

# Comet Ridge Ltd

10:59 05 Sep 2018

## Comet Ridge adds time on Mahalo final investment decision

Comet Ridge Ltd (ASX:COI) has renegotiated its deal with Stanwell Corporation Limited, adding more time for a Mahalo block final investment decision (FID) and agreeing to negotiate a gas sales agreement for the Southern Bowen Basin project using market-based pricing.

The company, which will present at the upcoming ASX Small and Mid-Cap Conference in Sydney on Thursday, agreed to modify the parties' 2014 agreement and maintain its other key terms.

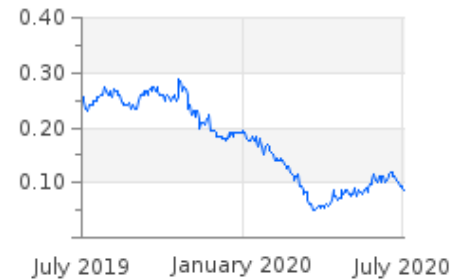
The amendment moves the FID date 11 months into the future to September 30, 2019.

If the parties reach an agreement on gas sales by July 15 next year it will replace their 2014 agreement.

**Price:** 0.086

**Market Cap:** \$67.85 m

### 1 Year Share Price Graph



### Share Information

**Code:** COI

**Listing:** ASX

**52 week High:** 0.29  
**52 week Low:** 0.048

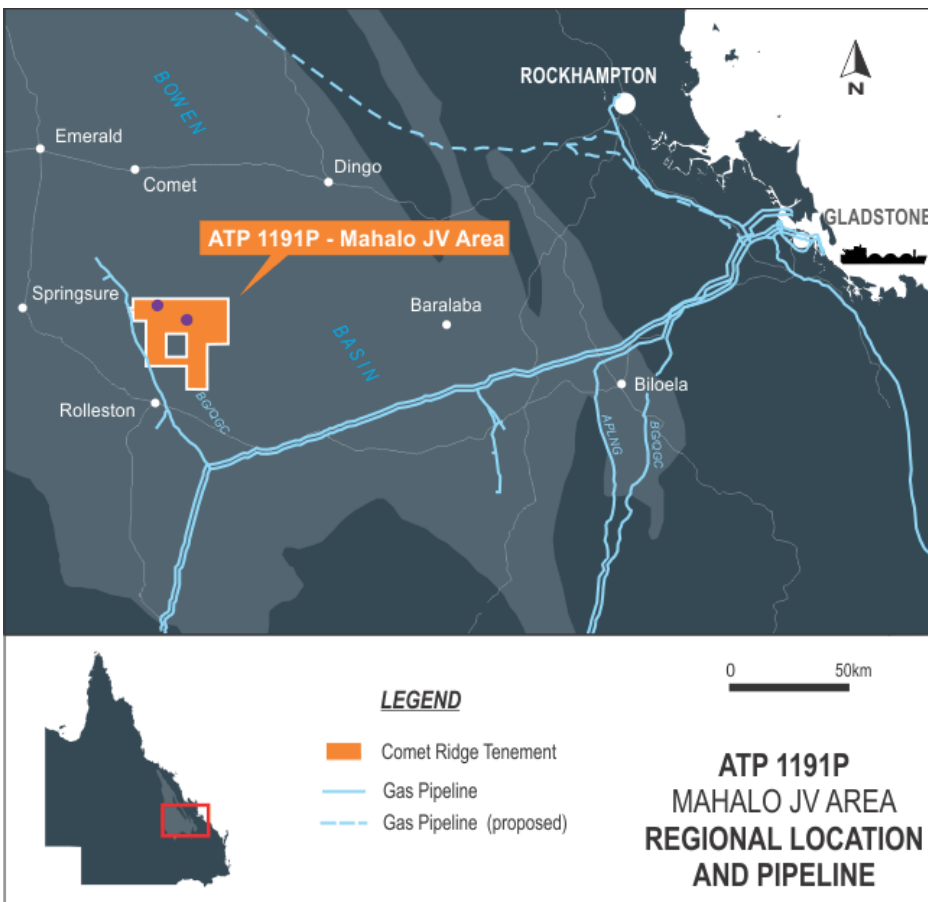
**Sector:** Oil & Gas

**Website:** [www.cometridge.com.au](http://www.cometridge.com.au)

### Company Synopsis:

Comet Ridge Ltd (ASX:COI) is listed on the Australian Securities Exchange.

action@proactiveinvestors.com.au



Comet Ridge's Mahalo block location map.

