ANNUAL REPORT 2024

Comet Ridge

Comet Ridge Limited
ABN: 47 106 092 577

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Overview of Activities

About

Comet Ridge Limited (ASX: COI) is a publicly listed Australian energy company focused on the development of natural gas for the supply-constrained east coast Australian market. The Company has tenement interests and a suite of prospective projects in Queensland.

The Company's flagship Mahalo Gas Hub area consists of high-quality natural gas resources with low CO_2 and competitive production costs. The Mahalo Gas Hub is close to the Gladstone LNG export and domestic market precinct and the reserves are close to gas transport infrastructure. 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.

Comet Ridge plans to transition its Mahalo Gas Hub assets into meaningful gas supply for Australia's east coast gas market, with its 100% held Mahalo North Project, and the larger Mahalo Gas Project, which is a joint venture with Santos QNT Pty Ltd (the Operator).

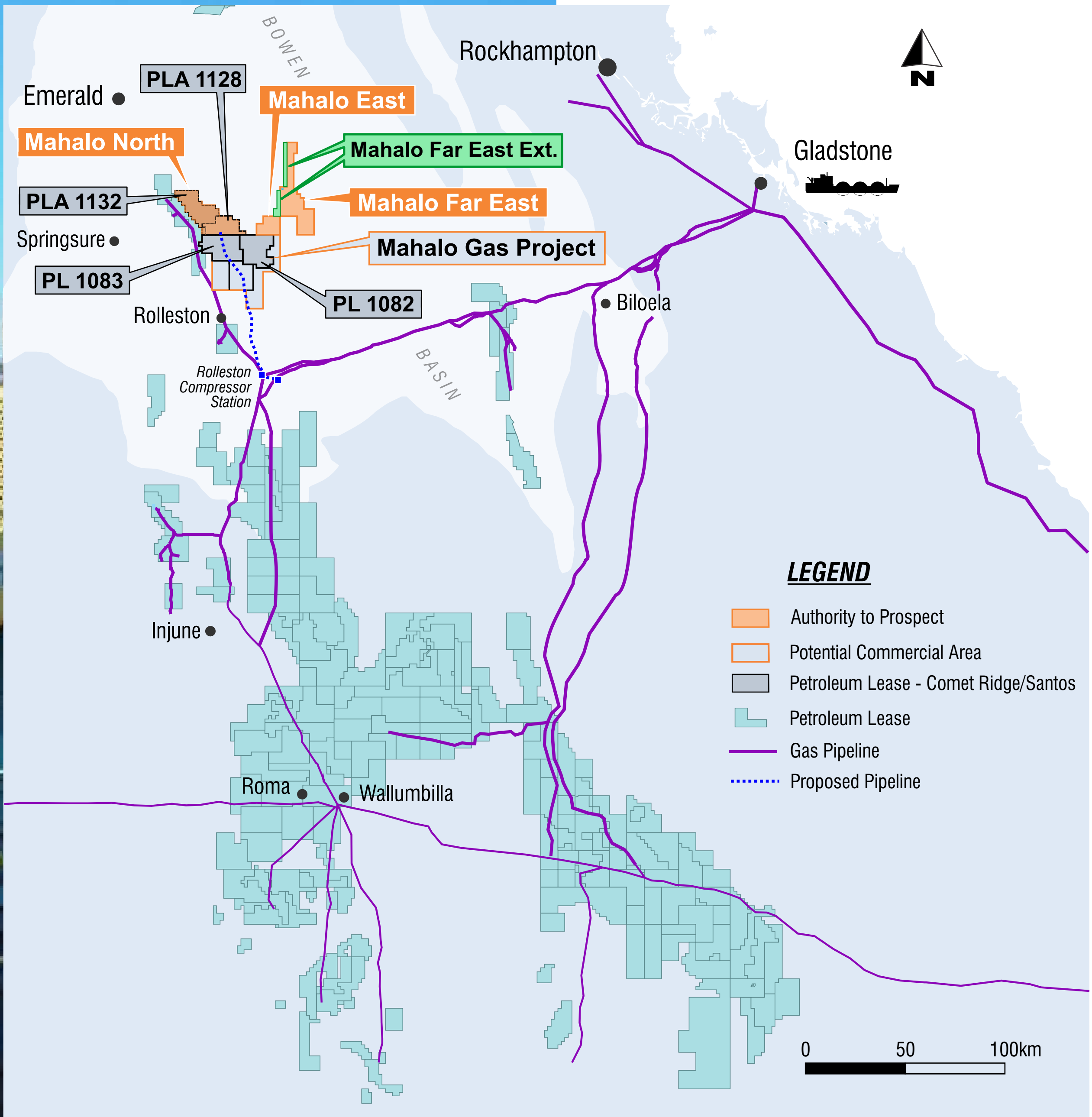


***Figure 1** – Comet Ridge's Mahalo Gas Hub permits inland from Gladstone.*

Snapshot

Queensland Permits	Petroleum Leases (2), Petroleum Lease applications (2), Potential Commercial Areas (9), additional Authorities to Prospect (3)
Basins	Southern Bowen Basin (CSG) Galilee Basin (conventional and CSG)
Queensland Acreage Area	6,592 km^2
Production Leases (PLs)	2 x PLs awarded 2 x PL applications
Reserves & Resources	580 PJ - 2P + 2C^
Market Focus	East coast domestic gas (large supply shortfall is forecast)
Gas Regulation	Small producer exemption from gas price caps Future Gas Strategy highlights role of gas to 2050

^ 2P Gas Reserves and 2C Contingent Gas Resources have been independently certified (see Page 22).

FY2024 Highlights

Permits

- **Mahalo North** 3P Reserves increased by 35% to 149 PJ.
- **Mahalo Far East Extension** new block awarded to Comet Ridge, extending its significant position in the Mahalo Gas Hub area.

Development Activity

- **Mahalo North environmental approvals** progressed during the financial year, with Queensland Environmental Authority awarded post-year end and Federal EPBC approval ongoing.
- **Mahalo Joint Venture partners**, Santos and Comet Ridge, finalising select phase facilities design and capital cost optimisation as a precursor to commencing upstream Front End Engineering Design (FEED).
- **Mahalo Joint Venture pipeline** planning with Jemena is ongoing with a plan to commence Santos and Jemena FEED studies concurrently.

Funding

- **$15.0 million placement** completed to progress Mahalo Joint Venture and Mahalo North natural gas projects to Final Investment Decision (FID).
- **$5.0 million Queensland Government grant** to be applied to a lateral pilot well at Mahalo East being drilled and tested during FY2025.

Corporate

- **Underlying loss after tax of $7.17 million** (2023: $6.57 million), including $2.69 million of non-cash expenses.
- **Cash balance of $16.8 million** at 30 June 2024.
- **Gas Sales Agreement (GSA)** with CleanCo Queensland Limited executed on 18 September 2023 - Comet Ridge's inaugural GSA for supply into Australia's domestic gas market.
- **Data room process** experienced a high level of activity, particularly during the June quarter, with multiple parties engaged in ongoing technical and commercial due diligence and structuring discussions.

Portfolio Overview

Comet Ridge has highly prospective, large footprint gas assets in two Queensland basins with **near-term developments in the Mahalo Gas Hub area** (see permit summary in Table 1).

Comet Ridge Queensland Permits

	State	CSG Interest	Conventional Interest	Area (km²)
Mahalo Gas Hub, southern Bowen Basin				
Mahalo Joint Venture Project (PL 1082, PL 1083, PCA 302, PCA 303, PCA 304)	QLD	57.14%	N/a [1]	989
Mahalo North (ATP 2048 - PLA 1128, PLA 1132) [2]	QLD	100%	100%	360
Mahalo East (ATP 2061)	QLD	100%	100%	97
Mahalo Far East (ATP 2063) [3]	QLD	100%	100%	338
Galilee Basin				
ATP 743, PCA 319	QLD	100%	70%	750
ATP 744, PCA 320, 321, and 322	QLD	100%	70%	2,182
ATP 1015, PCA 323 and 324	QLD	100%	70%	1,810

Table 1 *– Summary of Comet Ridge Queensland Permits at 30 June 2024*

1 Comet Ridge has rights for gas down to the level of the lower Mantuan coals.

2 Until both PLs are awarded formally the original ATP 2048 remains in place concurrent with both applications.

3 Following the end of the 2024 financial year, Comet Ridge was awarded ATP 2072 at 100% equity (covering an area of 66 km²), called Mahalo Far East Extension.

1. Mahalo Gas Hub, Bowen Basin, QLD

Mahalo Joint Venture Project – PL 1082, PL 1083, PCA 302, PCA 303, PCA 304

Overview - Comet Ridge's Mahalo Joint Venture Project is located approximately 240 km west of Gladstone in the southern Bowen Basin, covering an area of approximately 989 km². The project area is approximately 80 km to the north of pipeline infrastructure connecting to the east coast gas market (Figure 2). The initial focus for development of the project will be in the two existing Petroleum Leases PL 1082 and PL 1083 (Figures 2 and 3) awarded to the Mahalo Joint Venture by the Queensland Government, and which have been heavily appraised to date, with strong flow rates achieved and reserves independently certified.

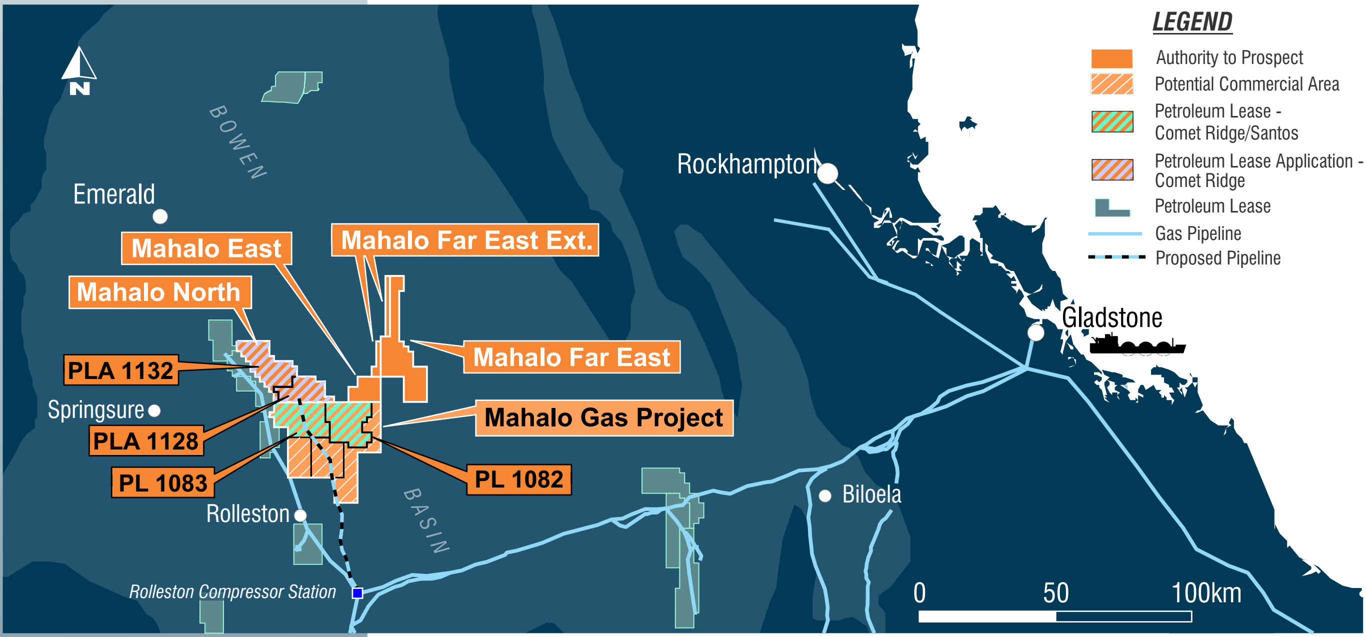


***Figure 2** – Regional location of the Mahalo Gas Hub area showing proximity to pipeline infrastructure*

Gas Reserves and Resources - Comet Ridge's net 57.14% interest in Mahalo Joint Venture Project Gas Reserves and Contingent Gas Resources at 30 June 2024 is shown in Table 2 below.

	Gas Reserves (PJ)			Contingent Gas Resources (PJ)		
Mahalo Joint Venture Project	**1P**	**2P**	**3P**	**1C**	**2C**	**3C**
COI 57.14% interest	0	152	262	109	180	294

***Table 2** – Comet Ridge's share of Mahalo Joint Venture Project Gas Reserves and Contingent Resources at 30 June 2024 (rounded to nearest whole number)*

Development activities – During the second half of FY2024 and up to the date of this report, Comet Ridge has been working closely with the Operator to facilitate the commencement of project FEED as a precursor to FID. This has involved completion of the select phase of all upstream components of the project, including gas production (phased drilling plan and gathering infrastructure for gas, water and power); facilities selection (gas plant, compression and water handling facilities) and gas-field power requirements. This work has involved considering various plant throughput options to optimise capital expenditure and maximise project economics. The next step in the select phase requires the Operator to undertake an assurance process on select phase project deliverables followed by investment approval to commence FEED. The Operator is developing contracting strategies and FEED scopes of work for critical infrastructure in parallel to the assurance process to enable tendering to occur as soon as FEED commences.

The Operator has also completed a range of pre-FEED activities on behalf of the Mahalo Joint Venture including ecology surveys, stakeholder engagement meetings and the award of a Pipeline Survey Licence. The Mahalo JV participants have continued to engage with Jemena to undertake a gas transmission pipeline FEED study, which is planned to commence concurrent with the upstream FEED activities.

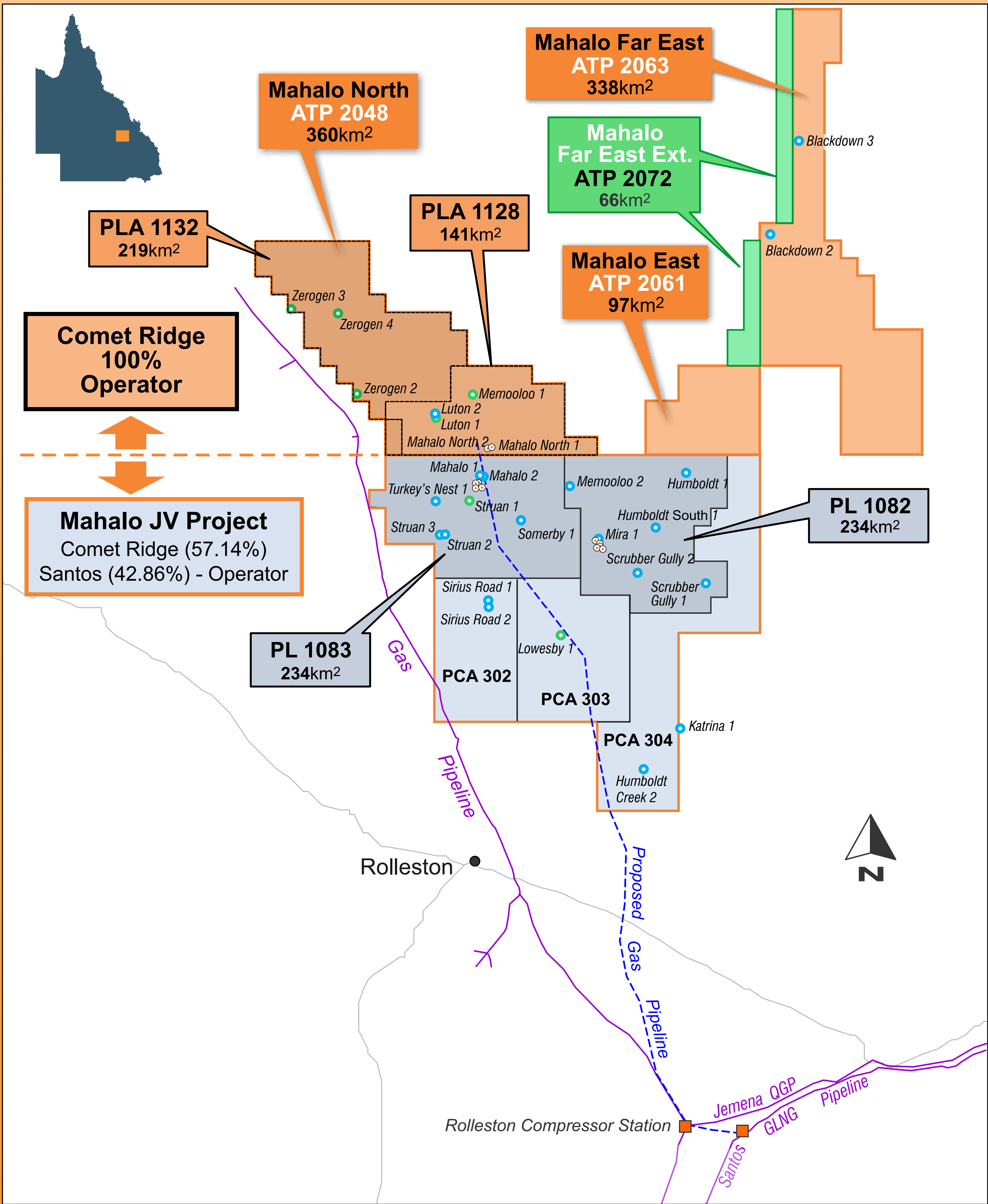


***Figure 3** – Map of Mahalo Joint Venture Project PL areas (PL 1082 and 1083) within the Mahalo Gas Hub and location of CSG and some of the conventional wells drilled to date*

Mahalo North – ATP 2048 - PLA 1128 & PLA 1132

Overview - These two PL development application areas cover 360 km^2 and are highly prospective, given their location directly north of, and contiguous with, the Mahalo Joint Venture Project. The initial exploration block (ATP 2048) was awarded to Comet Ridge as 100% equity holder by the Queensland Government on 29 April 2020, following approval of an Environmental Authority for appraisal and execution of a Native Title agreement over the block. Gas produced from both PLs at Mahalo North will be subject to domestic supply conditions. The non-prospective 20% of the ATP 2048 exploration block was relinquished to the Queensland Government in the first half of 2024, such that the remaining 360 km^2 development area will fall inside PLA 1128 and PLA 1132.

Appraisal and production testing - Comet Ridge completed an initial drilling program at Mahalo North in late 2021, which comprised a vertical well (Mahalo North 1 – cored and completed for production testing) and a dual lateral well (Mahalo North 2) intersecting the Mahalo North 1 vertical well.

Mahalo North 1 was production tested for a period of approximately eight months with very positive results achieved. The Mahalo North 1 pilot well achieved a gas flow of 1.75 MMcfd (million standard cubic feet per day), which is the highest recorded flow rate from a pilot well in the Mahalo Gas Hub area to date. The pilot well test has provided valuable technical information and, along with two earlier successful Mahalo Joint Venture Project pilot wells at Mira 6 and Mahalo 7, has again demonstrated the productive capacity of the Mahalo Gas Hub over a wide area, this time inside Comet Ridge's 100% held Mahalo North block.

Gas Reserves and Resources – Following the successful Mahalo North production test, Comet Ridge certified initial 2P and 3P Gas Reserves [1] for Mahalo North in November 2022 and then an upgrade of 3P Reserves in December 2023 as shown in Table 3 below. The 3P Reserves upgrade was underpinned by five new geologic sectors being added to the Mahalo North Project 3P areas as a result of optimisation undertaken on project design during pre-FEED (front end engineering design) studies and additional open file data becoming available.

	Gas Reserves (PJ)			Contingent Gas Resources (PJ)		
Mahalo North	**1P**	**2P**	**3P**	**1C**	**2C**	**3C**
COI 100% interest	12	43	149	-	-	-

***Table 3** – Mahalo North Gas Reserves at 30 June 2024 (rounded to the nearest whole number)*

There is additional gas-in-place further north in the Mahalo North block which may lead to an expansion of certified Mahalo North 2P Reserves in the future.

Development approvals – Following the Gas Reserves certification, the Company's focus during FY2024 has been finalising the necessary work to support a Petroleum Lease (PL) application and environmental approvals for development activities to commence. These applications were submitted in October 2023. Extensive environmental work was undertaken by Comet Ridge and its consultants, EPIC Environmental, comprising assessment of ecology, aquatic values, air quality, noise, and ground and surface water to support the environmental approval applications.

The initial gas development area will be in the south of ATP 2048 where Comet Ridge completed the Mahalo North 1 production test and where 1P and 2P Reserves are located. A Petroleum Lease application (PLA 1128) was submitted by Comet Ridge in October 2023 for the initial development area and is awaiting approval by the Queensland Department of Resources after environmental approvals are secured. A second Petroleum Lease application (PLA 1132) was submitted by Comet Ridge in April 2024 and is in the early stages of assessment (see Figure 4 below).

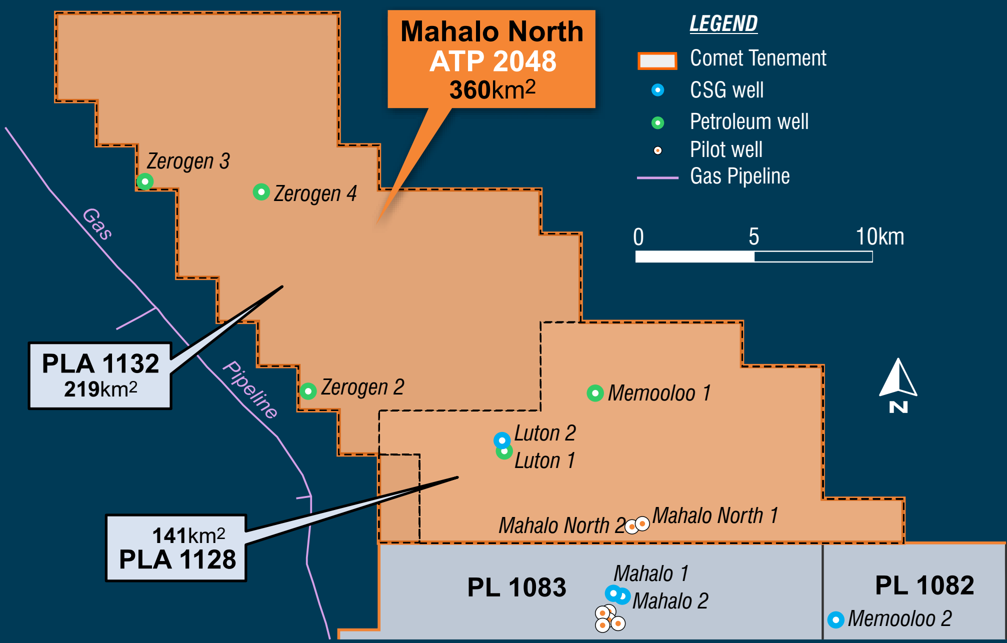


Figure 4 – Map of PLA 1128 (initial development area) and PLA 1132 within Mahalo North (both part of the original ATP 2048)

Queensland coal seam gas developments are required to undertake two separate, highly detailed environmental assessments (with subsequent approvals) at both state and federal levels prior to development. State approval requires an Environmental Authority (EA) to be awarded by the Queensland Department of Environment, Science and Innovation (DESI) and federal approval is required under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC).

The Queensland Government EA was awarded to Comet Ridge in August 2024, an important step towards the grant of Petroleum Lease 1128 (the initial Mahalo North development area) by the Queensland Department of Resources. The scope of this approval includes installation of new production wells, compression and water treatment facilities, gas gathering systems and access tracks. It is Comet Ridge's intention to develop Mahalo North to meet its domestic gas supply agreement with CleanCo Queensland Limited (CleanCo), a low-emission energy generator, retailer and developer. CleanCo offers renewable energy from the sun and wind, firmed with low emission generation to deliver competitive clean energy products. The EA awarded to Comet Ridge contains numerous industry-standard conditions that the Company is required to meet to ensure the activities are undertaken without causing environmental harm or contravening noise and emissions standards while balancing the critical role that gas is anticipated to play as Australia transitions towards Net Zero.

A referral was submitted in October 2023 to the Federal Department of Climate Change, Energy, the Environment and Water (DCCEEW) under the EPBC Act for the abovementioned initial development activities within PLA 1128. The referral entered the public notification process in February 2024, however DCCEEW extended the decision notice period. A decision was then made by DCCEEW that the referral will proceed as a controlled action and a very detailed preliminary request for further information was provided to Comet Ridge. A non-controlled action application by Comet Ridge was expected to be concluded in FY2024, however the controlled action decision extends the assessment and approval timeframe. Comet Ridge is preparing the response to DCCEEW in relation to the detailed information request for further ecological field work which was completed in September 2024. The response scope also includes drilling new groundwater monitoring bores, which has also now been completed by Comet Ridge. Monthly water monitoring information will be provided as part of the EPBC approval process.

