



ASX Announcement

26 February 2020

Comet Ridge & LogiCamms combine to develop Mahalo North pipeline solution

Key points:

- Comet Ridge (ASX:COI) and LogiCamms (ASX:LCM) have signed a Memorandum of Understanding to work together towards a 65+ km pipeline connection option from Mahalo North (ATP 2048)
- Pipeline option to also consider transport of Comet Ridge's 40% share of Mahalo gas
- Joint study to evaluate Comet Ridge net gas production in the range 20 to 50 TJ/d for 6 inch and 8 inch diameter pipeline solutions
- Study will include combining debt funding options for both the upstream and pipeline components of the development

Comet Ridge is continuing to work with Denison Gas and the Mahalo JV on the transportation of Mahalo North gas to market¹. As an additional option, Comet Ridge has now entered into an agreement to consider an export solution via building a new pipeline, which would transport not only Comet Ridge's 100% interest in Mahalo North but could also accommodate Comet Ridge's 40% share of Mahalo JV gas, located immediately to the south of Mahalo North. Technical discussions around export of gas from Mahalo North (and Mahalo) have been occurring with LogiCamms (ASX:LCM) over the past weeks, and these discussions have now been formalised into a non-binding Memorandum of Understanding (MOU) so that further data is able to be shared and work can progress.

LogiCamms is an experienced pipeline and facilities engineering and project delivery contractor that Comet Ridge has enjoyed a strong working relationship with over the past several years. Over the coming weeks and months, it's the intention of both parties to examine the technical and economic aspects of a 6 to 8 inch diameter pipeline solution, for Mahalo North, that could transport Comet Ridge net gas production in the range of 20 to 50 TJ/d to larger transmission pipelines to the south. This solution would be across a distance of approximately 65 to 70 km. In addition, this Mahalo North pipeline could also be utilised to carry Comet Ridge's share of the Mahalo JV gas production, where Comet Ridge is the biggest equity holder in that project at 40% (along with Santos (ASX:STO) at 30% and APLNG at 30% with Origin (ASX:ORG), the upstream operator for APLNG). Figure 1 outlines an area through which the Mahalo North pipeline might be routed, to connect with transmission pipelines to the south.

Under the MOU, work will also be carried out in order to consider, and get an understanding of, debt funding options for both the upstream portion of the project, and the pipeline portion of the project.

¹ Refer ASX announcement 22 November 2019 – *New deal seeks to connect early gas from Mahalo North Project to market by 2021.*

A compelling east coast gas play

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Comet Ridge Managing Director, Tor McCaul, said he welcomed the opportunity to expand the relationship with LogiCamms. Their team have provided Comet Ridge solid pipeline design and technical advice over the past few years, and Comet Ridge views LogiCamms as a practical, fit-for-purpose solution provider ideal for identifying the lowest cost option for moving gas to market. He said he believes LogiCamms can also achieve this aim quickly.

LogiCamms Chief Executive Officer, Chris O’Neill, said this project was an ideal fit for LogiCamms’ capabilities and track record. He said LogiCamms looked forward to continuing to work with Comet Ridge, as an emerging gas producer. Mr O’Neill said that LogiCamms’ local experience would be well suited to helping develop the promising Mahalo and Mahalo North areas, particularly given they are located just north of current CSG production in the Surat Basin.

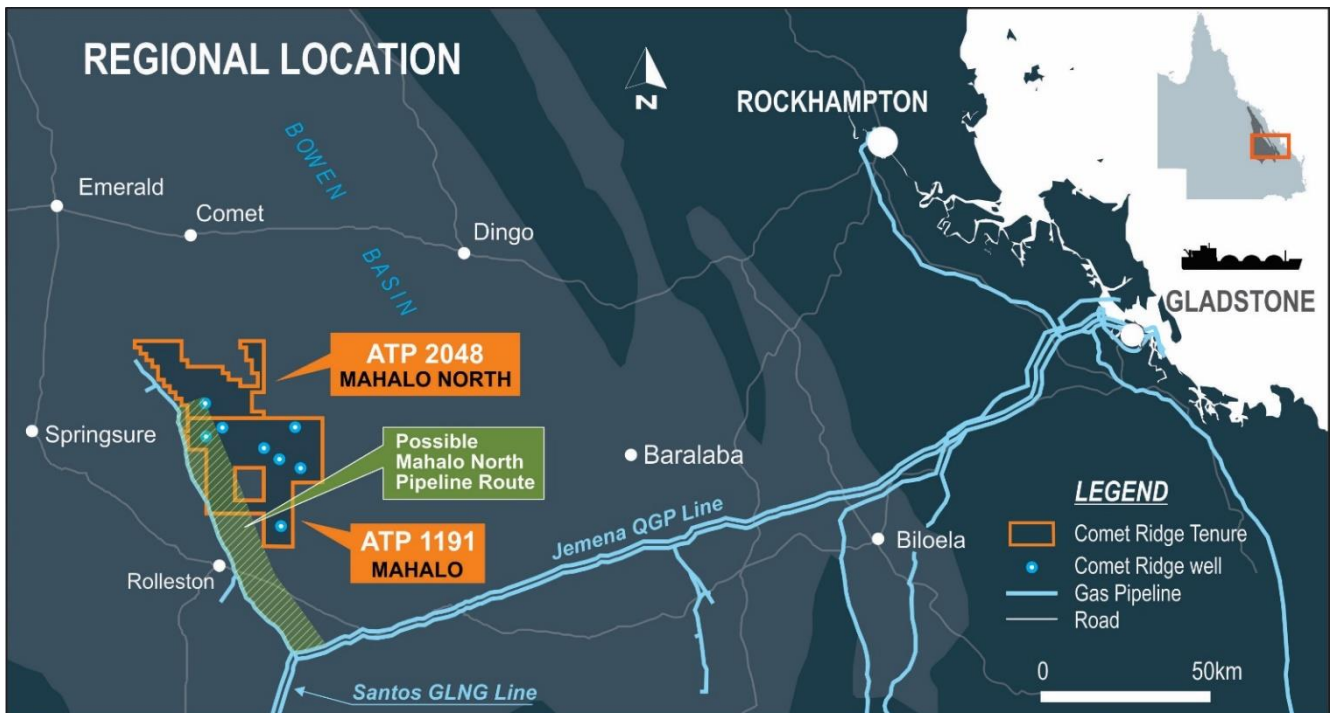


Figure 1 – Map of Mahalo North and Mahalo area showing possible 6 to 8 inch diameter pipeline route towards the south to connect to market.

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 gas resources for the east coast Australian market. The company has tenement interests and a suite of prospective projects in Queensland and New South Wales. Our flagship Mahalo and Mahalo North projects are low cost, sales spec gas plays close to Gladstone, targeting first gas by 2021. Our exploration assets in the Galilee and Gunnedah basins offer further upside amid increasing domestic and international demand for gas as a source of cleaner energy.