Comet Ridge previously acquired 5% of the Mahalo joint venture from Queensland Government-owned corporation

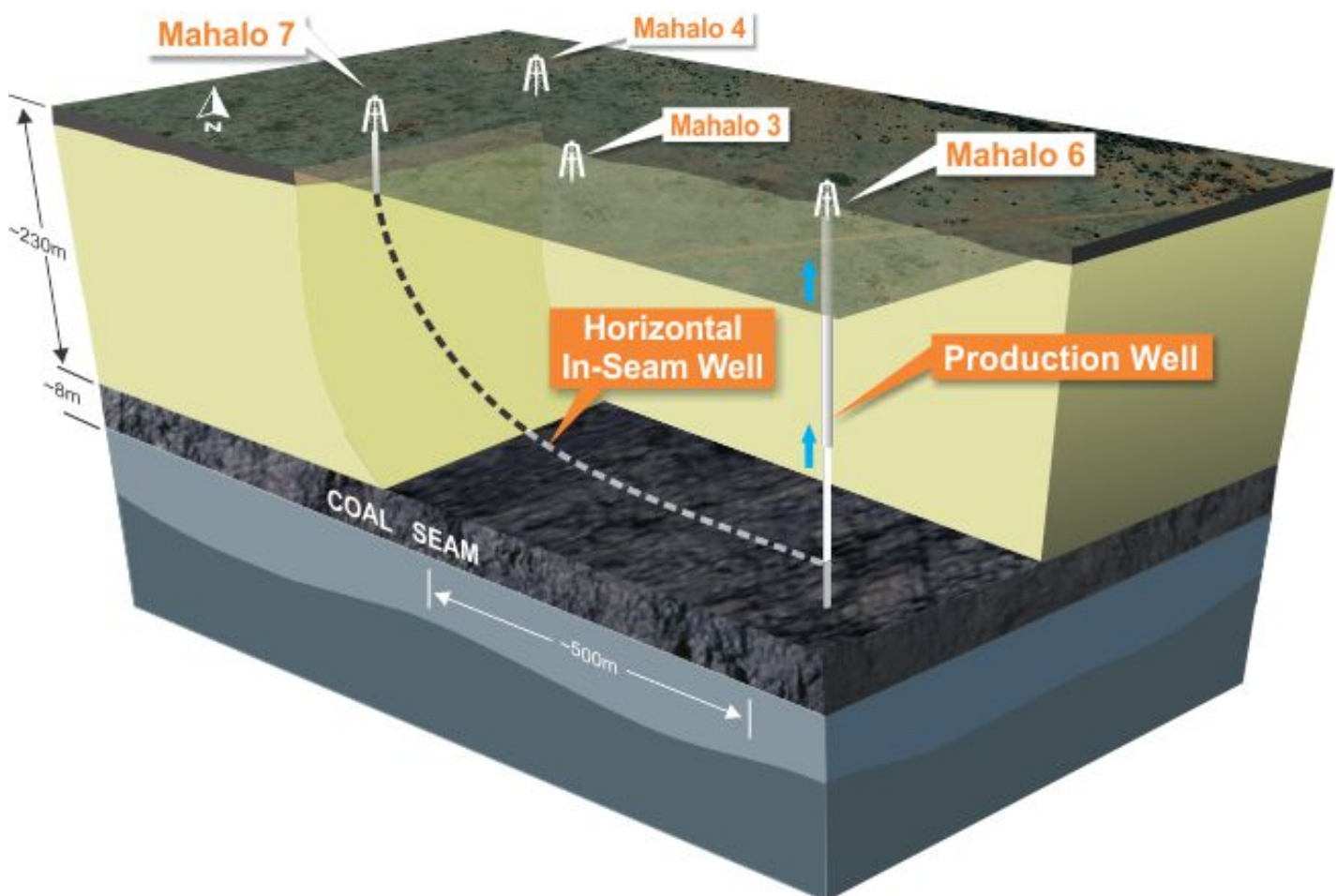
Stanwell and took over the agreement partner's option to acquire a further 35%.

The buy price of that option was Stanwell's choice of a 20-43 petajoule gas sales agreement or a \$20 million cash payment increased in line with movements to the consumer price index.

Brisbane-based Comet Ridge now holds 40% of the Mahalo JV.

Comet Ridge managing director Tor McCaul said yesterday: "Extending the sunset date for FID at Mahalo is a positive outcome for both parties as it provides Comet Ridge the time to continue the significant progress made in relation to the Mahalo Gas Project and allows Stanwell the ability to further optimise its gas requirements.