During the 2024 financial year, Comet Ridge executed a Conduct and Compensation Agreement (CCA) with the landholder that occupies the main Mahalo North development area within PLA 1128. This development CCA covers the initial production wells, roads and tracks, compression facilities (if required), water treatment and storage facilities as well as a small site office and accommodation. The total land area impact on this property is expected to be approximately 1% and the relationship with the landholder remains very positive. Comet Ridge will be able to supply valuable produced water for stock watering and agricultural use.

FEED activities – The proposed development scope within PLA 1128 will consist of interconnected horizontal and vertical well production pairs, gas and water gathering, a small gas compression facility, and water management infrastructure (see Figure 5). Comet Ridge has advanced a significant amount of work on FEED activities for the Mahalo North development along with its main development consultants Verbrec (compression facilities), Wasco (construction activities) and Veolia (water treatment).

***Figure 5** – Conceptual layout of facilities planned for Mahalo North*

Gas produced from ATP 2048 is subject to an Australian market supply condition and requires a transmission pipeline to connect the PL area to existing pipeline infrastructure to supply gas to the Australian Domestic Gas Market.

Multiple options are currently being progressed, including connection to PPL 10 (Denison pipeline) to the west, PPL 30 (Jemena's Queensland Gas Pipeline (QGP)) to the south and utilising shared infrastructure to be constructed as part of the Mahalo Joint Venture Project.

Comet Ridge engaged Jemena to complete a pre-FEED study on a Jemena built, owned and operated pipeline connection from Mahalo North to the QGP. This work was completed in FY2023. The next stage is to undertake pipeline FEED, and this is now planned to be undertaken by the Mahalo Joint Venture participants, with Comet Ridge potentially connecting Mahalo North to this pipeline.

Mahalo East – ATP 2061

Overview - This 97 km^2 block is also highly prospective given its location directly north-east of, and contiguous with, the Mahalo Joint Venture Project. The block was awarded to Comet Ridge as 100% equity holder by the Queensland Government on 28 September 2020, after a competitive tender process. Gas produced from Mahalo East is also subject to domestic supply conditions.

Subsurface analysis - Mahalo East is part of the Mahalo Gas Hub Area and sits over a natural northeast geologic extension of the gas accumulation in the Bandanna Formation coals. It has similar geologic characteristics to the Mahalo Joint Venture Project, with the discovery of gas and the geologic model confirmed by seismic data and coal exploration bore wireline logs, core and gas desorption data.

Gas Reserves and Resources – Based on analysis of the extensive data contained in the Company's geological model, Comet Ridge independently certified Contingent Gas Resources for Mahalo East in December 2022 as shown in Table 4 below.

	Gas Reserves (PJ)			Contingent Gas Resources (PJ)		
Mahalo East	**1P**	**2P**	**3P**	**1C**	**2C**	**3C**
COI 100% interest	-	-	-	8	31	122

***Table 4** – Mahalo East Contingent Gas Resources at 30 June 2024 (rounded to the nearest whole number)*

Appraisal activities – Comet Ridge was awarded a $5 million grant from the Queensland Government in May 2024 to undertake a pilot production test in the Mahalo East block (ATP 2061). The Queensland Government has made a total of $21 million available to four separate operators under the Frontier Gas Exploration Program to support exploration in the Bowen Basin.

As noted above, Mahalo East currently has independently certified 2C (31 PJ) and 3C (122 PJ) Contingent Resources and the pilot test is the next step in positioning the project for development.

Comet Ridge will use the $5 million grant to drill and test a new pilot scheme, comprising a vertical production well intersecting a lateral (horizontal) well. The new pilot (with the well location shown in red in Figure 6) will be installed similarly to Comet Ridge's successful Mahalo North pilot, with a trial of enhanced steering technology to improve lateral well length and design. This technology can then be applied more widely across the Mahalo Gas Hub and the Bowen Basin.

Comet Ridge has finalised the planning steps necessary to undertake drilling operations, including negotiating and executing a Conduct and Compensation Agreement with the landholder, and selecting a preferred drilling contractor for the operations. Comet Ridge plans to commence drilling early in the December 2024 quarter, subject to weather and final rig availability, followed by testing.

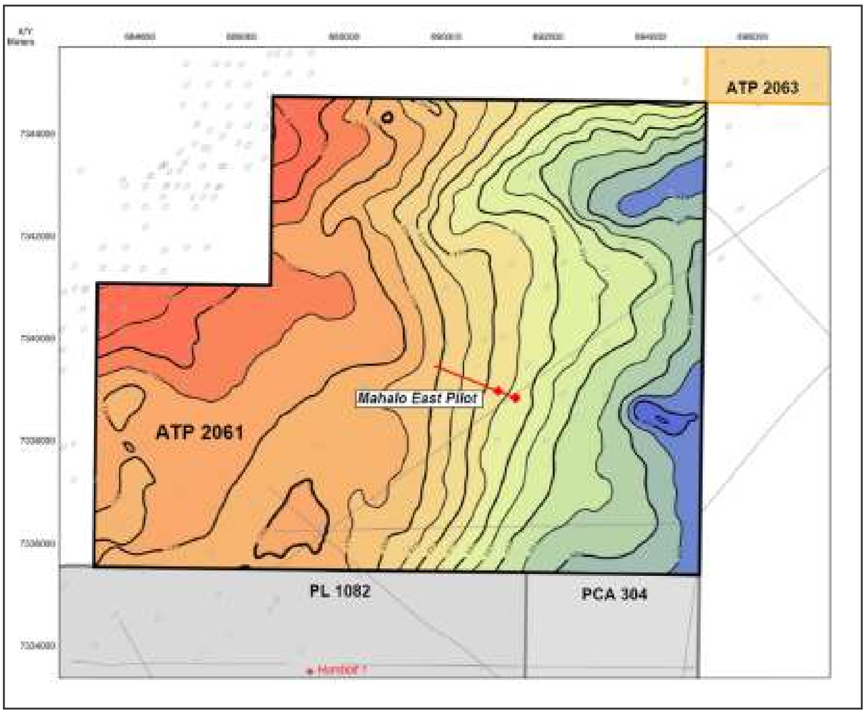


Figure 6 *– Map showing the pilot production well within ATP 2061 (Mahalo East), within the Mahalo Hub high-quality fairway*

Mahalo Far East – ATP 2063

Overview – This very large 338 km^2 block was awarded to Comet Ridge on a 100% equity basis on 10 May 2021. Mahalo Far East contains coals that are generally deeper and have notably higher natural gas content than the main Mahalo high productivity fairway, adding significant additional gas-in-place volume to Comet Ridge's portfolio in the Mahalo Gas Hub area. This block also contains conventional (sandstone) gas potential underneath the coals, for which Comet Ridge also holds 100% equity.

Comet Ridge has also identified a large CSG opportunity on the eastern flank of the permit, known as the Blackdown play, which is deeper than the high-quality CSG fairway within the main Mahalo Gas Hub area. The Blackdown play has elevated coal maturity and higher gas content which is likely to require longer lateral wells for commerciality but could ultimately produce excellent gas volumes.

New permit awarded - Subsequent to the end of the 2024 financial year, Comet Ridge was awarded a new block in the Mahalo Gas Hub area, being ATP 2072, called Mahalo Far East Extension. ATP 2072 covers an area of 66 km^2 and is located immediately north of Mahalo East and west of Mahalo Far East (see the green shaded area in Figure 3 on page 8), approximately 85 km south-east of Emerald. The southern portion of the new block sits over the Mahalo Gas Hub high-quality fairway and is expected to be a source of future production wells for the Mahalo Gas Hub development.

2. Galilee Basin Permits

Comet Ridge holds a large acreage position of 4,742 km^2 in the eastern part of the Galilee Basin. This acreage contains substantial 3C Contingent Resources, shown in Table 5 below, which have been independently certified at two stratigraphic levels. These comprise the sandstones or "Deeps" (from a depth of approximately 2,500 metres) in the Albany structure and also CSG or "Shallows" in the Gunn Project Area (from a depth down to approximately 1,000 metres).

	Contingent Gas Resources (PJ)		
Galilee Basin Permits (COI net interests)	**1C**	**2C**	**3C**
CSG, Gunn Project Area (COI 100%)	0	67	1,870
Conventional, Albany Structure (COI 70%)	39	107	292
Total	**39**	**174**	**2,162**

Table 5 *– Comet Ridge's share of Galilee Basin Contingent Gas Resources at 30 June 2024 (rounded to nearest whole number)*

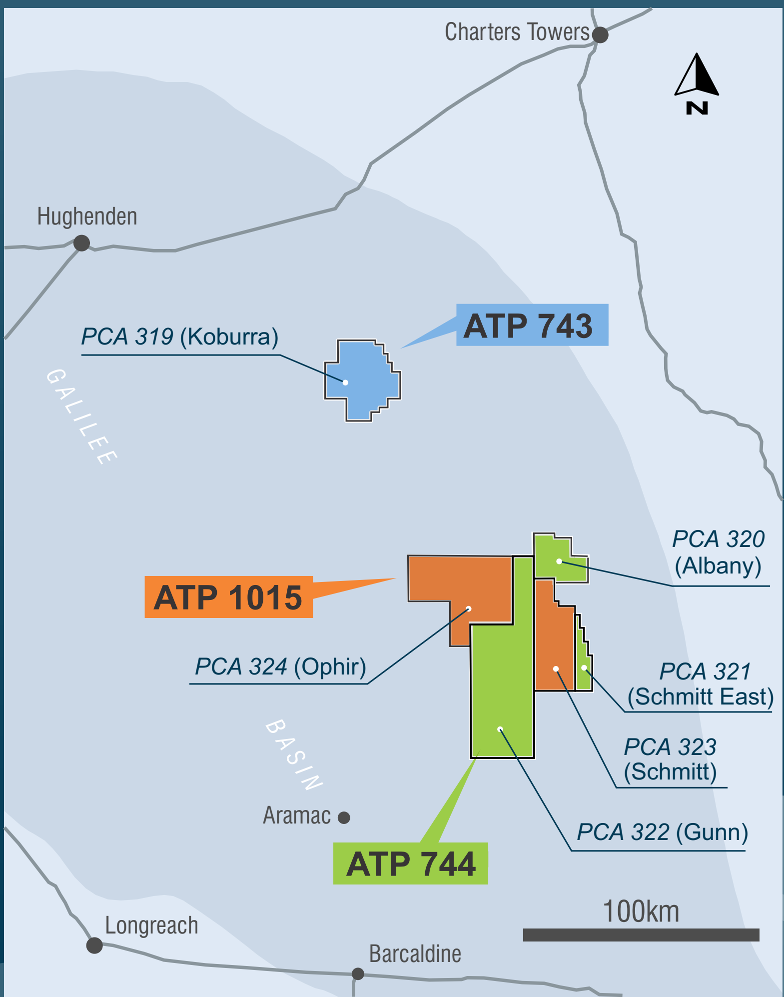


Figure 7 *– Galilee permits showing the PCAs within the three ATPs*

In 2019, Comet Ridge and Vintage Energy created the Galilee Deeps Joint Venture (GDJV), with Vintage Energy earning a 30% interest by funding the Albany 1 well and additional 2D seismic aimed at the deeper sandstone reservoir sections. The Albany 1 well flowed 230,000 standard cubic feet of gas per day and confirmed these deeper sandstones could indeed be productive. The GDJV participants have identified up to 20 sandstone leads and prospects in this deeper section of the basin for future appraisal.

PCAs numbered 319 to 324 (Figure 7) have been awarded to Comet Ridge for a term of 15 years ending 9 September 2037. All three of the underlying permits, ATPs 743, 744 and 1015, have also been renewed for a further term of 12 years, ending 3 September 2033, 31 October 2033 and 30 November 2034 respectively.

Comet Ridge continues to work through the next phase of appraisal with Vintage Energy and is focused on several studies to extend technical knowledge on charge (source & migration), reservoir, seal and trap.

3. New South Wales Permits

Comet Ridge has one remaining NSW exploration licence (PEL 427), which was renewed by the NSW Government on 12 May 2022 for a period of six years. The approved area was reduced to 12 blocks by the NSW Government over an area of 891 km^2 located in the northern Gunnedah Basin, immediately north of Santos' Narrabri CSG Project in the Bohena Trough.

Comet Ridge holds a 59.1% CSG equity interest and 100% conventional equity interest in PEL 427. Comet Ridge is the Conventional Operator whilst Santos operates the CSG interest.

Given the uncertainty and significant risk related to investment in natural gas in NSW, the Company is planning to be 100% focused on its Queensland operations for the foreseeable future.

Other Activities

International Activities

Just after the end of the reporting period, New Zealand Petroleum and Minerals (the NZ Government petroleum authority) accepted the surrender of the Comet Ridge interest in PMP 50100 in New Zealand. The Company now has no permit interest in New Zealand.

In 2019, Comet Ridge undertook a program to plug and abandon (make permanently safe) all the wells in its New Zealand acreage as part of the process to surrender PMP 50100, with the exception of one well (Murcott 1) that was delayed due to land access and then COVID. This well has subsequently been plugged and made safe and all required operations in that exploration block have been concluded.

Health, Safety and Environment

The majority of field operations in the 2024 financial year were in the Mahalo North block and focussed on very high quality aquatic and terrestrial environmental surveys and field activity in support of the PLA 1128 application. As a result, fewer field hours were worked in FY2024 compared to FY2023.

The total operational hours worked in FY2024 across the business was 21,562 hours down from 23,495 hours last year. Consistent with previous years, there were no safety or environmental incidents recorded during the 2024 financial year.

Mahalo North field operations were supported by a rigorous risk management approach used in planning for the operations. This included the Company's Risk Committee systematically identifying the strategic and operational level risks associated with the field work. These risks and appropriate mitigations were incorporated into the field work undertaken at Mahalo North in 2024.

The primary focus of the business moving forward is to ensure that the next phase of activity is conducted in accordance with the HSE management system and that operations comply with all the many regulatory requirements and approvals. As we move into an increased level of activity at Mahalo East, the rigorous risk management approach used during our last appraisal activity in Mahalo North will be applied.

Community

Comet Ridge takes its corporate social responsibility very seriously. This is reflected in a deep commitment, at all levels of the Company, to working with community stakeholders in the regions where it operates. This commitment has ensured external and stakeholder relationships continue to be extremely positive.

Throughout FY2024 Comet Ridge has:

- Maintained its financial membership of the Leucaena Network, to allow knowledge gathering and networking in anticipation of future gas field development;
- Attended and contributed to a number of government and industry organised workshops;
- Sponsored local community events in Rolleston, Queensland and supported other local fundraising activities; and
- Recently met with the new Mayor and CEO of Central Highlands Regional Council after the 2024 Council elections.

Community engagement and respect for the communities where the Company operates is a core value for Comet Ridge and is supported by legislation and regulation. The Queensland 'Land Access Code', which has been developed in compliance with the relevant legislation and is enshrined in regulation, is the industry reference when it comes to landholder and community relations and interaction between landholders and the gas industry. Comet Ridge has always acted consistently with the principles and guidelines set out in this Code of Practice.

Comet Ridge believes that co-existence and mutual respect are the cornerstones of community relations. The Company has built on the strong relationships developed over previous years and continues to enjoy excellent relationships with landholders, local government, the wider community, and all relevant stakeholders.

In terms of local government engagement, the Company continues to maintain contact with relevant officials and elected representatives in the local government areas where Comet Ridge operates. Contact with local government affords an excellent opportunity to communicate with local communities at a broad level, allowing Comet Ridge to listen to local residents' and businesses' aspirations and align them with the Company's plans. The Company uses and supports local contractors and businesses in its operations as a priority.

Through membership of Australian Energy Producers (AEP), the Company interacts with government representatives (at multiple levels) and directly with other key agencies such as Coexistence Queensland which has grown out of the Queensland Gas Fields Commission. Comet Ridge maintains strong relationships with the relevant Queensland Government departments, including the Department of Resources and the Department of Environment, Science and Innovation.

Cultural Heritage

Comet Ridge values its relationships with Traditional Owners and respects their heritage and culture. We always act to protect and secure Indigenous Cultural Heritage when conducting in-field activities by working with the local Cultural Heritage claimant group and briefing that group prior to any field activities. We also engage around the conduct of field surveys prior to any field work, and ensure we comply with all relevant legislation. Protecting, preserving and respecting Indigenous culture, Indigenous peoples' deep connection to the land and ensuring artefacts and areas of cultural significance are secured are all extremely important to Comet Ridge. The Company has a number of Native Title agreements in place.

Sustainability

As part of Australia's community of oil and gas operators we acknowledge the important role that the industry will play in the energy mix in the future. Comet Ridge recognises that, in delivering this essential component of the prosperity and wellbeing of all Australians, it is incumbent upon us to minimise the impact of our activities and remediate areas affected by operations to ensure that the environment we touch or are connected to experiences the lowest possible impact.

Natural gas will provide long-term energy and manufacturing security for Queensland and Australia, which is fundamental for our society's wellbeing. The approach to environmental, social and governance (ESG) issues across the natural gas industry is an evolving, critical component of a company's social licence to operate. Companies with a strong ESG program and performance benefit significantly and directly when it comes to stakeholder engagement and investor participation. Comet Ridge is actively engaging, independently and through AEP, to develop its own ESG program. The environmental aspects of our operations are governed by strict laws and regulations both at state and federal levels which are integrated into our operational procedures, including the assessment of potential environmental impacts of any proposed activities before the commencement of any project. Comet Ridge also engages with relevant stakeholders such as landholders, native title claimants and local governments to minimise its impact.

We also understand that the world must use its resources wisely and that society is transitioning to produce fewer greenhouse emissions. Apart from domestic uses such as cooking and heating, gas is an essential part of industries as diverse as pharmaceuticals and the manufacture of fertilisers, which are not currently able to be met by renewable energy sources. Natural gas plays a key role in housing, for example making glass, bricks, aluminium and plasterboard. Natural gas also has an important role to play in providing firming power for this transition, as it burns much more cleanly than other fossil fuels, can start electricity generation at short notice and with fewer associated emissions.

Natural gas is used as a critical input to the manufacture of many thousands of products that we use every day to make our lives better. Natural gas is a key input for ammonia-based fertilisers which are very important in maximising crop yields to help feed the planet's growing population. Synthetic fibres like nylons are hydrocarbon (natural gas and oil) based and so many of us wear the products of natural gas around with us every day. Plastics in our cars, houses, phones, keyboards and computers are also products made from natural gas. It takes natural gas to build the many components needed for a solar panel or a wind factory. Natural gas is used extensively to refine ore to generate many of the metals needed for renewables components. Indeed, it is hard to contemplate a world without the many products that natural gas provides, and Australian manufacturing would effectively shut down without it.

Our goal is to operate efficiently and responsibly, with the support of our stakeholders. We want our communities, employees and shareholders to all enjoy the benefits of Comet Ridge developing Queensland's natural gas resources.

Environment, Social and Governance (ESG) Reporting

As reported in last year's Annual Report, and in response to the increased focus on the principles of Environment, Social and Governance (ESG) as an effective means of creating long term value while addressing societal priorities, the Company committed to adopting an ESG reporting regime. This is based on the one enshrined in the United Nations' Sustainable Development Goals determining that the reporting on the ESG disclosures of the Stakeholder Capitalism Metrics (SCM) of the World Economic Forum (WEF) (https://www.weforum.org/stakeholdercapitalism) strikes the necessary balance between the detail needed for Shareholders seeking a level of transparency, and a reporting structure that will not impose unreasonable or unnecessary burden on a Company with limited internal resources, the size and stage of development which Comet Ridge is currently at.

The Company has made significant progress in finalising a sustainability report which will contain the ESG disclosures referencing ESG metrics focused on people, planet, prosperity and principles of governance that organisations are able to report on regardless of industry or region. Once finalised and adopted, this will see the Company reporting against the 21 core SCMs, which will then be reviewed quarterly and updated periodically.

Chairman and Managing Director letter to shareholders

Dear Fellow Shareholder,

We are pleased to present to you our Annual Report for the 2024 financial year, as we continue on the path of transitioning from an appraisal company, through project development and ultimately into gas production.

In FY2024 we took an important step in our transition to gas producer with the execution of our inaugural Gas Sales agreement (GSA) with CleanCo Queensland Limited (CleanCo). This followed very shortly after the resolution of exemptions for small producers from the Federal Government's mandated gas price caps, which we highlighted in the 2023 Annual Report. Comet Ridge has had a long and positive relationship with CleanCo and its predecessor Stanwell Corporation. CleanCo is a low-emission energy generator, retailer and developer that offers renewable energy from the sun and wind, firmed with low emission generation to deliver competitive clean energy products. The GSA satisfied a number of conditions precedent during the 2024 financial year and is awaiting our final investment decision on Mahalo North to become fully unconditional.

Our letter to shareholders in 2023 addressed the Federal Government's intervention in the gas market with a regulated gas price cap, as noted above, which resulted in an industry-wide investment freeze and delays in the development of new supply. This was softened several months later with an exemption framework which was then followed by the Federal Government with its Future Gas Strategy in May 2024. The strategy identifies a number of required actions including preventing gas shortfalls by working with industry and State and Territory governments to encourage more timely development of existing gas discoveries. Whilst the strategy was positively received by the natural gas industry, it seems to lack a policy framework to enable many of the identified actions, including, for example, the streamlining of time and associated costs of securing environmental approvals.

The Company is advancing its 100% held Mahalo North Gas Project, which has a domestic gas supply obligation, to meet the supply requirements of the CleanCo GSA. Mahalo North is planned to be developed in conjunction with the Mahalo Joint Venture Project with the Mahalo Joint Venture's Development Operator, Santos QNT Pty Ltd. The reservoir geology at Mahalo North has been confirmed from our very successful pilot production test in 2022, followed by independent certification of 43 PJ of 2P Reserves and 110 PJ of 3P Reserves. These 2P Reserves are more than sufficient to cover the supply requirements of the CleanCo contract. 3P Reserves for Mahalo North were then further upgraded in December 2023 to 149 PJ based on development optimisation work and receipt of further open file geological data.

During the 2024 financial year, we progressed regulatory approval requirements for Mahalo North, including an initial Petroleum Lease application (PLA 1128), underpinned by extensive environmental surveys, studies and reports that are required for both State and Federal environmental approvals. Both applications were submitted in October 2023. After a lengthy period of public consultation, response to information requests and interaction with assessing authorities, it is pleasing to report that in August 2024, Comet Ridge was awarded an Environmental Authority (EA) by the Queensland Department of Environment, Science and Innovation for the planned development activities within PLA 1128. This EA is a precursor for the award of the Petroleum Lease, which will formally allow moving forward into production with an agreed development plan.

Despite receiving Queensland Government EA approval, our efforts to secure EPBC approval from the Federal Government are ongoing. At the date of this letter, we are finalising our response to a very detailed preliminary information request including the requirement for additional field activities to drill and monitor new groundwater bores. Our detailed response is scheduled to be submitted in October and although we remain very confident in receiving EPBC approval, there is currently an inconsistency between the Future Gas Strategy imperatives noted above and the time and bureaucratic processes required to secure these.

The other critically important piece of work that has been our focus during the 2024 financial year is progressing the Mahalo Joint Venture Project into Front End Engineering Design (FEED). This project has the necessary scale (with 266 PJ gross 2P Reserves and 458 PJ gross 3P Reserves) to support the development of new gas compression facilities and a circa 80 km pipeline connection to both the Queensland Gas Pipeline (domestic) and GLNG Pipeline (LNG export). Mahalo North may also be able to leverage these facilities and the pipeline connection to minimise overall project capital expenditure. Santos, as the Operator, and Comet Ridge have finalised the select stage project deliverables and optimisation of plant capacity and capital expenditure, as a precursor to moving into FEED in the December quarter. The Mahalo JV participants have continued to engage with Jemena to undertake the gas transmission pipeline FEED study which is planned to commence concurrent with the upstream FEED activities.

The Future Gas Strategy highlights the importance of natural gas to our economy and society. Gas is crucial for A Future Made in Australia as it supports manufacturing, food growing and processing and the refining of critical minerals which will help Australia and the world to lower emissions. Gas supplies 27% of Australia's energy needs and represents 14% of Australia's export income. Gas will play an important role in firming renewable power generation and is needed in hard-to-abate sectors like manufacturing and minerals processing until such time as alternatives are viable and can be deployed.

