



ASX Announcement

29 June 2022

Settlement of Mahalo Acquisition

Key points:

- Comet Ridge's interest in the Mahalo Gas Project has increased from 40% to 70%.
- Consideration paid to APLNG, funded via a loan from Santos Limited.
- Substantial increase in Comet Ridge's Mahalo gas reserves – 80 PJ increase in 2P reserves (to 186 PJ) and 138 PJ increase in 3P reserves (to 321 PJ).
- Provision for reserves growth from large additions to contingent resources.
- Aligned JV now in a position to take the Mahalo project forward to meet strong demand for gas.

Comet Ridge Limited (ASX:COI) is pleased to advise it has completed the acquisition of Australia Pacific LNG Pty Ltd's (APLNG) 30% interest in the Mahalo Gas Project (**Acquisition**) (refer to ASX release dated 3 August 2021). Comet Ridge's net interest in the Mahalo Gas Project (**Mahalo**) has increased from 40% to 70%.

Comet Ridge Managing Director, Tor McCaul said "The Mahalo Gas Project is a key opportunity to bring an additional source of gas to the Queensland market at a time when global and Australian energy markets are in need of new sources of reliable gas supply for retail consumers, manufacturing and gas fired power generation.

Comet Ridge has significantly increased its share of Mahalo gas reserves at a critical time. We note very strong interest from gas users for our equity share of Mahalo gas and we can now look to the future with Santos to take Mahalo through development and move into producing reliable, competitive gas into a tight east coast market.

For our shareholders, we now have access to a substantially increased gas reserve base, and a simpler, aligned JV, which creates the opportunity for us to move Mahalo forward into production."

Strategic rationale for the Acquisition

The strategic rationale for Comet Ridge increasing its equity interest in Mahalo is summarised below:

- Substantial increase in Comet Ridge gas reserves – 80 PJ increase in 2P reserves (to 186 PJ) and 138 PJ increase in 3P reserves (to 321 PJ). Refer to Appendix 1 for further details.
- Additional project upside provided from large contingent resource base – 134 PJ of 1C contingent resources, 221 PJ of 2C contingent resources and 360 PJ of 3C contingent resources net to Comet Ridge. Refer to Appendix 1 for further details.

A compelling east coast gas play

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- Creation of a streamlined JV between Comet Ridge and Santos Limited (**Santos**), with a common focus on finalising development plans for Mahalo, and the broader expanded Mahalo Gas Hub to achieve significant scale.
- Maintain continuity of Mahalo Operator - Santos has been Exploration Operator to this point and will continue as Development Operator (assuming exercise of the option to acquire an additional 12.86% interest from Comet Ridge). Santos has the capability to support Mahalo moving into production, with operations just to the south around the significant Arcadia and Fairview fields where they are operator.
- Enables Mahalo to be developed using a similar low cost “modular” plant design that Santos has successfully implemented at the nearby Arcadia Project, currently producing in excess of 100 TJ/day.

Settlement details

Payment of the remaining \$11 million of the total \$12 million upfront consideration to APLNG occurred on 28 June 2022, funded via a \$13.15 million loan from Santos, the remaining Mahalo joint venture participant, which holds a 30% interest.

Santos has a six-month option (from the settlement date) to acquire an additional 12.86% interest in Mahalo from Comet Ridge. If Santos exercises this option (for proportional acquisition value), Comet Ridge’s interest in Mahalo will drop to 57.14% and the loan repayable to Santos will decrease to \$8.0 million. If it elects to exercise the option, Santos’ interest in Mahalo will increase from 30% to 42.86%.

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

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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.



Appendix 1: Disclosure of Gas Reserves and Contingent Gas Resources

Comet Ridge previously reported independently certified gas reserves and contingent gas resources for the Mahalo Gas Project on 30 October 2019 (refer ASX Announcement of that date). This certification was undertaken by MHA Petroleum Consultants LLC Inc, now part of Sproule International.

Upon settlement of the Mahalo acquisition on 28 June 2022, Comet Ridge has increased its equity interest in the Mahalo Gas Project from 40% to 70%. Accordingly, Comet Ridge's net equity share of Mahalo gas reserves and contingent gas resources is shown in the table below:

Comet Ridge Limited	Gas Reserves (PJ ²)			Contingent Gas Resources (PJ)		
	1P	2P	3P	1C	2C	3C
Mahalo Gas Project ¹						
Pre-Acquisition (40% interest)	0	106	183	53	89	154
Increase from Acquisition	0	80	137	81	132	206
Post-Acquisition (70% interest)	0	186	321	134	221	360

Notes:

¹ PL 1082, PL 1083, PCA 302, PCA 303, PCA 304

² PJ = Petajoules (rounded to the nearest PJ)

The estimate of gas reserves and contingent gas resources for the Mahalo Gas Project provided above is based on, and fairly represents, information and supporting documentation determined by Mr Timothy L. Hower of Sproule International (Sproule), in accordance with Petroleum Resource Management System guidelines. Mr Hower is a full-time employee of Sproule, 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 consented to the publication of the gas reserves and contingent gas resources estimates for the Mahalo Gas Project in the form and context in which they appear above.

The gas reserves and contingent gas resource estimates for the Mahalo Gas Project were released to the market in the Company's ASX announcement of 30 October 2019 (for Comet Ridge's 40% equity interest at that time) and were estimated using the deterministic method with the estimate of contingent gas resources utilising the probabilistic method and not having been adjusted for commercial risk.

The gas reserves and contingent gas resources estimates for the Mahalo Gas Project provided in the table above, have been prepared by Sproule International by taking into account Comet Ridge's new equity interest of 70% and including a 70% interest in the new PL 1083 West Shallows and Lowesby Cutout Shallows areas. The gas reserves were estimated using the deterministic method with the estimate of contingent gas resources utilising the probabilistic method, and not having been adjusted for commercial risk.

Comet Ridge confirms that it is not aware of any new information or data that materially affects the information included in any of the announcements relating to the Mahalo Gas Project and that all of the material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed.