Comet Ridge Limited

5 August 2015

Initial Conventional Contingent Gas Resource Certification for Galilee Basin Permit ATP 744

- **Initial Independently certified Contingent Resource Booking for Conventional Gas in the Galilee Basin Permit ATP 744 (COI 100% equity)**
- **Contingent Resource booking of 56PJ 1C, 153PJ 2C and 417PJ 3C**
- **First Contingent Resource Booking for Conventional Gas Resources in the Galilee Basin**

Comet Ridge Limited (ASX:COI) is pleased to announce that it has received an independent certification for Contingent Gas Resources at Carmichael, situated in the 100% held Galilee Basin permit ATP 744. The Certification follows an independent review of the conventional Carmichael Structure by the certifier SRK Consulting (Australasia) Pty Ltd ("**SRK"**) of Brisbane, Australia.

The Carmichael Structure is situated just north of the Gunn Project Area where Comet Ridge already holds a significant Contingent Resource Certification for coal seam gas (CSG) (See Table 2).

SRK have attributed the Original Gas-In-Place (OGIP) and Contingent Resource (shown below in Table 1) to Comet Ridge's net equity interest (being 100% in ATP 744) using a combination of *probabilistic* and *deterministic* methods to prepare the estimates of Original Gas-In-Place and Contingent Resources as at 5 August 2015.

Table 1: ATP 744 Independent Resource Certification for Carmichael Structure

Comet Ridge Net Equity Share	**OGIP (PJ)**			**Gas Contingent Resource (PJ)**		
Category	**1C**	**2C**	**3C**	**1C**	**2C**	**3C**
100%	130	334	861	56	153	417

Notes to Table 1:

- *Contingent Resource estimates have been prepared in accordance with the Society of Petroleum Engineers ("**SPE**") 2007 Petroleum Resource Management System ("**PRMS**") Guidelines as well as the 2011 Guidelines for Application of the PRMS approved by the SPE.*
- *Contingent Gas Resources are (100%) Unrisked Gross*
- *The previous assessment of Contingent Resources attributed to ATP 744 was in Comet Ridge's Gunn Project Area to the south of the Carmichael Structure and details of these were released to the market on 25 November 2010.*
- *NSAI, the author of the report attributing contingent resources in ATP 744 to Comet Ridge as at 25 November 2010 has consented to the reporting of these resource figures in the context and manner in which they appear in this announcement.*

The Carmichael-1 well (see Appendix) was drilled in 1995 by Maple Oil & Exploration NL, as an oil exploration well, to test the petroleum potential of the Late Carboniferous Lake Galilee Sandstone over a robust seismically defined anticlinal structure in the then ATP 588P (now ATP 744P). The structure is approximately 15km long on its main axis. Three separate zones within the Lake Galilee Sandstone flowed gas to surface at low rates.

An additional significant section of gas pay was not tested. The well discovered a large natural gas accumulation which was deemed uneconomic at the time based on drill stem test results, and historic low gas prices, and the well was plugged and abandoned.

2015 reprocessing and reinterpretation of the seismic data over the Carmichael Structure confirmed the presence of a large anticlinal structure with a significantly larger structural closure than had been previously mapped. This latest technical review also indicates Carmichael-1 well was not optimally located over the crest of the structure, lending to significant upside for a future appraisal well. A depth structure map of the Carmichael Structure is set out in the Appendix of this announcement.

A review of the well data and results has been used to quantify key reservoir parameters. The well results also indicated that the productivity of the tight gas formation was not optimally assessed in Carmichael-1 due to the significant overbalance in mud weight and the presence of liquid hydrocarbons decreasing relative permeability to gas. Further drilling is required to demonstrate commercial flow rates for gas.

The Carmichael Structure Contingent Resources Certification received from SRK represents an independent certification based on pre-existing geological and drilling data available over the structure.

A Reserves, Contingent and Prospective Resource statement (Listing Rule 5.25.3) for all of Comet Ridge's tenements is shown in Table 2 below.

