



Comet Ridge Limited

Investor Presentation

14 May 2009

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- > Comet Ridge Limited (Comet) is a Brisbane based Coal Seam Gas (CSG) company with projects in Australia, New Zealand and an investment in the United States
- > Recent merger with Chartwell Energy brings financial, technical and managerial strength to the company
- > To accelerate key impact projects, Comet Ridge is launching a A\$21.3 million capital raising
- > Proceeds from the fund raising will be used to advance the Galilee Basin and Mahalo Projects in Queensland and a core well and pilot program in New Zealand
- > Money raised will satisfy funding requirements over the next 12 to 18 months, including this accelerated exploration program

- > The merger between Comet and Chartwell Energy was announced on 9 February 2009 and approved by Comet shareholders on 16 April 2009
- > Chartwell shareholders in aggregate own 55% of the merged entity
- > The merger has:
 - > Enhanced Comet's existing base of assets;
 - > Strengthened Comet's Board and Management, particularly CSG technical/commercial capabilities; and
 - > Added cash of approximately A\$7 million.
- > Following the merger Comet's assets have been separated into two categories:
 - > Key Projects (Galilee Basin, Mahalo and Greymouth); and
 - > Secondary Projects (Buller, North Waikato, Gunnedah Basin and United States investment)
- > Given the high potential impact of key projects the Board has decided to commit additional funds beyond minimum spending requirements

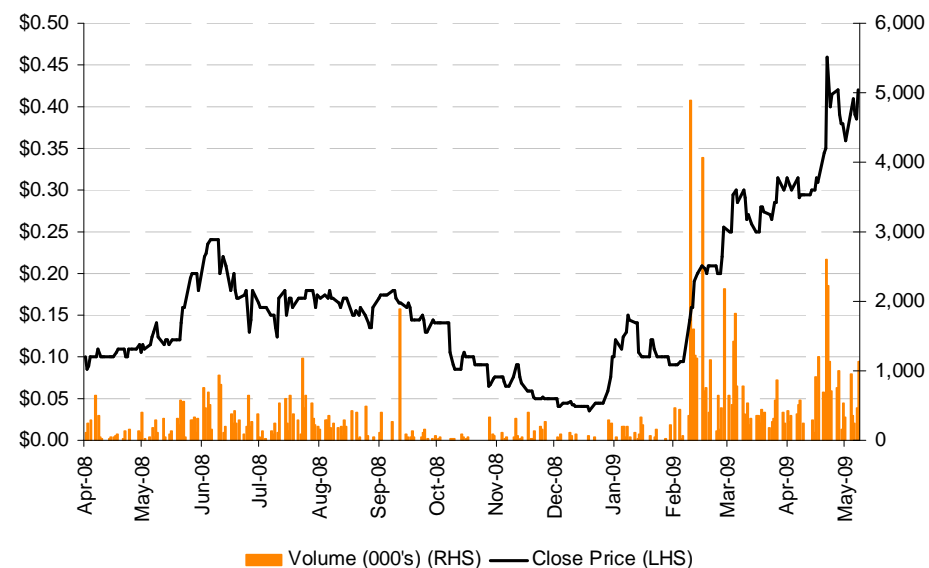
Capital Structure – ASX: COI

Share price (as at 13 May 2009)	\$0.45
Shares on issue (million)	234.1
Unlisted options (million)	33.3
Undiluted market cap ¹ :	\$105.3m
Fully diluted market cap:	\$120.3m
Cash ² :	\$6.8m
Enterprise value ¹ :	\$98.5m

1. Includes restricted shares (51.5m) and excludes options

2. As at 31 March 2009

12 Month Share Price Performance



Management:

Tor McCaul

Managing Director

21 years oil and gas experience and previous CEO of Chartwell Energy



Stephen Rodgers

Company Secretary

Legal and commercial experience in the CSG industry. Previous Legal Counsel at Sunshine Gas



Chief Financial Officer

Recruitment underway – in place during June

Head of Engineering and Operations

Recruitment underway – in place by end July

Board of Directors:

Jeff Schneider

Non-Executive Chairman

30 years oil and gas industry experience including 23 years with Woodside Petroleum



Gillian Swaby

Non-Executive Director

26 years Australian Resources Industry experience. Specialises in corporate law, accounting, financial management and control



James McKay

Non-Executive Director

Commercial and legal background with over 20 years experience in business and finance. Previous Chairman of Sunshine Gas



Chris Pieters

Non-Executive Director

Geologist with commercial and finance background. Previous Chief Commercial Officer of Sunshine Gas



Note: Comet Ridge also utilises a range of specialist technical consultants

- > To grow the value of our CSG business over the medium to long-term through exploration with material positions in key basins
- > Comet believe there are good commercialisation opportunities in the medium to long-term gas market – gas supply to LNG as key focus
- > Comet’s strategy and objective is to develop its key CSG projects, being:
 - > Galilee Basin (100% interest);
 - > Mahalo Project (40% interest); and
 - > Greymouth in New Zealand (Earning up to 60%)
- > These key projects provide Comet with a diversified CSG portfolio

