



... Positioned for Growth



20 October 2014

Comet Ridge Limited completes Institutional Placement raising \$8 million and launches Share Purchase Plan to raise up to an additional \$2 million

- **Institutional Placement raising \$8 million well supported by new investors and existing shareholders**
- **Funding in place for upcoming Mahalo appraisal program to build reserves and gas deliverability commencing with a horizontal pilot well to spud in November 2014**
- **Eligible shareholders on the register on 17 October 2014 are invited to participate in a Share Purchase Plan to raise up to an additional \$2 million**

Comet Ridge Limited (**ASX:COI**) is pleased to announce the successful completion of an \$8 million placement to institutional and sophisticated investors of 59.3 million shares (representing 11.4% of current shares on issue) at \$0.135 per share ("**Placement**"). The Placement received strong support from existing and several new institutional and sophisticated investors. Net proceeds of the Placement will be predominantly applied to further appraisal at the Mahalo Project to build 2P and 3P reserves and gas deliverability.

The Mahalo Project is Comet Ridge's priority project and considered strategic on the basis of its location adjacent to infrastructure connecting to the Gladstone LNG and domestic markets, characterised by significant gas supply requirements and rising prices. Comet Ridge's recent initial independent reserve booking and significant upgrade to the contingent resource position at Mahalo confirms the commerciality of the field and what is expected to become a material gas supply source for LNG train optimisation and expansion or for the domestic market.

Commenting on the outcome of the Placement, Managing Director Tor McCaul said, "The board and I would like to thank our existing shareholders for their continued support and are very pleased to welcome to our register a number of new investors, signalling a vote of confidence in the near term upside of the Mahalo Project and the long term strength in the East Australian gas market.

Following completion of the Placement, we will have funding in place for our 2014/2015 appraisal programme which focuses on building additional reserves and production capacity at the Mahalo Project. The programme has been designed to continue to produce gas and further dewater the Mahalo and Mira Field Pilots, whilst drilling strategically located additional wells to enhance deliverability and build a significant reserves base. This will commence with the spudding of a horizontal (surface to in-seam) pilot production well in November to accelerate dewatering and gas production and demonstrate an appropriate well type for field development.

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ASX CODE: COI

The Mahalo 7 horizontal well will intersect the existing Mahalo 6 vertical pilot well through the coal reservoir, providing connection to over 500 metres of coal. The Mahalo 6 vertical well is already connected to water and gas lines, water tanks and gas flare facilities, therefore reducing capital spend requirements.”

Further details of the Placement and Mahalo Project are set out in the Capital Raising Presentation which has been lodged with the ASX today.

Comet Ridge’s Chairman and Managing Director have applied to participate in the Placement for \$0.35 million. As such, settlement of this amount will be deferred until shareholder approval is sought at COL’s upcoming AGM.

Comet Ridge is offering existing eligible shareholders the opportunity to participate in a Share Purchase Plan (“SPP”) to raise up to a further \$2 million at the same issue price as institutional and sophisticated investors paid under the Placement. Any additional funds raised from the SPP will be applied to working capital and any additional Mahalo appraisal programme costs.

Eligible shareholders recorded on the register at 5.00pm (Brisbane time) on 17 October 2014 will be entitled to apply for up to 111,111 shares at \$0.135 per share for a maximum investment of \$15,000 free of brokerage and other related transaction costs.

Participation in the SPP is entirely optional and is open to all shareholders other than shareholders who have registered addresses in countries outside Australia where regulatory requirements make participation by the shareholder unlawful or impracticable. The Directors have determined that shareholders whose registered addresses are outside Australia and New Zealand will be unable to participate in the SPP.

Pursuant to the Terms and Conditions of the SPP, eligible shareholders will be offered the option to acquire \$1,000, \$2,500, \$5,000, \$7,500, \$10,000 or \$15,000 in shares.

The Company will apply for quotation of the New Shares on ASX, which will rank equally in all respects with existing Comet Ridge fully paid ordinary shares.

Comet Ridge may, in its absolute discretion, allocate less than the number of shares applied for and determine to apply the scale back to the extent and in the manner that it sees fit. Any unallocated funds will be returned to applicants without interest in this case.

The Placement and indicative SPP timetable is shown below. An SPP Offer Booklet and Acceptance Form will be sent to eligible shareholders on Monday 27 October 2014.

Timetable for the Placement and Share Purchase Plan

Record Date for participation in the SPP	Friday 17 October 2014
Settlement of unconditional Placement shares	Thursday 23 October 2014
Allotment and quotation of Placement shares	Friday 24 October 2014
SPP Offer Booklet and Acceptance Form dispatched to eligible shareholders	Monday 27 October 2014
SPP offer opens	Monday 27 October 2014
SPP offer closes	Monday 17 November 2014
Allotment of new shares under the SPP	Friday 21 November 2014
Commencement of trading of SPP shares	Tuesday 25 November 2014
Settlement of Placement shares subject to shareholder approval (ie. Director participation)	Monday 1 December 2014

The above timetable is indicative only and subject to change. Comet Ridge Limited reserves the right to extend the closing date for the SPP, to accept late applications either generally or in particular cases or to

withdraw the SPP without prior notice. The commencement of quotation of new securities is subject to confirmation from the ASX.

Ord Minnett Limited was the Lead Manager for the Placement. Integra Advisory Partners acted as Comet's Corporate Advisor and McMahon Clarke as Legal Advisor.

A handwritten signature in blue ink, appearing to read 'S. Rodgers', followed by a period.

Stephen Rodgers
Company Secretary
Comet Ridge Limited

For further information please contact:

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COMET RIDGE LIMITED – OVERVIEW

Comet Ridge Limited has significant Coal Seam Gas (CSG) projects in key regions of Queensland, northern New South Wales and New Zealand, as well as oil and gas interests in the United States. Gas resources have been certified, by independent professional certifiers, at four projects and gas reserves were recently certified at the Mahalo project in Queensland. The company is listed on the Australian Securities Exchange (ASX Code: COI) and is based in Brisbane. The Board and Management are experienced in establishing and developing energy projects.

Corporate Strategy

Comet Ridge has gained early entry into well-located exploration areas, allowing shareholders to gain substantial leverage into the upside value potential associated with exploration success.

Comet Ridge conducts CSG exploration and appraisal, with the aim of maturing exploration acreage from Gas Resources into Proven and Probable Gas Reserves. This process initially involves drilling wells in order to certify Prospective and Contingent Resources and then through further appraisal via Pilot Projects, with the intention of progressing into certified Reserves.

Where possible, Comet Ridge takes high equity positions in its large exploration permits, including a 100% interest in two blocks in the Galilee Basin and a block in New Zealand. Comet Ridge has 40%* equity in the ATP 337P Mahalo Block in the Bowen Basin, and CSG equity of 22.5%, 50% and 60% respectively in PEL 6, PEL 427 and PEL 428 in the Gunnedah Basin in New South Wales.

Work Program

Comet Ridge has an active exploration and appraisal work plan for CSG projects in eastern Australia, focused on the conversion of contingent resources to reserves.

** Subject to execution of assignment deed in relation to the transfer of Stanwell Corporation's 5% equity interest in Mahalo to COI in connection with the recently announced buy-back. COI's current legal interest in Mahalo is 35%.*

