



30 September 2016

Comet Ridge announces \$2 million capital raising

Highlights:

- Placement of \$1.0 million
- 1 for 25 non-renounceable entitlement offer to raise up to approximately \$1.0 million
- Offer price of \$0.05 per share represents a 28.6% discount to the closing price on 29 September 2016

Comet Ridge Limited (“Comet Ridge” or “the Company”) is pleased to announce an equity raising of up to approximately \$2 million (“Equity Raising”) comprising:

- a placement of 20 million new shares to raise \$1.0 million (“Placement”); and
- a 1 for 25 non-renounceable entitlement offer via the issue of up to approximately 21 million shares to raise up to approximately \$1.05 million (“Entitlement Offer”).

The issue price for the Equity Raising is \$0.05 per share (“Issue Price”) which represents a:

- 27.8% discount to the theoretical ex-rights price (“TERP”);
- 28.9% discount to the 10-day volume weighted average price (“VWAP”); and
- 28.6% discount to the last traded price of Comet shares prior to the date of this announcement being \$0.07 per share.

The proceeds of the Equity Raising, along with existing cash, will be applied to the ongoing working capital requirements of the Company.

Up to approximately 41 million new shares (“New Shares”) will be issued in connection with the Equity Raising (representing up to approximately 7.8% of the current issued capital). New Shares will rank equally with existing ordinary shares in Comet.

Commenting on the announcement of the Equity Raising, Managing Director Mr Tor McCaul said “the funds raised will be used for working capital while the Company finalises the appraisal programme for reserves upgrade at Mahalo prior to commencing development, whilst also progressing funding discussions for drilling on the Albany Structure in the Eastern Galilee Basin”.

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ASX CODE: COI

Placement

The Company has entered into placement subscription agreements with a small number of sophisticated investors for the issue of 20 million New Shares at issue price of \$0.05 per share. It is expected that the placement proceeds of \$1.0 million will be received by Thursday, 6 October 2016, with the allotment of those shares on Monday, 10 October 2016.

The Placement shares will be issued within the Company's existing placement capacity and, as such, shareholder approval will not be required.

Entitlement Offer

Under the Entitlement Offer, eligible shareholders will be invited to subscribe for 1 New Share at the Issue Price for every 25 ordinary shares held at 7.00pm (AEST) on Friday, 7 October 2016 ("Record Date").

The Entitlement Offer will be offered to those shareholders who are registered as a holder of shares in Comet as at the Record Date and who have an address on the share register in Australia or New Zealand (or are a Shareholder that Comet has otherwise determined, in its absolute discretion, is eligible to participate and are not in the United States).

Each of the Directors of Comet Ridge who holds shares in the Company are participating in the Offer for all of their Entitlements as an indication of their ongoing support for the Company.

The Entitlement Offer is being conducted under section 708AA of the Corporations Act as notionally modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and does not require a Prospectus.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. The Entitlement Offer is not underwritten.

The Entitlement Offer will also include a top up facility under which eligible shareholders who take up their full entitlement may apply for additional New Shares from a pool of entitlement shares not taken up by other eligible shareholders. There is no guarantee that applicants under this top up facility will receive all or any of the additional shares they apply for under the facility.

Eligible shareholders who do not take up their entitlements will not receive any value in respect of those entitlements that they do not take up (and their shareholding in Comet will be diluted). Shareholders who are not eligible to receive entitlements will not receive any value in respect of the entitlements they would have received had they been eligible.

Eligible shareholders will receive an Entitlement Offer booklet including a personalised entitlement and acceptance form which will provide further details of how to participate in the Entitlement Offer. A copy of the Offer Booklet will also be lodged with the ASX today and will be available on the ASX website (ASX:COI) and on the Company's website at www.cometridge.com.au.

After allowing for the demand of eligible shareholders under the Offer, the Directors reserve the right to place any shortfall under the Offer within 3 months at a price no lower than the Issue Price. Those Shareholders who Comet determines to be ineligible shareholders will also be notified.

An Appendix 3B applying for quotation of the New Shares has been lodged with ASX on 30 September 2016.

The key dates for the Entitlement Offer are set out below:

Indicative Timetable for the Entitlement Offer *	
Activity	Date
Announcement of the Offer and lodgement of Offer Booklet, Appendix 3B and 708AA cleansing notice with the ASX	Before market opens on Friday, 30 September 2016
Send notice to shareholders information required by App 3B	Monday, 3 October 2016
Trading on Ex basis	Thursday, 6 October 2016
Record Date (7.00pm AEST)	Friday, 7 October 2016
Offer Booklet and Entitlement and Acceptance Form sent to Eligible Shareholders	Wednesday, 12 October 2016
Offer opens	Wednesday, 12 October 2016
Last day to extend the Offer Closing Date	Wednesday, 26 October 2016
Closing date for acceptances under the Offer (5.00pm AEST)	Monday, 31 October 2016
Trading on deferred settlement basis	Wednesday, 2 November 2016
ASX notified of shortfall	Friday, 4 November 2016
Allotment of New Shares issued under the Offer and last day for the entity to confirm to ASX all information required by Appendix 3B	Tuesday, 8 November 2016
Normal ASX trading for New Shares issued under the Offer commences	Wednesday, 9 November 2016

* All dates are indicative and subject to change. Comet Ridge reserves the right to withdraw or vary the timetable without notice. All references to time are to Australian Eastern Standard Time (AEST). The commencement of quotation of New Shares is subject to confirmation from ASX.

Important Information

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any jurisdiction in which such an offer would be illegal. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act"), or under the securities laws of any state or jurisdiction of the United States, unless the securities have been registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

This document may not be distributed or released in the United States.

This announcement contains certain "forward-looking statements" within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "should", "expect", "anticipate", "estimate", "scheduled" or "continue" or the negative thereof of comparable terminology. Any forecasts or other forward looking statements contained in the announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgement and assumptions as to future events which may or may be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. Comet does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.

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

Stephen Rodgers
Company Secretary
Comet Ridge Limited

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COMET RIDGE LIMITED – OVERVIEW

Comet Ridge Limited has significant Coal Seam Gas (CSG) projects in key regions of Queensland and northern New South Wales. Gas resources have been certified, by independent professional certifiers, at several projects and gas reserves were certified in 2014 and expanded in 2015, 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. Comet Ridge has 40% equity in the ATP 1191 Mahalo Block in the Bowen Basin, and CSG equity of 29.55%, 59.09% and 68.42% 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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