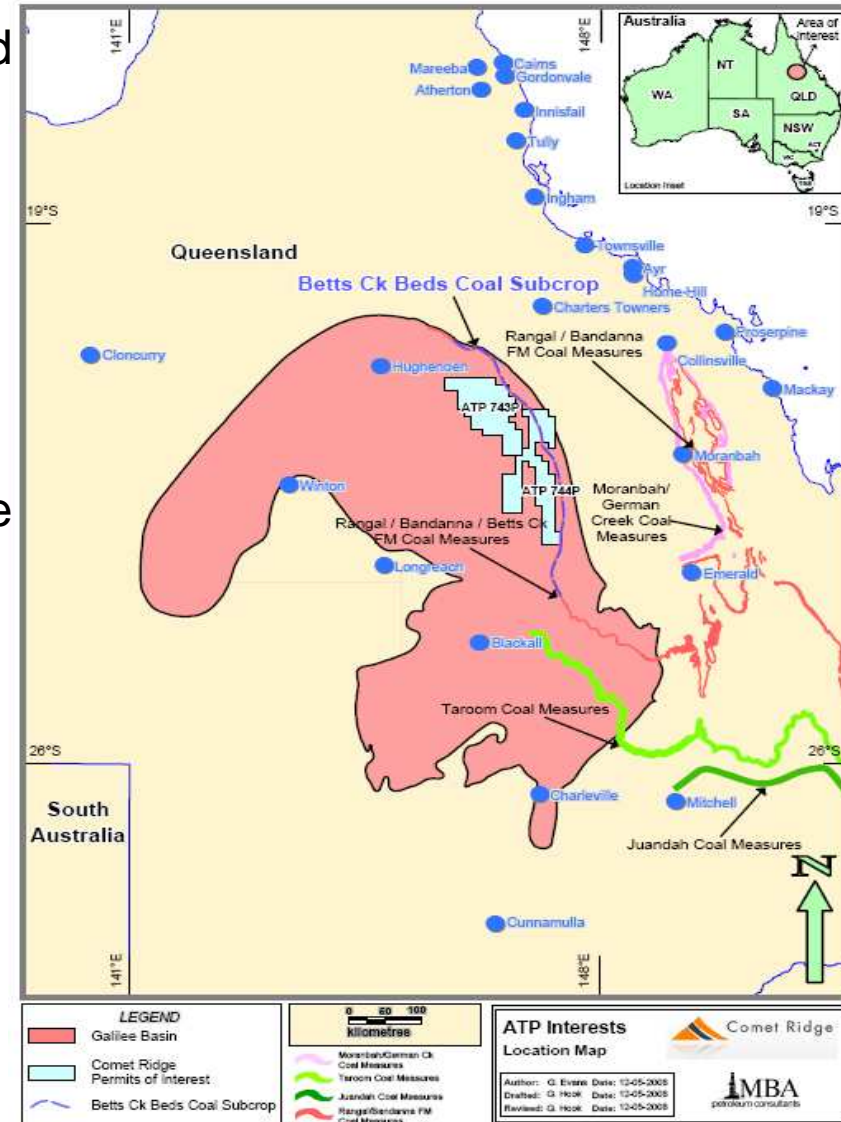
Project	Resource Potential	Exploration and Development Risk	Commercialisation Risk
Galilee	High	Medium	Medium
Mahalo	Medium to High	Low to Medium	Low
Greymouth (NZ)	Medium	Low	Low

Notes:

Commercialisation risks take into account proximity to market (gas infrastructure and end customers)

Exploration and development risks take into account amount of existing CSG activity in the area / basin

- Two blocks (ATP's 743P & 744P) located in the Galilee Basin in central QLD
- Comet holds 100% and is operator in both
- Large tenement position – 13,000 km²
- Potentially 36 TCF Gas in Place (GIP)*
- Focused on eastern flank of basin, where coals sub-crop and dip down to approximately 1,000m
- Native title process at ATP 743P completed, formal award Q3 2009. Native Title process near completion at ATP 744P
- EPA process commenced



* Based on the RISC Independent Review contained in the Comet / Chartwell Merger Explanatory Memorandum

- > Galilee Basin largest coal basin in Queensland
- > Permits being awarded – increased interest – significant bidding recently
- > Recent 50% farm-in by AGL to Galilee Energy’s assets for A\$37m
- > Key technical comparison with other Queensland coal basins / successful CSG provinces provided below:

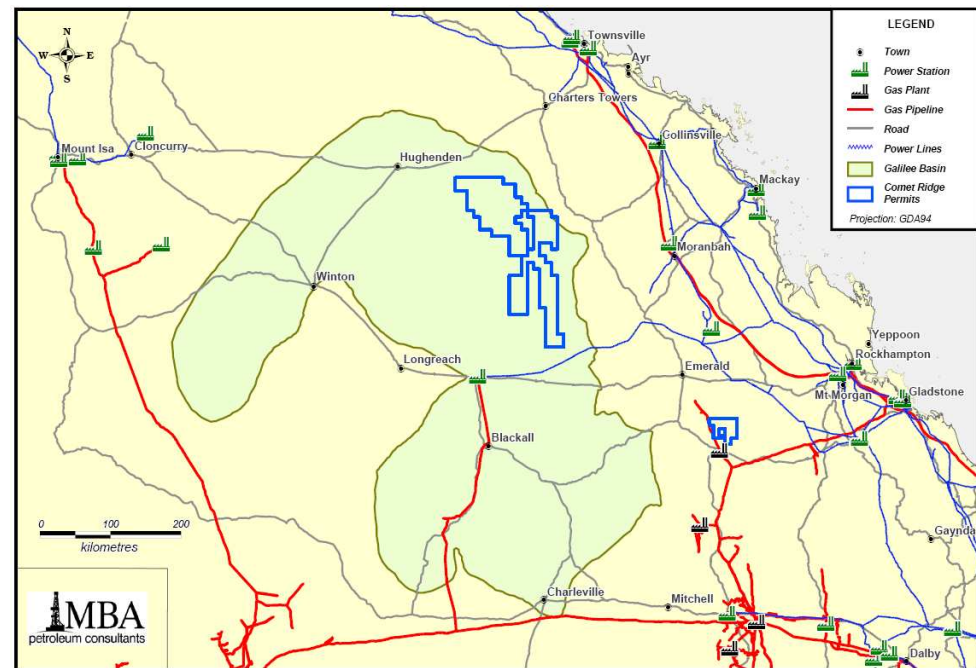
Basin	Gas Content (m ³ /t)	Permeability (mD)	Depth (m)	Net Coal Thickness (m)
Galilee	4 – 5	1 to 50	0 – 1,400	20 – 40
Surat	2 – 8	Low to 1,000	0 – 1,000	10 – 35
Bowen	6 – 8	Low to 50	0 – 1,100	15 – 35

