



27 November 2014

CHAIRMANS 2014 ANNUAL GENERAL MEETING ADDRESS

It gives me great pleasure to deliver the Chairman's address at Comet Ridge's Annual General Meeting.

The past year has been exciting for Comet Ridge and I believe your Company is poised for a great 2015.

Highlights during the 2013/14 year and since include

- Dewatering operations were undertaken at our Mahalo and Mira pilots with increasing gas rates observed
- Stanwell's interests in Mahalo were brought back
- A successful appraisal well, Harrington was completed in the Galilee
- the NSW Government announced a framework to restart the coal seam gas industry in that state that should allow our Gunnedah project to finally move forward

In addition, in October Comet Ridge successfully raised over \$9m via an institutional placement and share purchase plan. This raising ensures that Comet is funded going forward.

We believe the driver of increasing shareholder value in the short term will be progress in the Mahalo Project. After a number of frustrating years where technical difficulties stopped Mahalo reaching its potential, we are very excited with recent developments at the project. As shareholders would know, Santos as operator has just completed a horizontal well, Mahalo 7. We believe this will be transformational in the development of the project.

Significantly we recently announced Mahalo's first 2P reserve of 22 PJ's and 3P reserve of 124 PJ's and a substantial increase in the 2C resource to 328 PJ's. All of these numbers are Comet Ridge's share.

Tor will of course give a lot more detail on these achievements and milestones.

The eastern Australian gas market has been traditionally oversupplied with a large gas reserve and a relatively small gas market. This has caused our gas prices to be low compared to most parts of the developed world. QCLNG's first LNG cargo which is expected to leave Gladstone next month is a significant milestone that fundamentally alters this dynamic.

Comet Ridge's view remains that some, if not all of the three LNG consortia are substantially short of gas to keep their trains full over the coming years. Significant commercial and productive reserves at Mahalo will be very valuable asset.

I would like to express my appreciation for my fellow non-executive directors, all of whom contribute greatly to your Company.

Before asking our Managing Director, Tor McCaul to address the Meeting, I wish to acknowledge Tor's excellent leadership, dedication and passion for the development of Comet Ridge.

I thank you for your support and I call on the Managing Director to address the meeting and deliver his report on the current and future operations of your Company.

A handwritten signature in black ink, appearing to read 'James McKay', with a stylized, cursive script.

James McKay

Chairman of Directors