

22 November 2019

New deal seeks to connect early gas from Mahalo North Project to market by 2021

Comet Ridge's Mahalo North Project is a step closer to market after the company signed a non-binding letter of intent with adjacent gas producer and infrastructure owner Denison Gas (Queensland) Pty Ltd today to explore possible options, for the provision to Comet Ridge, of gas processing and transport services.

The deal will allow discussions for up to 10 terajoules per day (TJ/d) of gas to be processed and transported from Comet Ridge's recently awarded Mahalo North block (100% & operated) via the Denison Gas Pipeline, which runs down the western side of Mahalo North and connects to the Queensland Gas Pipeline that links to Gladstone and the domestic market.

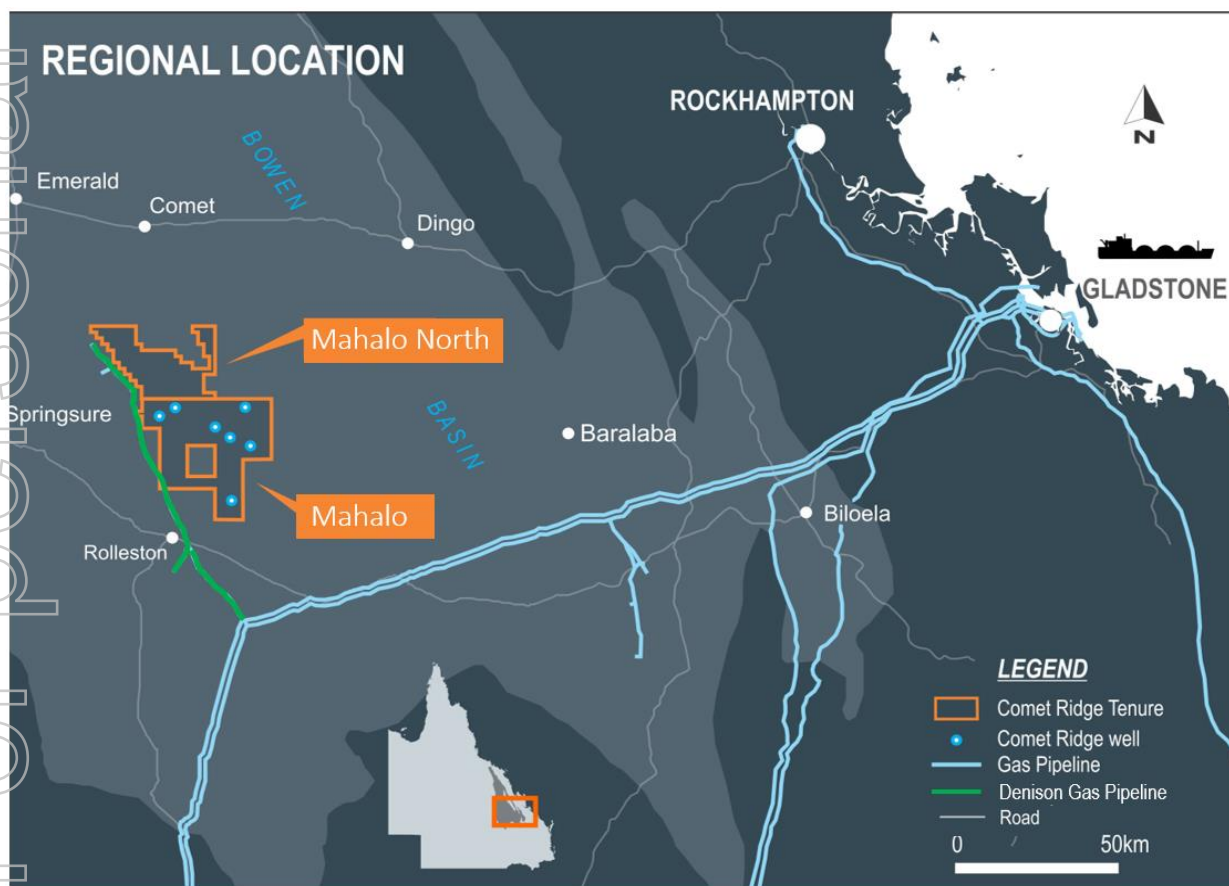


Figure 1 – Denison Gas Pipeline running from Mahalo North and Mahalo Gas Projects to connect with the Queensland Gas Pipeline.

A compelling east coast gas play

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Denison Gas is in the process of restarting production from its 100% owned North Denison fields and has installed capacity to process and to deliver up to 30 TJ/d into the Queensland Gas Pipeline. The discussions will relate to near term excess capacity in the Denison Gas infrastructure.