Notes:

Ranges based on estimates only, not necessarily indicative of individual fields

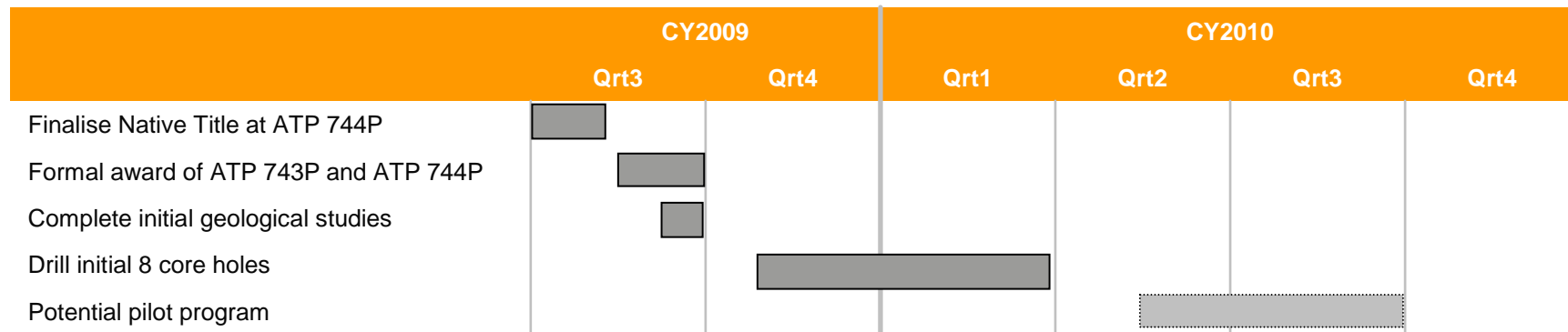
- > The Galilee Basin has comparable characteristics to other known Queensland CSG basins and has potential to be the next major CSG play in Australia

- Approximately 170km to Moranbah providing potential access to the Townsville market and Gladstone (via proposed Moranbah to Gladstone Pipeline)
- Approximately 500km to Gladstone – similar distance from Wallumbilla to Gladstone (QGP)
- Barcaldine gas fired power station approximately 150km to the south west
- Ballera to Mt Isa Pipeline provides access to large southern domestic markets
- Tenements are in close proximity to a 132kV transmission line providing access to the National Electricity Market (NEM)



Source: MBA Petroleum Consultants

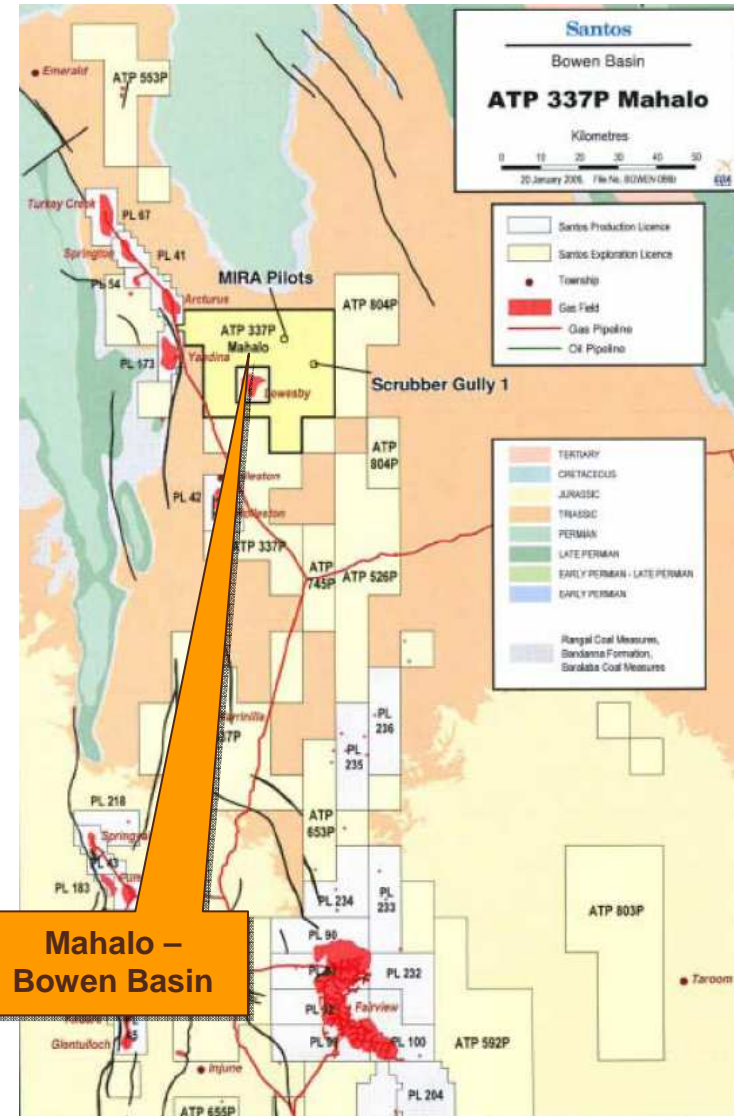
- > Work program includes:
 - > Finalise Native Title at ATP 744P;
 - > Complete EPA process and achieve award of ATP 743P and 744P;
 - > Complete geological integration of data and plan well locations; and
 - > Drill up to eight core holes in key target areas



