



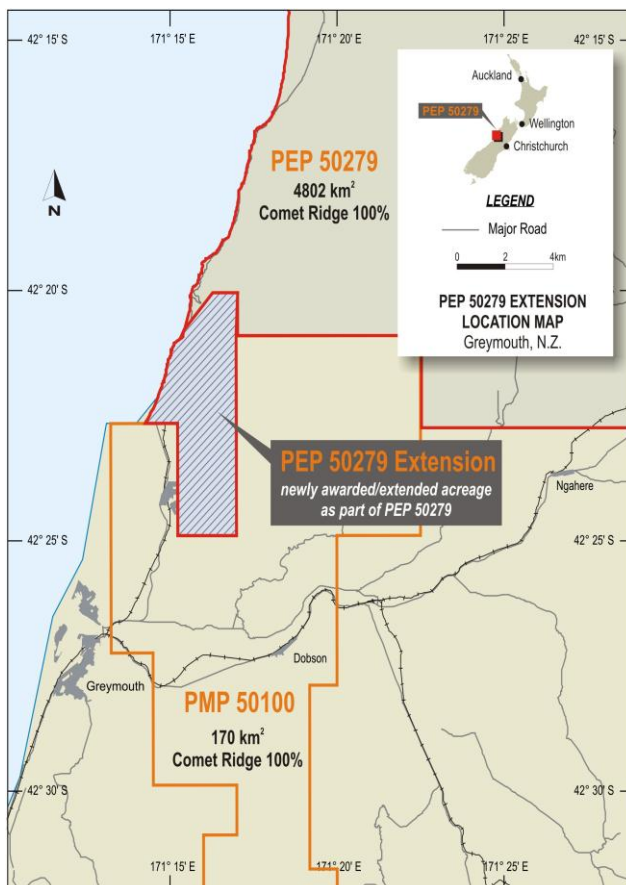
21 July 2011

## Comet Ridge makes strategic addition to New Zealand CSG exploration acreage

- Permit extension links Comet Ridge's CSG West Coast resource areas, creating an expanded single resource over the Greymouth Coalfield
- Increases possibility of commercial gas production by Comet Ridge on New Zealand South Island

Comet Ridge Limited (ASX: COI) is pleased to announce that New Zealand Petroleum & Minerals (formerly Crown Minerals) has granted the Company an extension of its New Zealand West Coast exploration permit PEP 50279, increasing the total area of this permit to 4,802 km<sup>2</sup>. Comet Ridge has a 100% interest in both PEP 50279 and also in the adjoining mining permit PMP 50100 located immediately to the south. This extension provides one continuous area for exploration and future development of the CSG resources in the Greymouth area.

The Paparoa coal measures extend across the north of PMP 50100 and into the southern margin of the PEP 50279 permit area, and underlie the Brunner coal measures, both of which are mined in a number of places on the West Coast.



The additional exploration area granted to Comet Ridge will now form part of PEP 50279 and is strategically located between the original PEP 50279 permit area and Comet Ridge's other West Coast permit PMP 50100. The extension area includes a known coal mining precinct, and strategically links Comet Ridge's CSG resources in the northwest of PMP 50100 with the company's other CSG resources in the northeast of PMP 50100.

Comet Ridge Limited Managing Director, Tor McCaul said "This permit extension allows Comet Ridge to focus on fully appraising the Paparoa coal measures in this area as a single resource. The CSG resource in the Extension Area and the resources in the northwest can now be added to the larger resource to the northeast, giving one continuous area for appraisal and strengthening the chances of a commercial CSG development on the West Coast. The work we have done to date indicates that gas fired power generation in that general area would probably be very welcome by the local community to give improved supply security."

Comet Ridge completed its Airborne Gravity Gradiometry (AGG) survey programme in May 2011, which covered PMP 50100 and the expanded PEP 50279 permit areas. Processing of this data, in addition to the 2010 Airborne Magnetic survey, is underway at FrOGTech in Canberra. This will provide valuable information on the location of the highest value CSG targets within Comet Ridge's permit areas.

Comet Ridge is planning a well drilling programme on the West Coast in late 2011 or early 2012.



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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	1,022
<b>Total</b>		<b>2,543</b>	<b>1,619</b>

\*Where the auditor has detailed Prospective Resources in a range (low, middle and high) the mid-range case has been listed in the table.

### 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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