This gas demand is evident from our ongoing discussions with gas users. These discussions have confirmed that gas users are motivated to support new sources of supply into the east coast market and that pre-pay funding is available to small producers to assist with project capital requirements. This is particularly important as traditional sources of funding are becoming increasingly constrained due to pressure from climate activists on lenders and investors. As we make further progress with FEED activities in FY2025, we will be able to finalise further gas supply agreements with potential customers.

During the year we were also very pleased to receive strong support from the Queensland Government with the award of a $5m grant for the drilling of a Mahalo East pilot scheme, and also the award of a new block, Mahalo East Extension (ATP 2072). We expect drilling of this new pilot scheme to commence in October.

We remain very positive about the future of our Company. We have proven assets in the right location, along with some exciting growth opportunities that we can integrate into our Mahalo Gas Hub development. Our quality gas assets in the Mahalo Gas Hub will ultimately produce significant volumes of gas for Australia's energy and manufacturing sectors. We have a great development partner in Jemena for the pipeline connection to market, an experienced joint venture partner in Santos, and a quality foundation customer in CleanCo along with other prospective customers in an ever-tightening gas market.

We are very appreciative of the support from our shareholders, and we look forward to creating value for you as we move forward.

James McKay
Chairman

Tor McCaul
Managing Director

2024 Annual Reserves Statement

Comet Ridge is pleased to present its Annual Reserves Statement in Table 6 below for the year ending 30 June 2024.

Comet Ridge Limited – Net Recoverable Reserves and Resources [1]

Basin	Project/Permit	COI Interest	Reserves (PJ)[1]						Contingent Resources (PJ)[1]					
			1P	1P	2P	*2P	3P	3P	1C	1C	**2C	**2C	3C	3C
			30-6-23	30-6-24	30-6-23	30-6-24	30-6-23	30-6-24	30-6-23	30-6-24	30-6-23	30-6-24	30-6-23	30-6-24
Southern Bowen Basin, QLD	Mahalo JV (ATP 1191)[3]	57.14%	*-	*-	*152	*152	262	262	109	109	**180	**180	294	294
Southern Bowen Basin, QLD	Mahalo North (ATP 2048)	100%	*12[3]	*12[3]	*43	*43	110	149[2]	-	-	-	-	-	-
Southern Bowen Basin, QLD	Mahalo East (ATP 2061)	100%	-	-	-	-	-	-	8	8	31	31	122	122
Galilee Basin, QLD	Gunn (ATP 744)	100%	-	-	-	-	-	-	-	-	**67	**67	1,870	1,870
Galilee Basin, QLD	Albany (ATP 744)	70%	-	-	-	-	-	-	39	39	**107	**107	292	292
Gunnedah Basin, NSW	PEL 427	59.09%	-	-	-	-	-	-	-	-	-	-	281	281
Total			*12	*12	*195	*195	372	411[2]	156	156	**385	**385	2,859	2,859

***Table 6** – Comet Ridge Limited – Reserves and Resources Annual Statement*

1 Movements in Net Recoverable Reserves and Resources are explained in responses to Listing Rule 5.39.3 and 5.40.2 below.

+ Subsequent to the booking of the Reserves and Resources for ATP 1191, the Authority to Prospect and the area that it covered has been converted on application to PL 1082 and PL 1083 along with PCAs 302, 303, and 304.

2 Comet Ridge announced on 20 December 2023 an upgrade of its estimate of 3P Gas Reserves for the Mahalo North Project. The 3P Reserves upgrade was certified by Sproule Incorporated of Denver Colorado USA.

3 1P Gas Reserves for the Mahalo North Project have been included in this Reserves certification on the basis that a development decision by Comet Ridge (as 100% owner and operator of the project) is planned as soon as transport arrangements and PL application are concluded. Similarly, with the streamlined Comet Ridge and Santos Mahalo Joint Venture now focused on development plans for the Mahalo Joint Venture Project to the south, the re-instatement of 1P Reserves for Comet Ridge's net interest in the Mahalo Joint Venture Project will be reviewed and actioned as development plans are finalised with Santos.

ASX Listing Rules Annual Report Requirements

* Listing Rule 5.39.1:

- All 2P Petroleum Reserves recorded in Table 6 at 30 June 2024 are undeveloped and are attributable to unconventional gas.
- 100% of the 2P Petroleum Reserves are located in the southern Bowen Basin.
- No 1P Petroleum Reserves were recorded for the period ending 30 June 2024 for the Mahalo Joint Venture Project. Please refer to ASX Announcement "Mahalo Reserves and Resources Revision" 30 October 2019 for details of the reason from the removal of the 1P Petroleum Reserves.

* Listing Rule 5.39.2:

- The proportion of 1P and 2P Petroleum Reserves that are unconventional is 100%. The 1P and 2P Reserves recorded for the Company are located in the Company's southern Bowen Basin Mahalo Joint Venture Project area (PL 1082 and PL 1083 along with PCAs 302, 303, and 304) and its Mahalo North project area (ATP 2048) also in the southern Bowen Basin.

Listing Rule 5.39.3:

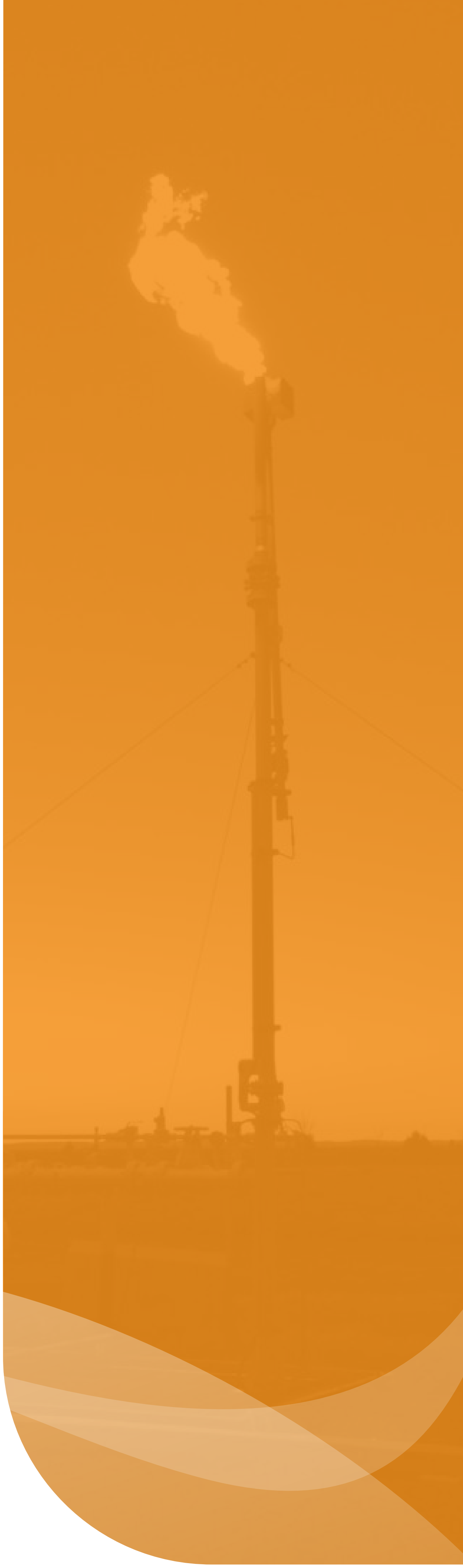
- Table 6 records a comparison of the 2P and 3P Petroleum Reserves at 30 June 2024 as against the previous year and discloses that the Petroleum Reserves (3P) have changed as a result of the 3P Reserves upgrade for the Mahalo North Project (ATP 2048) announced 20 December 2023.

Listing Rule 5.39.4:

- Comet Ridge first reported certified Petroleum Reserves for the Mahalo Joint Venture Project on 27 August 2014 and these Reserves have remained undeveloped for greater than 5 years since the date initially reported.
- The Mahalo Joint Venture has yet to reach a Final Investment Decision (FID) on the Mahalo Joint Venture Project, which needs the approval of both Joint Venture participants. Lateral well drilling was undertaken by Comet Ridge, as agent for the Exploration Operator (Santos), during 2017 and 2018, to demonstrate and confirm the most likely development well style. During the first half of 2020, both Federal and State environmental approvals were received for the Mahalo Joint Venture Project and then on 30 June 2020 the Petroleum Leases (PLs) were awarded by the Queensland Government.
- On 28 June 2022 Comet Ridge completed the acquisition of APLNG's 30% interest in the Mahalo Joint Venture to provide a pathway to project development with a streamlined joint venture comprising Comet Ridge and Santos with material equity positions and Santos continuing as Operator.
- Subsequent to the acquisition of the APLNG interest by Comet Ridge, Santos provided a notice to exercise its option to acquire a 12.86% option interest. This acquisition was finalised on 28 September 2022 upon which Comet Ridge's net interest in the Mahalo Joint Venture was adjusted to 57.14%.
- Concurrent with this holding in the Mahalo Joint Venture, Comet Ridge now holds a large 100% operated acreage position immediately adjacent to the Mahalo Joint Venture Project to the northwest and northeast and has, since the award of these permits, certified additional gas Reserves and Resources in these areas. Comet Ridge plans to make use of common infrastructure that will be available to the Mahalo Joint Venture Project following final investment decision, as well as Comet Ridge's 100% held projects.
- Following an appraisal program Comet Ridge announced (ASX:COI 2 November 2022) the initial independent certification of 1P, 2P & 3P Reserves for its 100% held Mahalo North (ATP 2048) tenure, which has subsequently been updated with an upgrade in the 3P Reserves announced 20 December 2023. Additionally, the independent certification of 1C, 2C, & 3C Resources in Comet Ridge's 100% held Mahalo East (ATP 2061) tenure was announced in December 2022 (ASX:COI 19 Dec 2022).

Governance Arrangements and Internal Controls Listing Rule 5.39.5:

- Comet Ridge has obtained all of its gas Reserves and Resources estimates reported at 30 June 2024 from external independent consultants who are qualified petroleum Reserves and Resources evaluators as prescribed by the ASX Listing Rules.
- Comet Ridge estimates and reports its petroleum Reserves and Resources for its southern Bowen Basin tenures in accordance with the definitions and guidelines of the Petroleum Resources Management System 2018 and Guidelines for Application of PRMS 2011 as published by the Society of Petroleum Engineers (SPE PRMS). In respect to the Galilee Basin (Gunn Project Area) and Gunnedah



Basin Resources estimates, these were made in accordance with the definitions and guidelines of the Petroleum Resources Management System 2007, published by the Society of Petroleum Engineers (SPE PRMS). In respect to the Galilee Basin (Albany Structure) Resources estimates, these were made in accordance with definitions and guidelines of the Petroleum Resources Management System 2007 and Guidelines for Application of PRMS 2011 as published by the Society of Petroleum Engineers (SPE PRMS).

- To ensure the integrity and reliability of data used in the Reserves estimation process, the raw data is reviewed by senior reservoir engineering and geological staff at Comet Ridge before being provided to the independent reserve certifiers. Comet Ridge has not and does not currently intend to conduct internal certification of petroleum Reserves preferring to appoint independent external experts prior to reporting any updated estimates of Reserves or Resources so as to ensure an independent and rigorous review of its data.
- Comet Ridge reviews and updates its gas Reserves and Resources position on a regular basis to ensure that if there is any new data that might affect the Reserves or Resources estimates of the Company, steps can be taken to ensure that the estimates are adjusted accordingly.

**Listing Rule 5.40.1:

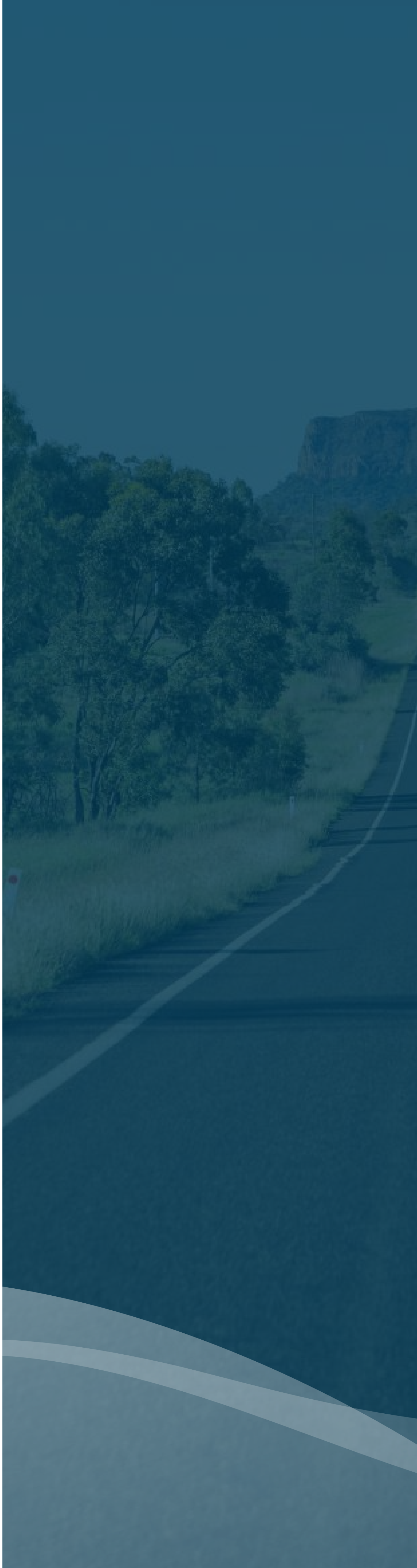
- All 2C Contingent Resources at 30 June 2024 are undeveloped. Approximately 72% of the reported 2C Contingent Resource is attributable to unconventional gas with the remainder attributable to a sandstone reservoir referred to in Table 6 as the Albany Structure.
- The geographical areas where the 2C Contingent Resources appear in the far-left column of Table 6.

Listing Rule 5.40.2:

- Table 6 records a comparison of the 1C, 2C and 3C Contingent Resources at 30 June 2024 against the previous year and discloses that no changes have occurred in the current financial year.

Listing Rule 5.44:

- The estimates of Reserves and Contingent Resources appearing in the 2024 Annual Reserves Statement for Comet Ridge Limited and its subsidiaries are based on, and fairly represent, information and supporting documentation determined by the various qualified petroleum reserves and resource evaluators listed below.
- The estimate of the unconventional (CSG) Contingent Resources for the Gunn Project Area in ATP 744 were determined by Mr John Hattner, a full-time employee of Netherland, Sewell, and Associates Inc. (NSAI), an independent petroleum reserve and resource evaluation company. Mr Hattner is a qualified petroleum reserves and resource evaluator as defined under the ASX Listing Rule 5.42. and is a member of the Society of Petroleum Engineers. Mr Hattner has previously consented to the publication of the Contingent Resources estimate for the Gunn Project Area in the form and context in which they appear in this Annual Reserves Statement for 2024.



- The estimate of Contingent Resources for the Albany Structure in ATP 744 is taken from an independent report by Dr Bruce McConachie, an Associate Principal Consultant with SRK Consulting (Australasia) Pty Ltd, an independent petroleum reserve and resource evaluation company. Mr McConachie is a qualified petroleum reserves and resource evaluator as defined under the ASX Listing Rule 5.42 and is a member of the American Association of Petroleum Geologists, the Society of Petroleum Engineers and Australasian Institute of Mining and Metallurgy. Mr McConachie has previously consented to the publication of the Contingent Resources figures for the Albany Structure in ATP 744 in the form and context in which they appear in this Annual Reserves Statement for 2024.
- The estimate of the Reserves and Contingent Resources for the Mahalo Joint Venture, as part of ATP 1191+ (PL 1082 and PL 1083 along with PCAs 302, 303, and 304) was determined by and under the supervision of Mr Timothy L. Hower MHA Petroleum Consultants LLC (now part of the Sproule Group). Mr Hower is a full-time employee of Sproule and is a qualified petroleum reserves and resource evaluator as defined under the ASX Listing Rule 5.42. Mr Hower is a Licensed Professional Engineer in the state of Colorado, USA as well as being a member of The Society of Petroleum Engineers. Mr Hower has previously consented to the publication of the Reserve and Contingent Resource estimates for the Mahalo Joint Venture in the form and context in which they appear in this Annual Reserves Statement for 2024.
- The estimate of the unconventional (CSG) Contingent Resources for PEL 427 were also determined by Mr Timothy L. Hower of Sproule. Mr Hower consented to the publication of the resource figures which appeared in the announcement of 7 March 2011 made by Eastern Star Gas Limited (ASX:ESG). Any reference and reliance on the Resource figures for PEL 427 as they appear in this Annual Reserves Statement is only a restatement of the information contained in the ASX:ESG announcement.
- The estimate of the unconventional (CSG) Reserves for the Mahalo North area (ATP 2048) were also determined Mr Timothy L. Hower of Sproule. Mr Hower has previously consented to the publication of Reserve figures in the form and context in which they appear in this Annual Reserves Statement for 2024.
- The estimate of the unconventional (CSG) Contingent Resources for the Mahalo East area (ATP 2061) were also determined Mr Timothy L. Hower of Sproule. Mr Hower has previously consented to the publication of Reserve figures in the form and context in which they appear in this Annual Reserves Statement for 2024.

Notes to Net Recoverable Reserves and Resources Table:

1) Gas Reserve and Resource numbers have been rounded to the nearest whole number.
2) Comet Ridge'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).

> Gas is crucial for A Future Made in Australia as it supports manufacturing, food growing and processing and refining of critical minerals which will help Australia and the world to lower emissions.

Corporate Governance Overview Statement

The Directors and management of Comet Ridge are committed to the creation of shareholder value and recognise the need for high standards of corporate governance as integral to that objective.

The Board is pleased to report that during the year ending 30 June 2024 the Company's corporate governance practices and policies have substantially accorded with those outlined in the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (4th Edition) (ASX Recommendations or ASX Guidelines), except as outlined in the Company's annual Corporate Governance Statement. Even where there is a deviation from the recommendations the Company continues to review and update its policies and practices in order that these keep abreast of the growth of the Company, the broadening of its activities, current legislation and good practice.

The ASX Corporate Governance Council's (the Council) recommendations are not prescriptive but rather they are guidelines. If certain recommendations are not appropriate for the Company given its circumstances, it may elect not to adopt that particular practice in limited circumstances.

Where the Company's Corporate Governance practices do not correlate with the practices recommended by the Council, the Company does not consider that the recommended practices are appropriate due to either the size of the Board or the management team or due to the current activities and operations being carried on by and within the Company.

A copy of Comet Ridge's 2024 Corporate Governance Statement, which provides detailed information about governance and a copy of Comet Ridge's Appendix 4G which sets outs the Company's compliance with the ASX Recommendations, is available on the corporate governance section of the Company's website at: http://www.cometridge.com.au/corporate-governance/.

Directors' Report

Your Directors present their report on Comet Ridge Limited (Comet Ridge or the Company) and the consolidated entity (the Group) for the financial year ended 30 June 2024. The Company was incorporated on 23 August 2003 and listed on the Australian Securities Exchange on 19 April 2004.

1. Information on Directors

The following persons were the Directors of Comet Ridge Limited who held office for the whole or part of the year and up to the date of this Report.

James McKay B.Com, LLB, Non-executive Chairman (Director since 16 April 2009)

Special Responsibilities
Chairman
Member of the Remuneration Committee

Experience
James McKay is Executive Chairman and co-founder of Walcot Capital, a venture capital business specialising in early stage commodity investments. Walcot Capital has established a number of large and successful resource projects including Tlou Energy Limited, an ASX and AIM listed southern Africa focused coal seam gas company, and ERPM a South African based gold company that purchased the historic East Rand Proprietary Mine with a 51M oz reserve.

James is the former Chairman of successful coal seam gas company Sunshine Gas Limited, having overseen that company's growth to join the ranks of Australia's Top 150 and a top ten Queensland company with a market capitalisation over $1 billion, prior to its merger with Queensland Gas Company.

Mr McKay is also a director and shareholder of Centenary Memorial Gardens Pty Ltd, a major Brisbane cemetery and crematorium. He is a past president of the Australasian Cemeteries and Crematoria Association, having served on its board for over eight years.

James McKay has a strong commercial background, with sound finance, investment markets, business management and legal expertise. He holds degrees in commerce and law.

Interest in Shares and Options
38,076,275 ordinary shares

Directorships Held in Other Listed Entities in Last 3 Years
Nil.

Tor McCaul B.E (Hons/Petroleum), B.Econ, MBA, Managing Director (Director since 16 April 2009)

Special Responsibilities
Managing Director
Member of the Risk Committee

Experience
Tor McCaul was appointed Managing Director of Comet Ridge in April 2009 when the Company merged with Chartwell Energy Limited (Chartwell). He previously held the position of Chief Executive Officer of Chartwell having commenced with that company in 2008. Tor has over 30 years' experience in the oil and gas industry. He graduated in Petroleum Engineering from UNSW in 1987 and spent the next nine years based in Brisbane working with operating companies in technical roles on projects in Queensland, New Zealand and PNG, which included a secondment to Chevron Niugini.

He spent the following 11 years in Asia (Karachi, Jakarta, Chennai and Delhi) in technical, finance, commercial and management roles. At VICO Indonesia (a BP-ENI JV) he was their LNG Contract Manager on the 23 million-tonne-per-annum Bontang LNG project. In India, he was Cairn plc's Head of Commercial for the Indian business. Mr McCaul is currently a Director of the Australian Energy Producers (AEP) and has previously been the Chairman for the Queensland Section of the Society of Petroleum Engineers and was the 2013 Queensland Petroleum Exploration Association (QUPEX) President.

Interest in Shares and Options
10,102,333 ordinary shares
1,000,000 performance rights

Directorships Held in Other Listed Entities in Last 3 Years
Nil.

Chris Pieters B.Sc (Hons), B.Bus, Executive Director (Director since 16 April 2009)

Appointed Executive Director 17 June 2015.

Special Responsibilities
Nil

Experience
Chris Pieters is the Managing Director and co-founder of Walcot Capital, a private venture capital business specialising in early-stage commodity investments, and the former Managing Director of Tlou Energy Limited, when it was a private unlisted public company with CSG exploration interests in Southern Africa.

Previously he was Chief Commercial Officer at Sunshine Gas Limited prior to its merger with the Queensland Gas Company in 2008. Mr Pieters also held other technical and business development roles at Sunshine Gas.

He is a member of the Petroleum Exploration Society of Australia.

Interest in Shares and Options
1,576,178 ordinary shares

Directorships Held in Other Listed Entities in Last 3 Years
Nil.

Gillian Swaby B.Bus, FAICD, FCIS, MAusIMM, Non-executive Director (Director since 9 January 2004)

Special Responsibilities
Chairperson of the Audit Committee

Experience
Gillian Swaby has been involved in financial and corporate administration for listed companies for over 30 years, as both Director and Company Secretary covering a broad range of industry sectors. Ms Swaby has extensive experience in the area of corporate governance, corporate and financial management and board practice.

Gillian is a past Chair of the Western Australian Council of Chartered Secretaries of Australia and State Councillor of the Australian Institute of Company Directors. She also serves on the board of ASX listed Deep Yellow Limited.

Interest in Shares and Options
295,372 ordinary shares

Directorships Held in Other Listed Entities in Last 3 Years
Deep Yellow Limited, joined 10 October 2005
Panoramic Resources Ltd, joined 8 October 2019, resigned 27 March 2024

Martin Riley B.E (Hons 1/Chem), Non-executive Director (Director since 13 March 2019)

Special Responsibilities
Chairperson of the Risk Committee
Member of the Remuneration Committee
Member of the Audit Committee

Experience
Martin Riley holds a first-class honours degree from Sydney University in Chemical Engineering and has 35 years' experience in the upstream oil and gas industry in a variety of roles. Martin was influential in the commercial inception and development of the Coal Seam Gas (CSG) industry in Queensland in the 1990s with Origin Energy. Martin has held a number of sub-surface technical roles, and senior executive positions within the industry, across both CSG and conventional assets, through exploration, development and production.

Interest in Shares and Options
850,895 ordinary shares

Directorships Held in Other Listed Entities in Last 3 Years
Nil.

Shaun Scott B.A (Rec Admin), B.Bus (Accountancy), ACA, Non-executive Director (Director since 16 October 2019)

Special Responsibilities
Chairperson of the Remuneration Committee
Member of the Audit Committee

Experience
Shaun Scott is an experienced independent non-executive director on both public and private boards. As an executive, Mr Scott was CEO of Arrow Energy Limited and was instrumental in taking this business from a $20 million coal seam gas explorer to a significant gas and energy producer and leader in the development of the Queensland LNG industry, until Arrow's $3.5 billion acquisition by Shell and Petro-China in 2010. At the Board level, Shaun has operated as Chairman and non-executive director of a number of publicly listed companies and chaired numerous Board sub-committees. Mr Scott has specific expertise and experience in business strategy, negotiations, financial and risk management, executive remuneration, governance and safety leadership.