Note: Timetable is indicative only and subject to change

Exact timing of Galilee Basin drilling dependent on drilling services and weather

- Located central Eastern QLD
- Covers 1,100 km²
- Comet holds 40% with Santos (operator) and Origin 30% each
- Prospective resource approximately 1 TCF in place*
- Adjacent to “Greater Fairview”
- Close to pipeline infrastructure
- Coals proven to be gas bearing
- Comet considers permit to have great CSG prospectivity



Mahalo – Bowen Basin

Source: Santos Limited

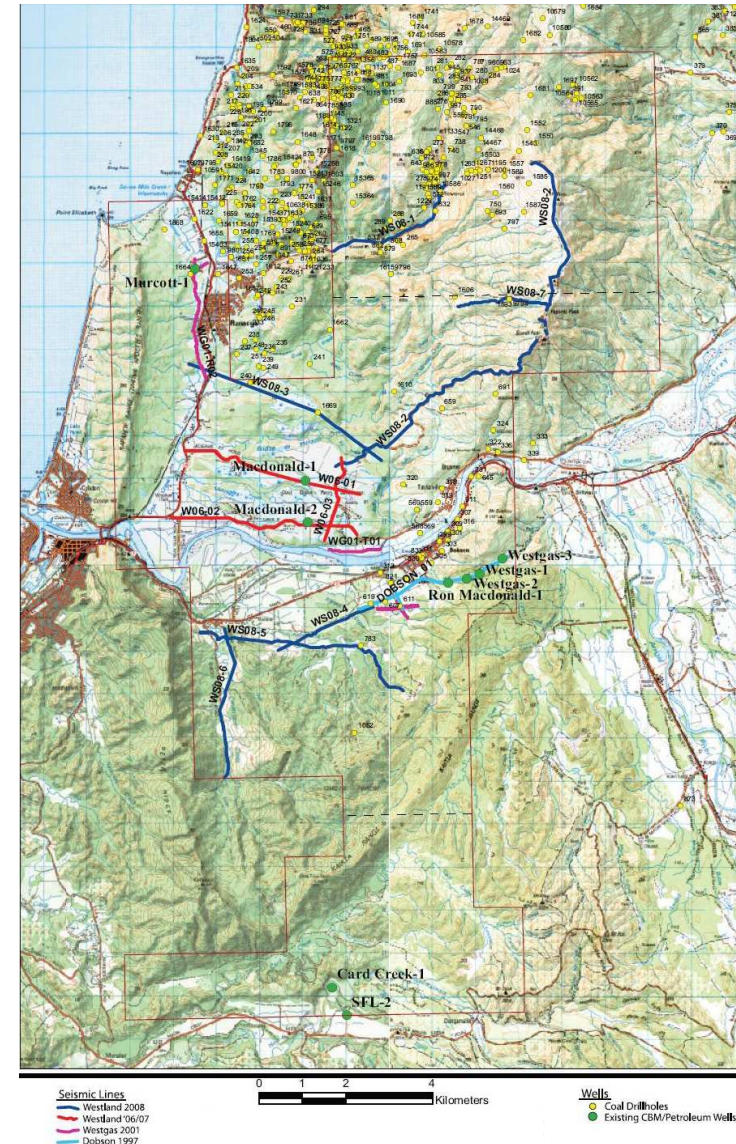
* Based on the RISC Independent Review contained in the Comet / Chartwell Merger Explanatory Memorandum

- > Work program includes:
 - > Joint Venture has approved one core hole for 2009, with potential for one to two more; and
 - > Additional studies and core hole drilling recommended in 2009 prior to selection of pilot location which Comet is targeting for 2010
- > Mahalo has the potential for early commercialisation due to proximity to infrastructure

