

27 April 2010

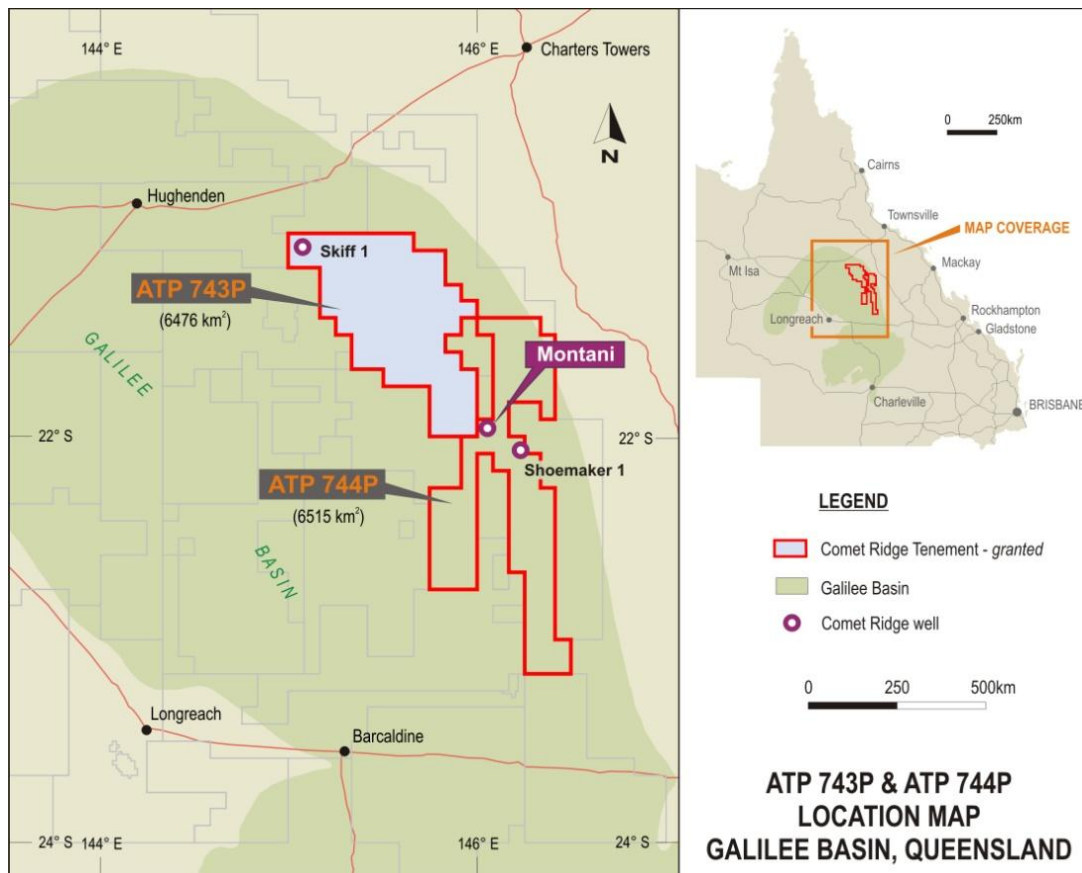
**OPERATIONAL UPDATE  
GALILEE BASIN DRILLING AND NEW ZEALAND PILOT WELLS**

Comet Ridge Limited (ASX Code: COI) is pleased to report on the Company’s current exploration activities in **the Galilee Basin in central Queensland** and on its pilot production project in **PMP50100 Westcoast, New Zealand**.

**ATP 744P – Galilee Basin – Central Queensland (Comet Ridge: 100%)**

After a significant delay in the Galilee Basin exploration programme due to wet weather, the Montani 1 coal seam gas (CSG) exploration well, commenced drilling at 0000 hours on 26 April. At 0600 hours on 27 April the well was at a depth of 207 m having run and cemented the 7” casing to 205 m.

Montani 1 is designed to evaluate the primary objective Betts Creek Coal Measure sequence in the central permit area of ATP 744P. The well is planned to take approximately 16 days to drill and is expected to reach a total depth of approximately 950 m.