He is a member of the Chartered Accountants Australia and New Zealand.

Interest in Shares and Options
1,038,074 ordinary shares

Directorships Held in Other Listed Entities in Last 3 Years
Noble Helium Limited (Executive Chairman), joined 25 January 2022, resigned 7 March 2024
Noble Helium Limited (Managing Director), appointed 7 March 2024

2. Company Secretary

Stephen Rodgers was appointed Company Secretary on 16 April 2009 and continues in office at the date of this report. He is a lawyer with over 30 years' experience and holds a Bachelor of Laws degree from Queensland University of Technology.

After practising law with several firms in Brisbane over a 12-year period he then operated his own specialist commercial and property law practice for seven years. Mr Rodgers then joined the successful team at Sunshine Gas Limited, where he was the in-house Legal and Commercial Counsel; a broad role which also included assisting the Company Secretary with many of the facets of that position. During this period, Mr Rodgers gained invaluable experience in the operation and running of an ASX200 coal seam gas company as well as being an instrumental member of the team which led the takeover negotiations and implementation of QGC's friendly acquisition of that Company.

He also holds the position of Company Secretary of Blue Energy Limited, an ASX listed CSG exploration company operating in Australia, as well as ASX listed HSC Technology Group Ltd, a medical technology company. Mr Rodgers brings to Comet Ridge strong legal and commercial experience with a particular emphasis on the coal seam gas industry.

3. Principal Activities

The principal activities of the Group during the financial year were to carry out oil and gas exploration, appraisal and development activities. The Group has tenement interests and a number of prospective projects in eastern Australia.

There have been no significant changes in the nature of the Group's principal activities during the financial year.

4. Operating and Financial Review

The comprehensive loss after tax of the Group for the financial year ended 30 June 2024 amounted to $7,189,000 (2023: loss of $6,569,000), including non-cash items of $2,690,000 (2023: $2,638,000).

During the financial year, the Group capitalised exploration expenditure of $1,814,000 (2023: derecognised $8,513,000 due to the divestment of a 12.86% interest to Santos) on the Mahalo Joint Venture Project, $2,559,000 (2023: $2,969,000) on Mahalo North, $228,000 (2023: $514,000) combined on Mahalo East and Far East and $81,000 (2023: $502,000) on the Galilee Deeps Joint Venture.

At 30 June 2024, the Group had $16,776,000 in cash on hand and net current liabilities of $17,945,000 (which includes the CleanCo financial liability, PURE warrant financial liability and APLNG deferred consideration payable disclosed as current obligations).

Comet Ridge has future commitments for the Mahalo Joint Venture Project, 100% held Mahalo northern projects and Galilee Basin permits which will be funded from existing cash and other funding sources as required when they fall due.

The Company executed a GSA with CleanCo on 18 September 2023 which contains a number of conditions prior to commencement of gas delivery under the GSA. If these conditions are not satisfied in the future, a cash payment would arise, which is not presently funded. Note 2 (d) Going Concern, and the independent auditor's report both acknowledge the existence of these matters and the material uncertainty that exists as a consequence. If Comet Ridge was not able to secure funding to meet this payment (if it was required to do so), that may cast significant doubt about the Group's ability to continue as a going concern.

Comet Ridge is actively pursuing a number of potential funding transactions to progress the appraisal and development of the Company's projects including project sell-down, farm-out and gas prepay arrangements. The Board is confident of being able to source funding at the necessary time.

Further information on the operations of the Group and likely developments are set out in the Overview of Activities and Significant Affairs outlined below.

5. Significant Affairs

There have been no significant changes in the state of affairs of the Group during the financial year ended 30 June 2024.

6. Dividends Paid or Recommended

The Directors recommend that no dividend be paid or declared. No amounts have been paid or declared by way of dividend during the financial year.

7. Post Balance Date Events

(a) ATP 2072 awarded by Queensland Government

Comet Ridge announced on 22 July 2024 that ATP 2072 was awarded to Comet ridge as 100% owner and operator for an initial term of six years. This new block is called Mahalo Far East Extension and covers an area of 66 km^2 immediately north of the Mahalo East and west of the Mahalo Far East projects. The southern portion of ATP 2072 sits over the Mahalo Gas Hub high-quality fairway and is expected to be a source of future production wells for the Mahalo Gas Hub development plan.

(b) Environmental Authority for PLA 1128 awarded by Queensland Government

Comet Ridge announced on 6 August 2024 that it was awarded an Environmental Authority (EA) from the Queensland Department of Environment, Science and Innovation for development activities to be carried out within PLA 1128 (the planned initial development area of Mahalo North). The scope of the development under the EA includes new production wells, compression and water treatment facilities, gathering systems and access tracks. Comet Ridge is developing Mahalo North to meet its domestic gas supply agreement with CleanCo Queensland Limited, a low-emission energy generator, retailer and developer which offers renewable energy from the sun and wind, firmed with low emission generation to deliver competitive clean energy products.

8. Principal Risks

Risk Management Framework

Comet Ridge has an established dedicated Risk Committee to provide advice and assistance to the Board in developing policy and assessing risks of the business. The Comet Ridge risk management procedure is based on the Australian Standard AS/NZS ISO 31000:2018 as having prominence in guiding the facilitation and management of risk within the Company. Comet Ridge recognises that effective risk management is a fundamental consideration in the decision-making process within the Company. The process of identifying, assessing and managing material business risks is designed to manage risks, mitigate risks to an acceptable level and, where appropriate, accept risk to generate returns. The Comet Ridge risk management framework is reviewed annually, in which an analytical review is undertaken of all the Company's operational, corporate, legal, regulatory and financial risk exposures.

The Comet Ridge risk management procedure incorporates an enterprise level view of risk, an understanding of risk management options and the use of consistently developed risk information. This is a continuous process and provides the foundation for the execution of business management activities. The use of common language around risk identification, management and reporting across field and office-based teams enables management, the employees and contractors who work for the company to focus on the key risks to achieve organisational goals.

The Comet Ridge risk management procedure defines oversight responsibilities for the Board to enable effective risk identification, assessment and management across the business.

Material Risks at 30 June 2024

The material business risks for Comet Ridge at 30 June 2024 are outlined in this section. These risks may materialise independently, concurrently or in combination. The active management of these risks through our risk management framework is imperative to Comet Ridge meeting strategic objectives and delivering shareholder value. This summary is neither an exhaustive list of risks that may affect Comet Ridge, nor are the risks listed in order of importance.

Operational Risks	
Risk	**Joint Venture arrangements** – Comet Ridge is in several joint ventures for some of the assets it owns and, as such, is dependent on technical and commercial alignment with our Joint Venture partners.
Cause	Misalignment between Joint Venture partners can lead to inefficient utilisation of available capital and may impact approaches to prioritisation of exploration or development opportunities.
Impact	Delayed approvals of development plans may impact on the timing of Comet Ridge's growth.
Mitigations	We ensure that our team works closely with our Joint Venture partners to achieve mutually beneficial outcomes.
Risk	**Exploration and development** – Our growth is dependent on our ability to successfully discover, develop and deliver new resources and reserves.
Cause	Exploration and drilling activities are highly uncertain and dependent on capital funding and the acquisition and analysis of data.
Impact	Comet Ridge's ability to deliver our strategy may be impacted by the success of our exploration and development efforts.
Mitigations	To ensure the highest possibility of success and therefore confidence of investors, we seek to employ the most technically capable staff, who analyse our existing acreage for drilling prospects by applying best-in-class technologies and process for exploration and development. Comet Ridge seeks partnering and farm-in opportunities to diversify risk.
Risk	**Access to infrastructure** – Comet Ridge's growth strategy is largely dependent on access to infrastructure owned by third parties.
Cause	We rely on third parties to process, transport and market the product Comet Ridge is seeking to produce.
Impact	Comet Ridge's growth may be impacted by the failure to obtain access to appropriate supporting facilities.
Mitigations	We seek to work closely with suppliers of infrastructure to mitigate the risk of not obtaining access and we continue to explore alternative routes to market to diversify risk where possible.
Risk	**Renewal of Tenure** – All permits and tenure are subject to compliance with certain requirements, including but not limited to meeting minimum exploration work commitments, lodgement of reports, payment of fees and compliance with environmental conditions and legislation.
Cause	We rely on a number of external factors as well as internal to ensure that we are able to satisfy these conditions which might not be able to be met on time or at all due to various factors some of which may be out of the control of the Company.
Impact	Comet Ridge could lose title to or its interest in any of the permits or tenure to any of its assets if these requirements are not met.
Mitigation	We have a very experienced team who are familiar with the regulatory environment and continue to monitor the Company's progress as against work commitments and reporting obligations. These commitments are continually reviewed throughout the year not only by the operations team level but also are overseen by the Risk Committee who reports directly to the Board who has the authority to secure further resources and funding to ensure commitments are not missed.
Risk	**Land Access** – Land access is critical for the success of Comet Ridge's exploration and development activities.
Cause	We rely on being able to negotiate with landholders and other stakeholders' access and entry agreements onto private and public lands over which Comet Ridge's exploration and production tenures overlay.
Impact	Comet Ridge's future exploration operations and profitability may be adversely impacted or delayed in the event of a dispute with a landholder or user that delays or prevents the Company carrying out its projects and this could materially adversely affect its financial position and performance.
Mitigations	We seek to work closely with landholders and other stakeholders and engage with them as early as possible to ensure that they are kept appraised of our proposed activities and seek to develop working partnerships with these parties where possible.

Strategic Financial Risks	
Risk	**Access to Funding** – Comet Ridge's ability to fund operations and future growth.
Cause	Volatility or uncertainty in capital markets could restrict the willingness of investors to provide additional capital, such as has been experienced with the advent of the COVID-19 pandemic.
Impact	Comet Ridge's growth aspirations require the investment of significant capital to generate returns.
Mitigations	We have prudent expenditure management and forecasting with a Board approved budget. We actively seek partnering opportunities to help fund key activities on a project by project basis.
Safety, Environmental and Sustainability Risks	
Risk	**Climate Change** – Management of carbon emissions and increased regulatory obligations may lead to increasing regulation and costs. Policies related to Climate Change and the energy transition that Australia is presently undergoing may adversely affect demand for natural gas, its pricing and gas industry investment.
Cause	There continues to be focus from governments, regulators, and investors in relation to how companies are managing the impacts of climate change policy and expectations.
Impact	Comet Ridge's growth and operating costs may be impacted by increasing regulation and financial imposts associated with climate change, compliance with increased regulatory obligations and the management of carbon emissions.
Mitigation	Comet Ridge actively monitors current and emerging areas of climate change risk and opportunities to ensure appropriate action can be taken. Comet Ridge continuously focuses on improving its energy efficiency and emissions management in delivering cost efficiencies and will adopt when required industry best practice to minimise the impact of the risk.
Risk	**Health and safety** – There is a risk of harm to employees, contractors and communities near our operations, particularly in remote locations, from exploration activities.
Cause	Our activities are subject to operating hazards which could result in harm to our people or our communities.
Impact	In addition to injury or negative effects to the health or wellbeing of affected people, impacts may include reputational damage and fines.
Mitigations	The identification, effective control and overall management of health and safety risks are the highest priority for Comet Ridge. We have developed detailed health and safety management plans, as well as rigorous processes to ensure we operate at the highest standards of safety management.
Risk	**Cyber Security** – Comet Ridge's operations are and will continue to be reliant on various computer systems, data storage facilities and interfaces with networks and other systems.
Cause	Every business, regardless of its size, is a potential target of cyber-attack. That is because every business has key assets (financial or otherwise) that bad actors may seek to exploit. The occurrences of cyber-attacks have increased exponentially in recent times.
Impact	Failures or breaches of these systems (including by way of virus and hacking attacks) have the potential to materially and or negatively impact the Company's operations and reputation. Examples of these would include the theft or loss of data and publication of materially sensitive information.
Mitigations	The Company has put in place barriers, continuity plans and risk management systems, however there are inherent limits to such plans and systems. Further, Comet Ridge has no control over the cyber security plans and systems of third parties which may interface with our operations, or upon whose services the Company's operations are reliant.
Political Risks	
Risk	**Significant regulatory change** – A change in government or policy and / or unexpected changes to legislation and regulation may significantly impact Comet Ridge financially and operationally.
Cause	Changes in legislation, regulations and / or policy can result from changes in Government or from changes by Government or external pressures.
Impact	Changes in legislation, regulation and / or policy may impact on exploration and development of our product. In turn, such changes would impact on sustainable returns for investors, through profit erosion and loss of company value. Retrospective or unexpected regulatory changes potentially impact the longer-term viability of projects.
Mitigations	We actively monitor regulatory and political developments and constructively engage with government, regulators and industry bodies.

9. Future Developments and Expected Results

The Group proposes to continue its exploration, appraisal and development programs and investment activities.

Further information on the operations of the Group and likely future developments is set out in the Overview of Activities.

10. Environmental Regulations

The Group's operations are subject to environmental regulation under the federal and state laws of Australia, where it undertakes its exploration and development activities. It is the Group's policy to engage appropriately experienced contractors and consultants to advise on, and ensure compliance with, its environmental performance obligations.

There have been no reports of breaches of any environmental regulations or obligations in the financial year and as at the date of this report.

11. Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2024 has been received and is attached to this report as required under section 307c of the *Corporations Act 2001*.

12. Meetings of Directors

The number of meetings of the Company's Board of Directors and of each Board committee held during the financial year ended 30 June 2024 and the number of meetings attended by each Director were:

	Board		Audit Committee		Remuneration Committee		Risk Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
J McKay	7	7	*	*	1	1	*	*
T McCaul	7	7	*	*	*	*	4	4
G Swaby	7	7	3	3	*	*	*	*
C Pieters	7	7	*	*	*	*	*	*
S Scott	7	7	3	3	1	1	*	*
M Riley	7	7	3	3	1	1	4	4

* Not a member of the relevant committee

13. Remuneration Report – Audited

This report outlines the remuneration arrangements in place for the Non-executive Directors, Executive Directors and other Key Management Personnel of the Company.

Remuneration Committee

The Board has established a Remuneration Committee which provides advice and specific recommendations on the remuneration packages and other terms of employment for Non-executive Directors, Executive Directors and other senior executives, including:

- the level of Non-executive Director fees;
- the amount and nature of remuneration arrangements for Executive Directors and other executives; and
- the type and nature of incentive arrangements including key performance targets effecting the remuneration of the executive team.

The objective of the Remuneration Committee is to ensure that the remuneration policies and arrangements are fair and competitive and aligned with the long-term interest of the Company.

The level of remuneration and other terms and conditions of employment for Executive Directors and Company executives are reviewed annually having regard to performance and relevant comparative information and are approved by the Board after the Remuneration Committee has sought independent professional advice, as required. In this respect, consideration is given to normal commercial rates of remuneration for similar levels of responsibility.

At this stage of the Group's development, the Remuneration Committee is focused on long-term value generation for shareholders and therefore consider Long Term Incentives (LTIs) based on achieving specific milestones, to be the preferred method of incentivising Executive Directors and Senior Executives. With the LTIs selected, the Committee has focused on ensuring Executive Directors and Senior Executives' long-term performance aligns with long-term value for shareholders.

The Corporate Governance Statement provides further information on the role of this Committee.

Key Management Personnel

For 2024, the Key Management Personnel (KMP) for Comet Ridge comprised:

James McKay	Non-executive Chairman
Tor McCaul	Managing Director
Christopher Pieters	Executive Director
Gillian Swaby	Non-executive Director
Martin Riley	Non-executive Director
Shaun Scott	Non-executive Director

Based on the Group's current activities, it is the view of the Committee that the Board remain as the KMPs for the organisation. As the Company moves closer to development and ultimately production, the Committee intends to review its position on those personnel who could be considered as KMPs.

Non-executive Director Remuneration

The Board's policy is to remunerate Non-executive Directors at market rates for time, commitment and responsibilities. The Remuneration Committee determines payments to the Non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The maximum aggregate amount of fees that can be paid to Non-executive Directors is subject to approval by shareholders at the Annual General Meeting. The latest determination was at the Annual General Meeting held on 22 November 2023 when shareholders approved an aggregate remuneration of $750,000 per year.

Fees for Non-executive Directors are not linked to the performance of the Group, however, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company. There is no minimum holding prescribed in the Constitution.

No increases to Non-executive Directors fees have been made in 2024 apart from the increase in superannuation guarantee from 10.5% to 11% effective from 1 July 2023. The Non-executive Directors' remuneration shown below is reported on a gross basis.

Non-executive Directors' fees (inclusive of superannuation) have been paid on the following basis as at the end of each financial year:

Director fees	**2024** **$**	**2023** **$**
Base Fees		
Chair	**158,137**	157,424
Other Non-executive Directors	**82,110**	81,740
Additional Fees		
Chair of Audit Committee	**10,138**	10,092
Chairs of Remuneration and Risk Committees	**5,069**	5,046
Members of committees	**3,042**	3,028

Executive Remuneration Framework

The objective of the executive remuneration policy is to ensure that the Group's remuneration arrangements are competitive and reasonable, enabling it to attract and retain the right calibre of staff and to align the remuneration of Executive Directors and other executives with shareholder and business objectives. Executive remuneration arrangements comprise a fixed remuneration component and may also include specific incentives based on key performance areas affecting the Group's financial and/or operational results as follows:

(a) a base salary (which is based on factors such as length of service, qualifications and experience), superannuation, fringe benefits and performance incentives;

(b) short-term performance incentives in the form of cash bonuses which are paid only when predetermined key performance indicators have been met;

(c) executives engaged through professional service entities are paid fees based on an agreed market based hourly and/or daily rate for the services provided and may also be entitled to short term performance-based incentives; and

(d) long-term performance-based incentives comprising performance rights which are designed to align the remuneration of executives with the business objectives of the Company and its shareholders.

The Remuneration Committee reviews executive remuneration arrangements annually by reference to the Group's performance, executive performance and comparable information from industry sectors.

Executive and Non-executive Directors and other employed executives receive the superannuation guarantee contribution required by the Commonwealth Government. For the year ended 30 June 2024 the rate was 11% up to a maximum contribution of $27,399. Executive and Non-executive Directors and other employed executives do not receive any other retirement benefits; however, some individuals may choose to sacrifice part of their salary to increase payments towards superannuation.

Details of Remuneration

Details of remuneration of each of the KMP of the Group during the financial year are set out in the following table:

Benefits and Payments Year Ended 30 June 2024	**Short-term Benefits & Fees**	**Post-Employment**	**Long-term Benefits**		**Share-based Payments**	
	Salary, Fees & Benefits	**Super-annuation**	**Long Service Leave**	**Total Fixed Remuneration**	**Performance Rights**	**Total**
Directors	**$**	**$**	**$**	**$**	**$**	**$**
J McKay	**145,205**	**15,973**	**-**	**161,178**	**-**	**161,178**
T McCaul	**446,332**	**27,399**	**9,413**	**483,144**	**98,266**	**581,410**
G Swaby	**83,105**	**9,142**	**-**	**92,247**	**-**	**92,247**
C Pieters	**73,973**	**8,137**	**-**	**82,110**	**-**	**82,110**
M Riley	**84,018**	**9,242**	**-**	**93,260**	**-**	**93,260**
S Scott	**81,279**	**8,941**	**-**	**90,220**	**-**	**90,220**
Total KMP	**913,912**	**78,834**	**9,413**	**1,002,159**	**98,266**	**1,100,425**

Benefits and Payments Year Ended 30 June 2023	**Short-term Benefits& Fees**	**Post-Employment**	**Long-term Benefits**		**Share-based Payments**	
	Salary, Fees & Benefits	**Super-annuation**	**Long Service Leave**	**Total Fixed Remuneration**	**Performance Rights**	**Total**
Directors	**$**	**$**	**$**	**$**	**$**	**$**
J McKay	145,205	15,247	-	160,452	-	160,452
T McCaul	444,072	25,292	16,059	485,423	105,629	591,052
G Swaby	83,105	8,726	-	91,831	-	91,831
C Pieters	73,973	7,767	-	81,740	-	81,740
M Riley	84,018	8,822	-	92,840	-	92,840
S Scott	81,279	8,534	-	89,813	-	89,813
Total KMP	911,652	74,388	16,059	1,002,099	105,629	1,107,728

The relative proportions of actual remuneration recognised are as follows:

	Fixed Remuneration		**At Risk Short-term Incentives**		**At Risk Long-term Incentives**	
Executive Director	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
T McCaul	**83.1%**	**82.1%**	**0.0%**	0.0%	**16.9%**	**17.9%**
C Pieters	**100.0%**	**100.0%**	**0.0%**	0.0%	**0.0%**	**0.0%**

Long-term incentives are provided by way of performance rights and the percentages disclosed above are based on the value of the performance rights expensed during the year.

Comparison of KMP Remuneration to Company Performance

The table below shows the total remuneration cost of the KMP, loss per ordinary share (EPS), and the closing price of ordinary shares on the ASX at year end for the current year and previous four years.

Relation to performance	**2024**	**2023**	**2022**	**2021**	**2020**
Total remuneration ($)	**1,100,425**	1,107,728	1,045,961	962,648	1,014,741
Loss per share cents	**(0.69)**	(0.67)	(1.02)	(0.88)	[1](1.36)
Share price at year end (cents)	**20.0**	16.5	17.0	6.2	9.2

1. The loss for 2020 includes a non-cash write-off of $5,480,000 (0.69 cents) of capitalised exploration and evaluation expenditure for previously drilled CSG wells in the Galilee Basin that lie outside of the prospective areas of the permits identified for long-term tenure renewal.

Service Agreements

Remuneration and other terms of employment for the Managing Director and the Executive Director are formalised in employment contracts. The contracts provide for the provision of performance related bonuses and participation in the Comet Ridge Employee Performance Rights Plan. Other major provisions of the employment agreements are set out below.

Tor McCaul	Managing Director (appointed 16 April 2009)
Term of Agreement:	No fixed term
Base Salary:	$480,704 per annum (inclusive of superannuation)
Termination Benefit:	Three (3) months' base salary is to be paid in lieu of notice of termination. Twelve (12) months is payable if services are terminated due to change of control event. Subject to Board discretion, a further six (6) months can be paid in addition.
Termination Notice:	The Company or Mr McCaul may terminate the Agreement at any time providing each other a minimum of three (3) months' notice. No termination benefit is required if terminated for cause.

Chris Pieters	Executive Director (appointed 17 June 2015)
Term of Agreement:	Four months with options for parties to extend as needed
Remuneration:	Services provided as a consultant at $1,500 per day
Termination Benefit:	No termination benefits payable
Termination Notice:	Either party may terminate the Agreement with a minimum of three (3) months' notice
KPIs:	A bonus of $50,000 for each KPI achieved listed below:

- Agreement for the commercial offtake of more than 50% of the gas from Mahalo;
- FID Mahalo;
- Agreement for the commercial offtake of more than 50% of the gas from Galilee;
- FID Galilee Basin; and
- Farmout of the Shallow Coals in the Galilee.

In the event that the position was to become redundant or other factors prevented Mr Pieters from achieving those KPIs within the allowed time, which were outside of his control, they could be treated as having been satisfied and able to be paid.

Share-based Compensation

Long-term incentives are provided to certain employees through the Comet Ridge Limited Performance Rights Plan as approved by shareholders for the purposes of ASX Listing Rule 7.2 Exception 9 most recently at the 2016 Annual General Meeting. Share-based compensation is equity-settled.

Key Management Personnel Performance Rights

The terms and conditions of each grant of performance rights during the financial year affecting remuneration in the current or a future period with respect to KMP are shown in the table below. In addition to the performance condition, KMP must satisfy a service condition of continuous employment with the Company up to and including the date when the performance conditions are achieved. Performance rights are issued for no consideration and no amount is payable on vesting.

