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23 October 2014

Comet Ridge Completes Mahalo Buy-Back and Continues to Focus on Building Reserves

- **Joint Venture partners have signed-off on assignment of Stanwell’s 5% equity interest in the Mahalo Gas Project to Comet Ridge marking completion of the previously announced buy-back transaction**
- **Comet Ridge’s legal interest in the Mahalo Gas Project increases to 40%**
- **Focus on building gas reserves at the Mahalo Gas Project continues**

Coal seam gas explorer and developer Comet Ridge Limited (**COI or Comet Ridge**) is pleased to announce that formal joint venture consent has been received for the assignment of Stanwell Corporation Limited’s (“**Stanwell**”) 5% interest in the Mahalo Gas Project to Comet Ridge. Comet Ridge’s legal interest in the Mahalo Gas Project is now 40%.

On 19 March 2014, Comet Ridge announced the execution of an agreement with Stanwell (**2014 Agreement**) which replaced the original Sale & Purchase Option Agreement signed in September 2011. The 2014 Agreement provided for the transfer by Stanwell of its 5% interest in the Mahalo Gas Project to Comet Ridge and the relinquishment of its option to acquire a further 35% interest in exchange for (at Stanwell’s election exercisable at Final Investment Decision (**FID**) of the Mahalo Gas Project) either:

- Stanwell and Comet Ridge entering into a 20 PJ to 40 PJ gas sales agreement; or
- Stanwell receiving a cash payment of \$20 million (escalated at CPI).

Comet Ridge announced the achievement of initial independent Reserves certification for the Mahalo Gas Project on 28 August 2014. In conjunction with the initial Independent Reserve Certification, MHA Petroleum Consultants, LLC Inc (“**MHA**”) of Denver, Colorado also upgraded Contingent Resources for the Mahalo Gas Project such that Comet Ridge’s net equity share of gas reserves and resources has increased by 34% to 592 PJ.

Comet Ridge announced the completion of an \$8 million capital raising on 20 October 2014 to fund ongoing appraisal at Mahalo which focuses on building additional reserves and production capacity. The programme has been designed to continue to produce gas and further dewater the Mahalo and Mira Field Pilots, whilst drilling strategically located additional wells to enhance deliverability and build a significant reserves base.

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APPENDIX 1 - COMPETENT PERSON STATEMENT AND ASX LISTING RULES CHAPTER 5 - REPORTING ON OIL AND GAS ACTIVITIES

The estimate of Reserves and Contingent Resources for Mahalo, as part of ATP 337P provided in this announcement, were originally released to the Market in the Company's announcement of 28 August 2014 and are based on, and fairly represents, information and supporting documentation determined by Mr Timothy L. Hower of MHA Petroleum Consultants LLC Inc in accordance with Petroleum Resource Management System guidelines. Mr Hower is a full-time employee of MHA, and is a qualified person as defined under the ASX Listing Rule 5.42. Mr Hower is a Licensed Professional Engineer in the States of Colorado and Wyoming as well as being a member of The Society of Petroleum Engineers. Mr Hower has given his consent to the use of the Reserves and Contingent Resources figures in the form and context in which they appear in this presentation.

COI confirms that it is not aware of any new information or data that materially affects the information included in announcement referred to above and that all of the material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.

COMET RIDGE LIMITED – OVERVIEW

Comet Ridge Limited has significant Coal Seam Gas (CSG) projects in key regions of Queensland, northern New South Wales and New Zealand, as well as oil and gas interests in the United States. Gas resources have been certified, by independent professional certifiers, at four projects and gas reserves were recently certified 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 and a block in New Zealand. Comet Ridge has 40% equity in the ATP 337P 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.