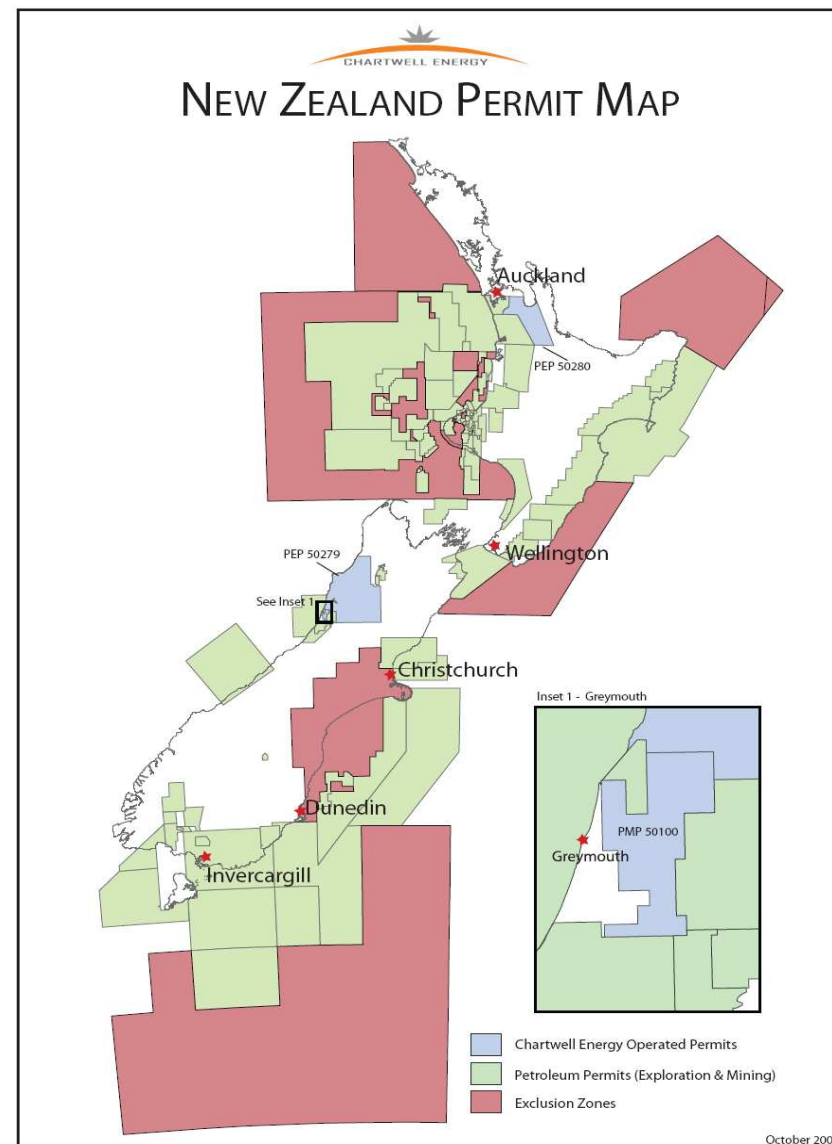
	CY2009		CY2010			
	Qrt3	Qrt4	Qrt1	Qrt2	Qrt3	Qrt4
Joint Venture finalise work program	█					
Drill 1 – 3 core holes		█				
Potential pilot program				█	█	

Note: Timetable is indicative only and subject to change

- PMP50100 – Greymouth block:
 - Located on the South Island near the city of Greymouth
 - Covers 170km²
 - Farming-in via a two stage exploration and appraisal program to secure 50% interest
 - Stage 1 completed – earned 20% interest.
 - Stage 2 underway which includes 2 core holes and 3 pilot wells
 - Comet option to increase equity to 60% following farm-in



- > The New Zealand electricity market is different to most international energy markets in that it is 'energy' not 'capacity' constrained
- > Gas demand is dominated by residential, power generation and large industrial use
- > Potential markets for Greymouth include; Christchurch (~180km), and the proposed 400MW Rodney CCGT gas fired power station (~150km) planned for 2012
- > Supply / Demand balance is tightening significantly in the market – upward pressure on gas prices