Table 2: Comet Ridge Limited – Net Recoverable Resources and Reserves

Comet Ridge Limited – Net Recoverable Reserves and Resources									
Location	Project	COI Interest	Reserve (PJ) [1]			Contingent Resource			Prospective Resource (PJ) [2]
			1P[3]	2P	3P	1C	2C	3C	
Bowen Basin, QLD	Mahalo Gas Project (ATP 337P)	40%	-	22	124	208	328	468	-
Galilee Basin, QLD	Gunn Project Area 5 (ATP 744P)	100%	-	-	-	-	67	1,870	597 [5]
Galilee Basin, QLD	Carmichael Structure (ATP 744P)	100%	-	-	-	56	153	417	-
Gunnedah Basin, NSW	PEL 6 PEL 427 PEL 428	22½% 50% 60%	-	-	-	-	-	474	2,101
West Coast, NZ[4]	PMP 50100	100%	-	-	-	45	89	169	-
Total			**-**	**22**	**124**	**309**	**637**	**3,398**	**2,698**

Notes to Table 2:

Note: Gas Reserve and Resource numbers have been rounded to the nearest whole number.

1) COI's net reserves have not been adjusted for fuel or shrinkage (estimated at approximately 3%) and have been calculated at the wellhead (which is the reference point for the purposes of Listing Rule 5.26.5).

2) ASX Listing Rule 5.28.2 Statement relating to Prospective Resources: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

3) 1P Reserves have not been attributed to the Mahalo Gas Project under SPE 2007 PRM Guidelines as the field is not yet at development stage with an approved development plan.
4) As detailed in the June Quarterly Activities Report the application to NZPAM to amend the current work programme for PMP 50100 is unlikely to be approved. Comet Ridge is currently reviewing its options in light of this and will work with NZPAM to determine the way forward.
5) Where the auditor has detailed Prospective Resources in a range, the mid-range case has been listed in the table.

Commenting on the announcement, Managing Director, Tor McCaul said that this represents the first sandstone gas resource booking that he is aware of anywhere in the Galilee Basin, so this is an important result for Comet Ridge. He indicated that he was pleased with the recent technical effort that has focussed on the Carmichael Structure, as the company now has a much better view of the significant resource potential at Carmichael.

He said he believed that drilling a second well using latest technology, including a light weight mud system or air drilling, and testing gas sands immediately on penetration, could allow a much more significant gas flow result than was demonstrated in 1995 with the original Carmichael-1 well.

In accordance with Listing Rule 5.34.3, Comet Ridge confirms that other than disclosed in Point 4 to Table 2, it is not aware of any new information or data that materially affects the information in the announcements to the market of the Contingent Resources contained in ATP 337 Mahalo Gas Project on 28 of August 2014, in ATP 744 the Gunn Project Area on 25 November 2010, in PMP 50100 West Coast NZ on 26 September 2011 and in PEL's 6, 427 and 428 Gunnedah Basin in the ESG:ASX announcement on 7 March 2011 and that all of the material assumptions and technical parameters underpinning the estimates in those announcements continue to apply and have not materially changed.

The estimate of Reserves for the Mahalo Gas Project as part of ATP 337P provided in Table 2 were originally released to the market in the Company's announcement of 28 August 2014, and Comet Ridge confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all of the material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.

Competent Person Statement

The Contingent Resource for the Carmichael Structure referred to in this release is taken from an independent report by Dr Bruce McConachie of SRK Consulting (Australasia) Pty Ltd, an independent petroleum reserve and resource evaluation company.

