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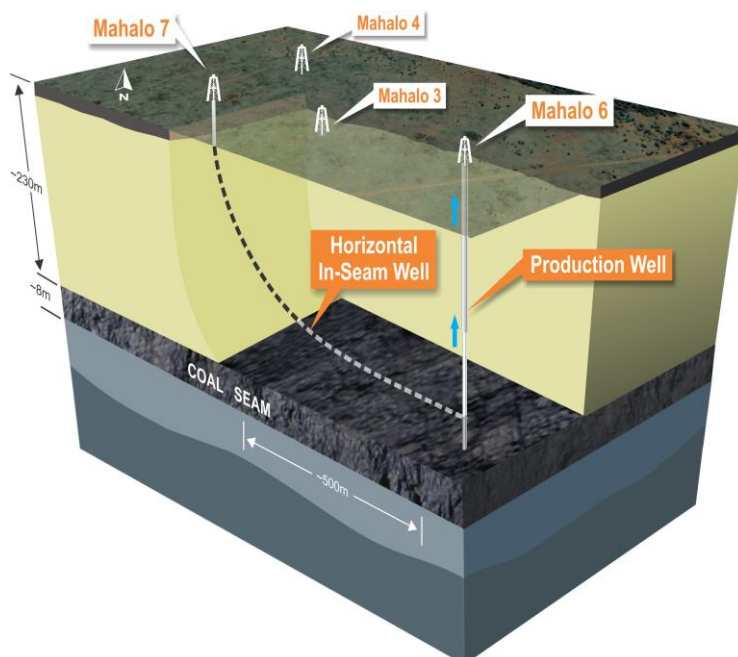
14 November 2014

Mahalo 7 horizontal well operational update

- Mahalo 7 surface to in-seam horizontal well has made successful intercept with vertical well and reached total measured depth of 775 metres
- Approximately 360 metres of coal reservoir successfully drilled
- Gas identified whilst drilling
- Mahalo 6 vertical production well planned to be on-line pumping shortly

Coal seam gas explorer and developer Comet Ridge Limited (ASX:COI) is pleased to provide an operational update on the progress of the Mahalo 7 horizontal surface to in-seam well that spudded Thursday evening, 6 November 2014 in the ATP 337P Mahalo Block in Queensland's Bowen Basin.

After the intermediate hole section was drilled to 307 metres and 7" intermediate casing was set (with the hole angle just short of horizontal at that point), drilling of the 6 1/8" production hole section was commenced. This horizontal hole section has now proceeded through approximately 360 metres of coal reservoir and the intercept with the Mahalo 6 vertical well occurred yesterday.



Drilling conditions have been good and subsequently a further 49 metre section of horizontal wellbore was drilled past the intercept well before the well drilling was terminated at the total measured depth of 775 metres. It is currently anticipated that the rig will be released from the well pad sometime on Saturday 15 November 2014. This Mahalo 7 surface to in-seam horizontal well has been designed to maximise the use of current reservoir data and has been positioned inside the current pilot wells. It was drilled past the Mahalo 3 vertical well, on the path to intersect the Mahalo 6 vertical well. The Mahalo 6 well will be utilised as the production well to lift the water and gas from the Mahalo 7 horizontal well (see Figure 1).

Figure 1 – Mahalo 7 horizontal in-seam well path

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ASX CODE: COI

This coal is at a depth of approximately 230 metres with a coal seam thickness of approximately 8 metres. A smaller service rig will be utilised to re-install the pump in the Mahalo 6 production well with this planned to occur shortly.

Figure 2 details the positioning of the horizontal well in relation to the Mahalo pilot scheme. Mahalo 6 is currently set up as a production well, with flowlines, metering and separation facilities at surface, and use of this well as the intersect well is therefore cost effective for the Joint Venture and will enable timely re-commencement of dewatering following completion of drilling.

