



1 March 2018

Comet Ridge Limited

## Galilee Basin Farm-out Deal Unconditional

### All conditions met for Vintage Energy's Galilee Basin farm-in to Sandstone Targets

- **Joint Venture and Co-ordination agreements finalised**
- **Funding of approximately \$8.5m will earn Vintage a 30% interest in Sandstone Targets**
- **Albany 1 well expected to spud next month**

Comet Ridge Limited (COI) is pleased to advise that all conditions precedent have been met for the farm-out of the Sandstone reservoir sequence within its Galilee Basin permits ATP743, ATP744, and ATP1015 (Galilee Permits) to Vintage Energy Limited (Vintage).

Vintage is a South Australian-based company headed by Reg Nelson and Neil Gibbins, who were previously the Managing Director and Chief Operating Officer at the ASX-listed Beach Energy Limited. Details about the Farm-in Agreement were announced in a Comet Ridge ASX release on 1 November 2017.

Comet Ridge Chairman Mr James McKay said he was pleased to formally welcome the Vintage Team to the sandstone exploration and appraisal effort in the Galilee Basin following finalisation of the Joint Venture and Co-ordination agreements.

"Comet Ridge has gained considerable geological and technical knowledge about the eastern Galilee Basin". He added, "The Vintage team also brings extensive technical experience and knowledge working in other onshore Australian basins, so the breadth and depth of expertise within this new joint venture is formidable indeed," Mr McKay said.

Vintage Energy Chairman Reg Nelson said he was pleased to be entering the Galilee Basin with Comet Ridge.

"We believe the Galilee Basin provides the right ingredients for a successful gas project and subject to initial gas flows, could make a material difference in the east coast gas story in a relatively short time," he said.

The farm-out relates to the 'Deeps' within each of Comet's Galilee permits, defined as including all strata beneath the Permian coals (Betts Creek Beds or Aramac coals) with the main target being the Galilee Sandstone sequence. This sequence has previously flowed gas to surface during formation testing at the Lake Galilee 1 (1964) and Carmichael 1 (1995) wells.

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Vintage may earn up to a 30 per cent interest in the Deeps (sandstone targets) by committing to spend approximately \$8.5 million as part of a staged \$15 million work program.

The work program will commence with the drilling of the Albany 1 conventional gas appraisal well on the Albany sandstone structure, close to the Carmichael 1 well. Albany 1 is expected to spud next month.

Comet Ridge continues to hold a 100 per cent equity interest in the ‘Shallows’, defined as coal targets that generally range from approximately 600 metres down to 1,100 metres.

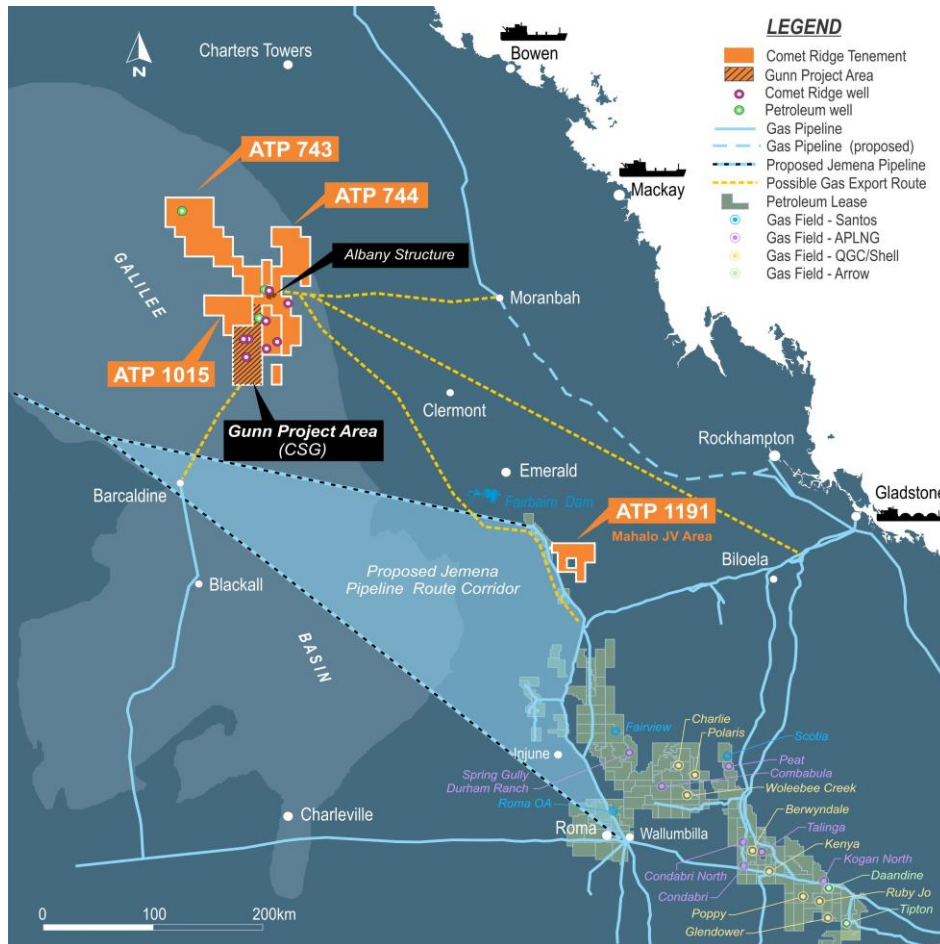


Figure 1 – Regional Location Eastern Galilee Basin Blocks, with the main Bowen & Surat basin CSG development areas supplying Gladstone and the domestic market

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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 100% interests in the Albany conventional gas project and Gunn CSG project in the Galilee Basin (ATP 743, ATP 744 and ATP 1015), with Comet Ridge currently about to farm-down its interest in the conventional sandstone targets in the Galilee Basin (the Deeps) to 70% whilst retaining 100% of the equity in the CSG project. 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 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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