

21 October 2024

Mahalo East pilot drilling operations update

Key points:

- Mahalo East 1 vertical well completed, intersecting 7.2 metres of net coal with higher than expected permeability in the lower two seams.
- Mahalo East 2 lateral well has commenced drilling, planned to intersect Mahalo East 1 and drill laterally in the target Aries Seam.

Comet Ridge Limited (ASX:COI) is pleased to provide an update on its Mahalo East pilot drilling operations. The pilot program includes the Mahalo East 1 vertical well (now drilled) and the Mahalo East 2 lateral well which spudded on Sunday 20 October 2024. This drilling is being undertaken in the Mahalo East block (ATP 2061) in the northeast of the high-quality fairway (see Figure 1 on following page).

These wells are being drilled with the support of the Queensland Government's Frontier Gas Exploration Grants Program, under which Comet Ridge received a \$5 million funding allocation.

Mahalo East 1 successfully drilled

The Mahalo East 1 vertical well was drilled over the past week to a total depth of 362 metres, intersecting 7.2 metres of net coal across the target coal seams as anticipated. This well was drilled to obtain confirmatory coal reservoir data in the northeast section of the high-quality fairway and subsequently 79.3 metres of core was cut from above the top coal right through the coal reservoir section. Core recovery achieved was 98.8%.

As expected, gas was observed bubbling from core as the core samples arrived at surface and were immediately placed in sealed containers for lab measurements and analysis that will continue over the next couple of months.

A full set of wellbore geophysical logs were also obtained and four short wireline conveyed flowtests were conducted – one across each of the four coal seams intersected.

Mahalo East 2 Lateral spudded

The rig was released off the Mahalo East 1 well early on Friday 18 October 2024 and moved 370 metres to the southeast onto the pad for the Mahalo East 2 lateral well, which spudded 48 hours later. Operations this morning at the Mahalo East 2 well were focussed on drilling out of the 9-5/8 inch diameter surface casing (which has been cemented in place) and starting to build angle towards the Mahalo East 1 well.

A compelling east coast gas play

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The Aries Seam, which is almost 3 metres thick, is the target for this lateral well. The Mahalo East 2 lateral well will firstly intersect the Mahalo East 1 vertical well and then continue on its path to the northwest.

Comet Ridge is trialling different steering technology in this well and subsequently the total length of the lateral well will be determined from operational considerations as the drilling progresses.

Comet Ridge Managing Director, Tor McCaul said:

“It is pleasing that another vertical well at the Mahalo Gas Hub has further confirmed our geologic model, supporting our confidence in the development of the high-quality fairway. We were able to measure higher than expected permeability values in the bottom two coals in the Mahalo East 1 vertical well, which confirms our confidence about a very large gas-in-place to be developed in this area. We see the entire Mahalo Gas Hub as a key contributor to the East Coast gas story, with the widely publicised supply shortfall approaching rapidly and very few new fields available to contribute meaningful gas volume.”

The Company will continue to provide operational updates to the market at key times during the drilling and evaluation program.

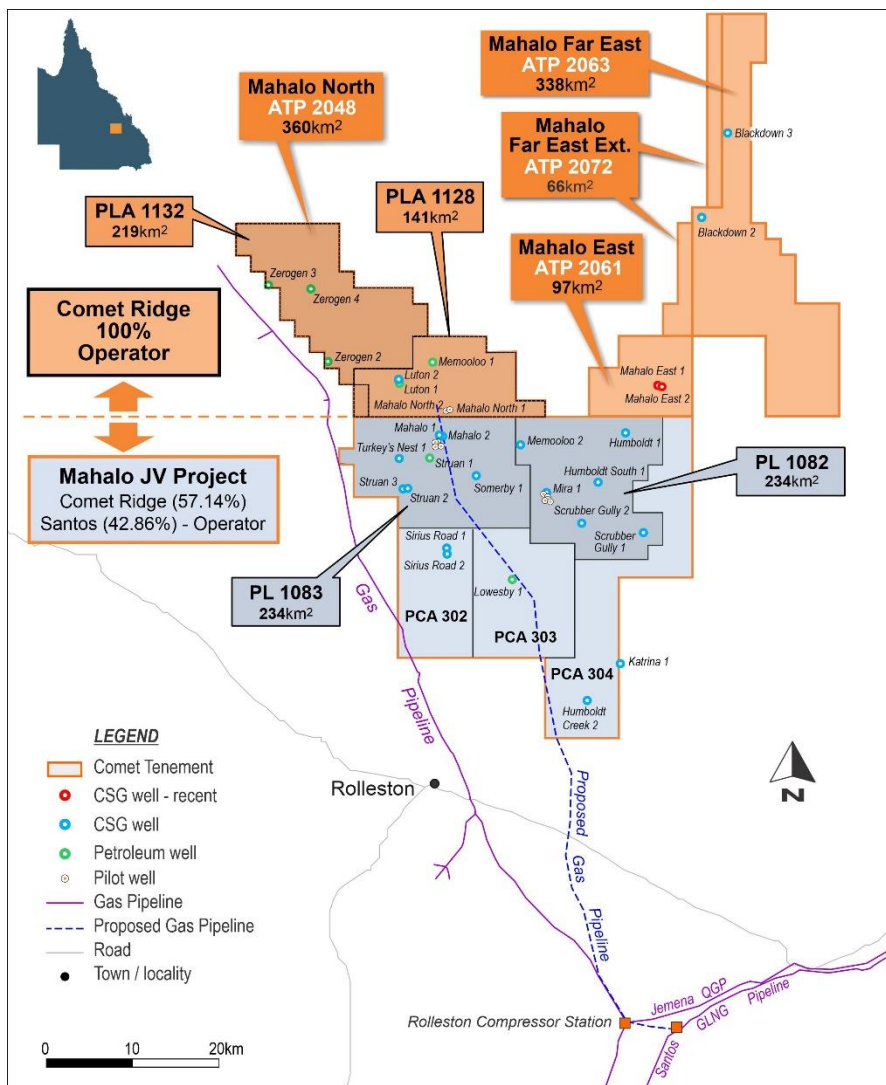


Figure 1 - Location Map for Mahalo Gas Hub showing position of Mahalo East wells



By Authority of Board per: Tor McCaul, Managing Director

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About Comet Ridge

Comet Ridge Limited (ASX: COI) is a publicly listed Australian energy company focused on the development of natural gas resources for the strained east coast Australian market. The company has tenement interests and a suite of prospective projects in Queensland. Our flagship Mahalo Gas Hub project consists of low cost, sales spec natural gas blocks, close to Gladstone, containing low CO₂ Gas Reserves. 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 into the east coast gas market, commencing with Mahalo North and the larger Mahalo Gas Project, in joint venture with Santos QNT Pty Ltd (as the Development Operator). These projects will be further supplemented by planned development of gas resources from Comet Ridge's other 100% held permits, Mahalo East, Mahalo Far East and the newly awarded Mahalo Far East Extension. More information regarding Comet Ridge is available at www.cometridge.com.au.