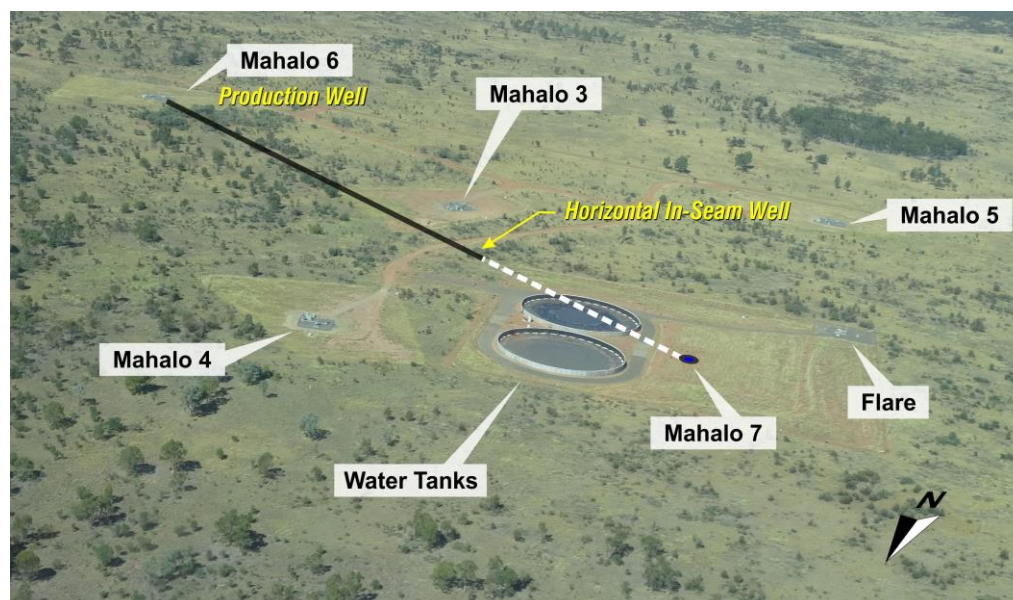


Figure 2 - Mahalo pilot layout and path of Mahalo 7

The Mahalo block sits approximately 240km west of Gladstone in central Queensland and the Joint Venture has been operating two production pilot schemes at the Mahalo Field Pilot and Mira Field Pilot, since the first half of 2013. Comet Ridge has recently received its first independent reserves certification for the Mahalo Block, which was detailed in a release to the ASX on 29 August 2014.

Equity participants in ATP 337P Mahalo are Comet Ridge Mahalo Pty Ltd (40%), Australia Pacific LNG Pty Ltd (30%) and Santos QNT Pty Ltd (30%). Santos QNT Pty Ltd is defined as the Exploration Operator under the current Joint Venture Operating Agreement and has the responsibility for drilling the Mahalo 7 horizontal well.

A handwritten signature in blue ink, appearing to read 'S. Rodgers'.

Stephen Rodgers
Company Secretary
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COMET RIDGE LIMITED – OVERVIEW

Comet Ridge Limited has significant Coal Seam Gas (CSG) projects in key regions of Queensland, northern New South Wales and New Zealand, as well as oil and gas interests in the United States. Gas resources have been certified, by independent professional certifiers, at four projects and gas reserves were recently certified at the Mahalo project in Queensland. The company is listed on the Australian Securities Exchange (ASX Code: COI) and is based in Brisbane. The Board and Management are experienced in establishing and developing energy projects.

Corporate Strategy

Comet Ridge has gained early entry into well-located exploration areas, allowing shareholders to gain substantial leverage into the upside value potential associated with exploration success.

Comet Ridge conducts CSG exploration and appraisal, with the aim of maturing exploration acreage from Gas Resources into Proven and Probable Gas Reserves. This process initially involves drilling wells in order to certify Prospective and Contingent Resources and then through further appraisal via Pilot Projects, with the intention of progressing into certified Reserves.

Where possible, Comet Ridge takes high equity positions in its large exploration permits, including a 100% interest in two blocks in the Galilee Basin and a block in New Zealand. Comet Ridge has 40% equity in the ATP 337P Mahalo Block in the Bowen Basin, and CSG equity of 22.5%, 50% and 60% respectively in PEL 6, PEL 427 and PEL 428 in the Gunnedah Basin in New South Wales.

Work Programme

Comet Ridge has an active exploration and appraisal work plan for CSG projects in eastern Australia, focused on the conversion of contingent resources to reserves.



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