



26 June 2018

Comet Ridge Limited

Mira 6/2 Gas Production Update

- **Gas Rate at Mira 6/2 horizontal-vertical well exceeds 1,400,000 scf/d**
- **Recorded flow rate very pleasing from relatively short horizontal well section in single coal**
- **JV finalising agreed work programme, planning September spud**

Comet Ridge Limited (ASX:COI) is pleased to advise that the recorded flow rate from the Mira 6/2 horizontal vertical-well combination has exceeded 1,400,000 scf/d (standard cubic feet of gas per day), with a water rate of only 30 bwpd (barrels water per day).

The Mira 6 horizontal well drilled in November 2017, has an in-coal seam length of 924 metres and is drilled into a single seam of coal. Approximately half way along this horizontal length, the well intersected the Mira 2 vertical well. Figure 1 details the intercept and also that gas and water from the coal reservoir are flowing horizontally into the Mira 2 vertical well bore and then to surface.

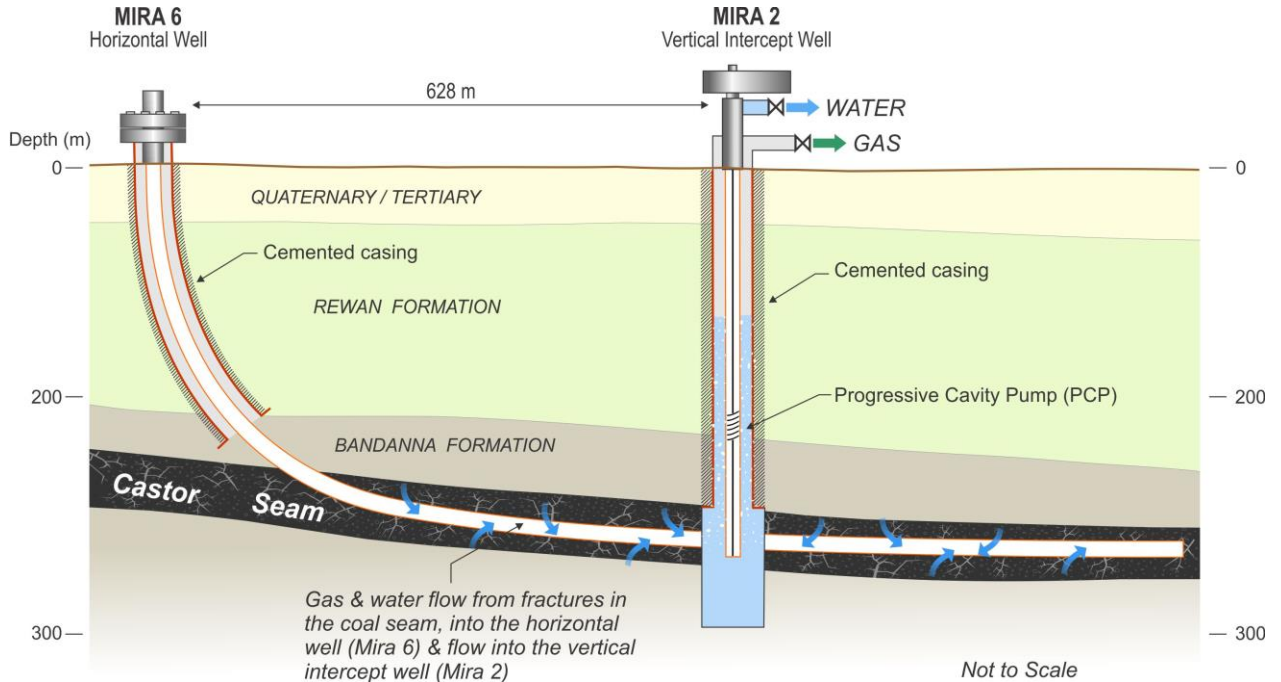


Figure 1 – Cross-section view of Mira 6 actual well path (not to scale) with wellbore inside the coal seam

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In recent weeks, Comet Ridge has continued to work with its Joint Venture partners to reduce back pressure in the surface facilities. Pleasingly, recent adjustments to the surface flare facility have continued to reduce back pressure and has allowed more gas to flow, as evidenced by the recent improvement to over 1,400,000 scf/d.

Comet Ridge Managing Director, Tor McCaul, said that the Mira 6 horizontal well has significantly exceeded his own expectations for production performance. He added that “To get a flowrate of over 1.4 million standard cubic feet per day from a very shallow, single seam well like this, is a tremendous result, but to get it from a well that is only about 900 metres in coal is particularly pleasing, given that development well lengths on a number of other fields are in the 1500 to 1800 metre range.”