Grant Date	Number of Rights	Expiry Date	Vesting Date	Fair Value per Right at Grant Date (cents)	Performance Condition	Vested %
T McCaul						
23-Nov-23	500,000	31-Dec-24	01-Oct-24	11.60	Relative TSR against peer companies for period September 2023 to September 2024	0%
23-Nov-23	300,000	31-Dec-24	01-Oct-24	9.00	Absolute TSR of share price for September 2023 compared to September 2024	0%
23-Nov-23	200,000	31-Dec-24	01-Oct-24	17.00	Lost Time Injury Frequency Rate measured for 12 months ending 30 September 2024 and no environmental incidents	0%
	1,000,000					

The movements in the current year of the number of performance rights granted to KMP are as follows:

Grant Date	Vesting Date	Number at Beginning of Year	Granted as Remuneration During the Year	Number of Rights Vested[1]	Number of Rights Lapsed	Number at End of Year
T McCaul						
16-Nov-21	31-Dec-23	320,000	-	-	(320,000)	-
25-Nov-22	30-Sep-23	660,000	-	(360,360)	(299,640)	-
25-Nov-22	30-Sep-24	660,000	-	(360,360)	(299,640)	-
23-Nov-23	01-Oct-24	-	1,000,000	-	-	1,000,000
		1,640,000	1,000,000	(720,720)	(919,280)	1,000,000

[1] As per the terms of the performance rights, nil consideration is paid on rights that vest.

Key Management Personnel Shareholdings

The number of ordinary shares in the Company held by each of the KMP of the Group is as follows:

30 June 2024	Balance at beginning of the year	Shares purchased	Number of Rights Vested	Balance at end of the year
J McKay	**38,076,275**	-	-	**38,076,275**
T McCaul	**9,381,613**	-	**720,720**	**10,102,333**
G Swaby	**295,372**	-	-	**295,372**
C Pieters	**1,576,178**	-	-	**1,576,178**
M Riley	**850,895**	-	-	**850,895**
S Scott	**1,038,074**	-	-	**1,038,074**
Total	**51,218,407**	-	**720,720**	**51,939,127**

END OF AUDITED REMUNERATION REPORT

14. Performance Rights

Movements in the number of performance rights on issue during the year ended 30 June 2024 as a result of new grants and expiring of performance rights during the year are as follows:

Grant Date	Expiry Date	No. of Rights 30 June 2023	Granted during the year	Vested during the year	Expired during the year	No. of Rights 30 June 2024
16-Nov-21	31-Dec-23	**320,000**	-	-	**(320,000)**	-
16-Dec-21	31-Dec-23	**1,098,750**	-	**(416,250)**	**(682,500)**	-
25-Nov-22	31-Dec-25	**1,320,000**	-	**(720,720)**	**(599,280)**	-
22-Dec-22	31-Dec-25	**6,280,000**	-	**(4,003,500)**	**(2,276,500)**	-
23-Nov-23	31-Dec-24	-	**4,000,000**	-	**(110,000)**	**3,890,000**
		9,018,750	**4,000,000**	**(5,140,470)**	**(3,988,280)**	**3,890,000**

The number of rights granted to Directors and the five most highly remunerated officers in the 2024 financial year were:

Name	Role	No. of Rights Granted
Tor McCaul	Managing Director	1,000,000
Ashley Edgar	General Manager – Subsurface	590,000
Philip Hicks	Chief Financial Officer	565,000
Stephen Rodgers	Company Secretary	490,000
Dale Aaskow	Chief Operating Officer	465,000
Anthony Papinczak	General Manager - Development	185,000
		3,295,000

Since the end of the financial year and up to the date of this report no new performance rights have been issued.

15. Insurance of Directors and Officers

The Company has entered into agreements with Directors to indemnify them against any claims and related expenses that may arise in their capacity as Directors and Officers of the Company or a related body corporate, except where the liability arises out of conduct involving a lack of good faith and subject to the provisions of the *Corporations Act 2001*.

During the financial year, the Company paid premiums for Directors' and Officers' Liability Insurance. The contract prohibits disclosure of the details of the nature of the liabilities covered or the premium paid.

The Company has not during or since the end of the financial period indemnified or agreed to indemnify an auditor of the Company.

16. Proceedings on Behalf of Company

No person has applied for leave of Court under section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

17. Rounding of Amounts to Nearest Thousand Dollars

Pursuant to Legislative Instrument 2016/191 issued by the Australian Securities & Investments Commission, amounts in the Financial Report have been rounded off to the nearest thousand dollars unless otherwise indicated.

18. Non-Audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important. The Group did not pay the auditor for any non-audit services.

The Board of Directors will continuously consider the position and, in accordance with advice received from the Audit Committee, ensure that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services (where applicable) by the auditor, does not compromise the auditor independence requirements of the C*orporations Act 2001* for the following reasons:

- all non-audit services will be reviewed to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services (where applicable) undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)*.

Details of the amounts paid or payable to the auditor for audit services provided during the year are set out in Note 5 Auditors' Remuneration.

This report is made in accordance with a resolution of the Board of Directors.

Tor McCaul
Managing Director
Brisbane, Queensland, 25 September 2024

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Brisbane, QLD 4000

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The Directors
Comet Ridge Limited
Level 3, 410 Queen Street
Brisbane QLD 4000

Auditor's Independence Declaration

In relation to the independent audit for the year ended 30 June 2024, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Comet Ridge Limited and the entities it controlled during the year.

Pitcher Partners

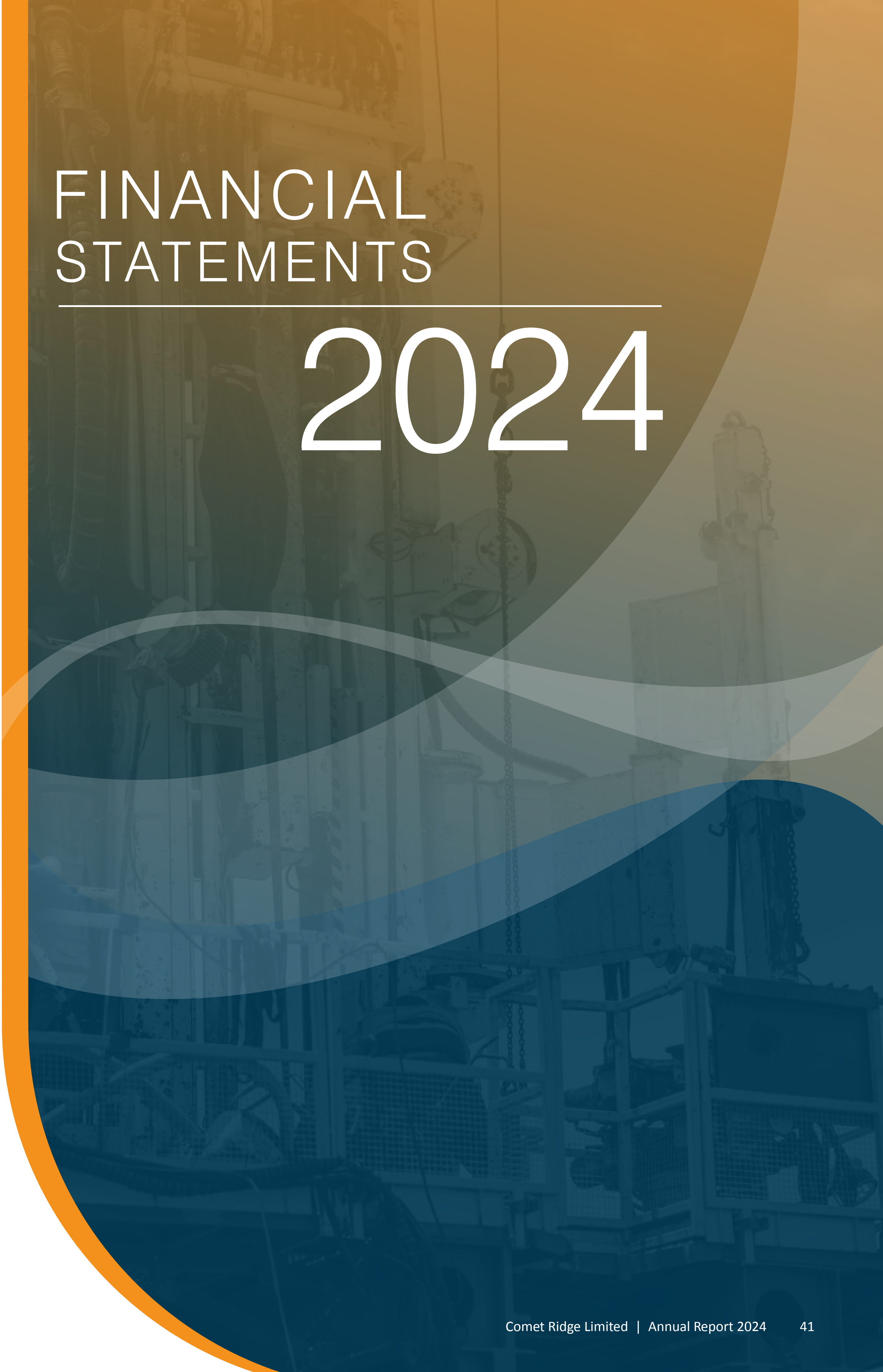
PITCHER PARTNERS

J. Evans

JASON EVANS
Partner

Brisbane, Queensland
25 September 2024

FINANCIAL STATEMENTS 2024



Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2024

		Consolidated	
		June 2024	**June 2023**
	Note	**$000's**	**$000's**
Other income			
Interest received		**196**	153
Expenses			
Employee benefits' expense	4	**(2,307)**	(1,939)
Contractors' & consultancy costs		**(494)**	(397)
Exploration and evaluation expenditure written-off		**(9)**	-
Professional fees		**(234)**	(226)
Corporate expenses		**(317)**	(243)
Fair value movement of financial liability at fair value	23	**(436)**	(423)
Occupancy costs		**(23)**	(14)
Finance costs	4	**(2,659)**	(2,922)
Other expenses		**(754)**	(430)
Depreciation		**(128)**	(124)
LOSS BEFORE INCOME TAX		**(7,165)**	(6,565)
Income tax expense/(benefit)	6	**-**	-
LOSS FOR THE YEAR		**(7,165)**	(6,565)
Other comprehensive loss, net of income tax			
Items that may be reclassified subsequently to profit and loss			
Exchange differences on translation of foreign operations		**(24)**	(4)
TOTAL OTHER COMPREHENSIVE LOSS, NET OF INCOME TAX		**(24)**	(4)
TOTAL COMPREHENSIVE LOSS		**(7,189)**	(6,569)
Loss attributable to:			
Owners of the parent		**(7,165)**	(6,565)
Total comprehensive loss attributable to:			
Owners of the parent		**(7,189)**	(6,569)
LOSS PER SHARE		**Cents**	**Cents**
Basic loss per share	7	**(0.69)**	(0.67)
Diluted loss per share	7	**(0.69)**	(0.67)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

as at 30 June 2024

	Note	Consolidated June 2024 $000's	Consolidated June 2023 $000's
CURRENT ASSETS			
Cash and cash equivalents	8	**16,776**	11,651
Trade and other receivables		**125**	59
Financial assets at fair value	9	**809**	809
Other assets	10	**779**	875
TOTAL CURRENT ASSETS		**18,489**	13,394
NON-CURRENT ASSETS			
Property, plant and equipment		**7**	10
Right-of-use assets		**73**	187
Financial assets at fair value	9	**763**	1,483
Exploration and evaluation expenditure	11	**100,970**	96,288
TOTAL NON-CURRENT ASSETS		**101,813**	97,968
TOTAL ASSETS		**120,302**	111,362
CURRENT LIABILITIES			
Trade and other payables	12	**2,752**	1,115
Lease liabilities		**77**	-
Financial liability at fair value	15	**32,737**	32,300
Provisions	14	**868**	696
TOTAL CURRENT LIABILITIES		**36,434**	34,111
NON-CURRENT LIABILITIES			
Borrowings	13	**7,367**	7,018
Lease liabilities		**-**	187
Financial liability at fair value	15	**1,521**	2,847
Provisions	14	**2,474**	2,886
TOTAL NON-CURRENT LIABILITIES		**11,362**	12,938
TOTAL LIABILITIES		**47,796**	47,049
NET ASSETS		**72,506**	64,313
EQUITY			
Contributed equity	16	**184,835**	169,542
Reserves	17	**1,561**	1,573
Accumulated losses		**(113,890)**	(106,802)
TOTAL EQUITY		**72,506**	64,313

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2024

	Contributed Equity $000's	Foreign Currency Translation Reserve $000's	Share-based Payments Reserve $000's	Accumulated Losses $000's	Total $000's
Balance at 1 July 2022	145,693	1,254	835	(100,237)	47,545
Loss for the period	-	-	-	(6,565)	(6,565)
Other comprehensive loss for the period	-	(4)	-	-	(4)
Total comprehensive loss for the period	-	(4)	-	(6,565)	(6,569)
Transactions with owners in their capacity as owners					
Contributions of equity net of transaction costs	22,746	-	-	-	22,746
Shares issued on vesting of performance rights	1,103	-	(1,103)	-	-
Share-based payments	-	-	591	-	591
	23,849	-	(512)	-	23,337
Balance at 30 June 2023	169,542	1,250	323	(106,802)	64,313
Balance at 1 July 2023	**169,542**	**1,250**	**323**	**(106,802)**	**64,313**
Loss for the period	**-**	**-**	**-**	**(7,165)**	**(7,165)**
Other comprehensive loss for the period	**-**	**(24)**	**-**	**-**	**(24)**
Total comprehensive loss for the period	**-**	**(24)**	**-**	**(7,165)**	**(7,189)**
Transactions with owners in their capacity as owners					
Contributions of equity net of transaction costs	**14,090**	**-**	**-**	**-**	**14,090**
Exercise of PURE warrant shares	**500**	**-**	**-**	**-**	**500**
Transfer of previous performance rights to accumulated losses	**-**	**-**	**(77)**	**77**	**-**
Shares issued on vesting of performance rights	**703**	**-**	**(703)**	**-**	**-**
Share-based payments	**-**	**-**	**792**	**-**	**792**
	15,293	**-**	**12**	**77**	**15,382**
Balance at 30 June 2024	**184,835**	**1,226**	**335**	**(113,890)**	**72,506**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

for the year ended 30 June 2024

	Note	Consolidated June 2024 $000's	Consolidated June 2023 $000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		**195**	148
Payments to suppliers and employees		**(3,213)**	(2,631)
Interest paid		**(1,201)**	(1,321)
NET CASH USED IN OPERATING ACTIVITIES	18	**(4,219)**	(3,804)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation assets		**(3,578)**	(5,382)
Proceeds from sale of exploration interest to Santos		**857**	857
Payment for exploration interest purchased from APLNG		**(2,000)**	(2,000)
Movements in restricted cash		**96**	(50)
Payment for property, plant and equipment		**(3)**	(12)
NET CASH USED IN INVESTING ACTIVITIES		**(4,628)**	(6,587)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		**(500)**	(8,006)
Proceeds from issue of shares		**15,545**	24,000
Share issue costs		**(955)**	(1,254)
Principal elements of lease payments		**(118)**	(121)
NET CASH FROM FINANCING ACTIVITIES		**13,972**	14,619
Net increase in cash held		**5,125**	4,228
Cash at the beginning of the year		**11,651**	7,423
CASH AT THE END OF THE YEAR	8	**16,776**	11,651

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

Note 1 General information

These financial statements include the consolidated financial statements and notes of Comet Ridge Limited (the Company or Comet Ridge) and its controlled entities (the Group). Comet Ridge Limited is a for-profit entity for the purpose of preparing the financial statements. Disclosures with respect to the parent entity are included in Note 27. The financial statements were approved for issue by the Directors on 25 September 2024.

Comet Ridge Limited is a public company limited by shares, incorporated and domiciled in Australia.

Note 2 Summary of material accounting policies

Accounting policies applied in the preparation of this financial report, which are consistent with the previous financial period unless otherwise stated, are disclosed throughout the notes to the financial statements together with the associated transactions or balances.

a. Compliance with Accounting Standards

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*.

b. Compliance with IFRS

The consolidated financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB).

c. Historical cost convention

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected financial assets and financial liabilities.

d. Going concern

The consolidated financial statements have been prepared on a going concern basis which contemplates that the Group will continue to meet its commitments and can therefore continue normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

At 30 June 2024, the Group had $16,776,000 in cash on hand and net current liabilities of $17,945,000 (which includes the CleanCo Queensland Limited (CleanCo) financial liability of $26,742,000, PURE warrant financial liability of $4,250,000 and the present value of the APLNG deferred consideration payable of $1,745,000 disclosed as current obligations).

On 18 September 2023, Comet Ridge and CleanCo executed a long-term GSA for Comet Ridge to supply gas to CleanCo from its Mahalo Gas Hub permits. The GSA remains subject to two conditions precedent, being a transport and gas processing condition (which may be waived by Comet ridge) and a finance condition. The finance condition requires Comet Ridge to obtain finance to satisfy the supply requirements under the GSA by 20 December 2024. If this condition is not met, extended or waived, the GSA may terminate and within 30 days (being 20 January 2025) a cash payment of approximately $26,742,000 ($20,000,000 financial liability indexed for CPI) would be due.

Comet Ridge and Santos have a liability to pay their proportional share of $4,000,000 of remaining deferred consideration to APLNG (in two annual instalments post completion of $2,000,000 or earlier upon a trigger event occurring). At 30 June 2024, $4,000,000 deferred consideration remains to be paid with Comet Ridge’s share being $2,285,600.

The Group has a number of commitments to continue to progress the Mahalo Gas Hub permits and Galilee permits. These commitments are made over various timeframes with exploration commitments required to be spent by 30 June 2025 amounting to $4,437,000 as disclosed in Note 22.

The ability of the Group to continue to adopt the going concern basis of preparation will depend upon a number of matters including the successful raising in the future of necessary funding through debt, equity, selldown or farm-out of assets, meeting the remaining condition precedent under the GSA with CleanCo, and/or the successful exploitation of the Group’s tenements to meet these commitments as they arise.

The existence at 30 June 2024 of the CleanCo financial liability, deferred consideration payable to APLNG as well as exploration expenditure commitments beyond the next 12 months, creates a material uncertainty that may cast significant doubt on the ability of the Group to continue as a going concern in the absence of being successful in relation to one of the above financing strategies. In the absence of this

Note 2 Summary of material accounting policies (continued)

the Group may have to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts different from those stated in the financial statements. No adjustments for such circumstances have been made in the financial statements.

Comet Ridge continues to actively pursue a number of potential funding transactions to progress the appraisal and development of the Group's projects including debt and equity funding, selldown, farm-out and gas prepay arrangements. At the date of this financial report, given the high demand for natural gas on the east coast and the significant acreage, equity and 2P+2C Reserves and Resources position that the Group has established in the Mahalo Gas Hub area, the Directors have a reasonable expectation that the Group will be successful with its future funding initiatives and, as a result, will have adequate resources to fund its future operational requirements and for these reasons they continue to adopt the going concern basis in preparing the financial report.

e. Foreign currency translation

Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars, which is Comet Ridge Limited's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Group companies
The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in Other Comprehensive Income and accumulated as a separate component of equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences that have been accumulated in equity are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, as part of the gain or loss on sale where applicable.

f. Rounding of amounts

The Group is of a kind referred to in Legislative Instrument 2016/191 issued by the Australian Securities & Investments Commission, relating to the "rounding" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the Legislative Instrument to the nearest one thousand dollars, unless otherwise indicated.

g. Fair value measurement

For financial reporting purposes, fair value is the price that would be received to sell an asst, or paid to transfer a liability, in an orderly transaction between market participants (under current market conditions) at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

When estimating the fair value of an asset or liability, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

h. New accounting standards and interpretations for application in future periods
The new Australian Accounting Standards and Interpretations either adopted or issued but not yet adopted for the 30 June 2024 annual reporting period are set out below.

New or amended accounting standards and Interpretations adopted
The Group has adopted all the mandatory new and amended Accounting Standards and Interpretations that are relevant to its operations and effective from 1 July 2023 for the reporting period.

The new and amended accounting standards adopted by the Group effective 1 July 2023 are:

- AASB 101 *Presentation of Financial Statements*
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*

There is no material impact on the financial report as a result of the adoption of these standards.

Note 2 Summary of material accounting policies (continued)

Accounting standards issued but not yet adopted

There are no accounting standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting year/periods and on foreseeable future transactions.

Note 3 Material balances - critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement when applying the Group's accounting policies. These estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Management has identified the following critical estimates and judgements applied in the preparation of the financial statements.

- Going concern – Note 2
- Financial asset at fair value – Note 9
- Exploration and evaluation assets – Note 11
- Borrowings – Note 13
- Rehabilitation provisions – Note 14
- Financial liabilities at fair value – Note 15

Details of the nature of assumptions and conditions can be found in the relevant notes to the financial statements.

Note 4 Expenses

	Consolidated	
	June 2024	**June 2023**
Loss before income tax includes the following specific expenses:	**$000's**	**$000's**
(a) Employee benefits' expense		
Employee benefits' expense	**(1,305)**	(1,152)
Share-based payments' expense (Refer to Note 20)	**(792)**	(591)
Defined contribution superannuation expense	**(210)**	(196)
	(2,307)	(1,939)
(b) Financing costs		
Interest expense on borrowings	**(1,188)**	(1,296)
Amortisation of fair value adjustment and establishment costs capitalised on Pure loan	**(850)**	(848)
Amortisation of fair value adjustment on Santos deferred consideration receivable	**137**	177
Amortisation of fair value adjustment on APLNG deferred consideration payable	**(675)**	(844)
Unwinding of discount on rehabilitation and restoration provision	**(70)**	(104)
Lease liability expense	**(13)**	(7)
	(2,659)	(2,922)

Note 5 Auditors' remuneration

During the year the following fees were paid or payable for services provided by the auditors of the Group:

	Consolidated	
	June 2024	**June 2023**
	$	**$**
PricewaterhouseCoopers Australia		
Auditing or reviewing the financial statements	-	48,000
	-	48,000
Pitcher Partners		
Auditing or reviewing the financial statements	**90,000**	62,500
Tax related services	**28,985**	10,300
	118,985	72,800
	118,985	120,800

Note 6 Income tax

Income Tax Expense	Consolidated	
	June 2024	June 2023
	$000's	$000's
(a) Recognised in the Consolidated Statement of Profit and Loss and Other Comprehensive Income		
Current tax	-	-
Deferred tax expense	-	-
Income tax expense	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax on accounting loss		
Loss before income tax	**(7,165)**	(6,565)
Tax benefit at the Australian tax rate of 30% (2023: 30%)	**2,150**	1,970
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Share options expensed	**(238)**	(178)
Non-deductible accounting fair value	-	191
Other non-deductible items	**(79)**	(3)
Current year tax losses not recognised in deferred tax assets	**(1833)**	(1,980)
Income tax expense	-	-

Deferred Tax Balances	Consolidated	
	June 2024	June 2023
	$000's	$000's
Deferred tax asset	-	-
The balance of deferred tax asset comprises:		
Deferred tax assets		
Tax losses	**39,344**	32,963
Capital costs deductible over 5 years	**512**	386
Borrowing costs	-	26
Provisions	**4,478**	8,907
Leased liabilities	**23**	36
Accrued expenses	**63**	-
	44,420	42,318
Deferred tax liabilities		
Exploration and evaluation expenditure	**(25,003)**	(24,853)
Leased assets	**(19)**	-
Accrued interest	**(2)**	(2)
	(25,024)	(24,855)
Net deferred tax asset	**19,396**	17,463
Deferred tax asset not recognised	**(19,396)**	(17,463)
Deferred tax asset recognised in accounts	-	-

Accounting Policies

Income tax expense

The income tax expense is the tax payable on the Group's taxable income for the financial year based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Recoverability of unused tax losses

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates that will apply when the assets are expected to be recovered or liabilities are expected to be settled.

Note 6 Income tax (continued)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that future taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised. Deferred tax assets have not been recognised with respect to the following items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits from the deferred tax assets:

	Consolidated	
	June 2024	**June 2023**
	$000's	**$000's**
Australian temporary differences and tax losses	**19,396**	17,463
Offshore tax losses	**-**	-
	19,396	17,463

Tax consolidation

Comet Ridge Limited and its wholly owned Australian subsidiaries have implemented the tax consolidation legislation and formed a tax consolidated group from 1 July 2009. The members of the tax consolidated group have entered into a tax funding agreement such that each member recognises the assets, liabilities, expenses and revenues in relation to its own transactions, events and balances only. This means:

i. the parent entity recognises all current and deferred tax amounts relating to its own transactions, events and balances;

ii. the subsidiaries recognise all current and deferred tax amounts relating to its own transactions, events and balances; and

iii. current tax liabilities and deferred tax assets arising with respect to losses in subsidiaries are transferred from the subsidiaries to the parent entity as inter-company payables or receivables.

