



18 December 2015

Mahalo 7 Horizontal Well Production continues to increase significantly

- **Single well gas rate passes 299,000 scf per day**
- **Well performance continues strong upward trend**
- **Other Mahalo vertical wells remain offline but planning for re-start underway**

Comet Ridge Limited (ASX:COI) wishes to provide an operational update on the progress of the Mahalo 7 horizontal surface to in-seam well project. The Mahalo 7 horizontal well is being produced in combination with the Mahalo 6 vertical intercept well, via the pump in Mahalo 6.

A series of small pump speed increases have been applied to the Mahalo 6 well since October, resulting in immediate and significant increases in gas rate. The gas rate has now passed 299,000 scf/d (standard cubic feet per day) and continues to increase – see Figure 1.

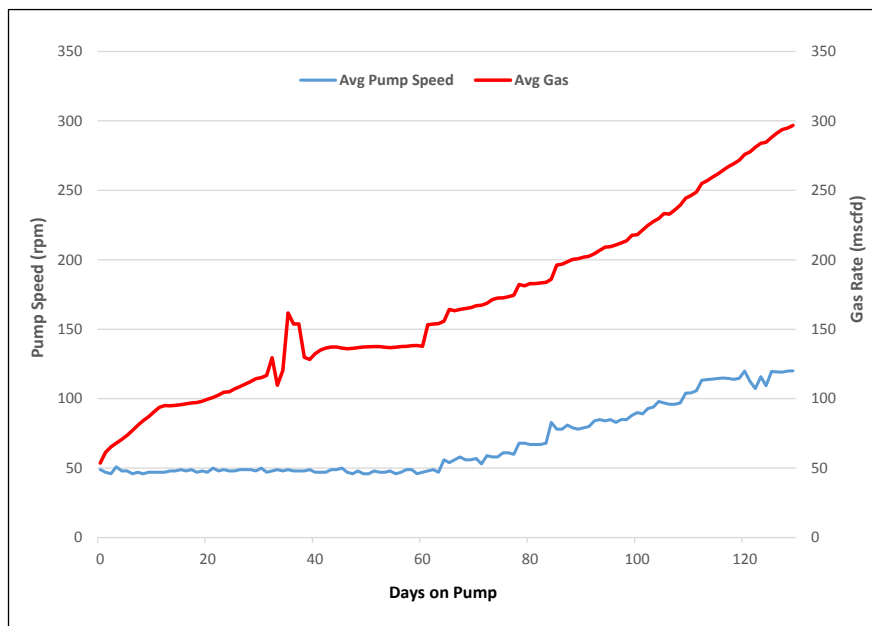


Figure 1 - Mahalo 6 and 7 gas flowrate and pump speed

The Company is very pleased with the gas production demonstrated by this well in a relatively short space of time. Comet Ridge Managing Director, Tor McCaul, said that this horizontal well is a proof of concept well and therefore is only contacting approximately 360 metres of coal.

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ASX CODE: COI

A development style well commonly is 1200 metres or longer, therefore development horizontal wells in this area would be expected to contact significantly more coal with proportionally higher gas rates.

The three vertical pilot wells in the Mahalo pilot have been shut in for several months to monitor bottomhole pressure as part of the evaluation of the pilot scheme. Planning for bringing these vertical wells back onto production sequentially is occurring, with that process likely to commence over the coming weeks.

Equity participants in ATP 337P Mahalo are Comet Ridge Mahalo Pty Ltd (40%), Australia Pacific LNG Pty Ltd (30%) and Santos QNT Pty Ltd (30%).

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

Stephen Rodgers
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COMET RIDGE LIMITED – OVERVIEW

Comet Ridge Limited has significant Coal Seam Gas (CSG) projects in key regions of Queensland and northern New South Wales. Gas resources have been certified, by independent professional certifiers, at three projects and gas reserves were certified in 2014 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. Comet Ridge has 40% equity in the ATP 1191 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 Programme

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.



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