



13 May 2010

NEW ZEALAND PILOT PRODUCTION SCHEME DELIVERS ENCOURAGING RESULTS

Key Points

- **Macdonald 4P pilot production well drilled to 1263 metres and 18 metres of coal encountered in the Brunner and Paparoa formations**
- **Following testing and completion, the rig will move to drill the Macdonald 6P pilot production well**
- **Feasibility studies underway supporting potential for development of a commercial power generation project to supply electricity into the power grid at Greymouth.**

Comet Ridge Limited (ASX Code: COI) is pleased to provide an update on the Company's Coal Seam Gas (CSG) Pilot Production Scheme in **PMP50100 Westcoast, New Zealand**.

PMP 50100 – Westcoast, New Zealand (Comet Ridge Group: 20% increasing to 50%)

The Macdonald 4P pilot production well has reached a total depth of 1263 metres after encountering **18 metres of coal** in the Brunner and Paparoa Formations. Production casing is currently being run and the well will be completed as a pilot production well.

Macdonald 4P is the first of two pilot production wells to be drilled in PMP50100 as part of this program.

Comet Ridge Limited Managing Director Tor McCaul said he was extremely pleased with the results of the well to date.

“Delivering a production well for the Pilot Production Scheme was a key objective in this drilling program,” Mr McCaul said.

“The Paparoa Formation has not been previously drilled to this depth in the central portion of the block. Our technical work had indicated that a significant section of coal was likely in the basal part of the Paparoa Formation and it is rewarding to see our work deliver such an encouraging result.”

After production casing has been run in Macdonald 4P, the well will be briefly tested over the main coal intervals.

Once this well is fully set up for production, the rig will move south to the Macdonald 6P location to similarly drill, test and complete that well. **Figure 1** on the following page indicates the location of both wells.

Mr McCaul said the joint venture was also currently undertaking power feasibility studies which indicated that gas produced from pilot wells in the Greymouth area could form the basis of a generation scheme to supply electricity for sale into the local power grid.

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Comet Ridge will update the market in coming weeks on completion of the power feasibility studies.

This drilling and pilot production scheme is being operated by Chartwell NZ Pty Ltd, a wholly-owned Comet Ridge Limited subsidiary, as part of the Phase 2 Farm-in program which will earn the Company a further 30 per cent equity interest in the PMP 50100 permit.

Chartwell NZ Pty Ltd is the Operator of PMP50100 and currently holds a 20 per cent equity stake in the permit with the remaining 80 per cent being held by Macdonald Investments Limited.

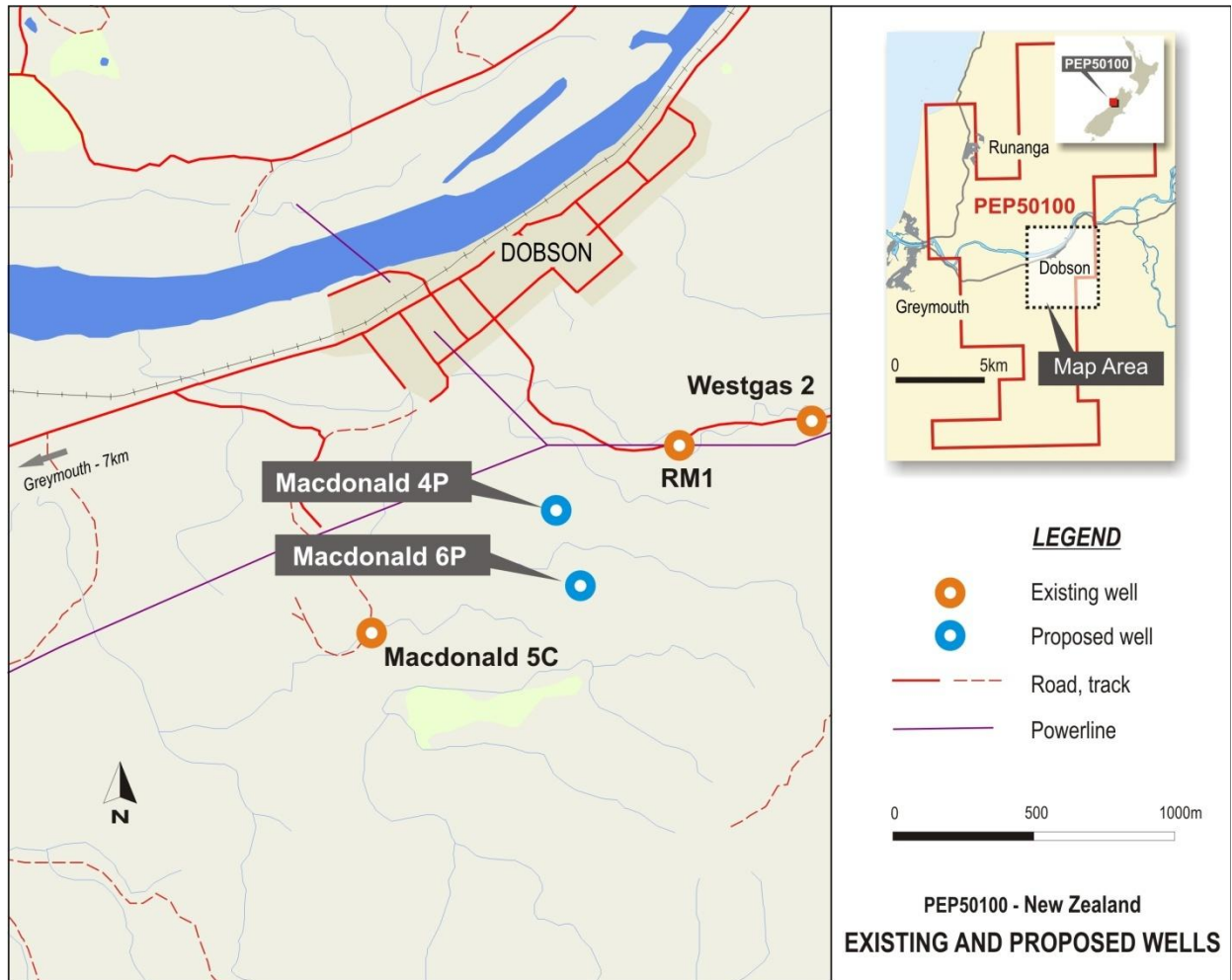


Figure 1: Map of Westcoast NZ Pilot Production Scheme well locations relative to power infrastructure

COMET RIDGE LIMITED - OVERVIEW

Comet Ridge Limited is a Brisbane based, ASX-listed (ASX Code: COI) coal seam gas (CSG) exploration and development company with a focus on Queensland, NSW and New Zealand. The Company also has exposure to prospective conventional oil and gas fields in the United States via a joint venture.

The Company has several projects in various stages of maturity. Comet Ridge Limited plans to grow shareholder value through the establishment and development of gas reserves from the significant resource potential of its projects.



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