**Figure 1: Map of location for Montani 1 well in the Galilee Basin, Central Queensland**

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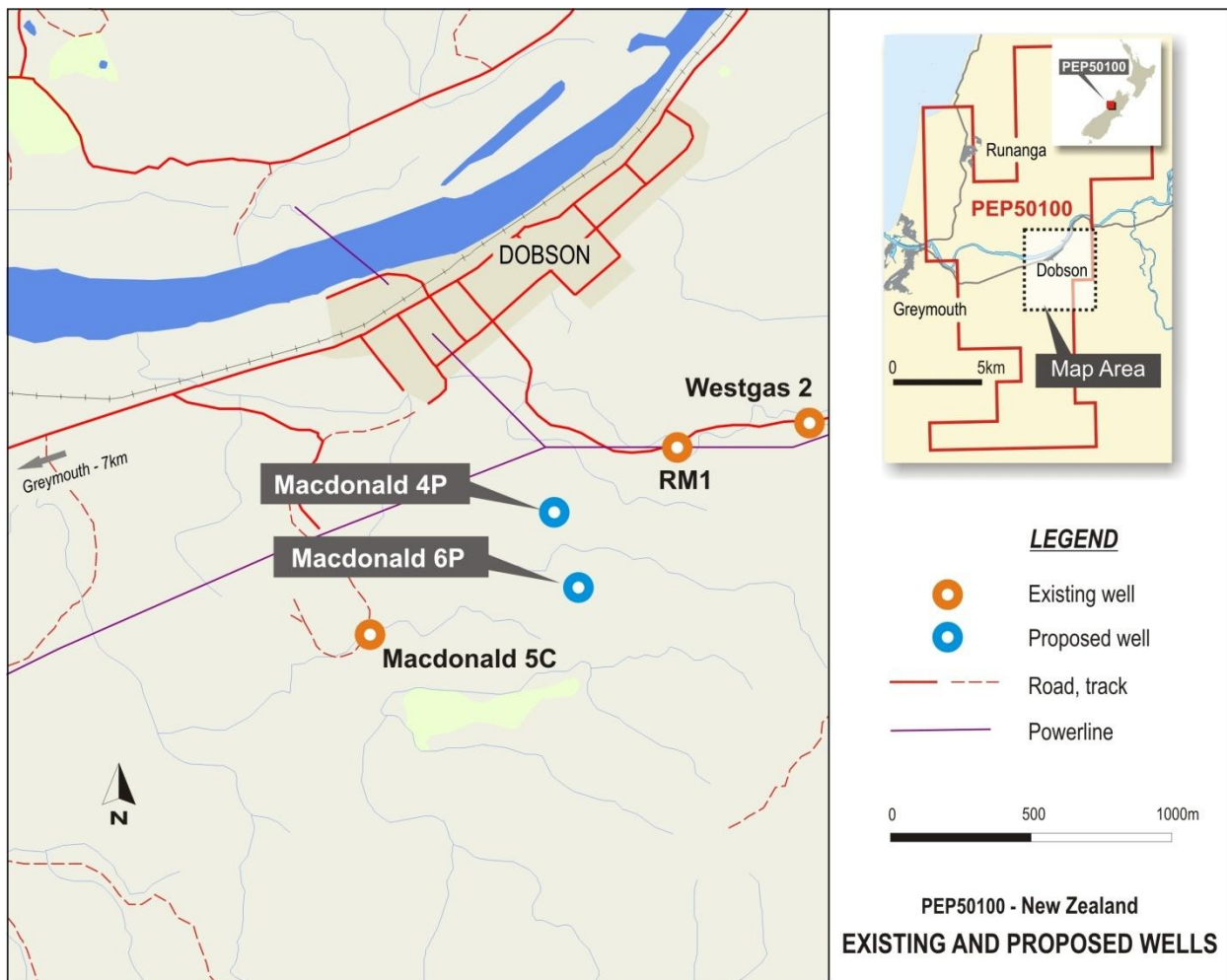
**PMP 50100 – Westcoast, New Zealand (Comet Ridge Group: 20% increasing to 50%)**

At 0600 hours on 27 April, the Macdonald 4P pilot production well was at a depth of 290 m and drilling ahead. Drilling recommenced on 26 April after being suspended temporarily while the drilling contractor made upgrading modifications to the rig. Two pilot production wells, Macdonald 4P and Macdonald 6P, are currently being drilled to access CSG from the Brunner Formation and also to evaluate the deeper Paparoa Formation for gas production potential.

Earlier in April, the surface hole for both wells was drilled, in turn, to approximately 150 m, and surface casing was set. Each well will now be deepened to an estimated total depth of approximately 1200 m. The wells are expected to be completed with pumps installed to lift water from the coals which will then allow gas to be produced.

This drilling and pilot testing operation is being operated by Chartwell NZ Pty Limited, 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 permit.

Chartwell NZ Pty Ltd is the operator of PMP 50100 and currently holds a 20 per cent equity stake in the permit with the remaining 80 per cent being held by Macdonald Investments Limited.

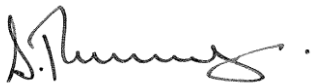


**Figure 2: Map of Westcoast NZ drilling locations**

**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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