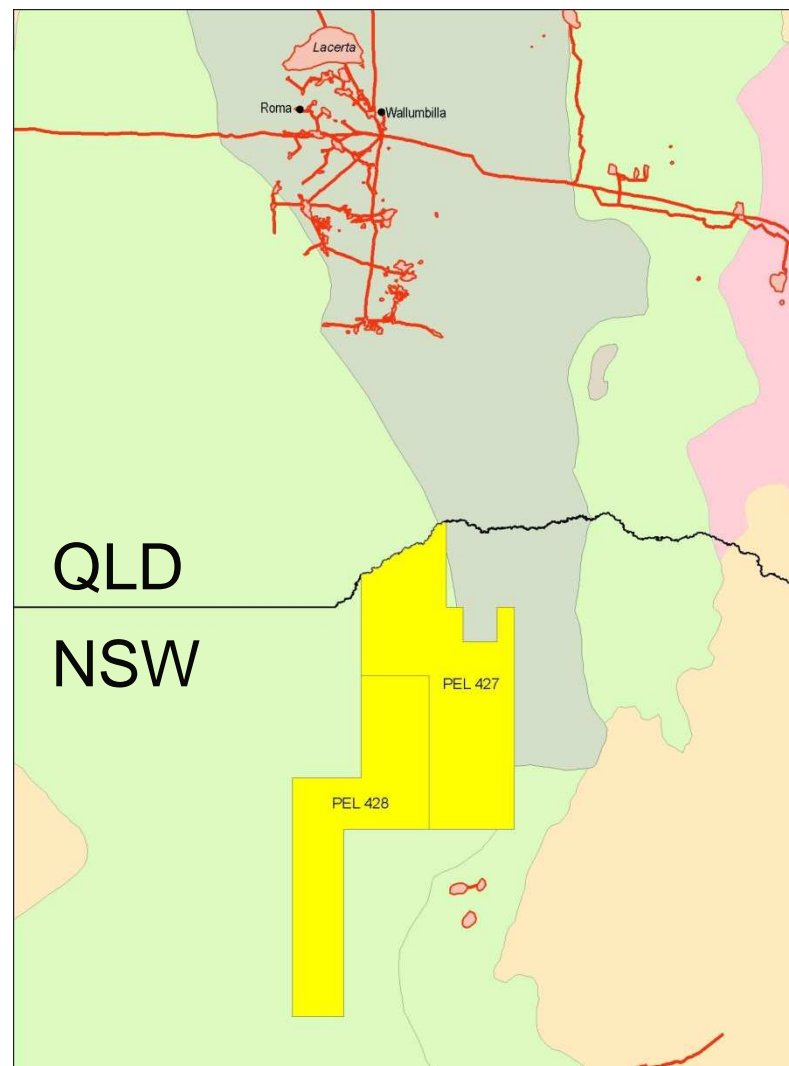


- > Work program includes:
 - > Joint Venture has approved two core holes by Q3 2009; and
 - > Three pilot wells to be drilled and completed by Q1 2010 with production testing thereafter

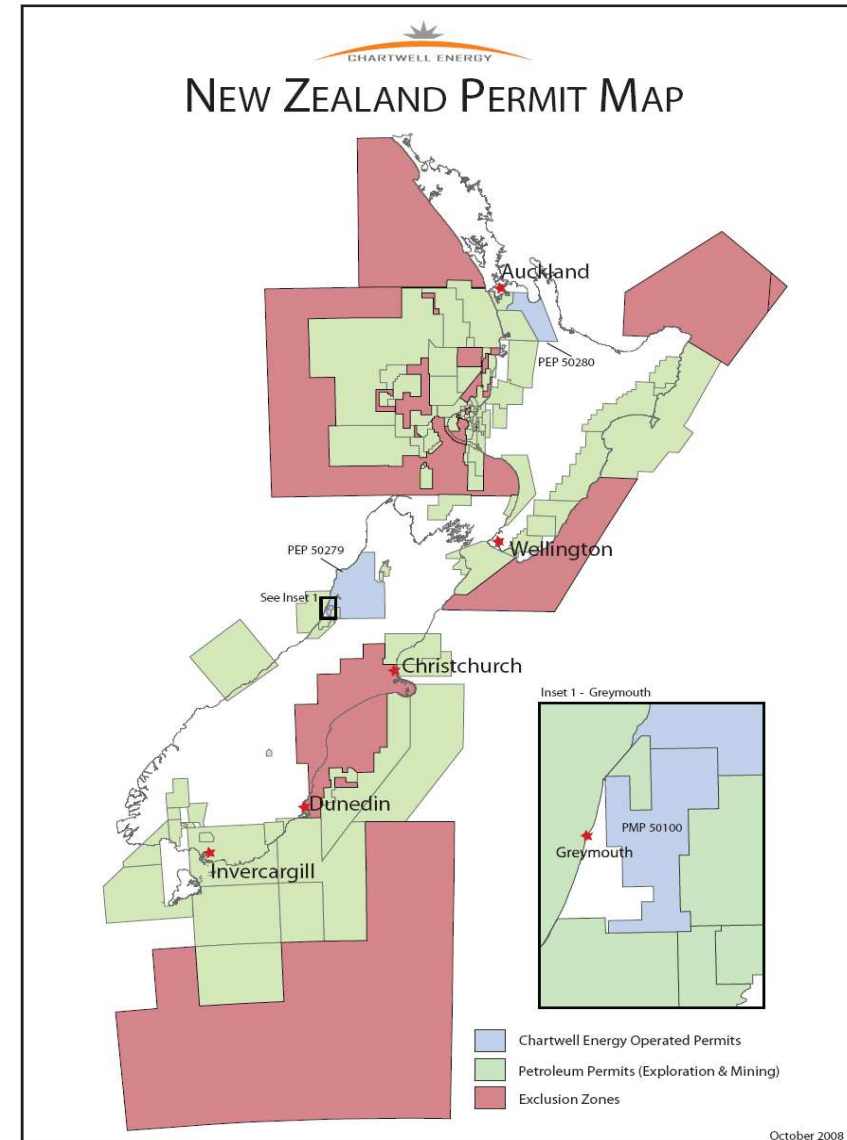
	CY2009		CY2010			
	Qrt3	Qrt4	Qrt1	Qrt2	Qrt3	Qrt4
Drill two core holes						
Drill and complete three pilot wells						
Pilot production						

