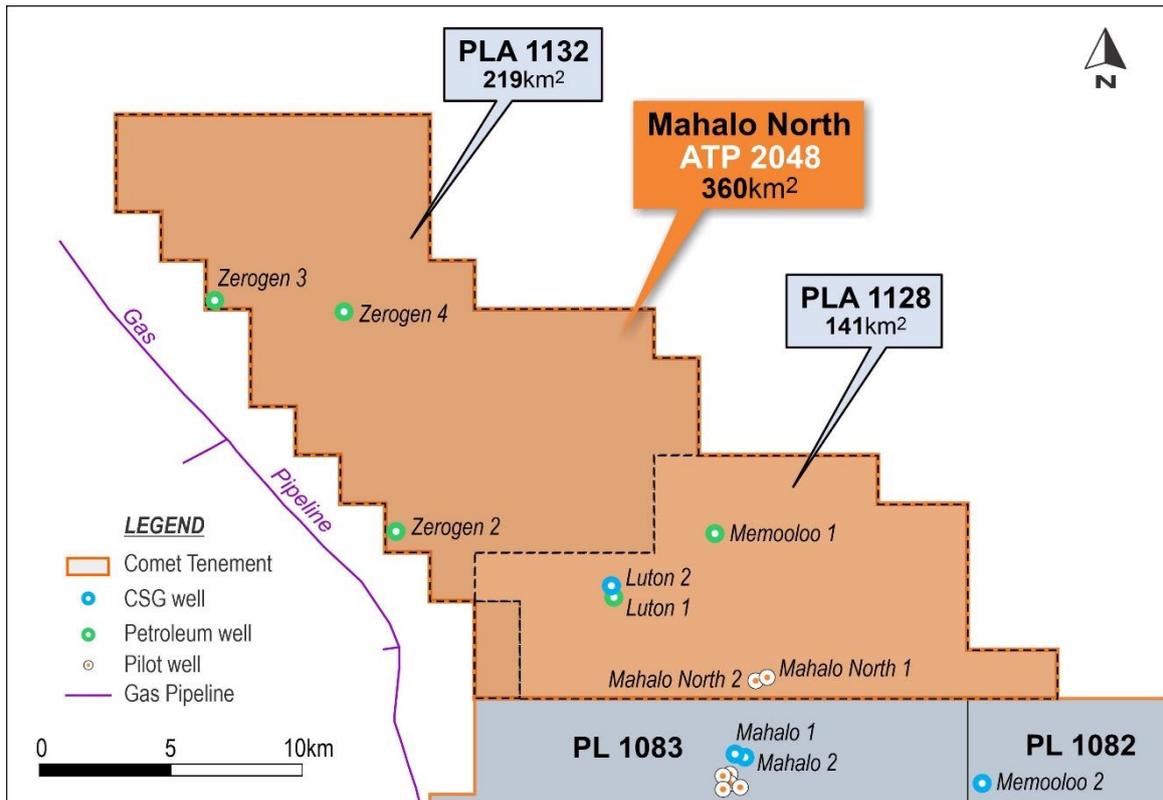


Figure 4: Initial Mahalo North PL application area (PLA 1128) and second PL application area (PLA 1132) to the north

### c) Mahalo East (Comet Ridge 100%) – ATP 2061

During the quarter, Comet Ridge was awarded a \$5 million grant from the Queensland Government to undertake a pilot production test in the Mahalo East block (ATP 2061). The Queensland Government has made a total of \$21 million available to four separate operators under the Frontier Gas Exploration Program to support exploration in the Bowen Basin.

Mahalo East currently has independently certified 2C (31 PJ) and 3C (122 PJ) Contingent Resources and the pilot test is the next step in positioning the project for development. Comet Ridge will use the \$5 million grant to drill and test this new pilot scheme, comprising a vertical production well and a lateral (horizontal) well. The new pilot (with the well location shown in *Figure 5*) will be installed similarly to Comet Ridge’s successful Mahalo North pilot, with a trial of enhanced steering technology to improve lateral well length and design. This technology can then be applied more widely across the Mahalo Gas Hub and the Bowen Basin.

During the June quarter, Comet Ridge finalised the planning steps necessary to undertake drilling operations, including negotiating and executing a new Compensation and Conduct Agreement with the landowner, and selecting a preferred drilling contractor for the operations. Comet Ridge plans to commence drilling later this quarter, subject to weather and final rig availability.