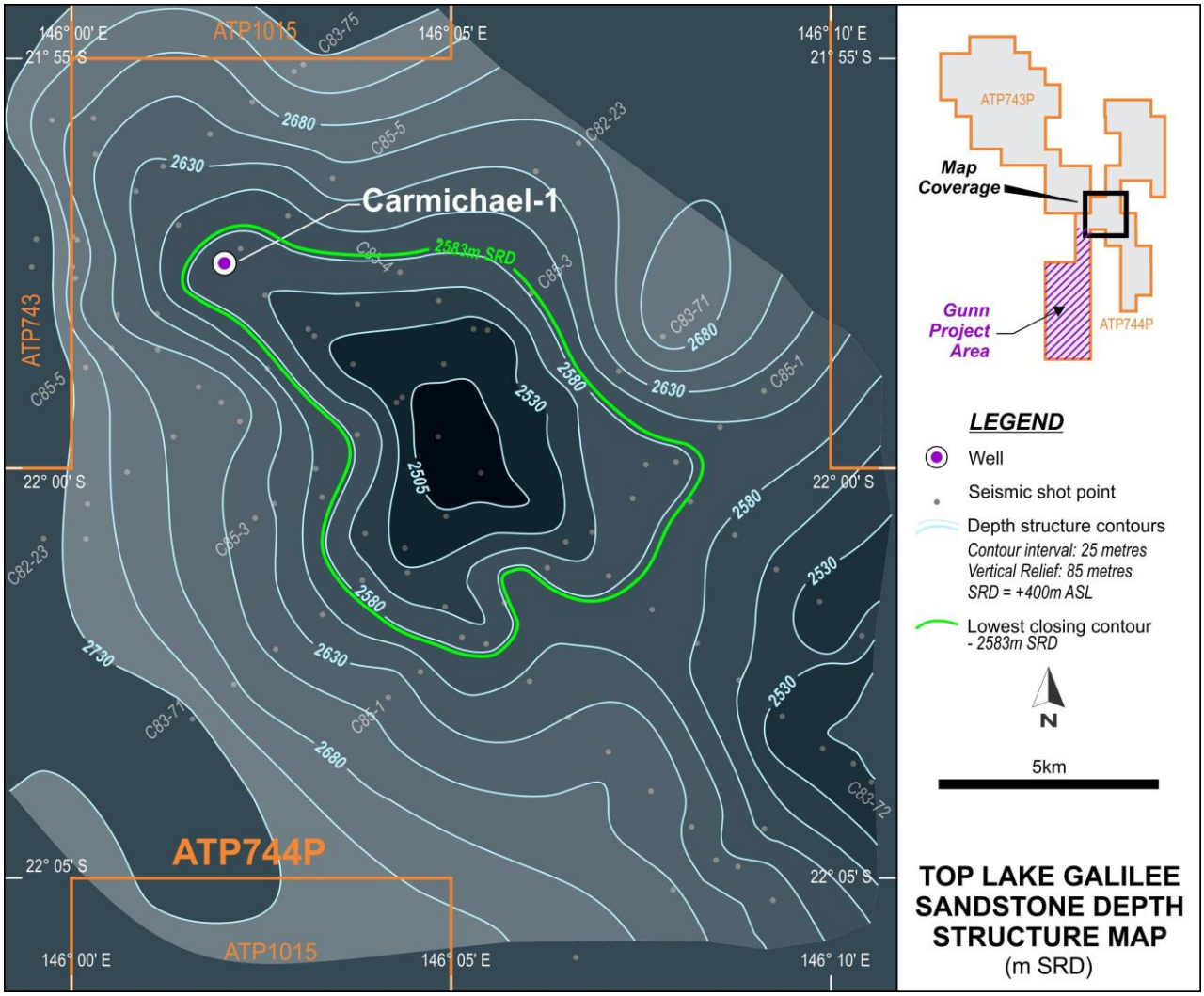
Dr McConachie is a geologist with extensive experience in economic resource evaluation and exploration. His career spans over 30 years and includes production, development and exploration experience in petroleum, coal, bauxite and various industrial minerals, covering petroleum exploration programs, joint venture management, farm-in and farm-out deals, onshore and offshore operations, field evaluation and development, oil and gas production and economic assessment, with relevant experience assessing petroleum resource under PRMS code (2007).

The Contingent Resources information for the Carmichael Structure in this announcement has been issued with the prior written consent of Dr McConachie in the form and context in which it appears. His qualifications and experience meet the requirements to act as a Competent Person to report petroleum reserves in accordance with the Society of Petroleum Engineers ("SPE") 2007 Petroleum Resource Management System ("PRMS") Guidelines as well as the 2011 Guidelines for Application of the PRMS approved by the SPE.

Overview of SRK

SRK is an independent, international group providing specialised consultancy services, with expertise in petroleum studies and petroleum related projects. In Australia SRK have offices in Brisbane, Melbourne, Newcastle, Perth and Sydney and globally in over 40 countries. SRK has completed petroleum reserve and resource assessments for many clients in Australia and internationally.

Appendix – Depth Structure Map of the Carmichael Structure



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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 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.