"The deed also allows the parties to move to a simpler gas pricing model and to a more familiar GSA structure that better reflects current market pricing and practices."



Gas wells drilled at Mahalo block, a joint venture project owned by major gas industry players.

### **Mahalo joint venture**

In mid-August the company recruited Silver City Drilling to start a five-well campaign at Mahalo block.

Silver City's Rig 20 will be commissioned on-site, the same drill used on Mira 6 well late last year.

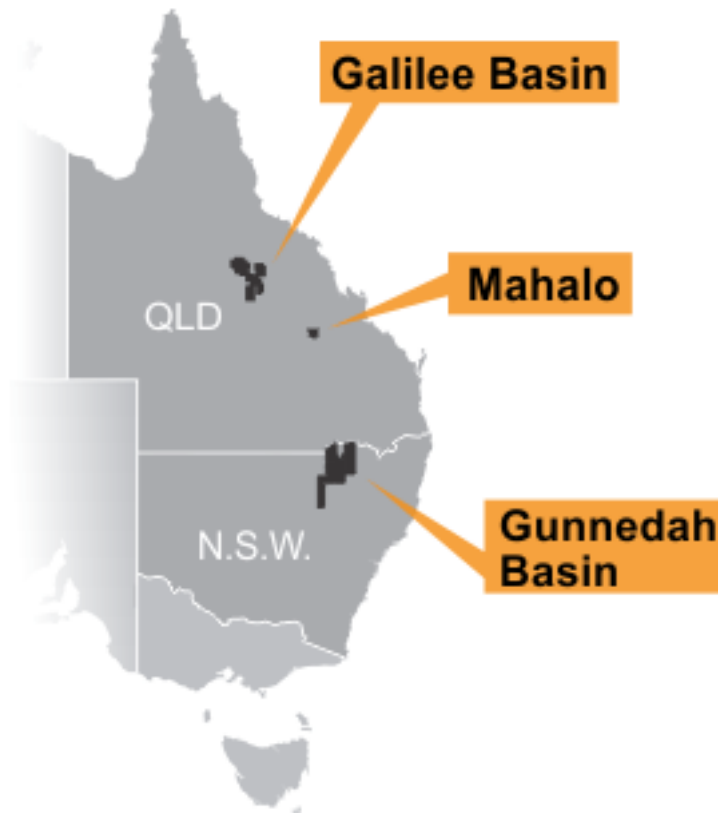
Mahalo is operated as a joint venture, with Comet Ridge holding 40% and APLNG having a 30% while Santos (ASX:STO) (OTCMKTS:SSLZY) held the other 30%.

APLNG is a joint venture between Origin Energy Ltd (ASX:ORG) (FRA:ORL) (OTCMKTS:OGFGF) (OTCMKTS:OGFGY), ConocoPhillips (NYSE:COP) and Sinopec (NYSE:SNP) (HKG:0386) (SHA:600028) (NYSE:SHI).

APLNG alliance brought Mira 6/2 online on December 10 last year along with three vertical wells, Mira 3, 4 and 5.

The project is close to infrastructure, including pipeline connections to the Gladstone domestic and LNG market.

Mahalo is also a short distance west and south of schemes that have been piloted, such as Mira.



A map of Comet Ridge's project locations on Australia's east coast.

### Quarterly outcomes

Comet Ridge used \$1.89 million in the June quarter to fund its operations while using another \$9000 in investing activities.

The company held \$11.5 million at the end of the quarter, a \$2 million reduction on the cash held in the March quarter.

Comet Ridge's achievements in the June quarter included Mira 6/2 exceeding expectations after it produced 1.4 million standard cubic feet per day, with a water rate of just 30 barrels of water a day.

Mira 6 has an in-coal seam length of 924m and previous estimates put daily output at 1.2 to 1.3 million standard cubic feet a day.

A work program for the block was approved in the June quarter by the joint ventures partners for the 2018 calendar year to start this month.

Environmental programs had been continuing on July 30 at the block.

These are expected to support a petroleum lease and pipeline licence application.

In the June quarter, the company also appointed Peter Harding-Smith as its chief financial officer.

At Comet Ridge's 9,685-square-kilometre Galilee Basin acreage, the company recorded first measured gas flow from Lake Galilee Sandstone Reservoir and began forward-planning.

Comet Ridge managing director Tor McCaul will present at the inaugural ASX Small and Mid-Cap Conference in Sydney on Thursday, September 6. To attend the conference, register [here](#).

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