



20 June 2011

## Receipt of Cash Proceeds from US Sweet Pea Asset Sale

Comet Ridge Limited (ASX: COI) is pleased to announce that following the recent sale of the Sweet Pea Asset in Colorado for US\$28.5 million, Comet Ridge Resources LLC (CRR) is distributing a portion of the proceeds from the sale to its members. Subsequently Brisbane based Comet Ridge Limited will receive a cash payment of approximately US\$3.5 million.

In 2008, Comet Ridge Limited restructured its US oil and gas assets, forming a new Denver-based oil and gas company, Comet Ridge Resources LLC (CRR) with the New York private equity firm, Pine Brook Road Partners LLC ("Pine Brook"). Under this agreement, Pine Brook could provide up to US\$100 million of funding for CRR's exploration and development activities in the USA, whilst Comet Ridge Limited could elect to continue to fund its share of CRR's activities, or not to contribute further cash and be diluted in equity. This structure enables Comet Ridge Limited's shareholders to retain exposure to the US projects, without necessarily contributing additional funds.

Over the past three years CRR has made significant progress in developing the Florence oil field into an asset that is now generating strong cash flow and capturing exploration assets such as Sweet Pea.

Comet Ridge Limited's Managing Director, Tor McCaul, said this is the first distribution of cash back to Comet Ridge Limited from the activities of CRR in Denver and is a significant milestone. Mr McCaul said that progress since 2008 and over the past year in particular, showed that CRR was generating real value from its exploration and development activities.

CRR is now well positioned to focus on pursuing further high value and short payback oil targets in the Florence field, testing the Grays Harbor project in Washington State later this year and to capture new business opportunities.



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## COMET RIDGE LIMITED - OVERVIEW

Comet Ridge Limited has significant Coal Seam Gas (CSG) projects in key regions of Queensland, northern New South Wales and New Zealand, as well as oil and gas interests in the United States. Gas resources have been independently certified at three projects. 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, progressing into certified Reserves.

Where possible, Comet Ridge takes high equity positions in its large exploration permits, including a 100% interest in both its Galilee Basin and New Zealand assets. Comet Ridge has 40% equity in the ATP 337P Mahalo block in the Bowen Basin, and holds 25% and 40% equity respectively in PEL 427 and PEL 428 in NSW.

### Certified Resources

In executing our strategy, Comet Ridge has successfully independently certified the following Prospective and Contingent Resources:

Comet Ridge Limited – Net Recoverable Resources			
Project	Location	Contingent Resource (PJ)	Prospective Resource (PJ)
Gunn Project Area (ATP 744P)	Galilee Basin, Qld	1,870	597
Mahalo Block (ATP 337P)	Bowen Basin, Qld	442	-
PEL 427 and PEL 428	Northern NSW	231	1022
<b>Total</b>		<b>2,543</b>	<b>1,619</b>

### Work Program

Comet Ridge has an active exploration and appraisal work program for CSG projects in Queensland, northern NSW and New Zealand. The first Pilot Project for ATP 337P Mahalo is planned for 2011, with additional exploration and appraisal work planned for the Galilee Basin, northern NSW and NZ.



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