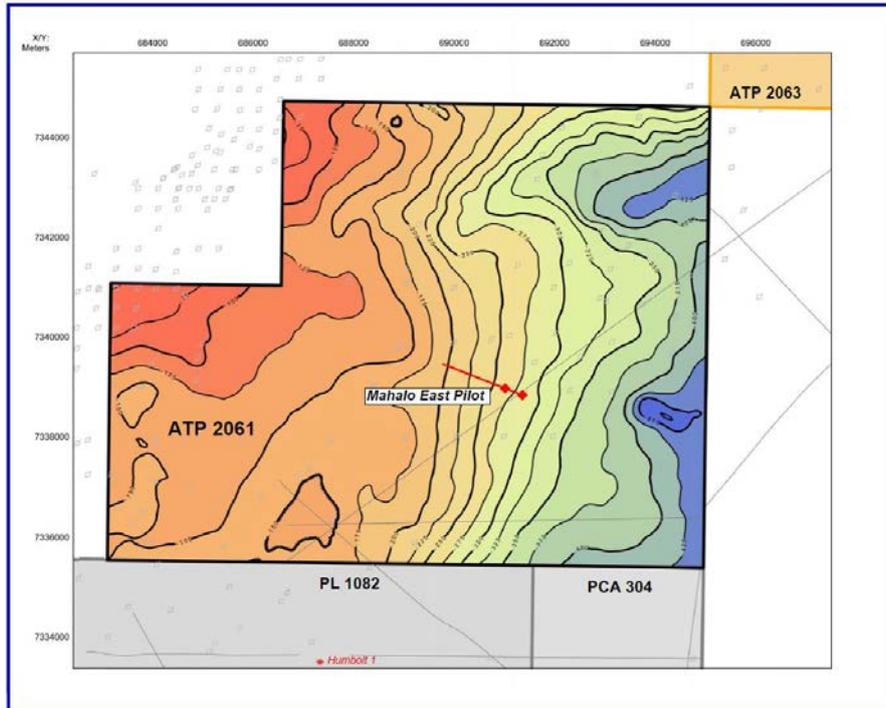


Figure 5: Location of the proposed lateral pilot well within Mahalo East (ATP 2061)

#### d) Mahalo Far East Extension (Comet Ridge 100%) – ATP 2072

Comet Ridge announced in the June quarter that it was selected by the Queensland Government as preferred tenderer for an additional gas block in the Mahalo Gas Hub area.

The new block, called Mahalo Far East Extension, covers an area of 66 km<sup>2</sup> and sits immediately north of Mahalo East and west of Mahalo Far East (see *Figure 6*), approximately 85 km south-east of Emerald. The southern portion of the new block is within the Mahalo Gas Hub high-quality fairway, which will add future production wells into the Mahalo Gas Hub development plan. This new block does not contain any domestic market supply obligations.

Comet Ridge announced on 22 July 2024 that an Authority to Prospect was awarded for the new block, being ATP 2072.

The new block award and recent Mahalo East grant funding are further endorsement from the Queensland Government of the significant position that Comet Ridge has established in the Mahalo Gas Hub area within the Bowen Basin, and its potential to be the next gas development area to supply gas to the Queensland domestic gas market.

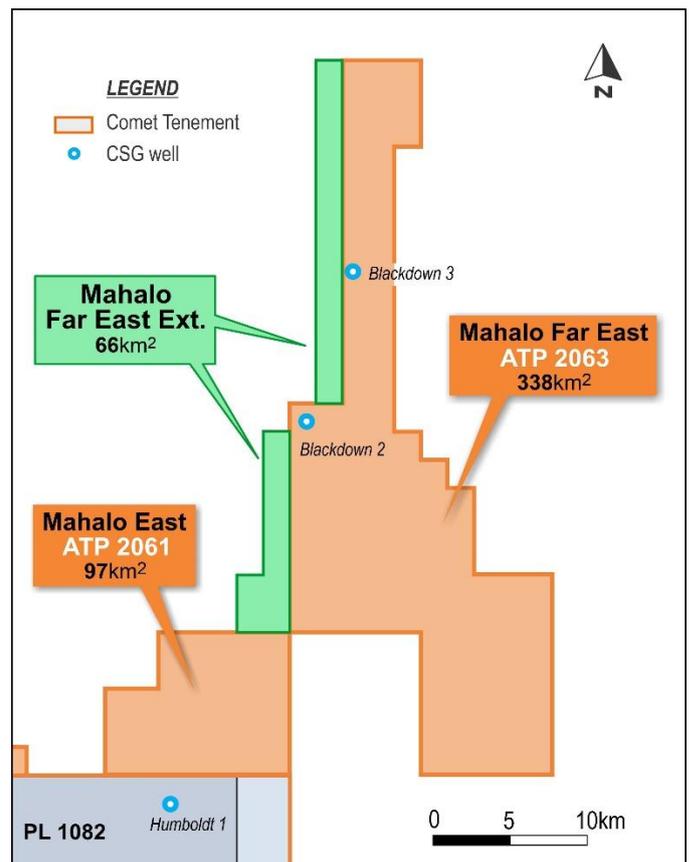


Figure 6: New Mahalo Far East Ext block (ATP 2072)