Note: Timetable is indicative only and subject to change

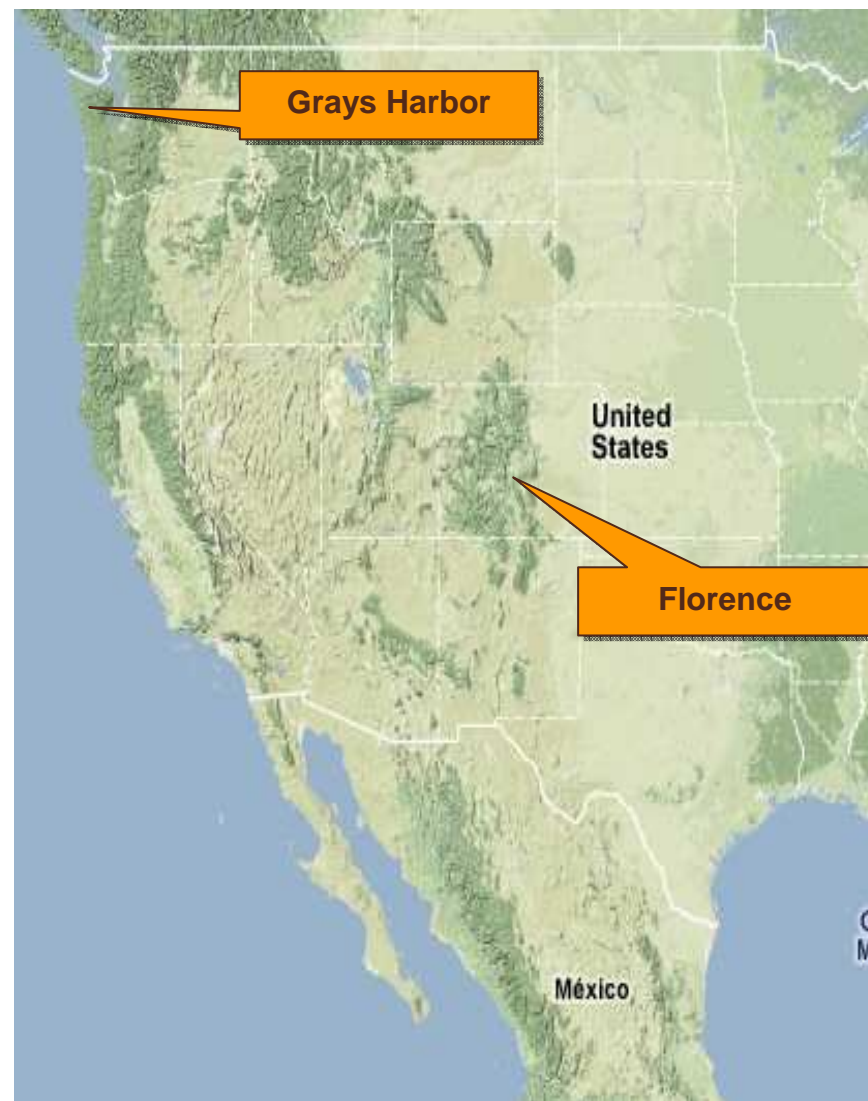
- Located in Northern NSW
- PEL's 427 & 428
- Both permits renewed recently
- Comet holds 25% and 20% interest in PEL 427 and PEL 428 respectively. ESG now farmed-in as operator and has 50% interest in PEL 427 and 40% interest in PEL 428
- First well encountered net coal of ~5 metres and second well encountered ~4 metres in PEL 427 & 428 respectively



- > PEP 50279 - Buller
 - > 8,722km²
 - > Located to the NE of Greymouth block
 - > Painkiller Creek-1C exploration well drilled in March 2009
 - > Permit interest 60%
- > PEP 50280 – North Waikato
 - > Located in the North Island near Auckland
 - > February 2009 Matata-1C exploration well drilled
 - > Permit interest of 60%

