



10 August 2017

Mahalo Block – Mira Field Operational Update

- **Mira 6 horizontal well approved by JV as part of the current programme**
- **Mira 5 under-reaming successfully completed**
- **Mira 4 under-reaming currently in progress**

Comet Ridge Limited (**ASX:COI**) is pleased to provide an operational update on the field work presently occurring in and around the Mira production pilot, in the northern central part of the Mahalo Block, approximately 240km west of Gladstone in central Queensland.

The Joint Venture has approved the Mira 6 horizontal well, which will be drilled immediately after the Humboldt South 1 vertical corehole and will be positioned to intersect the Mira 2 well, running down through the centre of the Mira pilot scheme (see Figure 1). The objective of this horizontal well is to produce alongside the Mira vertical wells to accelerate water and gas production from the Mira field and to assess the optimal production well design for the first phase of development at Mira.

The previously drilled Mahalo 7 horizontal well made a significant performance difference at the Mahalo field, 13km to the northwest, and the proposed Mira 6 horizontal well has been designed to achieve similar positive outcomes.

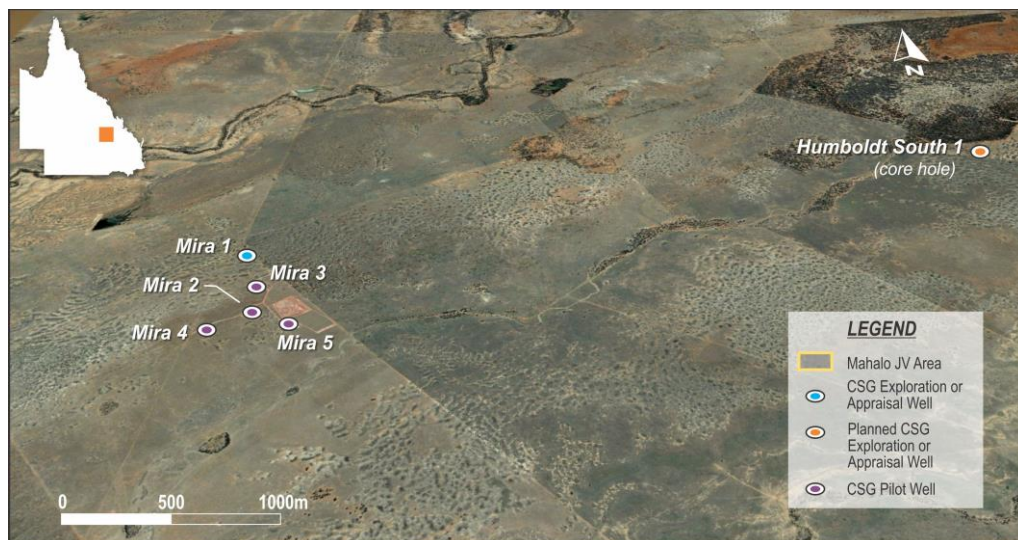


Figure 1 – Northern Mahalo Block area showing the coming focus on the Mira area pilot wells and the soon to be drilled, Humboldt South 1 corehole.

Comet Ridge commenced the current workover programme at Mira on 2 August 2017. Mira 5 is the first of three wells in the Mira Pilot programme, to have been successfully under-reamed across the Castor and Pollux coal seams. A new pump has also been installed to equip the well for production. The workover rig was released from Mira 5 on Monday 7 August and has now commenced under-reaming operations on Mira 4 (refer Figure 1).

Under-reaming is a production enhancement process commonly used in coal seam gas production operations in Queensland. Coal plugged by drilling fines, is removed from around the wellbore area, providing an easier pathway for gas and water to reach the well. In its simplest form, under-reaming occurs when a drilling tool is run into the well, down inside the 7 inch diameter production casing and out the bottom of that casing to the coals.

The under-reaming tool is placed opposite the required coal interval and then rotated at high speed. Collapsible blades on the under-reaming tool expand out to approx. 48 inches in diameter and the tool is then moved down slowly to cut the coal and expand the hole out to a much larger size.

Water, pumped down the inside of the drillpipe, returns to the surface outside of the drillpipe (and inside the casing) and carries the coal material up and out of the well.

Once this process has been completed, production tubing and a downhole pump are run back into the well to equip it for production.

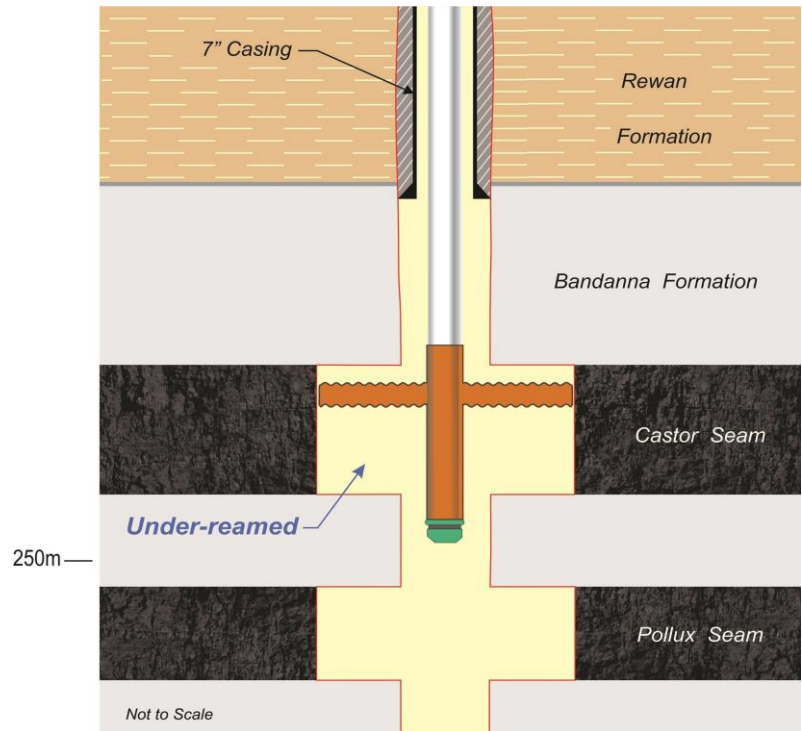


Figure 2 – Schematic of under-reamed section at bottom of well

During Mira 5 operations, approximately 15 cubic metres of coal material was recovered from the well in the tanks at surface, indicating the hole size has been expanded significantly and the operations were successful. Figure 2 (above) shows a schematic of the wellbore after under-reaming.



Figure 3 – Mira 5 under-reaming operations with the Mira pilot water storage tanks nearby.

Figures 3 and 4 are photos of TDC Rig 8 just before it was released to move to Mira 4 on Monday 7 August.

Also in view in Figure 3 are the Mira Pilot scheme water storage tanks for water produced from the four pilot wells.



Figure 4 – Mira 5 under-reaming operations just before rig release on Monday 7 August.

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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 and expanded in 2015, 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'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.

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 three blocks in the Galilee Basin. Comet Ridge has 40% equity in the ATP 1191 Mahalo Block in the Bowen Basin and is now acting as agent for the Exploration Operator in order to manage work on the block. 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.

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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