

11 November 2024

Mahalo East drilling phase successfully concluded

Key points:

- Strong laboratory gas desorption continues from the Mahalo East 1 core
- Mahalo East 2 made successful intercept into Mahalo East 1 and drilled 1338 metres in coal
- Mahalo East 1 to be completed with production tubing and downhole pump later this month

Comet Ridge Limited (ASX:COI) is pleased to announce the successful conclusion of the Mahalo East 2 lateral well. On Saturday 9 November, the drilling rig was released and is currently being demobilised. The drilling of the lateral section followed the earlier successful drilling of the Mahalo East 1 vertical well in October. Both wells were positioned in the Mahalo East block (ATP 2061) located in the northeast of the high-quality gas production fairway. The map on the following page (*Figure 1*) shows the position of these wells within the Mahalo Hub, where Comet Ridge holds the northern portion (orange colour) at 100% equity and the southern portion (grey colour) at 57% equity in the Mahalo JV project, with Santos as Operator and 43% equity holder.

These Mahalo East wells were drilled with the support of the Queensland Government's Frontier Gas Exploration Grants Program, under which Comet Ridge will receive a \$5 million funding allocation.

Mahalo East 1 vertical well

The Mahalo East 1 (ME1) vertical well intersected 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%.

A full set of wellbore geophysical logs were also obtained and four short wireline conveyed flow tests were conducted – one across each of the four coals, demonstrating good permeability.

Laboratory gas desorption and analysis is underway and will continue for several months. As was expected, early gas data over the first three weeks of laboratory monitoring shows strong gas volumes desorbing from the coal samples obtained. Early analysis also shows gas contents from this eastern side of the Mahalo Hub area look to be slightly higher than the gas contents from the western side, which is in line with our expectations.

A compelling east coast gas play

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Mahalo East 2 lateral well

Four coal seams were encountered in the ME1 vertical well. The Mahalo East 2 (ME2) lateral well specifically targeted the shallowest (Aries) seam. The Aries seam in this location is approximately 2.8m thick. The ME2 well was positioned 370 metres to the southeast of ME1 and the well path was deviated such that the wellbore turned to the northwest and entered the Aries coal before intersecting the ME1 vertical well. The ME2 well then drilled further on a north-westerly heading inside the coal seam, to drill through the natural fractures in the coal, which will provide a pathway for the future production of water and natural gas.

After reaching a heavily fractured zone, ahead of a likely compressional fault, it was decided to run a production liner in this hole section to preserve the intersected coal for future production testing, and to start a new lateral well branch from closer to the ME1 vertical well. This new branch travelled slightly more to the north and there is now a block of coal in between the two branches, similar to the design from the Mahalo North pilot (ATP 2048), about 25 km to the west. A production liner was also run into this branch. Having a block of reservoir coal with lined well paths on either side allows dewatering of the coal to occur from both sides of the block simultaneously, likely resulting in a shorter production test. Total Aries coal intersected in the ME2 well is 1338 metres.

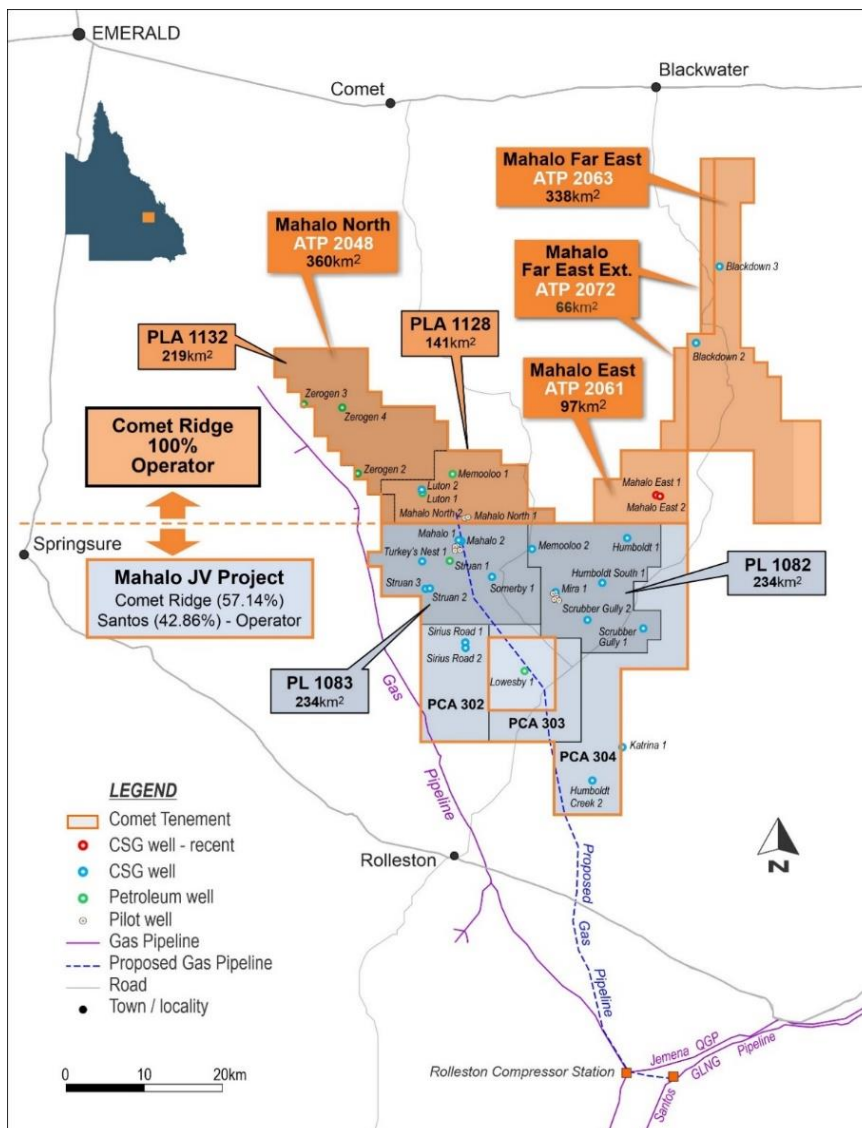


Figure 1: Mahalo Gas Hub Area – 100% Comet Ridge area in orange and 57% Comet Ridge area in grey



Figure 2 (below) is a drone photograph of both ME1 and ME2 locations, looking northwest with ME2 in the foreground and ME1 located 370 metres further northwest. The ME1 pad will house the water storage tank and simple gas production facilities.



Figure 2: Aerial shot during drilling of ME2 (lateral well) looking northwest towards ME1 (vertical well)

Comet Ridge Managing Director, Tor McCaul said:

“It is pleasing to have the drilling component of this project concluded with high quality data and great early gas desorption indications from the ME1 vertical well. We have over 1.3km of production hole drilled in the ME2 lateral well and a successful intercept. This positions the Mahalo East project for a successful production test to underpin an initial Reserves booking for the permit to complement the Company’s other 100% held acreage and 2P Reserves at Mahalo North. We expect to commence the production test early in the New Year, once the production tubing and downhole pump are installed in the ME1 well and production equipment and water storage tank are in place. ME2 was drilled without the benefit of seismic data. Seismic acquisition will be the final appraisal step, ahead of development and following Reserves certification, so that faults can be identified, and longer development lateral wells can be designed.”



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.