Comet Ridge Managing Director, Tor McCaul, said first gas from its flagship Mahalo Project remained a priority for the company but early gas from its neighbouring Mahalo North had strong economic appeal.

“If we can build up to 10 TJ/d of gas to market from the Mahalo North block, commencing in the first part of 2021, we can generate solid revenue for Comet Ridge” Mr McCaul said.

“We could realise this goal with minimal spend, including a short tie-in connection that could be just several kilometres long.

“The offtake of gas from Mahalo North would be lower than offtake planned from the larger Mahalo Project but offers us a much higher equity level for gas sales.

“We can also support the Queensland Government’s policy of supplying gas for the local market,” Mr McCaul said.

Mr McCaul said Mahalo’s development fairway could be traced up into the new Mahalo North block through the same coal reservoir and prior exploration implied that gas in the shallow coals extended into the new area.

“Comet Ridge has divided the initial development fairway at Mahalo North into two zones. The zone around and south of Luton 2, and contiguous with the Mahalo Gas Project, will be targeted for initial evaluation,” he said.

“The northern zone in the fairway requires additional delineation by appraisal drilling and seismic data acquisition and will be evaluated while the southern zone is brought into production.”

Work on the ground and drilling of coal seam gas wells is expected to commence before mid 2020, once the Environmental Authority has been approved and the ATP gazetted.

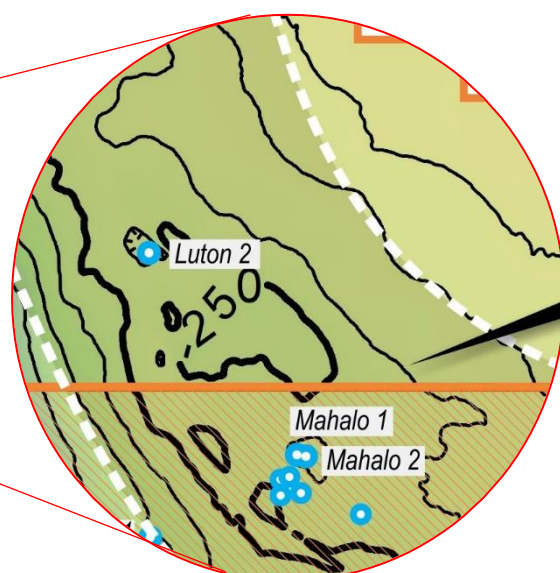
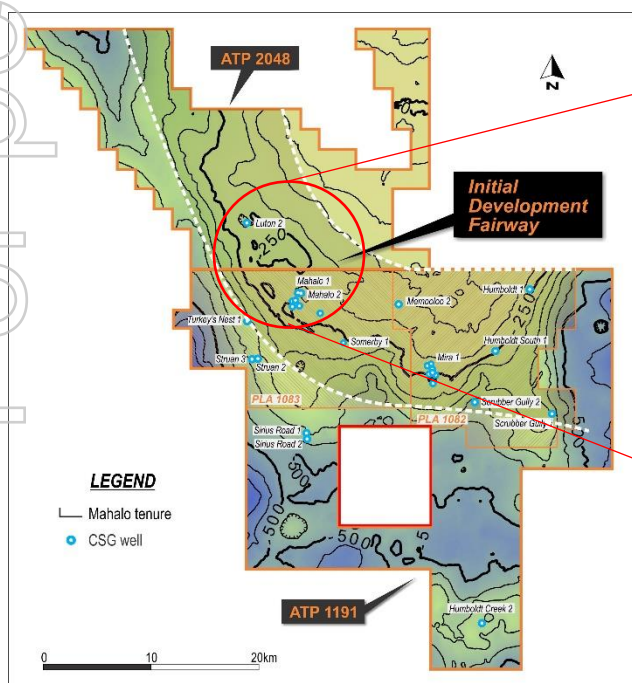


Figure 2 – Coal seam gas fairway running up from the Mahalo Gas Project into Mahalo North.



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About Comet Ridge

Comet Ridge Limited is a publicly-listed Australian energy company focused on the development of gas resources for the east coast Australian market. The company has tenement interests and a suite of prospective projects in Queensland and New South Wales. Our flagship Mahalo and Mahalo North projects are low cost, sales spec gas plays close to Gladstone, targeting first gas by 2021. Our exploration assets in the Galilee and Gunnedah basins offer further upside amid increasing domestic and international demand for gas as a source of cleaner energy.