



ASX Announcement

19 September 2023

Inaugural Gas Sales Agreement for Mahalo Gas Hub

Key points:

- A seven-year Gas Sales Agreement between Comet Ridge and CleanCo Queensland Limited (CleanCo) has been executed, subject to approval from CleanCo's shareholders.
- CleanCo, a Queensland Government-owned, low-emission power generator, is a quality counterparty.
- Total contract volume between 21 PJ and 25 PJ.
- Gas to be supplied to CleanCo's low emission Swanbank E power station, providing firming capacity in partnership with renewable energy.
- Commencement within a 12-month window, starting 1 July 2025.
- Provides buyer and seller with both certainty and flexibility as Mahalo Gas Hub is progressed into production.
- Comet Ridge continues marketing efforts for further contracts given current net 2P volume of 195 PJ and 2P+2C of 406 PJ at Mahalo Gas Hub.

Comet Ridge Limited (ASX:COI) is pleased to advise it has executed a seven-year Gas Sales Agreement (GSA) with CleanCo Queensland Limited (CleanCo), subject to approval from the Queensland Government.

This is Comet Ridge's first GSA and is therefore an incredibly important milestone for the Company. The natural gas will be produced from the Mahalo Gas Hub in Central Queensland, where CleanCo will offtake 3 PJ per annum of natural gas.

Comet Ridge and CleanCo have agreed for supply to commence in a 12-month window between 1 July 2025 and 30 June 2026, which will allow Comet Ridge flexibility ahead of Final Investment Decision (FID) on its Mahalo Gas Hub projects.

Comet Ridge Managing Director, Tor McCaul said the execution of the GSA was a very significant milestone for the Company as it transitioned from developer to producer of gas.

"We know that East Coast Australia needs more gas for decades to support consumers and jobs in vital industries, as well as to partner with renewables as we transition to Net Zero. Comet Ridge is very pleased to be working with CleanCo to bring a new source of energy to Queensland that will make a valuable contribution to energy security, and to enable CleanCo to manage its overall energy mix to minimise its carbon emissions.

"For our shareholders, this is an exciting development as it is a major milestone towards taking FID on the development of our natural gas reserves in the Mahalo Gas Hub," Mr McCaul said.

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Mr McCaul said Comet Ridge would continue to develop its Mahalo Gas Hub portfolio, which held 406 PJ of 2P and 2C reserves and resources. “The Mahalo Gas Hub has the potential to be a multi-decade, low-cost, high production project which has great access to infrastructure and potential for significant resource upside. We are at the beginning of an opportunity to make a valuable contribution to East Coast Australia’s energy security for many years to come.”

Summary of key GSA terms

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| Commencement Date | Between 1 July 2025 and 30 June 2026. |
| Volume | 3 PJ per annum. CleanCo has the option to increase the volume to 3.6 PJ per annum prior to FID. |
| Delivery Point | Wallumbilla |
| Contract period | The contract is for a seven-year period, with CleanCo having the option to reduce this to five years, and both parties having the option to agree to extend for up to a further five years. |
| Price | Pricing is market-based, with CPI escalation in Australian dollars. |
| Monthly Repayments | Comet Ridge to make monthly repayments during the GSA term to account for previous investment made in Comet Ridge and the Mahalo JV by Stanwell Limited, prior to the arrangement being assigned to CleanCo. |
| Conditions | Approval of CleanCo Shareholding Ministers within 90 days. Seller reserves certificate at FID for 115% of total GSA volume. Seller obtaining finance at FID. Seller entering into gas transportation agreements to provide gas to the Delivery Point. |

Other gas marketing

Comet Ridge has had strong interest in Mahalo Hub gas and is in discussions with several parties regarding further gas supply contracts. The Commonwealth Government intervention into the gas market this year has had a major impact on gas marketing generally, with both buyers and sellers having to deal with more uncertainty. However, with the Gas Market Code now effective from 11 September, and significant exemptions for smaller producers, the market is returning to a more normal operating condition and confidence is coming back into the market.

About Comet Ridge

Comet Ridge Limited (ASX: COI) is a publicly listed Australian energy company focused on the development of natural gas resources for the strained east coast Australian market. The company has tenement interests and a suite of prospective projects in Queensland. Our flagship Mahalo Gas Hub project consists of low cost, sales spec natural gas blocks, close to Gladstone. Our exploration assets offer further upside amid increasing domestic and international demand for natural gas as a source for cleaner energy and as a key manufacturing feedstock that makes thousands of products, used daily.

More information regarding Comet Ridge is available at www.cometridge.com.au.

About CleanCo Queensland Limited

CleanCo was established by the Queensland Government in 2018 with Queensland’s most flexible, low-emission generation assets. CleanCo’s mission is to transition Queensland to clean energy in a sustainable way while driving regional growth and jobs.

CleanCo delivers reliable, affordable, low-emission energy to large commercial and industrial businesses seeking decarbonisation pathways. CleanCo’s customers want affordable ‘green’ energy, and CleanCo is growing to meet their needs.



By Authority of the Board per: Tor McCaul, Managing Director

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