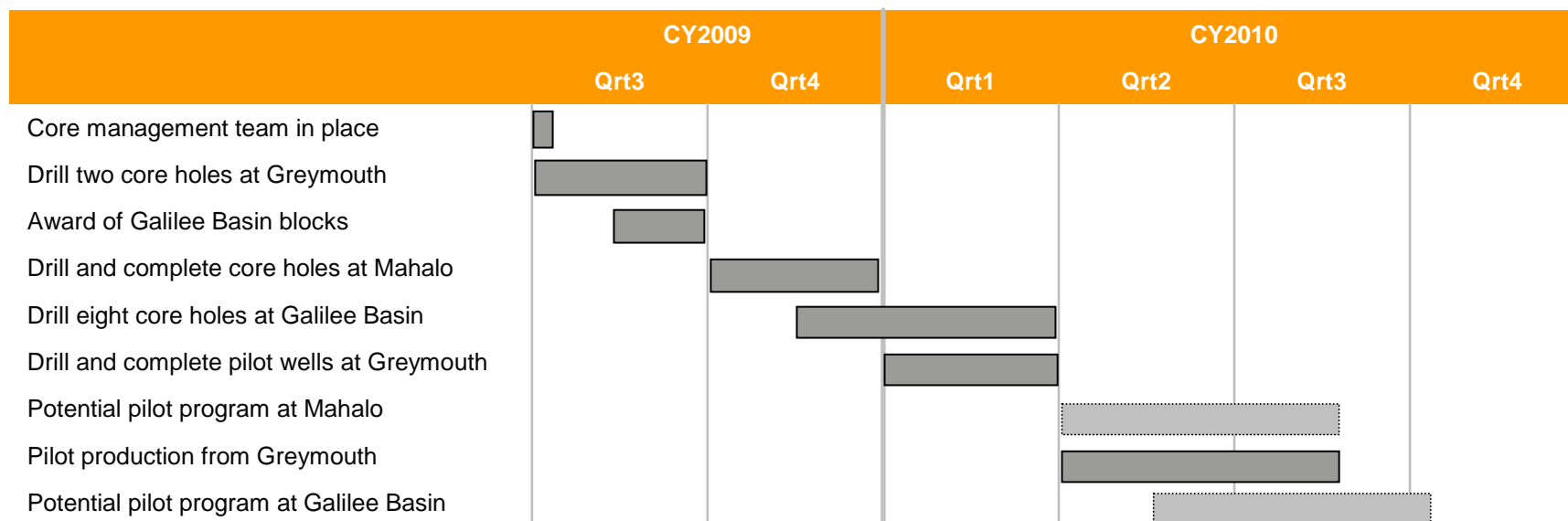


- > New JV Company formed - Comet Ridge Resources LLC (CRR)
- > \$100m private equity commitment from Pine Brook Road Partners, LLC
- > Current ownership COI ~23%, Pine Brook ~77%. COI can elect to hold at 20% or be diluted to 5%
- > Targeting oil and gas plays
- > Minimal spend over next quarter to maintain equity at 20%
- > Florence
 - > 3 wells currently producing ~130 BOPD
 - > Additional drilling planned in 2009
- > Grays Harbor
 - > Processing of 2D and 3D seismic surveys completed
 - > Drilling anticipated later in 2009



Volatility of oil and gas prices and markets	The Company's financial condition, operating results and future growth are dependent on the prevailing prices for oil and natural gas production
Native title	The Native Title Act 1993 (Cth) (NTA) may have an impact on the Company's tenements. ATP 744P is still subject to Native Title approvals.
Exploration and production	The oil and gas permits which the Company has an interest in are at various stages of exploration and investors should understand that oil and gas exploration and development are high risk undertakings
Operating risks	Industry operating risks which may impact the Company include fire, explosions, blow outs, pipe failures, abnormally pressured formations, declines in reservoirs, uncontrollable flows of oil, natural gas or well fluids, remoteness of properties and adverse weather conditions
Commercialisation	Even if the Company recovers potentially commercial quantities of oil or gas, there is no guarantee that the Company will be able to successfully transport the oil or gas to commercially viable markets or sell the oil or gas to customers to achieve a commercial return.
Reserves risk	There are numerous uncertainties inherent in estimating quantities of proven and measured reserves, including many factors beyond the control of the Company
Additional funding requirements	The Company is likely to require access to further funding in the future. There can be no assurance that additional funds will be available. If the Company raises additional funds through the issue of equity securities, this might result in dilution to the existing shareholders.
Access to infrastructure	The sharing with other industry participants of transportation and operating infrastructure is common in the gas sector. Any delay or failure to access properly maintained operating infrastructure or shared facilities may have a material adverse effect on the Company.
Speculative nature of investment	The above list of risk factors are not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. Shareholders should consider that the investment in the Company is speculative and should consult their professional adviser for advice.

- > Key project milestones over the next 12 to 18 months include:



Note: Timetable is indicative only and subject to change

Offer Structure

- > Approximately A\$7.5 million to be raised via a placement to sophisticated investors
- > Approximately A\$13.8 million to be raised via a non-renounceable entitlement offer
- > Lead Manager and Underwriter - Wilson HTM Corporate Finance Limited

Placement

- > Fixed price of A\$0.34
- > Discount based on close 13 May 2009 (A\$0.45):
 - > 19.7% to the 10 day VWAP
 - > 23.6% to the 5 day VWAP
 - > 24.4% to the last close
- > Discount of 24.4% based on last close to the blended placement and entitlement offer price (A\$0.33)

Entitlement Offer¹

- > 1 for 5 non-renounceable entitlement offer – Offer price of A\$0.27
- > Placement participants can participate
- > Discount of 34.5% to the Theoretical Ex-Rights Price (A\$0.41)

1. Further details to be provided to shareholders in an offer booklet proposed to be lodged with ASX

Sources of funds	A\$ million
Opening cash balance (31 Mar)	6.7
Placement	7.5
Entitlement Offer	13.8
TOTAL	28.0

Uses of funds	A\$ million
Key Projects	
- Galilee Basin	6.5
- Mahalo	2.2
- Greymouth	5.1
Secondary Projects	4.5
Working capital	2.0
Offer costs	1.0
Closing cash balance	6.7
TOTAL	28.0

Placement

Trading Halt	Thursday 14 May
Bids into placement book by	Thursday 14 May, 4:30pm
Announcement of the issue and lift trading halt	Monday 18 May
Placement settlement	Thursday 21 May
Placement shares commence trading	Friday 22 May

Entitlement Offer

Record date	Wednesday 27 May
Offer Opens	Friday 29 May
Offer Closes	Thursday 18 June
Allotment	Friday 26 June
Trading of entitlement offer shares	Monday 29 June

Note: Timetable is indicative only and subject to change

Large exploration acreage

- > 3 ATPs covering ~14,000 km² in the Galilee and Bowen basins in Qld
- > 9,000 km² of prospective CSG tenements in New Zealand

Accelerated growth plans in high impact areas

- > Extensive drilling program over the next 12 months focused on high impact projects in the Galilee and Bowen basins and New Zealand
- > Funds from capital raising will support exploration and appraisal program to prove up reserves in the next 2 years

Further value upside available from USA

- > Large tenement holding in proven basins
- > Minimal cash commitment required

Strong management and board

- > Ex-Sunshine Gas directors and management now part of Comet
- > This has strengthened the company's CSG technical and commercial expertise

Favourable industry dynamics

- > Fundamental shift in Australian energy market as highlighted by ongoing transactions
- > Transaction multiples represent significant premium to reserve finding and development costs
- > Strong medium to long-term gas commercialisation opportunities

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