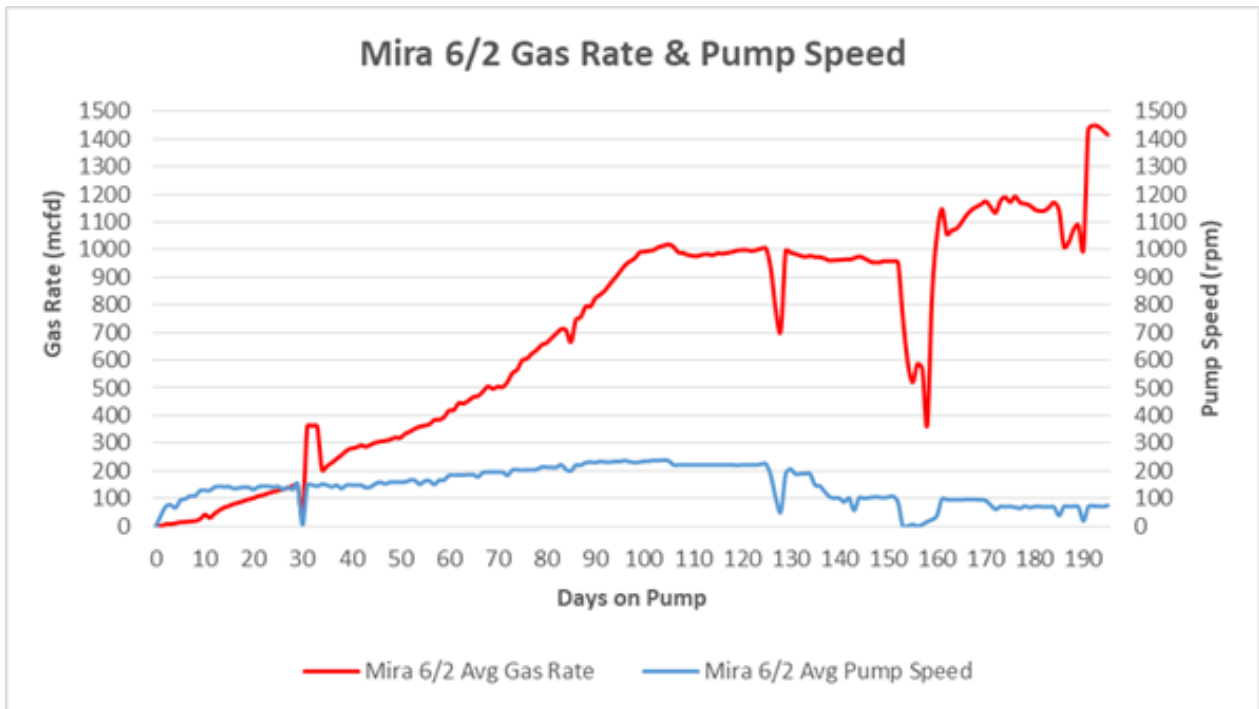


Figure 2 - Mira 2 Gas and Water Rate Chart

There are a number of elements to this well that provide guidance that the economics of the Mahalo project should be strong, including:

- ✓ Pump speed has been reduced with a corresponding decrease in water rate. This is in line with observed water production rates in the Mahalo area that are low. This should result in low water handling costs and workover requirements.
- ✓ 1,400,000 scf/d has been delivered via a single lateral well, approximately 900 metres long, targeting one zone. Performance of the well could be improved by increasing the length of the well and targeting multiple zones.
- ✓ The outstanding flow rates demonstrated by Mira 6 should result in a reduction in the number of wells and the amount of associated surface infrastructure required to drain the project area, thereby reducing capital requirements.

2018 Work Programme

Mr McCaul also added that the Joint Venture is currently putting the final touches on a plan to drill several wells commencing in September, which includes the Mahalo block’s first long dual horizontal well which could effectively be the development well style that is replicated many times across the block in the future.

The Mahalo project is located approximately 240 km west of Gladstone in the southern Bowen Basin. The Project is close to infrastructure with pipeline connections to the Gladstone domestic and LNG market a short distance to both the west and south of the two pilot schemes.

Equity participants in ATP 1191 Mahalo Coal Seam Gas are Comet Ridge Mahalo Pty Ltd (40%), Australia Pacific LNG Pty Ltd (30%) and Santos QNT Pty Ltd (30%).



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COMET RIDGE LIMITED – OVERVIEW

Comet Ridge Limited has a 40% interest in the Mahalo Coal Seam Gas (CSG) project located in ATP 1191 in Queensland's Bowen Basin. The Company is currently acting as agent for the Exploration Operator to manage work in the block. The Company also holds a 70% effective interest (consequent on the successful Farm-in of Vintage Energy Limited) in the Albany conventional gas project and 100% in the Gunn CSG project in the Galilee Basin (ATP 743, ATP 744 and ATP 1015). The Company also has CSG equity of 29.55%, 59.09% and 68.42% respectively in PEL 6, PEL 427 and PEL 428 in the Gunnedah Basin in New South Wales. Gas resources have been certified by independent professional certifiers at several projects, and gas reserves were certified in 2014 and expanded in 2015 and 2018 for the Mahalo project. 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. Comet Ridge's early entry into well-located exploration areas, has allowed shareholders to gain substantial leverage into the considerable upside value potential associated with exploration success.



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