



ASX Announcement

21 May 2026

Update on Acquisition of Mahalo Gas Project

Comet Ridge Limited (ASX:COI) (**Comet** or the **Company**) wishes to update the market on its agreement for the acquisition of Santos QNT Pty Ltd's 42.86% interest in the Mahalo Gas Project¹ (**MGP**) announced 17 December 2025 (**Acquisition Agreement**).

Comet has had significant interest shown in funding its acquisition of Santos Ltd's interest in the MGP. With very recent uncertainty in the market resulting from the Federal Government's announcements relating to a gas reservation policy, the details of which have not been fully released, the landscape for completing a funding initiative was not optimal for Comet or its shareholders.

In recognition of this, Comet has worked very collaboratively with Santos to restructure the terms of the Acquisition Agreement entered into on 17 December 2025. Under the revised terms (summarised below), Comet has significantly reduced the up-front cash component of the transaction and also extended the Completion Date by three months. With these revised terms, Comet is confident it can use the time to execute a funding mechanism that will allow it to complete the Acquisition Agreement on terms that preserve value for Comet's shareholders. It is also expected that during this time there will be more clarity around the operation of the reservation policy.

Commenting on the changes to the Acquisition Agreement, **Comet Ridge Managing Director, Tor McCaul**, said:

"I would like to thank Santos for their collaborative approach with Comet. Whilst Mahalo is not of a scale to be a priority within the portfolio of a large producer like Santos, it is good to see a leading oil and gas company be supportive of the endeavour of a junior gas company like Comet, which is committed to bringing the project into production at a time when Australia needs it."

As previously highlighted, the Acquisition, once completed, will provide Comet Ridge with 100% ownership of a very large and strategic position in the East Coast gas market. The Mahalo Gas Hub² comprises a compelling development with a large acreage position and gas reserve, production licences in place, and Front End Engineering Design work nearly complete.

By consolidating 100% ownership, Comet Ridge unlocks several valuable commercial and practical benefits:

- increase in 2P Reserves and 2C Resources to 677 PJ across the Mahalo Gas Hub;
- ability to optimise the planning and sequencing the development of the Mahalo Gas Hub, for the benefit of both gas consumers in Queensland and Comet Ridge shareholders;
- opportunity to integrate the Mahalo North and Mahalo East resources into the most capital efficient development;

References to \$ in this announcement are in AUD unless stated otherwise

¹ PL 1082, 1083 and PCA 302, 303, 304.

² Mahalo Gas Hub area refers to Mahalo Gas Project plus Mahalo North and Mahalo East.



- increased scale, providing flexibility in the delivery of gas to end users and opportunities to optimise capital and operating costs; and
- full control over strategic and operational decisions for the project.

Key terms of the Amendments to the Acquisition Agreement:

The parties have agreed to vary the terms of the Acquisition Agreement already announced, the material changes to which are as follows:

- The amount of the firm consideration under the Acquisition Agreement that Santos QNT Pty Ltd will receive at the Completion Date of the acquisition will be \$28 million (**Completion Amount**) which will be payable as follows:
 - \$18 million in cash; and
 - \$10 million through the issue to Santos of fully paid ordinary shares in Comet (Consideration Shares).
- Up to an additional \$30 million in contingent payments with the first tranche payable after 10 PJ sales gas, the second tranche after 20 PJ sales gas and the third tranche after 30 PJ sales gas from the Mahalo Gas Project.
- The extension of the satisfaction date for the arranging of funding has been extended to 14 August 2026 and the date for the remaining outstanding conditions precedent including any approval of Comet Ridge's shareholders required (if applicable) to 30 September 2026.
- The issue of the Consideration Shares remains subject to shareholder approval under LR 7.1 which will be sought before 30 September 2026.

The previously announced key terms of the acquisition agreement remain unchanged.

By Authority of the 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 and holds one block in NSW with Santos, just north of the main Narrabri project. Our flagship Mahalo Gas Hub project consists of low cost, sales spec natural gas blocks, close to Gladstone, containing very low CO₂ Gas Reserves. Our exploration assets include a large position in the Galilee Basin and 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. The initial development of the Mahalo JV Gas Project and the Mahalo North block can be further supplemented by sequential development of gas resources from Comet Ridge's other 100% held permits, Mahalo East, Mahalo Far East and Mahalo Far East Extension.

More information regarding Comet Ridge is available at www.cometridge.com.au.

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