The tax consolidated group also has a tax sharing agreement in place to limit the liability of subsidiaries in the tax consolidated group arising under the joint and several liability requirements of the tax consolidation system, in the event of default of the parent entity to meet its payment obligations.

Note 7 Earnings per share

The earnings and weighted average number or ordinary shares used in the calculations of basic and diluted earnings per share are as follows:

	June 2024	**June 2023**
	$000's	**$000's**
(a) Reconciliation of earnings used in calculating basic and diluted earnings per share:		
Loss for the year	**(7,165)**	(6,565)
Loss used in the calculation of the basic and dilutive earnings per share	**(7,165)**	(6,565)
(b) Weighted average number of ordinary shares used as the denominator	**Number**	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	**1,046,296,114**	981,229,847
Adjustments for the calculation of diluted earnings per share:		
Options/Performance Rights	**-**	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	**1,046,296,114**	981,229,847
(c) Earnings per share:		
Basic loss per share (cents)	**(0.69)**	(0.67)
Diluted loss per share (cents)	**(0.69)**	(0.67)

(c) Options and performance rights are considered to "be potential ordinary shares" and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. Details relating to options and performance rights are set out in Note 20.

Note 8 Cash and cash equivalents

	Consolidated	
	June 2024	June 2023
	$000's	$000's
Cash at bank and on hand	**16,776**	11,651

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Interest earned on accounts range from 0.00% - 1.35%.

Note 9 Financial asset at fair value

	Consolidated	
	June 2024	June 2023
Current	$000's	$000's
Santos – deferred consideration receivable	**809**	809
	809	809
Non-current		
Santos – deferred consideration receivable	**763**	1,483
	763	1,483
	1,572	2,292

Accounting Policy

Financial assets are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group has classified the deferred consideration receivable from Santos as a financial asset at fair value through profit or loss.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

Critical accounting estimates and judgements

Santos deferred consideration receivable

On 28 June 2022, Comet Ridge acquired Australia Pacific LNG Pty Ltd's (APLNG) 30% interest in the Mahalo Joint Venture Project for a total consideration of $20,000,000 payable in staged payments. Comet Ridge paid a $1,000,000 deposit on 5 August 2021 and the upfront payment balance of $11,000,000 to APLNG on 28 June 2022. The remaining $8,000,000 of deferred consideration is payable in four annual instalments of $2,000,000 each commencing from June 2023, unless a post completion trigger event occurs requiring earlier payment. The trigger events that require earlier repayment are any of the following:

a) a final investment decision is made for development of gas from the Mahalo Joint Venture Project;
b) gas production from the Mahalo Joint Venture Project equalling or exceeding 10 Terajoules per day;
c) a change in control of the Group;
d) Comet Ridge disposing of more than a 15% interest in the Mahalo Joint Venture Project; or
e) Comet Ridge is subject to an insolvency event.

At the same time as entering the agreement with APLNG, Comet Ridge executed funding and option agreements with Santos QNT limited (Santos) to provide loan funding of $13,150,000 to fund the initial consideration payable to APLNG and stamp duty costs. In exchange, Santos was given an option to purchase 12.86% of the APLNG interest acquired by Comet Ridge at proportional acquisition value of $8,573,000.

Comet Ridge received a notice from Santos to exercise their option on 23 September 2022, and the sale agreement was executed by both parties on 26 September 2022. At that date, the $13,150,000 loan owing to Santos was fully repaid via a reduction of $5,143,000 (being Santos' share of the $12,000,000 initial consideration paid to APLNG) and cash repayment of $8,007,000 by Comet Ridge. Santos also assumes liability for its pro-rata share of the $8,000,000 deferred consideration payable to APLNG, being $3,429,000. The upfront consideration of $5,143,000 and the present value of the deferred consideration receivable of $2,971,000 has been recognised against the Mahalo Joint Venture Project exploration and evaluation asset to reflect a partial sale of the asset (refer to Note 11).

Note 9 Financial asset at fair value (continued)

On 18 June 2024, Comet Ridge received the second-year deferred consideration payment from Santos of $857,333. The remaining balance of $1,715,000 (June 2023: $2,571,000) is payable by Santos in equal annual instalments with the next instalment due in June 2025. The present value of the Santos deferred consideration receivable as at 30 June 2024 is $1,572,000 (2023: $2,292,000).

Interest income on the unwinding of the applied discount of $137,000 (2023: $177,000) was recognised for the year to 30 June 2024.

Fair value measurement

The deferred consideration receivable is initially recognised at fair value through profit or loss as the present value of the $3,429,000 receivable in 4 equal annual instalments. For subsequent measurements, the present value is adjusted for the yearly instalments received from Santos and the unwinding of the applied discount credited to profit and loss.

The Santos deferred consideration asset is classified as Level 3 in the fair value hierarchy due to the use of unobservable inputs. The inputs used in the calculation of the financial asset at fair value as at 30 June 2024 are as follows:

1. The remaining agreed cash settlement of $1,715,000 (2023: $2,571,000) receivable in two equal instalments in June 2025 and June 2026.
2. The pre-tax discount rate applied being 6% (2023: 6%).

Unobservable input	Relationship to fair value
Risk-adjusted discount rate	The discount rate used reflects Santos' credit risk. A change in the discount rate by 100 basis points would increase/decrease the fair value by $22,238 and $21,686 (2023: $43,010 and $41,688) respectively.

Note 10 Other assets

	Consolidated	
	June 2024	**June 2023**
	$000's	**$000's**
Prepayments	**380**	326
Restricted cash	**399**	549
	779	875

Note 11 Exploration and evaluation assets

	Consolidated	
Exploration and evaluation expenditure	**June 2024**	**June 2023**
	$000's	**$000's**
Exploration and evaluation expenditure	**125,684**	120,993
Less provision for impairment	**(24,714)**	(24,705)
	100,970	96,288

Movements in exploration and evaluation phase	**June 2024**	**June 2023**
	$000's	**$000's**
Balance at the beginning of year	**96,288**	100,816
Divestment of interest in Mahalo Joint Venture Project (a)	**-**	(8,446)
Exploration and evaluation expenditure during the year	**4,989**	4,097
Exploration and evaluation expenditure written-off	**(9)**	-
Restoration and rehabilitation asset	**(298)**	(179)
Balance at the end of year	**100,970**	96,288

(a) The Mahalo Joint Venture Project costs divested are as follows:

	June 2024	**June 2023**
	$000's	**$000's**
Reduction in up-front APLNG Mahalo JV acquisition cost upon Santos option exercise	-	(5,144)
Santos deferred consideration receivable (present value of $3,429,000)	-	(2,972)
Movement in deferred consideration to APLNG	-	(330)
Total capitalised to Mahalo Joint Venture Project E&E asset	-	(8,446)

Note 11 Exploration and evaluation assets (continued)

Accounting Policy

Cost

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are expensed in the profit or loss.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Recognition

Exploration and evaluation assets are only recognised if the rights to the area of interest are current and either:

i. the expenditures are expected to be recouped through successful development and exploitation of the area of interest or by its sale; or
ii. activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Once the technical feasibility and commercial viability of the area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation assets to property and development assets within property, plant and equipment.

The timing and amount of restoration costs expected to be incurred are estimated, and the net present value is included as part of the cost of the exploration and evaluation activity that gives rise to the need for restoration. A corresponding provision for restoration and rehabilitation is also recognised. Finance charges arising from the unwinding of the liability are recognised as an expense in the profit or loss.

Critical accounting estimates and judgements

Exploration expenditure commitments

In order to maintain an interest in the exploration tenements in which it is involved, the Group is required to meet certain conditions imposed by the various statutory authorities granting the exploration tenements or that are imposed by the joint venture agreements entered into by the Group. These conditions include minimum expenditure commitments. The timing and amount of minimum exploration expenditure obligations of the Group may vary significantly from the forecast based on the results of the work performed, which will determine the prospectivity of the relevant area of interest.

The Group's minimum expenditure obligations, which are not provided for in the financial statements, are set out in Note 22.

Recoverability of exploration and evaluation expenditure

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability, and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash-generating unit shall not be larger than the area of interest.

The Group assesses the recoverability of the carrying value of capitalised exploration and evaluation assets at each reporting date (or during the year should the need arise). In completing this assessment, regard is given to the Group's intentions with respect to proposed future exploration and development plans for individual areas, to the success or otherwise of activities undertaken in individual areas, to the likely success of future planned exploration activities, and to any potential plans for divestment of individual areas. Any required impairment of capitalised exploration and evaluation expenditure is completed based on the results of the assessment. Furthermore, for various areas of interest, exploration and evaluation activities may not have reached a stage to allow a reasonable assessment to be made regarding the existence of economically recoverable reserves. Accordingly, exploration and evaluation assets may be subject to further impairment in the future.

In the second half of the 2020 financial year, the Mahalo Joint Venture Project received Commonwealth and Queensland environmental approvals and Petroleum Leases (PL 1082 and PL 1083) awarded for a term of 30 years. In addition, the remaining tenure of ATP 1191 has been secured with the award of three Potential Commercial Areas (PCA 302, PCA 303 and PCA 304) for a term of 5 years.

The joint venture partners, Comet Ridge and Santos, are focussed on moving the project into front-end engineering design, followed by project development. Comet Ridge is comfortable with the recoverability of the exploration and evaluation expenditure for the Mahalo Joint Venture Project at 30 June 2024.

Note 11 Exploration and evaluation assets (continued)

The Company was awarded ATP 2048 (Mahalo North project) in April 2020. The Mahalo North project contains a north-west extension of the same coal reservoirs as the Mahalo Joint Venture Project. Comet Ridge has been successful in certifying 43 PJs of 2P Reserves and in November 2023 a revision of 3P Reserves was undertaken resulting in an increase of 3P Reserves from 100PJs to 149PJs. Capitalised exploration and evaluation expenditure at 30 June 2024 totals $15,018,000 (2023: $12,460,000), relating to office-based geological and geophysical interpretation and analysis, work to support a Petroleum Lease (PL) application and environmental approvals, and the costs of the 2022 financial year appraisal drilling and production testing. There are no indicators of impairment to the carrying value at 30 June 2024.

The Company was also awarded two new Mahalo extension blocks in the 2021 financial year. The first block was ATP 2061 (Mahalo East project), awarded in September 2020, which contains a north-east extension of the same coal reservoirs as the Mahalo Joint Venture Project. Capitalised exploration and evaluation expenditure at 30 June 2024 totals $901,000 (2023: $698,000), relating to office-based geological and geophysical interpretation and analysis. The second block was ATP 2063 (Mahalo Far East project), awarded in May 2021. Mahalo Far East contains coals that are generally deeper and have notably higher gas content than the main Mahalo high production fairway, adding a significant additional gas-in-place volume to Comet Ridge's portfolio. Capitalised exploration and evaluation expenditure at 30 June 2024 totals $536,000 (2023: $512,000), relating to native title negotiations and office-based geological and geophysical interpretation and analysis. Mahalo East and Mahalo Far East have not yet reached a stage to allow a reasonable assessment to be made regarding the existence of economically recoverable reserves.

ATP 743, ATP 744 and ATP 1015 are still under evaluation for both "Shallow" CSG and Conventional "Deeps" and have not yet reached a stage to allow a reasonable assessment to be made regarding the existence of economically recoverable reserves. The Company has secured the long-term tenure on these permits via the award of Potential Commercial Areas (PCAs) and renewal of ATP 743, ATP 744 and ATP 1015 by the Queensland Department of Resources. As part of the PCA award process within the Galilee permits, Comet Ridge relinquished acreage where Contingent Resources do not exist and in the 2022 financial year wrote off $0.24 million of capitalised seismic costs in the relinquished areas of ATP 743. Capitalised exploration and evaluation expenditure at 30 June 2024 totals $34,267,000 (2023: $34,186,000). Comet Ridge has reviewed the carrying value of capitalised exploration and evaluation expenditure in the Galilee permits at 30 June 2024 and no impairment has been made during this financial year.

The Gunnedah Basin permits have been fully impaired because of the current uncertainty around the CSG industry in NSW which has created significant limitations on the Company's ability to undertake any exploration or development activity. During the 2024 financial year an amount of $8,900 (2023: $0) of exploration and evaluation expenditure was written-off for the remaining Gunnedah Basin permit (PEL 427). The Company relinquished its interests in PEL 428 in May 2021, had its renewal application for PEL 6 declined in April 2022 and had PEL 427 renewed in May 2022 for only 12 of 57 blocks.

	Consolidated	
Permit	**June 2024 $000's**	**June 2023 $000's**
PEL 427	**9**	11
PEL 428	**-**	(5)
PEL 6	**-**	(6)
Total	**9**	-

The New Zealand permit PMP 50100 is in the process of being surrendered and the carrying value of its exploration and evaluation assets has been written-off.

Interest in joint operations

The Group's exploration activities are often conducted through joint arrangements. Joint arrangements are classified as joint operations or joint ventures depending on the contractual rights and obligations that each investor has, rather than the legal structure of the joint arrangement.

In accordance with AASB 11 *Joint Arrangements*, all of the Group's interests in joint arrangements are classified as joint operations. A joint operation involves joint control of the assets contributed or acquired for the purpose of the joint operation. Each party may take their share of the output of the joint operation and each bears its share of the expenses incurred. The interests of the Group in joint operations are brought to account by recognising the Group's share of jointly controlled assets, liabilities, revenue and expenses.

Note 11 Exploration and evaluation assets (continued)

The carrying amount of exploration and evaluation expenditure includes the Group's interest in the exploration and evaluation expenditure of a number of joint operations. Comet Ridge's share of the respective joint operations is as follows:

30 June 2024	GDJV 70.0% $000's	Mahalo JV 57.14% $000's	PEL 427 59.1% $000's	PEL 428* 68.4% $000's	PEL 6* 29.6% $000's	Total $000's
Current assets						
Cash and cash equivalents	16	-	9	9	2	36
Trade and other receivables	-	-	-	-	-	-
Total current assets	16	-	9	9	2	36
Non-current assets						
Exploration and evaluation expenditure	19,157	39,552	816	752	448	60,725
Provision for impairment	-	-	(816)	(752)	(448)	(2,016)
Total non-current assets	19,157	39,552	-	-	-	58,709
Total assets	19,173	39,552	9	9	2	58,745
Current liabilities						
Trade and other payables	228	1,387	11	7	4	1,637
Total current liabilities	228	1,387	11	7	4	1,637
Share of joint venture net assets	18,945	38,165	(2)	2	(2)	57,108

30 June 2023	GDJV 70.0% $000's	Mahalo JV 70.0% $000's	PEL 427 59.1% $000's	PEL 428 68.4% $000's	PEL 6 29.6% $000's	Total $000's
Current assets						
Cash and cash equivalents	87	-	7	9	2	105
Trade and other receivables	5	-	-	-	-	5
Total current assets	92	-	7	9	2	110
Non-current assets						
Exploration and evaluation expenditure	19,487	38,153	811	752	448	59,651
Provision for impairment	-	-	(811)	(752)	(448)	(2,011)
Total non-current assets	19,487	38,153	-	-	-	57,640
Total assets	19,579	38,153	7	9	2	57,750
Current liabilities						
Trade and other payables	208	121	10	7	4	350
Total current liabilities	208	121	10	7	4	350
Share of joint venture net assets	19,371	38,032	(3)	2	(2)	57,400

*PEL 428 was relinquished in May 2021 and the renewal application for PEL 6 was declined by the NSW Government in April 2022.

As at 30 June 2024, the principal place of business for PEL 427 is c/- Santos Limited, Level 5, 60 Flinders Street, Adelaide SA 5000. For Mahalo JV, the principal place of business is c/- Santos Limited, Level 5, 60 Flinders Street, Adelaide SA 5000. For GDJV, the principal place of business is c/- Comet Ridge Ltd, Level 3, 410 Queen Street, Brisbane QLD 4000.

The Group has fully impaired its interest in the Gunnedah Basin Licences PEL 427.

The Group's minimum expenditure obligations with respect to its interests in joint operations are as follows:

	Consolidated	
	June 2024	June 2023
Minimum expenditure requirements	$000's	$000's
● not later than 12 months	**1,888**	778
● between 12 months and 5 years	**4,525**	1,809
	6,413	2,587

Note 12 Trade and other payables

	Consolidated	
	June 2024	June 2023
Current	$000's	$000's
Trade payables	**2,486**	953
Payroll tax and other statutory liabilities	**229**	126
Other payables	**37**	36
	2,752	1,115

Trade payables include $1,637,000 (2023: $350,000) for the Group's share of joint operation liabilities (refer Note 11).

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from reporting date. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Note 13 Borrowings

	Consolidated	
	June 2024	June 2023
	$000's	$000's
Non-current		
Loan payable to PURE Asset Management Pty Ltd	**7,367**	7,018
	7,367	7,018

PURE Asset Management loan

Comet Ridge entered into a binding facility agreement with PURE Asset Management Pty Ltd (PURE) on 9 September 2021 to provide the Company access to a term loan facility for $10,000,000 provided in two tranches of $6,500,000 and $3,500,000 respectively. The facility provides funding to progress appraisal activities for the Mahalo Gas Hub area and other corporate activities. Both tranches have been drawn with a maturity date of 17 September 2025.

On drawdown of the respective tranches, Comet Ridge issued warrant shares that entitle PURE to acquire one Comet Ridge share per warrant at the exercise prices outlined in the facility terms below. The warrants are exercisable by PURE at any point in time prior to the maturity date of the loan facilities. The fair value of the warrants and loan establishment costs have been deducted from the gross proceeds of the loan on the date of drawdown reflecting the fair value of the loan on that date as set out in the table below.

The warrants are separately recognised as a financial liability at fair value through the Consolidated Statement of Profit or Loss and Other Comprehensive Income as disclosed in Note 15. In line with the accounting policy, the difference between the face value of the loan (repayment amount) and determined fair value is recognised in the profit and loss over the loan period utilising the effective interest rate method.

On 26 March 2024, PURE exercised 3,787,879 Tranche 2 warrant shares at $0.132 per share for cash consideration received by the Company of $500,000. The funds received by Comet Ridge were used to make a partial prepayment on the loan, reducing the face value of the loan balance to $9,500,000.

	Consolidated	
	June 2024	June 2023
	$000's	$000's
Opening balance	**7,018**	6,170
Partial repayment of loan – exercised warrant shares	**(500)**	-
Loan establishment costs amortised	**110**	110
Interest charge on financial liability	**739**	738
Fair value of loan payable	**7,367**	7,018

Should PURE exercise all of their warrants on issue being 62,121,212 warrants (2023: 65,909,091 warrants), Comet Ridge would receive cash consideration of $9,500,000 (2023: $10,000,000) which can be used to repay the remaining loan amount.

Note 13 Borrowings (continued)

Facility terms and security

Lender:	PURE Asset Management Pty Ltd
Structure:	Term loan with detached warrants
Interest:	Prior to Mahalo Joint Venture Project FID: 12% Post Mahalo Joint Venture Project FID: 10% Interest-only payment in quarterly instalments
Term:	48 months from utilisation
Repayment:	Non-amortising bullet repayment Voluntary repayment(s) subject to cascading fees
Warrants:	39,393,939 warrant shares issued on 12 August 2021 with an exercise price of 16.5 cents per warrant share 22,727,273 warrant shares (after exercise of 3,787,879 in March 2024) issued on 31 March 2022 with an exercise price of 13.2 cents per warrant share
Financial Covenant:	Minimum $1.5 million cash balance
Security:	First ranking general security over all present and after-acquired property of the Company and subsidiaries

Accounting Policy

Borrowings are interest bearing and are initially recognised at fair value, net of transaction costs incurred. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the Consolidated Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Note 14 Provisions

	Consolidated	
	June 2024	**June 2023**
Current	**$000's**	**$000's**
Employee benefits	**538**	588
Restoration & rehabilitation	**330**	108
	868	696
Non-current		
Employee benefits	**52**	34
Restoration & rehabilitation	**2,422**	2,852
	2,474	2,886
	3,342	3,582

	June 2024	**June 2023**
Movements in carrying amounts of restoration and rehabilitation	**$000's**	**$000's**
Balance at the beginning of the year	**2,960**	3,025
Reductions subtracted from exploration and evaluation expenditure	**(298)**	(179)
Write-off of increase to New Zealand provision	**20**	10
Unwind of discount - finance charges	**70**	104
Balance at the end of the year	**2,752**	2,960

Note 14 Provisions (continued)

Accounting Policy

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

Employee benefits

Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Rehabilitation provision
The Group records the present value of the estimated cost of legal and constructive obligations to restore disturbances in the period in which the obligation arises. The nature of rehabilitation activities includes the abandonment of wells, removal of facilities and restoration of affected areas. Typically, the obligation arises when the well is spudded (commences drilling) or the infrastructure is installed.

When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount of the related asset. Over time, the liability is increased for the change in the present value based on a risk adjusted pre-tax discount rate appropriate to the risks inherent in the liability. The unwinding of the discount is recorded as an expense within finance costs.

The carrying amount capitalised will be amortised over the useful life of the related asset once production commences. The assets' useful lives are currently estimated at between one and fifteen years. Costs incurred which relate to an existing condition caused by past operations, and which do not give rise to a future economic benefit, are expensed.

Where the underlying cost to rehabilitate has increased, this is capitalised to the asset and amortised over the remaining life of the asset once in production.

Critical accounting estimates and judgements

The Group estimates the future rehabilitation costs of gas wells and associated infrastructure at the time of installation. In most instances, rehabilitation of assets occurs many years into the future. This requires assumptions to be made on the rehabilitation date, the extent of rehabilitation activities required, requirements of future environmental legislation, methodology and technologies used to determine the future rehabilitation cost.

The rehabilitation obligation is discounted to present value using a ten-year government bond discount rate as this is reflective of the risk-free rate over the period to rehabilitation of the assets. These estimates require significant management judgement, in particular to the estimated future timing and cost of well rehabilitation and are subject to risk and uncertainty that may be beyond the control of the Group; hence, there is a possibility that changes in circumstances will materially alter projections, which may impact the recoverable amount of assets and the value of rehabilitation obligations at each reporting date.

Note 15 Financial liabilities at fair value

	Consolidated	
	June 2024	June 2023
	$000's	$000's
Current		
CleanCo - financial liability	**26,742**	25,656
PURE Asset Management - warrant shares	**4,250**	4,900
APLNG - deferred consideration payable	**1,745**	1,744
	32,737	32,300
Non-current		
APLNG - deferred consideration payable	**1,521**	2,847
	1,521	2,847
	34,258	35,147

Note 15 Financial liabilities at fair value (continued)

Critical accounting estimates and judgements

CleanCo liability

On 18 September 2023, Comet Ridge Mahalo Pty Ltd (CML) executed a seven-year Gas Sales Agreement (GSA) with CleanCo, subject to approval by CleanCo's shareholding Ministers within 90 days. Approval by the shareholding Ministers approvals was subsequently confirmed by CleanCo on 15 December 2023. A summary of the key GSA terms are as follows:

Commencement Date	Between 1 July 2025 and 30 June 2026 The GSA also has provisions which provide for a Commencement Date after 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	CML to make monthly loan repayments during the GSA term to account for previous investment made in CML and the Mahalo JV by Stanwell Limited, prior to the arrangement being assigned to CleanCo.
Conditions	1. Approval by CleanCo's Shareholding Ministers (satisfied prior to 31 December 2023); 2. Approval by Comet Ridge's Board of Directors (satisfied prior to 31 December 2023); 3. CML obtains reserves certificate for 115% of total GSA volume (satisfied prior to 30 June 2024); 4. CML obtaining finance to satisfy the supply requirements under the GSA; and 5. CML entering into gas transportation agreements to provide gas to the Delivery Point.

On 15 April 2024, a GSA amendment letter was signed by both parties acknowledging the satisfaction of condition 3 and amended the satisfaction dates for conditions 4 and 5 to 20 December 2024 and 31 October 2024 respectively. If CML is unable to satisfy condition 4 or have the condition extended (if required) or waived by 20 December 2024, then the GSA may be terminated, and a cash settlement would be triggered on or before 20 January 2025. As condition 5 will most likely form part of the Mahalo Gas Hub infrastructure process and can be waived by CML, CML's view is that this condition will not trigger an earlier possible cash settlement. The amount owing to CleanCo has been recognised as a current liability as the Group does not have a right to defer settlement for at least twelve months.

Based on the longstanding relationship between the parties and the progress Comet Ridge has made with development of the Mahalo Gas Hub permits and its dataroom funding process, Comet Ridge believes it will be able to meet these timelines or agree extensions (if required), noting the window for gas supply under the GSA is prior to 30 June 2026.

