



ASX Announcement

11 April 2022

Mahalo North pilot moves to gas production phase

Key points:

- Gas critical desorption pressure has been reached.
- Gas production phase has commenced.

Comet Ridge Limited (ASX:COI) is pleased to advise that the production test at the Mahalo North pilot scheme has now moved into the gas production phase with the Mahalo North 1 well recently seeing a significant increase in gas pressure inside the casing annulus.

That gas pressure was bled off through the surface production facilities and used to commission the flare system which is now fully operational. A steady and gradually increasing flow of gas from the well is expected to be observed as testing continues.

The arrival of desorbed gas into the well, in conjunction with the significant water rates achieved, is verification of the quality of the reservoir and bodes well for the future production capability of these coals.

The first phase of the test from mid-January up to this point, has been designed for controlled de-watering to ensure the reservoir integrity was maintained, while bringing the reservoir pressure progressively down so that critical desorption pressure (CDP) was reached[†]. The coal reservoir has now started to evolve gas into the natural fractures and will desorb more and more gas as the reservoir pressure is reduced further.

Comet Ridge Managing Director, Tor McCaul said, “The well has continued to perform strongly during the de-watering phase. Now that we have started to desorb gas from the coal, water production will be adjusted as required to further reduce the reservoir pressure to generate more gas. Achieving CDP at a pressure very close to our isotherm lab analysis reinforces the accuracy of our geological models for this area and the quality of the reservoir. We will continue to carefully manage the de-watering process which we expect will gradually increase the gas rates.”

Comet Ridge will provide regular market updates as we continue to operate the production test over the coming months.

[†] Refer ASX announcements 17 January 2022, 27 January 2022, 1 March 2022, 10 March 2022 & 22 March 2022.

A compelling east coast gas play

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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 and New South Wales. Our flagship Mahalo Gas Hub project consists of low cost, sales spec natural gas blocks, close to Gladstone. Our exploration assets offer further upside amid increasing domestic and international demand for natural gas as a source for cleaner energy and as a key manufacturing feedstock that makes thousands of products, used daily.