



29 April 2011

MARCH QUARTERLY REPORT

Highlights:

- Advances achieved across all key CSG projects in Queensland, NSW and New Zealand and conventional oil and gas in the US
- Significant Contingent and Prospective Resource Booking in PEL 427 & 428 in NSW
- Following end of quarter, successful conclusion of transaction doubling COI stake in PEL 428 to 40%
- Mahalo Block in Bowen Basin has project budget approved and is moving to first pilot scheme
- First NZ aerial survey of CSG coals continues on schedule, with data analysis to identify high-value targets to begin soon
- Oil production from Comet Ridge Resources LLC continues with an additional six Florence Oil wells being drilled and Washington State gas targets firming up

Australian Permits:

ATP 743P and ATP 744P - Galilee Basin, QLD (Comet Ridge 100%)

Following the initial Contingent Resource Certification in the Gunn Project Area in ATP 744P in November 2010, planning for the 2011 seismic survey continues. One significant objective of this survey is to better define the structural nose observed where the Gunn 1 and Hergenrother 1 wells are positioned in the Gunn Project Area.

A pre-seismic scouting survey was recently conducted in ATP 744P and discussions with candidate seismic contractors are continuing. Comet Ridge is also in discussion with one other Galilee Basin operator in

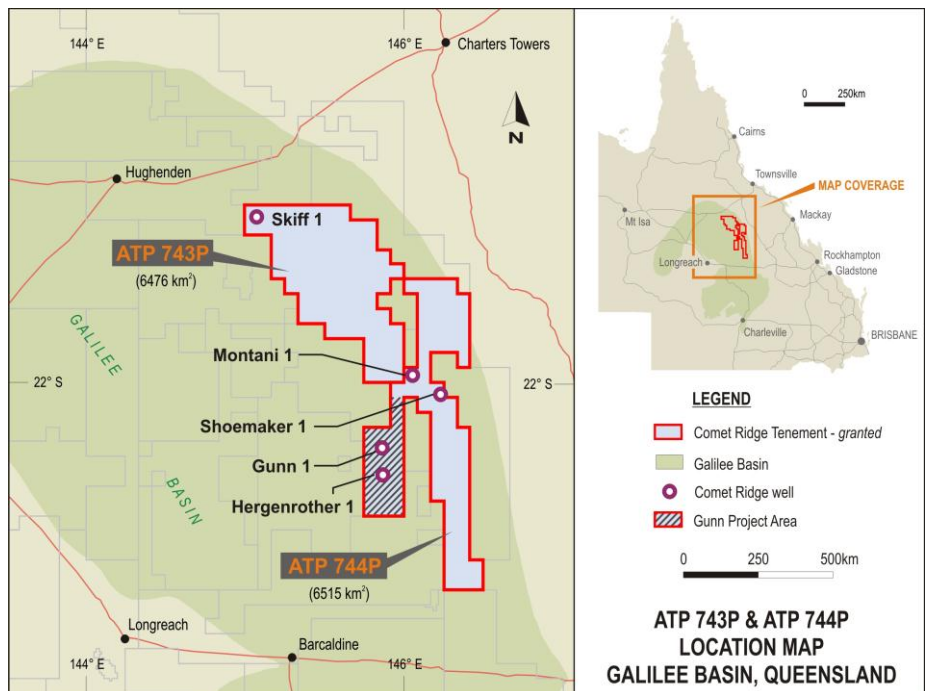


Figure 1 – ATP 743P & 744P with Gunn Project area shaded

order to share mobilisation costs for the seismic contractor and services. Given the general level of flooding in eastern Australia over the past few months, and the work backlog this has caused for a number of contractors, Comet Ridge is targeting third quarter this year for the acquisition.

Galilee Basin Operators' Forum & Water Management

Comet Ridge is one of a group of eight Galilee Basin operating companies that has combined to undertake a thorough baseline water assessment of the Galilee Basin, prior to any commercial production. The technical hydrogeological assessment is being undertaken by the RPS Group on behalf of the operating companies. The study is intended to establish the data currently available, to provide a regional understanding of the aquifers and their current agricultural use for bore water supplies, identify areas where information is lacking and will hopefully then provide the groundwork for the development of a hydrogeological model for the Galilee Basin.

This co-operative approach has been designed to facilitate consistency of data collection methodology and terminology across the various permits in the future. The Galilee Basin Operators Forum has a website at www.gbof.com.au.