Fair value measurement

In considering the above, Comet Ridge has determined that a cash settlement continues to represent the maximum liability under the GSA and has therefore continued to recognise the liability as a "financial liability at fair value through profit or loss". An expense of $1,086,000 (2023: $1,061,000) has been recorded in the 2024 financial year.

Valuation techniques and process used to determine fair value at 30 June 2024

The fair value of the CleanCo liability is based on the anticipated financial liability arising from the GSA executed on 18 September 2023. The CleanCo liability is classified as Level 3 in the fair value hierarchy due to the use of unobservable inputs. The inputs used in the calculation of the fair value of the financial liability at fair value are as follows:

1. The option with the greatest liability that a market participant would want to be compensated for is a cash settlement based on the remaining condition precedent contained within the executed GSA not being met or waived, representing the maximum liability under the GSA. As a result, the $20,000,000, indexed for CPI, is the basis for determining the liability.

2. The earliest date for the cash payment under point 1 is 20 January 2025 (2023: 30 September 2023), giving a period of indexation of 10.9 years (2023: 9.5 years) from March 2014.

3. The CPI rate used to index the $20,000,000 cash payment from March 2014 is based on actual quarterly CPI rates from March 2014 to 30 June 2024 and forecast at 1.33% (2023: 1.28%) per quarter for the remaining period to 20 January 2025 (2023: 30 September 2023).

Note 15 Financial liabilities at fair value (continued)

The relationships between the unobservable inputs and the fair value of the financial liability at fair value are as follows:

Unobservable input	Relationship to fair value
Agreement term	If CML is unsuccessful in satisfying the remaining condition precedent (No. 4) specified in the GSA, or have it extended or waived, by 20 December 2024 the cash payment would be payable no earlier than 20 January 2025 (2023: 30 September 2023).
CPI rate	If the 1.33% (2023: 1.28%) per quarter forecast CPI rate reduces/increases to a low of 0.83% per quarter or a high of 1.83% per quarter (2023: low of 0.78% and high of 1.78% per quarter), the indexed liability will reduce or increase by approximately 1.9% or $515,759 (2023: 1.3% or $326,524) respectively.

Parent Entity Guarantee

Comet Ridge Limited has provided a parent company financial guarantee to Comet Ridge Mahalo Pty Ltd (CML) in favour of Comet Ridge Mahalo's potential $20,000,000 liability (indexed at CPI from 2014) to CleanCo.

The guarantee represents a contingent liability of the parent should CML not be able to settle the obligation if and when it falls due.

Deferred consideration payable – APLNG

On 28 June 2022, Comet Ridge acquired Australia Pacific LNG Pty Ltd's (APLNG) 30% interest in the Mahalo Joint Venture Project for a total consideration of $20,000,000 payable in staged payments. Comet Ridge paid a $1,000,000 deposit on 5 August 2021 and the upfront payment balance of $11,000,000 was paid to APLNG on 28 June 2022. The remaining $8,000,000 of deferred consideration is payable in four annual instalments of $2,000,000 each commencing from June 2023, unless a post completion trigger event occurs requiring earlier payment. The trigger events that require earlier repayment are any of the following:

a) a final investment decision is made for development of gas from the Mahalo Joint Venture Project;
b) gas production from the Mahalo Joint Venture Project equalling or exceeding 10 Terajoules per day,
c) a change in control of the Group;
d) Comet Ridge disposing of more than a 15% interest in the Mahalo Joint Venture Project; or
e) Comet Ridge is subject to an insolvency event.

Comet Ridge paid the second-year post completion deferred consideration payment of $2,000,000 to APLNG on 26 June 2024. The balance of $4,000,000 ($2,285,000 net to Comet Ridge) is payable in two equal annual instalments with the next instalment due in June 2025.

Fair value measurement

The fair value of the deferred consideration payable is initially recognised as the present value of the $8,000,000 payable in 4 equal annual instalments and has been capitalised to the Mahalo Joint Venture Project exploration and evaluation asset. For subsequent measurements, the present value is adjusted for yearly instalments paid and the unwinding of the discount applied expensed to profit and loss. An expense of $675,000 (2023: $844,000) has been recorded in the 2024 financial year.

The APLNG liability is classified as Level 3 in the fair value hierarchy due to the use of unobservable inputs. The inputs used in the calculation of the financial liability at fair value as at 30 June 2024 are as follows:

1. The remaining agreed cash settlement of $4,000,000 payable in $2,000,000 instalments over 2 years commencing June 2025 (2023: $6,000,000 over 3 years commencing June 2024)
2. The pre-tax discount rate applied being 14.7% (2023: 14.7%)

The relationships between the unobservable inputs and the fair value of the financial liability at fair value are as follows:

Unobservable input	Relationship to fair value
Risk-adjusted discount rate	The discount rate used is adjusted for the Group's own credit risk. A change in the discount rate by 200 basis points would increase/decrease the fair value by $85,137 and $81,328 (2023: $157,014 and $148,362) respectively.

Note 15 Financial liabilities at fair value (continued)

Warrant shares – PURE Asset Management Pty Ltd

On 9 September 2021, Comet Ridge executed a binding agreement with PURE Asset Management Pty Ltd (PURE) to provide Comet Ridge access to a secured term loan facility of up to $10,000,000. The facility has been fully drawn in two tranches of $6,500,000 and $3,500,000 respectively.

The loan agreement with PURE also contains detached warrant shares, with Comet Ridge issuing a total of 65,909,091 warrant shares in two tranches (as per below) exercisable for a period of 48 months from utilisation of the Tranche 1 loan on 17 September 2021.

- Tranche 1: 39,393,939 warrant shares issued on 12 August 2021 exercisable at $0.165 per share
- Tranche 2: 26,515,152* warrant shares issued on 31 March 2022 exercisable at $0.132 per share

*On 26 March 2024, PURE exercised 3,787,879 Tranche 2 warrant shares at $0.132 per share leaving a total of 22,727,273 warrant shares on issue under Tranche 2.

Fair value measurement

The fair value of the warrant share financial liability is calculated using a Black-Scholes valuation methodology. The key inputs into the fair value calculation are:

a) Exercise price of each tranche of warrants (Tranche 1 $0.165 per share / Tranche 2 $0.132 per share);

b) Expected volatility of the Company's share price calculated at 45.4% (2023: 69.7%), reflecting the assumption that historical volatility is indicative of future trends (which may not necessarily be the actual outcome);

c) Share price of the Company on each balance date being $0.20 (2023: $0.165) (noting that no allowance has been made for discounting the share price to reflect the issue price of an alternate equity raising if the warrants had not been issued); and

d) Expected remaining term of the warrants being 1.21 years (2023: 2.22 years).

The warrant share financial liability has been classified as Level 3 in the fair value hierarchy and is recognised as a "financial liability at fair value through profit or loss". A gain of $650,000 has been recorded in the 2024 financial year to reflect the reduction (2023: gain $638,000) in the fair value of the warrant shares due to the exercise of 3,787,879 Tranche 2 warrant shares and the reduction in remaining term of the warrants.

Unobservable input	Relationship to fair value
Expected volatility	The expected volatility used is based on historical data and reflects the assumption that the historical volatility over a period is indicative of future trends, which may not necessarily be the actual outcome. A change in volatility by 1,000 basis points would decrease/increase the fair value by $345,406 and $374,105 (2023: $517,631 and $495,702) respectively.

Note 16 Contributed equity

	Consolidated	
	June 2024 $000's	June 2023 $000's
Ordinary shares - fully paid	**184,835**	169,542

Movements in ordinary shares	June 2024 Number of Shares	June 2023 Number of Shares	June 2024 $000's	June 2023 $000's
Balance at the beginning of the period	**1,010,373,085**	860,034,445	**169,542**	145,693
Share placement @ 17.5 cents per share [1]	**-**	137,142,858	**-**	24,000
Share placement @ 17.0 cents per share [2]	**88,500,000**	-	**15,045**	-
Exercise of warrant shares by PURE Asset Management[3]	**3,787,879**	-	**500**	-
Performance rights vested	**5,140,470**	13,195,782	**703[5]**	1,103
Share issue costs [1,2,4]	**-**	-	**(955)**	(1,254)
Balance at the end of the year	**1,107,801,434**	1,010,373,085	**184,835**	169,542

Note 16 Contributed equity (continued)

[1] On 8 September 2022, Comet Ridge announced a placement of new shares to institutional and sophisticated investors to raise $24,000,000 (before share issue costs). The placement comprised the issue of 137,142,858 new shares at an issue price of $0.175 per share. The placement shares were allotted to investors on 15 September 2022. Share issue costs of $1,254,000 were payable by Comet Ridge in relation to the placement.

[2] On 14 February 2024, Comet Ridge announced a placement of new shares to institutional and sophisticated investors to raise $15,045,000 (before share issue costs). The placement comprised the issue of 88,500,000 new shares at an issue price of $0.17 per share. The placement shares were allotted to investors on 21 February 2024. Share issue costs of $945,000 were payable by Comet Ridge in relation to the placement.

[3] On 26 March 2024, PURE Asset Management exercised 3,787,879 Tranche 2 warrant shares at an exercise price of $0.132 per warrant share.

[4] Share issue costs of $10,000 were payable by Comet Ridge in relation to the 5,140,470 shares issued for vested performance rights during the year to 30 June 2024 and the exercise of 3,787,879 warrant shares by PURE Asset Management.

[5] The fair value of vested performance rights is transferred from the Share-based Payments' Reserve.

Accounting Policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. In most situations, Comet Ridge will conduct voting procedures at General Meetings, including the Annual General Meeting, via a poll.

Note 17 Reserves

	Consolidated	
	June 2024	**June 2023**
	$000's	**$000's**
Foreign currency translation	**1,226**	1,250
Share-based payments	**335**	323
	1,561	1,573

	June 2024	**June 2023**
The movements in the Share-based Payments' Reserve during the year are as follows:	**$000's**	**$000's**
Balance at the beginning of the year	**323**	835
Transfer of value of performance rights on share issue	**(703)**	(1,103)
Transfer of previous performance rights to accumulated losses	**(77)**	-
Share-based payments during the year	**792**	591
Balance at the end of the year	**335**	323

Accounting Policy

Foreign Currency Translation Reserve

The Foreign Currency Translation Reserve records exchange differences arising on translation of foreign controlled entities.

Share-based Payments Reserve

The Share-based Payments' Reserve is used to record the expense associated with options and performance rights granted to employees under equity-settled share-based payment arrangements. It is also used to record fair value of options granted for other goods and services as well as acquisition of other assets.

Note 18 Cash flow information

(a) Reconciliation of cash flow from operations	Consolidated June 2024 $000's	Consolidated June 2023 $000's
Loss for the year	**(7,165)**	(6,565)
Depreciation and amortisation of borrowing costs	**238**	235
Exploration and evaluation assets written-off	**9**	-
Share-based payments	**792**	591
Discount unwinding on rehabilitation provision and fair value liabilities	**1,347**	1,507
Net exchange differences	**(24)**	(4)
Movement in financial liability at fair value	**436**	423
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	**(67)**	77
(Increase)/decrease in prepayments and deposits paid	**(1)**	30
Increase/(decrease) in trade payables and accruals	**230**	(163)
(Decrease)/increase in provisions	**(14)**	65
	(4,219)	(3,804)

(b) Non-cash financing and investing activities

Non-cash investing and financing activities disclosed in other notes are:

- $137,000 gain on unwinding of discount on deferred consideration receivable from Santos – Note 9
- $675,000 expense on unwinding of discount on deferred consideration payable to APLNG – Note 15
- Performance rights vested for no cash consideration – Note 20

Note 19 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, are the Board of Directors.

The principal operating activities of the Group are the exploration and evaluation of its tenements for gas reserves. The internal reports used by the Board of Directors in assessing performance and determining the allocations of resources is cash flow reporting of exploration and evaluation activities as one segment.

Note 20 Share-based payments

Share-based payments

The share-based payments' expense included in the financial statements with respect to performance rights issued during the year and already issued in prior years is as follows:

	Consolidated June 2024 $000's	Consolidated June 2023 $000's
Consolidated Statement of Profit or Loss and Other Comprehensive Income		
Share-based payments' expense included in employee benefits' expense	**792**	591

Employee Performance Rights

Employee performance rights are provided to certain employees via the Comet Ridge Limited Employee Performance Share Rights Plan as approved by shareholders at the 2010 Annual General Meeting and refreshed at the 2016 Annual General Meeting. Performance rights are granted on terms determined by the Directors.

Performance rights are issued for no consideration and provide an equity-based reward for employees that is linked with the success of performance conditions determined when the performance rights are granted. The performance criteria are determined by the Board for each tranche and are likely to be matters such as continuation of employment, successful compliance and operational results (including safety results and no environmental impacts), increase in shareholder value on an absolute and relative performance basis linked to the share price of the Company and its relative peers, and in some cases on reserve targets.

Note 20 Share-based payments (continued)

The fair value of performance rights is determined at grant date. The value of performance rights that are issued subject only to non-market conditions such as a service condition or subject to a service condition and a performance condition e.g. reserves certification, is determined by reference to the quoted price of the Company's shares on the ASX. The fair value of performance rights at grant date issued subject to a market condition e.g. Total Shareholder Return performance is determined using generally accepted valuation techniques including Black-Scholes option pricing model and Monte Carlo simulation that take into account the term of the performance right, the impact of dilution, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk-free rate for the term of the performance right and an appropriate probability weighting to factor the likelihood of the satisfaction of non-vesting conditions.

The following table shows the number and movements of performance rights during the 2024 and 2023 years:

	2024		**2023**	
	Average Exercise Price per Right	**Number of Rights**	Average Exercise Price per Right	Number of Rights
As at 1 July	**$0.00**	**9,018,750**	$0.00	16,395,000
Granted during the year	**$0.00**	**4,000,000**	$0.00	7,600,000
Vested during the year	**$0.00**	**(5,140,470)**	$0.00	(13,195,782)
Expired during the year	**$0.00**	**(3,988,280)**	$0.00	(1,780,468)
As at 30 June	**$0.00**	**3,890,000**	$0.00	9,018,750

The average weighted share price of vested rights during the 2024 year was $0.167 (2023: $0.135). The average weighted remaining contractual life of performance rights outstanding at the end of the 2024 year was 0.5 years (2023: 0.19 years). All rights outstanding at 30 June 2024 are unvested and not ready to be exercised.

The expected price volatility is based on the historic volatility (based on the remaining life of the rights), adjusted for any expected changes to future volatility due to publicly available information. The amount assessed as fair value at the grant date is allocated equally over the period from grant date to vesting date.

2024				
Performance Rights	**Grant Date**	**Vesting Conditions**	**Fair Value Inputs**	**Fair Value per Right**
Market-based tranches	23 November 2023	Calculated by reference to Comet Ridge share price performance (absolute) and relative to peer group performance (relative) for the period September 2023 to September 2024	No. of rights granted: 500,000 (relative), 300,000 (absolute) Exercise price per share: Nil Expiry date: 31 Dec 2024 Share price at grant date: $0.17 Expected price volatility: 49% Expected dividend yield: Nil Risk-free interest rate: 3.69% Relative peer volatility: various Relative peer group: ASX:CTP, ASX:GLL, ASX:BLU and ASX:GAS	Relative: $0.116 Absolute: $0.09
	23 November 2023	Calculated by reference to Comet Ridge share price performance (absolute) and relative to peer group performance (relative) for the period September 2023 to September 2024	No. of rights granted: 1,500,000 (relative), 900,000 (absolute) Exercise price per share: Nil Expiry date: 31 Dec 2024 Share price at grant date: $0.17 Expected price volatility: 49% Expected dividend yield: Nil Risk-free interest rate: 3.69% Relative peer volatility: various Relative peer group: ASX:CTP, ASX:GLL, ASX:BLU, ASX:GAS, ASX:EEG and ASX:VEN	Relative: $0.115 Absolute: $0.09
Non-market based tranche	23 November 2023	Lost Time Injury Frequency Rate (LTIFR) measured from September 2023 to September 2024 to be in top quartile of peer performance and no environmental incidents or spills of any form.	No. of rights granted: 800,000 Based on share price at date of grant of $0.17 with nil expected dividends. Fair value adjusted by a probability factor that vesting conditions will be met based on historical evidence and management judgement at the date of grant. Nil exercise price paid upon vesting. The maximum term of the rights is 1.1 years.	$0.17

Note 20 Share-based payments (continued)

2023				
Performance Rights	**Grant Date**	**Vesting Conditions**	**Fair Value Inputs**	**Fair Value per Right**
Market-based tranches	25 November 2022	Calculated by reference to Comet Ridge share price performance (absolute) and relative to peer group performance (relative) for the period August 2022 to August 2023	No. of rights granted: 528,000 (relative), 528,000 (absolute) Exercise price per share: Nil Expiry date: 31 Dec 2025 Share price at grant date: $0.18 Expected price volatility: 75% Expected dividend yield: Nil Risk-free interest rate: 3.27% Relative peer volatility: various (Comet Ridge 51.34% relative to peers)	Relative: $0.124 Absolute: $0.088
	22 December 2022	Calculated by reference to Comet Ridge share price performance (absolute) and relative to peer group performance (relative) for the period September 2022 to August 2023	No. of rights granted: 1,884,000 (relative), 1,884,000 (absolute) Exercise price per share: Nil Expiry date: 31 Dec 2025 Share price at grant date: $0.165 Expected price volatility: 75% Expected dividend yield: Nil Risk-free interest rate: 3.29% Relative peer volatility: various (Comet Ridge 50.18% relative to peers)	Relative: $0.11 Absolute: $0.077
Non-market based tranches	25 November 2022	Achieving certain performance measures relating to safety performance, nil environmental incidents, compliance matters and gas sales arrangements.	No. of rights granted: 264,000 Based on share price at date of grant of $0.18 with nil expected dividends. Fair value adjusted by a probability factor that vesting conditions will be met based on historical evidence and management judgement at the date of grant. Nil exercise price paid upon vesting. The maximum term of the rights is 3.1 years.	$0.18
	22 December 2022	As above	No. of rights granted: 2,512,000 As above, except for share price at grant of $0.165 and maximum term of the rights being 3.0 years.	$0.165

Note 21 Contingent liabilities

There are no contingent liabilities of the Group as at 30 June 2024 (2023: $nil).

Note 22 Commitments

Exploration expenditure

In order to maintain an interest in the exploration tenements in which the parent is involved, the parent is committed to meet the conditions under the agreements. The timing and amount of exploration expenditure and obligations of the parent are subject to the minimum work or expenditure requirements of the permit conditions or farm-in agreements (where applicable) and may vary significantly from the forecast based on the results of the work performed which will determine the prospectivity of the relevant area of interest. The obligations are not provided for in the financial statements.

	Consolidated	
	June 2024	**June 2023**
Minimum expenditure requirements	**$000's**	**$000's**
● not later than 12 months	**4,437**	4,913
● between 12 months and 5 years	**12,542**	18,136
	16,979	23,049

Bank guarantees

Westpac Banking Corporation have provided bank guarantees totalling $398,700 (2023: $548,700) as follows:

- $398,700 (2023: $398,700) to the State of Queensland - Group's exploration permits and environmental guarantees; and
- $nil (2023: $150,000) to the State of NSW - Group's exploration permits and environmental guarantees.

The bank guarantees are secured by term deposits.

Note 23 Risk management

Overview

The Group's principal financial instruments comprise receivables, payables, cash, term deposits and financial liabilities at fair value. The main risks arising from the Group's financial assets and liabilities are interest rate risk, foreign currency risk, credit risk and liquidity risk. This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk.

Key risks are monitored and reviewed as circumstances change (e.g. acquisition of new entity or project) and policies are created or revised as required. The overall objective of the Group's financial risk management policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

Given the nature and size of the business and uncertainty as to the timing and amount of cash inflows and outflows, the Group does not enter into derivative transactions to mitigate the financial risks. In addition, the Group's policy is that no trading in financial instruments shall be undertaken for the purpose of making speculative gains. As the Group's operations change, the Directors will review this policy.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing the Group's financial risks as summarised below.

The Group holds the following financial instruments which are carried at amortised cost unless otherwise stated:

	Consolidated	
	June 2024	June 2023
Financial Assets	**$000's**	**$000's**
Cash and cash equivalents	**16,776**	11,651
Trade and other receivables	**125**	59
Restricted cash	**399**	549
Financial asset at fair value – Santos deferred consideration receivable	**1,572**	2,292
	18,872	14,551
Financial Liabilities		
Trade and other payables	**2,752**	1,115
Lease liabilities	**77**	187
Borrowings	**7,367**	7,018
Financial liability at fair value – PURE warrant shares	**4,250**	4,900
Financial liability at fair value – APLNG deferred consideration payable	**3,266**	4,591
Financial liability at fair value – CleanCo	**26,742**	25,656
	44,454	43,467

Interest rate risk

Exposure to interest rate risk arises on cash and term deposits recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. Borrowings are fixed rate borrowings and not exposed to fluctuations in interest rates.

A forward business cash requirement estimate is made, identifying cash requirements for the following period (generally up to one year) and interest rate term deposit information is obtained from a variety of banks over a variety of periods (usually one month up to six month term deposits) accordingly. The funds to invest are then scheduled in an optimised fashion to maximise interest returns whilst preserving liquidity.

Interest rate sensitivity

A sensitivity of 1% interest rate has been selected as this is considered reasonable given the current market conditions. A 1% movement in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or Loss		Equity	
	1% increase	1% decrease	1% increase	1% decrease
2024 – Consolidated	**$000's**	**$000's**	**$000's**	**$000's**
Cash and cash equivalents and restricted cash	**172**	**(172)**	**172**	**(172)**
2023 – Consolidated				
Cash and cash equivalents and restricted cash	122	(122)	122	(122)

Note 23 Risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Group will always have sufficient resources to meet its obligations when due.

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. This is based on the undiscounted cash flows of the financial liabilities based on the earliest date on which they are required to be paid. With respect to the liability to CleanCo, the Group is managing this liquidity risk via an executed Gas Supply Agreement (GSA) with CleanCo. In the event the final condition precedent is not met, extended or waived, then a cash payment of $20 million escalated by CPI until the date of payment will be required and has been disclosed in the below table.

The following are the contractual maturity for non-derivative financial assets and liabilities.

Consolidated - 30 June 2024	<1 year $000's	Between 1 to 3 years $000's	Between 3 to 5 years $000's	Total Contractual Cash Flows $000's	Carrying Amount $000's
Financial Assets					
Cash and cash equivalents	**16,776**	**-**	**-**	**16,776**	**16,776**
Deferred consideration receivable - Santos	**857**	**858**	**-**	**1,715**	**1,572**
	17,633	**858**	**-**	**18,491**	**18,348**
Financial Liabilities					
Trade and other payables	**(2,752)**	**-**	**-**	**(2,752)**	**(2,752)**
Lease liabilities	**(80)**	**-**	**-**	**(80)**	**(77)**
Borrowings	**(1,140)**	**(9,744)**	**-**	**(10,884)**	**(7,367)**
Deferred consideration payable – APLNG	**(2,000)**	**(2,000)**	**-**	**(4,000)**	**(3,266)**
Financial liability at fair value – CleanCo	**(26,742)**	**-**	**-**	**(26,742)**	**(26,742)**
	(32,714)	**(11,744)**	**-**	**(44,458)**	**(40,204)**
Consolidated - 30 June 2023					
Financial Assets					
Cash and cash equivalents	11,651	-	-	11,651	11,651
Deferred consideration receivable - Santos	857	1,715	-	2,572	2,292
	12,508	1,715	-	14,223	13,943
Financial Liabilities					
Trade and other payables	(1,115)	-	-	(1,115)	(1,115)
Lease liabilities	(127)	(76)	-	(203)	(187)
Borrowings	(1,200)	(11,500)	-	(12,700)	(7,018)
Deferred consideration payable – APLNG	(2,000)	(4,000)	-	(6,000)	(4,591)
Financial liability at fair value – CleanCo	(25,656)	-	-	(25,656)	(25,656)
	(30,098)	(15,576)	-	(45,674)	(38,567)

Foreign exchange risk

As a result of activities overseas, the Group's Consolidated Statement of Financial Position can be affected by movements in exchange rates. The Group also has transactional currency exposures. Such exposures arise from transactions denominated in currencies other than the functional currency of the Group. The Group's exposure to foreign currency risk primarily arises from the Group's operations overseas, namely in New Zealand. The Group currently does not engage in any hedging or derivative transactions to manage foreign currency risk. The Group's policy is to generally convert its local currency to NZ dollars at the time of transaction.