### 3. Corporate Activities

#### a) Data Room Process

During the June quarter, Comet Ridge continued to engage with third parties in relation to a range of possible transactions from project funding, infrastructure access, additional gas supply and prepayment through to sale of project equity and corporate level transactions. Whilst due diligence activities and discussions continue to be productive, the discussions are 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.

#### b) Gas Marketing

Comet Ridge has been in active discussions with multiple gas market users during the quarter for additional gas sales agreements (GSAs). The counterparties include industrial gas users, power generators and gas retailers. Comet Ridge plans to finalise these negotiations into new GSAs, concurrent with commencement of FEED at Mahalo JV.

#### c) Cash Position and Debt Facilities

At 30 June 2024, Comet Ridge had \$16.8 million cash on hand (unaudited).

Comet Ridge's secured debt facilities (see **Table 2**) with PURE Asset Management (PURE) were unchanged during the June 2024 quarter.

Lender	Amount Drawn	Maturity date	Comments
PURE Asset Management Pty Ltd (secured loan)	\$9.5m	17 Sep 2025	PURE has 62.1m warrant shares exercisable at an average price of \$0.153 per share. Upon exercise, Comet Ridge will receive \$9.5 million of cash which can be used to repay the loan amount.

Table 2 – Comet Ridge debt facilities

#### d) Payments to Related Parties

The aggregate value of payments to related parties and their associates of \$250k for the June 2024 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).

#### e) Shares and Performance Rights

At 30 June 2024, the total number of securities on issue was:

- **Ordinary shares:** 1,107,801,434 (no change during the June quarter);
- **Performance rights:** 3,890,000 (following lapse of 110,000 rights during the June quarter); and
- **Warrants:** 62,121,212 (no change during the June 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 and the larger Mahalo Gas Project, in joint venture with Santos QNT Pty Ltd (as the Development Operator). These projects will be further supplemented by planned development of gas resources from Comet Ridge's other 100% held permits, Mahalo East, Mahalo Far East and the newly awarded Mahalo Far East Extension.*

*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, 19 December 2022 and 20 December 2023. 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, PL 1083; PCA 302, PCA 303, PCA 304, 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.

## 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")

**30 June 2024**

<b>Consolidated statement of cash flows</b>		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for:		
	(a) exploration & evaluation	(100)	(183)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(340)	(1,331)
	(e) administration and corporate costs	(316)	(1,808)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	73	195
1.5	Interest and other costs of finance paid (see note 6)	(286)	(1,187)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other - JV recoveries	11	(29)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(958)</b>	<b>(4,343)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(3)	(3)
	(d) exploration & evaluation	(1,873)	(4,715)
	(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)	(12)	96
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,888)</b>	<b>(4,622)</b>

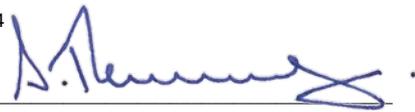
<b>Consolidated statement of cash flows</b>		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	15,545
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(19)	(955)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(500)
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>(19)</b>	<b>14,090</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	19,641	11,651
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(958)	(4,343)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,888)	(4,622)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(19)	14,090
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>16,776</b>	<b>16,776</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	16,776	19,641
5.2	Call Deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<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>16,776</b>	<b>19,641</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 at quarter end	Amount drawn at quarter end
<i>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.</i>		\$A'000	\$A'000
7.1	Loan facilities	9,500	9,500
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	<b>Total financing facilities</b>	<b>9,500</b>	<b>9,500</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.		
Lender: Pure Asset Management Pty Ltd Loan facility: \$9,500,000 Interest Rate: 12% p.a. Maturity Date: 17 September 2025 Secured loan			

<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)	(958)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,873)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(2,831)
8.4 Cash and cash equivalents at quarter end (item 4.6)	16,776
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	16,776
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>6</b>
<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>	
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:	
<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>	

**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: 31/07/2024

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.
6. Interest and other finance costs reported in the current quarter include the December quarter loan interest of \$299k paid in January 2024.