



11 May 2016

MOU with APA Group for Galilee Basin Transportation Services

- **Large gas contingent resource volume in eastern Galilee Basin**
- **Gas transportation from Galilee a key step in reducing east coast gas supply pressure**

Comet Ridge Limited (**ASX:COI**) is pleased to advise that it has entered into a non-binding Memorandum of Understanding (**MOU**) with APA Group (**APA**) to work towards the transportation of gas from Comet Ridge’s Galilee Basin permits to east coast gas markets.

The MOU provides a framework of cooperation between the parties to negotiate the commercial terms of a gas transportation agreement under which APA would build, own and operate new gas pipelines and associated gas gathering and production infrastructure connecting Comet Ridge’s Galilee Basin gas projects to APA’s existing Queensland gas pipeline network.

Comet Ridge has a very large acreage position in the eastern part of the Galilee Basin which is prospective for both sandstone gas and CSG development, including 100% interests in ATP 743 and ATP 744 and is increasing its interest in ATP 1015 to 100% (refer Figure 1).

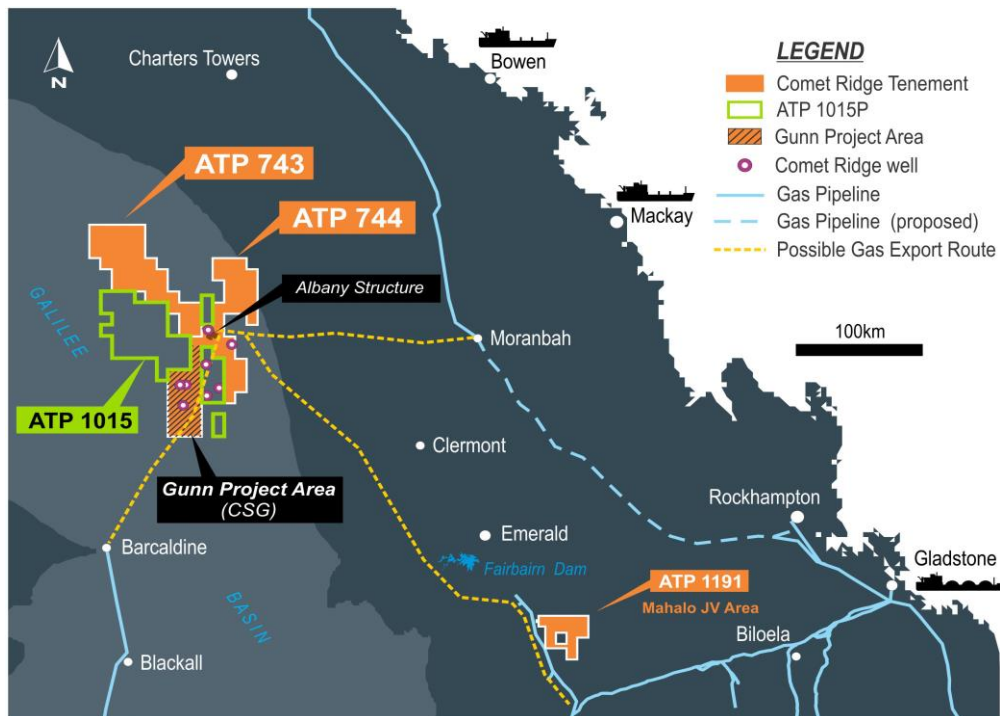


Figure 1 – Regional Location of Eastern Galilee Basin Blocks

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Comet Ridge Managing Director, Tor McCaul, said “given the size of Comet Ridge’s certified contingent gas resources in the Galilee Basin, particularly the Albany sandstone gas project, there is significant potential for this gas to be transported to the southeast to satisfy the demand from LNG and industrial customers. This MOU with APA facilitates the transportation requirements of our Galilee projects with a group that owns and operates an extensive network of pipelines on the east coast of Australia with access to all the principal east coast markets including Gladstone, Brisbane, Mt Isa, Ballera, Moomba, Sydney and Melbourne.”

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 several 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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