Based on financial instruments held at 30 June 2024 and 30 June 2023, had the Australian dollar strengthened/weakened by 10%, there would be an immaterial impact on the Group's profit or loss and equity.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents, restricted cash, and trade and other receivables. The Group exposure and the credit ratings of its counterparties are continuously monitored by the Board of Directors. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised in the table above.

Note 23 Risk management (continued)

Credit risk exposures

Trade and other receivables

Trade and other receivables comprise primarily of charges to joint operations. Where possible the Group trades with recognised, creditworthy third parties. The receivable balances are monitored on an ongoing basis. The Group's exposure to bad debts is not significant. At 30 June 2024 $nil, (2023: $nil) of the Group's receivables were past due. The Group has no other significant concentration of credit risk.

Cash and cash equivalents, restricted cash and term deposits

The Group has a significant concentration of credit risk with respect to cash deposits with banks. AAA rated banks are mostly used and non-AAA banks are utilised where commercially attractive returns are available.

Capital risk management

When managing capital, management's objective is to ensure the Group continues as a going concern and to maintain a structure that ensures the lowest cost of capital available and to ensure adequate capital is available for exploration and evaluation of tenements. In order to maintain or adjust the capital structure, the Group may seek to issue new shares.

Consistent with others in the industry, the Group monitors capital on the basis of forecast exploration and evaluation expenditure required to reach a stage which permits a reasonable assessment of the existence or otherwise of an economically recoverable reserve. Total capital is calculated as 'equity' as shown in the Consolidated Statement of Financial Position.

There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

Fair value measurement

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement and for disclosure purposes.

Fair value hierarchy

AASB 7 *Financial Instruments: Disclosures* requires disclosure of fair value measurements by level as determined by the following fair value measurement hierarchy:

a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
b) Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the fair value classification of the Group's assets and liabilities measured and recognised at fair value at 30 June 2024.

	Consolidated	
Financial Assets - Level 3 (Note 9)	**June 2024**	**June 2023**
Santos deferred consideration receivable	**1,572**	**2,292**
	1,572	**2,292**
Balance at the beginning of the year	**2,292**	-
Initial recognition of financial asset at fair value	**-**	2,972
Unwinding of discount	**137**	177
Deferred consideration payment received	**(857)**	(857)
Balance at the end of the year	**1,572**	2,292

Note 23 Risk management (continued)

Financial Liabilities - Level 3 (Note 15)	**June 2024 $000's**	**June 2023 $000's**
CleanCo financial liability	**26,742**	25,656
APLNG deferred consideration payable	**3,266**	4,591
PURE warrant shares	**4,250**	4,900
	34,258	35,147

Balance at the beginning of the year	**35,147**	36,210
Adjustment to discount rate applied on initial recognition	**-**	(330)
Unwinding of discount	**675**	844
Movement in financial liabilities at fair value	**436**	423
Deferred consideration payment made	**(2,000)**	(2,000)
Balance at the end of the year	**34,258**	35,147

Other fair value disclosures

The Directors consider that the carrying amount of trade receivables and payables recorded in the financial statements approximates their fair values due to their short-term nature.

Note 24 Group structure

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

Name of entity	**Country of Incorporation**	**Class of Shares**	**Equity Holding % 2024**	**Equity Holding % 2023**
Chartwell Energy Pty Ltd	Australia	Ordinary	**100**	100
Comet Ridge NZ Pty Ltd	Australia	Ordinary	**100**	100
Davidson Prospecting Pty Ltd	Australia	Ordinary	**100**	100
Comet Ridge Mahalo Pty Ltd	Australia	Ordinary	**100**	100
Comet Ridge Gunnedah Pty Ltd	Australia	Ordinary	**100**	100
Comet Ridge Galilee Pty Ltd	Australia	Ordinary	**100**	100
Comet Ridge Mahalo North Pty Ltd	Australia	Ordinary	**100**	100
Comet Ridge Mahalo East Pty Ltd	Australia	Ordinary	**100**	100
Comet Ridge Mahalo Far East Pty Ltd	Australia	Ordinary	**100**	100

Joint arrangements

The Group has interests in the following Joint Arrangements:

	2024	**2023**
ATP 1191 Mahalo[1]	**57.14%**	57.14%[2]
ATP 743 Galilee	**70.00%**	70.00%
ATP 744 Galilee	**70.00%**	70.00%
ATP 1015 Galilee	**70.00%**	70.00%
PEL 427 Gunnedah	**59.09%**	59.09%

[1] includes PLs 1082 and 1083, and PCAs 302, 303 and 304.
[2] decreased from 70% to 57.14% in September 2022 on Santos exercising its option to acquire 12.86% interest in the Mahalo Joint Venture Project.

In accordance with AASB 11 *Joint Arrangements*, the accounting treatment adopted for these joint arrangements depends upon an assessment of the rights and obligations of the parties to the arrangement that are established in each of the joint operating agreements (JOAs) or the farm-in agreement as the case may be. The JOA or farm-in agreement sets out the voting rights of the parties to the agreement. The voting rights determine who has control i.e. the power to direct the operating activities of the joint arrangement.

Based on the analysis of each JOA and farm-in agreement, the Group has classified each of its joint arrangements as a "joint operation".

As a result, the Group recognises in its financial statements its share of the revenue, expenses, assets and liabilities of each of the joint operations in which it has an interest.

Note 25 Related party transactions

Parent entity

The legal parent entity is Comet Ridge Limited. Details of controlled entities are set out in Note 24.

Key Management Personnel

There were no transactions with KMP during the year, other than those disclosed in Note 26.

Transactions with controlled entities

Transactions between Comet Ridge Limited and its subsidiaries during the year included:

- loans advanced to/repayments from subsidiaries; and
- investments in subsidiaries.

The loans and investments have been impaired as shown in the parent entity disclosures section of this note. The loans to subsidiaries are interest free, repayable in cash at call and are unsecured.

Loans to subsidiaries and investments in subsidiaries

The parent entity has recorded investments in subsidiaries at cost of $44,252,000 (2023: $44,252,000) less provisions for impairment $44,081,000 (2023: $44,081,000).

The parent entity has also loaned funds to its subsidiaries of net $57,002,000 (2023: $52,255,000) primarily to undertake exploration expenditure. The parent entity has impaired the carrying amount of the loans by $22,310,000 (2023: $20,359,000). The impairment of the investments and loans has been based on the underlying net assets of the subsidiaries.

In future periods, as the underlying exploration and evaluation activities progress on various tenements, and with changes in other market conditions, the carrying amounts of the investments and loans may need to be reassessed in line with the net asset position of the subsidiaries or as otherwise appropriate.

Note 26 Key Management Personnel

Details of Key Management Personnel

Key Management Personnel comprise all of the Directors of the Company.

James McKay	Non-executive Chairman
Tor McCaul	Managing Director
Christopher Pieters	Executive Director
Gillian Swaby	Non-executive Director
Martin Riley	Non-executive Director
Shaun Scott	Non-executive Director

	Consolidated	
	June 2024	**June 2023**
	$	**$**
Short-term employee benefits	**913,912**	911,652
Post-employment benefits	**78,834**	74,388
Long-term employment benefits	**9,413**	16,059
Share-based payments	**98,266**	105,629
	1,100,425	1,107,728

Note 27 Parent entity disclosures

	June 2024	**June 2023**
	$000's	**$000's**
Current assets	**17,414**	12,391
Non-current assets	**83,802**	79,325
Total assets	**101,216**	91,716
Current liabilities	**20,313**	19,307
Non-current liabilities	**8,397**	8,096
Total liabilities	**28,710**	27,403
Net assets	**72,506**	64,313

Note 27 Parent entity disclosures (continued)

Contributed equity	**199,444**	184,151
Share-based payments' reserve	**4,097**	4,086
Accumulated losses	**(131,035)**	(123,924)
Total equity	**72,506**	64,313
Loss for the period	**7,198**	6,570
Other comprehensive income	**-**	-
Total comprehensive loss	**7,198**	6,570

Bank guarantees

Bank guarantees are disclosed in Note 22.

Contingent liabilities

Contingent liabilities are disclosed in Note 21.

Parent Entity Guarantee

Comet Ridge Limited has provided a parent company financial guarantee for Comet Ridge Mahalo Pty Ltd (CRM) in favour of Comet Ridge Mahalo's potential $20,000,000 liability (indexed at CPI from 2014) to CleanCo.

The guarantee represents a contingent liability of the parent should CRM not be able to settle the obligation if and when it falls due.

Note 28 Post balance date events

(a) ATP 2072 awarded by Queensland Government

Comet Ridge announced on 22 July 2024 that ATP 2072 was awarded to Comet ridge as 100% owner and operator for an initial term of six years. This new block is called Mahalo Far East Extension and covers an area of 66 km^2 immediately north of the Mahalo East and west of the Mahalo Far East projects. The southern portion of ATP 2072 sits over the Mahalo Gas Hub high-quality fairway and is expected to be a source of future production wells for the Mahalo Gas Hub development.

(b) Environmental Authority for PLA 1128 awarded by Queensland Government

Comet Ridge announced on 6 August 2024 that it was awarded an Environmental Authority (EA) from the Queensland Department of Environment, Science and Innovation for development activities to be carried out within PLA 1128 (the planned initial development area of Mahalo North). The scope of the development under the EA includes new production wells, compression and water treatment facilities, gathering systems and access tracks. Comet Ridge is developing Mahalo North to meet its domestic gas supply agreement with CleanCo Queensland Limited, a low-emission energy generator, retailer and developer which offers renewable energy from the sun and wind, firmed with low emission generation to deliver competitive clean energy products.

Consolidated Entity Disclosure Statement

As at 30 June 2024

Comet Ridge Limited is required by Australian Accounting Standards to prepare consolidated financial statements in relation to the company and its controlled entities (the consolidated entity).

In accordance with subsection 295(3A) of the *Corporations Act 2001*, this consolidated entity disclosure statement provides information about each entity that was part of the consolidated entity at the end of the financial year.

Name of Entity	Type of entity	Place formed or incorporated	Percentage of share capital held (if applicable)	Australian tax resident or foreign tax resident	Foreign tax jurisdiction (if applicable)
Comet Ridge Limited	Body corporate	Australia	n/a	Australian	n/a
Comet Ridge Mahalo Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Comet Ridge Gunnedah Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Comet Ridge Galilee Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Comet Ridge Mahalo North Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Comet Ridge Mahalo East Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Comet Ridge Mahalo Far East Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Comet Ridge NZ Pty Ltd	Body corporate	Australia	100%	Australian	New Zealand
Chartwell Energy Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Davidson Prospecting Pty Ltd	Body corporate	Australia	100%	Australian	n/a

At the end of the financial year, no entity within the consolidated entity was a trustee of a trust within the consolidated entity, a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity.

> Gas supplies 27% of Australia's energy needs and represents 14% of Australia's export income.

> "Gas will play an important role in firming renewable power generation and is needed in hard-to-abate sectors like manufacturing and minerals processing until such time as alternatives are viable and can be deployed."

Directors' Declaration

The directors declare that:

1) In the director' opinion, the consolidated statements and notes thereto, as set out on pages 42 to 71, are in accordance with the *Corporations Act 2001*, including:

    (a) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

    (b) as stated in Note 2, the consolidated financial statements also comply with International Financial Reporting Standards; and

    (c) giving a true and fair view of the financial position of the Group as at 30 June 2024 and of its performance for the year ended on that date.

2) In the directors' opinion, the consolidated entity disclosure statement required by subsection 295(3A) of the *Corporations Act 2001* is true and correct.

3) In the directors' opinion there are reasonable grounds, at the date of this declaration, to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the Managing Director and Chief Financial Officer required in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2024.

This declaration is made in accordance with a resolution of the Board of Directors.

Tor McCaul
Managing Director
Brisbane, Queensland, 25 September 2024

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Independent Auditor's Report to the Members of Comet Ridge Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Comet Ridge Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(d) in the financial report, which describes that under an agreement with CleanCo Queensland Limited (CleanCo), contract terms exist whereby a cash payment of approximately $26.7 million may become payable. In addition, the Group will require additional funding for its ongoing commitments to continue its normal business operations, including the progression of its Mahalo Gas Hub permits and Galilee permits.

The ability of the Group to continue as a going concern depends upon a number of matters, including successfully raising necessary funding through debt, equity, selldown or farm-out of the Group's tenements to meet these commitments as they arise. These conditions, along with other matters set forth in Note 2(d), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Carrying value of Exploration and Evaluation assets *Refer to note 11, $100.97 million*	
Exploration and Evaluation (E&E) assets represent the Mahalo and Galilee Deeps Joint Ventures (JVs), Mahalo North, Mahalo East, Mahalo Far East and the Gunnedah and Galilee Basin tenements. We considered the carrying value of the E&E assets to be a key audit matter given the significance of the E&E asset balance to the financial statements and judgements regarding future exploration plans in determining whether the exploration costs should continue to be capitalised as assets.	The following procedures, amongst others, were performed in relation to the carrying value of the E&E assets: • Understood and evaluated the design and implementation of controls over the E&E assets. • Evaluated the Group's accounting position paper on the ability to continue to capitalise E&E assets for each area of interest. • Agreed the licence expiry date of the respective tenements to the official tenement documentation provided by the State Government Department, to confirm currency of tenure and the Group's right to explore. • Assessed the Group's financial year 2025 budget to determine if exploration expenditure had been included for the respective tenements to demonstrate continue exploration activity. • Discussed likely developments and future plans for the respective tenements with Management. • Evaluated the reasonableness of disclosures included in the financial report against the requirements of Australian Accounting Standards.

Key Audit Matter	How our audit addressed the key audit matter
Valuation of CleanCo financial liability *Refer to note 15, $26.74 million*	
The CleanCo arrangement originated in 2014 and reflects the Group's obligation to settle the acquisition of a 5% interest in the Mahalo Gas Project. On 18 September 2023, the Group executed a seven-year Gas Sales Agreement (GSA) with CleanCo, subject to various contract conditions being satisfied. On 15 April 2024, a GSA amendment letter was entered to extend the satisfaction dates for the remaining two conditions to 31 October 2024 and 20 December 2024 respectively. In estimating the fair value of the financial liability under the arrangement, the Group have made judgements including the: • Timing of any cash payments under the arrangement • Discount rate to be applied • Forecast inflation rates Given the magnitude of the liability and judgements made in determining the fair value of the liability, the complexities of the CleanCo arrangement, and the significance of the arrangement to the financial report, we consider the accounting for the CleanCo arrangement to be a key audit matter.	The following procedures, amongst others, were performed in relation to the valuation and presentation of the CleanCo financial liability: • Understood and evaluated the design and implementation of controls over the CleanCo financial liability. • Read the relevant terms of the CleanCo agreements, to develop an understanding of the arrangement. • Agreed the extension of the GSA negotiating period to the Notification Notice agreed between CleanCo and the Group. • Evaluated the reasonableness of the timing of any potential cash outflow with reference to the conditions in the agreements. • Evaluated the reasonableness of the forecast inflation rates over the remaining timeframe of the arrangement. • Tested the mathematical accuracy of the calculations of the financial liability through recalculation. • Evaluated the reasonableness of disclosures included in the financial report against the requirements of Australian Accounting Standards.

Key Audit Matter	How our audit addressed the key audit matter
PURE Asset Management Financing Facility, including the valuation of warrants issued *Refer to note 13 and 15*	
The Group executed a binding agreement with PURE Asset Management Pty Ltd ("PURE") on 9 September 2021, to provide a term loan facility of up to $10 million. The agreements contain attached warrants, with the Group granting PURE 65,909,091 warrant shares, entitling PURE to 1 ordinary share in the Group for each warrant, should PURE exercise the warrants and pay the exercise price. PURE exercised 3,787,879 warrant shares during the year, leaving a total of 62,121,212 outstanding at balance date. We considered the accounting for the PURE loan and warrants to be a key audit matter given the judgement involved in: • determining whether the warrants are accounted for as a separate financial liability or equity instrument to the loan; and • determining the fair value of the warrants and the loan.	The following procedures, amongst others, were performed in relation to the PURE Financing Facility and the valuation of the PURE Warrants: • Understood and evaluated the design and implementation of controls over the PURE loan and PURE warrants. • Read the relevant terms of the PURE Financing Facility and warrant agreements to develop an understanding. • Assessed whether the PURE warrants should be accounted for as a financial liability or equity instrument and recognised separately to the loan in accordance with Australian Accounting Standards. • Agreed the number of warrants, exercise price and relevant terms of the warrants issued to the PURE warrant agreements. • Agreed the face value of the loan and relevant terms of the loan to the PURE Financing Facility Agreement. • Assessed the fair value of the warrants utilising a binomial option pricing valuation methodology. • Evaluated the reasonableness of disclosures included in the financial report against the requirements of Australian Accounting Standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgment to determine the appropriate action o take.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001;* and
(b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and
(c) for such internal control as the directors determine is necessary to enable the preparation of:
(i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
(ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 34 to 38 of the directors' report for the year ended 30 June 2024. In our opinion, the Remuneration Report of Comet Ridge Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Pitcher Partners

PITCHER PARTNERS

J. Evans

JASON EVANS
Partner

Brisbane, Queensland
25 September 2024

Additional Information

The additional information set out below was applicable at 2nd September 2024:

1. Number of Equity Holders

Ordinary Share Capital

1,107,801,434 fully paid ordinary shares are held by 3,074 individual shareholders.

2. Voting Rights

In accordance with the Company's constitution, on a show of hands every shareholder present in person or by a proxy, attorney or representative of a shareholder has one vote and on a poll every shareholder present in person or by a proxy, attorney or representative has in respect of fully paid shares, one vote for every share held. No class of option holder has a right to vote, however the shares issued upon exercise of options will rank pari passu with the then existing issued fully paid ordinary shares.

3. Distribution of Shareholdings

Holdings	No. of Holders	Units	Percentage of Issued Capital*
1 - 1,000	193	8,931	0.001%
1,001 - 5,000	407	1,393,077	0.126%
5,001 - 10,000	389	3,127,286	0.282%
10,001 - 100,000	1,229	51,023,672	4.606%
100,001 - maximum	856	1,052,248,468	94.985%
	3,074	**1,107,801,434**	**100.000%**

* Percentages have been rounded to the nearest 1/1000 decimal place.

The numbers of shareholders holding less than a marketable parcel (being 2,942 units or less) were:

337 Holders (323,404 Shares)

4. Substantial Shareholders

The following information is extracted from the Company's Register of Substantial Shareholders:

Name	Number of Shares Held	Percentage of Issued Capital
Copia Investment Partners Ltd	145,900,000	13.17%

The above shareholding is disclosed pursuant to section 671B (3) of the *Corporations Act 2001* but the relevant interests shown do not necessarily represent the beneficial interest in the share capital of the Company or the parties concerned.

5. Unquoted Securities

Unlisted Performance Rights:

The Company has 3,890,000 performance rights on issue, issued in accordance with the Employee Performance Share Rights Plan last approved by shareholders at the Company's AGM on 24 November 2016. The number of beneficial holders of performance rights totals 9.

Unlisted Warrant Shares:

The Company has 39,393,939 warrant shares on issue, exercisable at $0.165 per share. These have been issued to PURE Asset Management Pty Ltd in connection with utilisation of the Tranche 1 loan of $6.5 million. The warrant shares have a term of 48 months from the utilisation date of the Tranche 1 loan.

The Company has 22,727,273 warrant shares on issue, exercisable at $0.132 per share. These have been issued to PURE Asset Management Pty Ltd in connection with the utilisation of the Tranche 2 loan of $3.0 million. The Tranche 2 warrant shares have a term of 48 months from the utilisation date of the Tranche 1 loan drawn down on 17 September 2021.

6. The 20 Largest Holders of Ordinary Shares

		Number of Ordinary Fully Paid Shares Held	Percentage of Issued Capital %
1.	CITICORP NOMINEES PTY LIMITED	251,548,922	22.71%
2.	BRAZIL FARMING PTY LTD	24,000,000	2.17%
3.	MCKAY SUPER PTY LTD	20,253,129	1.83%
4.	BRIXIA INVESTMENTS LTD	19,355,501	1.75%
5.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	18,198,198	1.64%
6.	SIXTH ERRA PTY LTD	18,039,150	1.63%
7.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	16,568,562	1.50%
8.	MR JOHN NAUGHTON	16,100,000	1.45%
9.	GILBY RESOURCES PTY LTD	15,000,000	1.35%
10.	BNP PARIBAS NOMS PTY LTD	13,525,928	1.22%
11.	MICHAEL JOYCE PTY LTD	13,521,660	1.22%
12.	KABILA INVESTMENTS PTY LTD	11,949,587	1.08%
13.	UBS NOMINEES PTY LTD	11,701,753	1.06%
14.	JETAN PTY LTD	11,447,226	1.03%
15.	WATEFORD ATLANTIC PTY LTD	10,673,146	0.96%
16.	BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS>	10,617,962	0.96%
17.	MRS KIRSTY ELLEN MCKAY	10,600,001	0.96%
18.	MR CHRISTOPHER JOHN BLAMEY + MRS ANNE MARGARET BLAMEY <ACB SUPER FUND A/C>	9,206,000	0.83%
19.	NAUGHTON SUPER PTY LTD <NAUGHTON SUPER A/C>	8,700,000	0.79%
20.	JAF SUPER PTY LTD <J&A FENNELL FAMILY SUPER A/C>	8,500,000	0.77%
TOTAL		**519,506,725**	**46.91%**

7. Restricted Securities

There were no restricted securities issued or held during the reporting period.

8. Interest in Petroleum Tenements - Authority to Prospect (ATP), Petroleum Lease (PL), Petroleum Commercial Area (PCA), Petroleum Exploration Lease (PEL) Interests

ATP / PL / PCA / PEL	Location	Interest[1]	Operator
PL 1082 Mahalo [2]	Bowen Basin	57.14%	Santos QNT Pty Ltd
PL 1083 Mahalo [2]	Bowen Basin	57.14%	Santos QNT Pty Ltd
PCA 302 Mahalo [2]	Bowen Basin	57.14%	Santos QNT Pty Ltd
PCA 303 Mahalo [2]	Bowen Basin	57.14%	Santos QNT Pty Ltd
PCA 304 Mahalo [2]	Bowen Basin	57.14%	Santos QNT Pty Ltd
ATP 2048	Bowen Basin	100%	Comet Ridge Mahalo North Pty Ltd
ATP 2061	Bowen Basin	100%	Comet Ridge Mahalo East Pty Ltd
ATP 2063	Bowen Basin	100%	Comet Ridge Mahalo Far East Pty Ltd
ATP 743 [3]	Galilee Basin	70% Conventional 100% CSG	Comet Ridge Limited
ATP 744 [3]	Galilee Basin	70% Conventional 100% CSG	Comet Ridge Limited
ATP 1015 [3]	Galilee Basin	70% Conventional 100% CSG	Comet Ridge Limited
PEL 427 [4]	Gunnedah Basin	100% Conventional 59.09% CSG	Comet Ridge Limited (Conventional) Santos NSW (Betel) Pty Ltd (CSG)

[1] The interest is held either by Comet Ridge Limited or one of its wholly owned subsidiaries.

[2] Part of ATP 1191 Mahalo Permit has been converted to Petroleum Leases (PLs) 1082 and 1083 with the remaining Mahalo JV area covered by Potential Commercial Areas (PCAs) 302, 303 and 304.

[3] The Authorities to Prospect (ATPs) located in the Galilee Basin have been divided by way of a farm-in to Vintage Energy Limited into the Conventional (Deeps) and Unconventional (Shallows) joint ventures. The percentages recorded show the interests that Comet Ridge (or a wholly owned subsidiary) holds in these respective ATPs. The Queensland Government has granted since 30 June 2022 6 PCAs numbered 319 to 324 totalling approximately 4742 km^2 for 15 years as well as renewing the underlying ATPs for a further 12 years.

[4] PEL 427 located in the Gunnedah Basin is divided into Conventional oil and gas equity and CSG Joint Ventures. PEL 427 was renewed in May 2022. The approved area was reduced to 12 blocks over an area of 891 $km^{2.}$

Corporate Directory

Directors

James McKay – Non-executive Chairman
Tor McCaul – Managing Director
Christopher Pieters – Executive Director
Gillian Swaby – Non-executive Director
Martin Riley – Non-executive Director
Shaun Scott – Non-executive Director
Company Secretary – Stephen Rodgers

Registered Office

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Auditors

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Securities Exchange Listing

Australian Securities Exchange Ltd Home
Exchange: Brisbane

ASX Code: **COI**

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