


Comet Ridge Limited**7 May 2018**

Galilee Basin Drilling Update – Albany 1 Well Spud Approaching

- **Easternwell Rig 101 arrival on to Comet Ridge Albany 1 site expected within the week**
- **Conductor and Cellar installed and all service contracts for drilling in place**
- **High impact Albany 1 well expected to spud next week**

Comet Ridge Limited (ASX:COI) is pleased to advise that Easternwell's Rig 101 is expected to be released from its present operations over the next several days, and begin its move to the Albany 1 location in the north eastern Galilee Basin. This high impact deep sandstone appraisal well is subsequently expected to spud next week.

Comet Ridge Managing Director Tor McCaul said the Albany-1 appraisal well was an exciting prospect for the company as it looks to build upon its existing Eastern Australian reserve and resource base.

"Drilling of the Albany-1 well represents the culmination of considerable technical work. The well will be an appraisal of an existing gas discovery utilising modern air drilling techniques". He added "Should this appraisal well prove successful, Comet Ridge along with its joint venture partner Vintage Energy have identified approximately two dozen follow up leads and prospects to further explore and appraise in this large petroleum basin".

Albany 1 key summary information:

- Albany 1 will be the second well drilled within closure on this very large sandstone structure, evaluated initially by the Carmichael 1 well in 1995.
- Seismic interpretation shows the structure to be approximately 15km along the main axis and up to 8km across at its widest point (see Figure 1 inset).
- When drilled, the original Carmichael 1 well flowed gas at low rates, from three intervals in the thick Galilee Sandstone sequence;
- The reservoir section contains approximately 140m of gross sandstone with approximately 40m of interpreted net pay;
- At the time Carmichael 1 was drilled gas flowed to surface despite very significant mud overbalance in the well. The Albany 1 well will be drilled with nitrogen rather than drilling mud, through the sandstone reservoir section;
- An independent resource certification has indicated 417PJ⁺ of recoverable gas at the 3C contingent resource level, 153 PJ⁺ at the 2C level and 56 PJ⁺ at the 1C level.

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The drilling of Albany-1 will be the first Phase in a farm-out work program. Under this program, Vintage Energy Ltd (“Vintage”) is farming into the sandstone section of the block (the “Deeps”) by funding the first \$3.35 million of the cost of drilling the first well to earn a 15% interest in the Deeps. Vintage can also fund half of the second phase program which contains further drilling and seismic acquisition in order to acquire a further 15% interest.

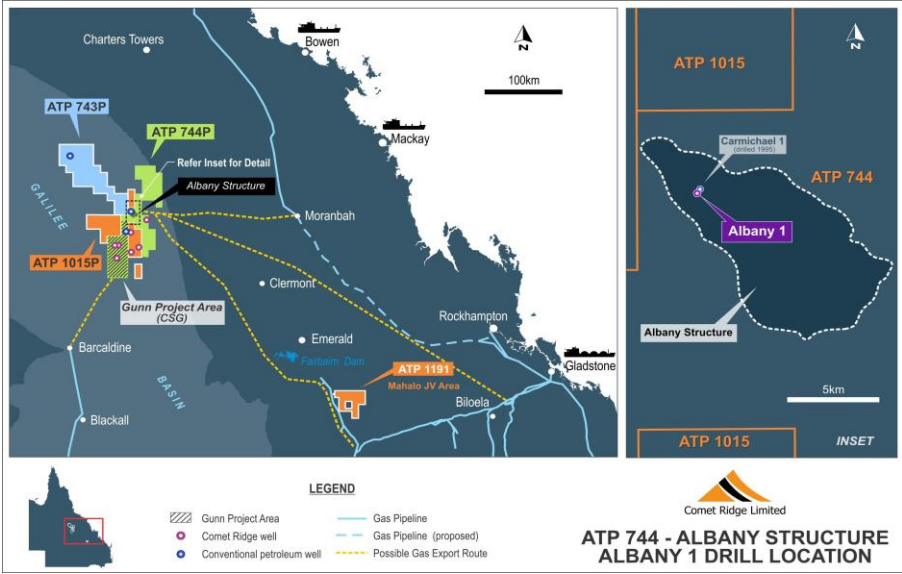


Figure 1 – Galilee Basin location and Albany structure (inset)

Comet Ridge continues to engage with a range of potential gas transporters and customers and believes Galilee gas could be brought relatively quickly into the east coast network to make a material difference in the current market. The Company will provide a further update to the drilling plan on spud date.

Stephen Rodgers
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***Competent Person Statement and ASX Listing Rules
 Chapter 5 - Reporting on Oil and Gas Activities**

The Contingent Resource for the Albany Structure ATP 744 are taken from an independent report by Dr Bruce McConachie of SRK Consulting (Australasia) Pty Ltd, an independent petroleum reserve and resource evaluation company originally released to the Market in the Company’s announcement of 6 August 2015.

The Contingent Resources information has been issued with the prior written consent of Dr McConachie in the form and context in which they appear in this market announcement. Comet Ridge confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 6 August 2015 and that all of the material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed.

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.