



**24 November 2016**

## **CHAIRMANS 2016 ANNUAL GENERAL MEETING ADDRESS**

Good morning, and welcome to the 2016 Annual General Meeting of Comet Ridge Limited.

Shortly I will report on our strategy and our expectations for the coming year. I will be followed by our Managing Director, Tor McCaul who will discuss our key assets.

But first, I would like to express, on behalf of the board and management, our appreciation for the loyalty and support of shareholders. I firmly believe that the current share price does not reflect the value of Comet Ridge's three key assets, namely the:

- Mahalo gas project
- Albany and Lake Galilee conventional gas structures in the Galilee Basin
- Gunn coal seam gas project in the Galilee Basin

Comet Ridge, very early on recognized the looming drastic shortage in the supply of gas in the eastern Australia market. As a result, the Company developed or progressed our three significant gas projects. I do not believe there is any energy company in our peer group in Australia that has projects of our quality and potential.

When I stood before the AGM last year we were very excited about the success of the Mahalo horizontal well which proved the commerciality of the Mahalo field. We were expecting to see rapid progress towards booking significant reserves and the development of the field. Whilst I am extremely pleased that our belief in the potential of Mahalo has been realised, I am very disappointed that we have not made more progress in commercialising the project.

During 2016 our Joint Venture partners were focused on getting their LNG schemes up and running and considering how Mahalo fitted into the next tranche of gas was not a priority to them. Now that all the LNG trains are running we are pleased that the future of Mahalo is getting much more attention. We are in regular communication with our joint venture partners who do recognize the significance of Mahalo and we hope to be able to announce a plan forward in the near future.

As Tor will elaborate on, Albany (located in ATP 744) being a sandstone project with a low cost of appraisal and development is very prospective.

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Comet Ridge controls 100% of the Albany prospect and we are in discussion with a number of potential gas buyers with a view to funding the appraisal and development of the field, having during the year negotiated a MOU with APA to investigate the logistics of bringing this gas to market.

The Gunn coal seam gas project with 1870 PJ of 3C resources will be a significant supplier of gas to the LNG projects and the east coast domestic market in the future but due to the cost of our planned pilot program necessary to book reserves, it is behind our other projects in order of priority. We applaud Galilee Energy (ASX:GLL) for the successful implementation of its horizontal well in the Glenaras project to our west.

Significantly expanding reserves in Mahalo and booking first reserves at Albany is our key focus this financial year. There is no doubt that this gas will be extremely valuable in the current market.

Apart from acknowledging the loyalty of shareholders who have stayed the distance, I also express appreciation for the support given by shareholders to our recent capital raising either through the \$1.4M placement or \$1M entitlement issue.

The Company continues to be led by a very experienced management team and board. The board was strengthened recently with the addition of Michael Dart. Welcome Michael.

I assure all shareholders that despite the lack of recognition by the market, our Managing Director Tor McCaul and his small team has worked tirelessly to progress our projects. We are very confident that future progress will be quickly and strongly reflected in our share price. On behalf of the board, and shareholders generally, thank you Tor and your team.

Your board and management team remain committed to implementing our strategy and delivering the consequential increases in value for all shareholders.



James McKay

Chairman of Directors