ATP 337P (Mahalo) - Bowen Basin, QLD (Comet Ridge 40%)

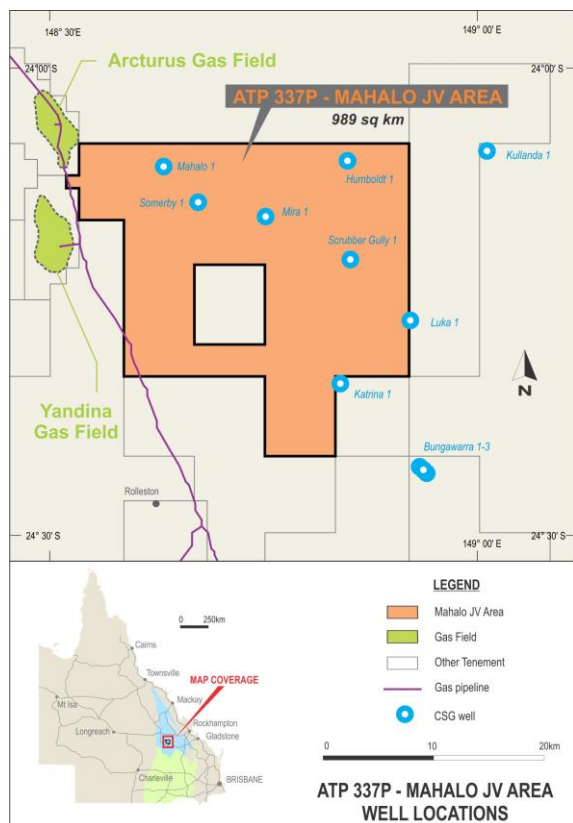


Figure 2 – Mahalo Block Bowen Basin

The work programme and budget for 2011 has now been approved by the Joint Venture and will include initial appraisal wells in the Mira and Mahalo areas in the northern central portion of the block followed by the first pilot scheme. Subject to the performance of the first pilot later in 2011, a second pilot scheme is likely in 2012 to expand the area for reserves.

Following the Contingent Resource booking made by Comet Ridge in October 2010, the company has been working closely with the other members of the Mahalo Block Joint Venture (Santos QNT Pty Ltd and Australia Pacific LNG Pty Ltd) to finalise the planning for drilling and a pilot scheme in 2011. The intention of the appraisal/pilot programme is to quickly mature the 2C and 3C Contingent Resources into 2P and 3P reserves.

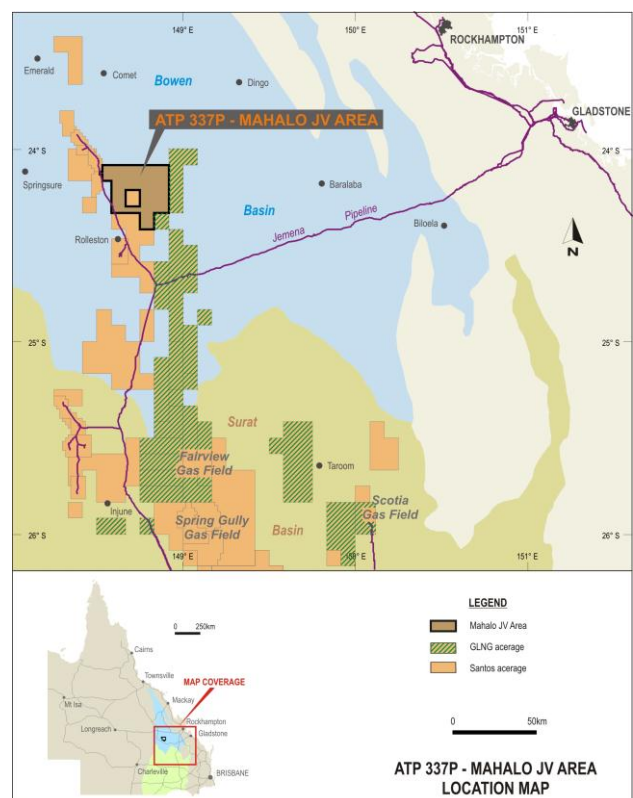


Figure 3 – Mahalo Block, location map

PEL 427 and PEL 428 - Gunnedah Basin, NSW (Comet Ridge 25% & 40%)

On 7 March 2011, Eastern Star Gas Limited (ASX:ESG) as CSG Operator of Joint Ventures in PEL 427 and PEL 428 announced the first independent assessment of the coal seam gas resources in these licences. Comet Ridge is pleased that this assessment by MHA Petroleum Consultants LLC confirms the CSG potential of its northern NSW acreage. Comet Ridge is excited by the Contingent Resource booking in the Black Jack Formation and Maules Creek Formation in the south east corner of PEL 427 where technical work is currently focused.

After the period, on 28 April 2011, Comet Ridge concluded a transaction to purchase a further 20% interest in PEL 428 from Greenpower Energy Limited (ASX:GPP). The transaction was initially announced on 14 October 2010 and doubles the Comet Ridge stake in the prospective PEL 428 to 40%.

The table below details Comet Ridge's net share of PEL 427 and PEL 428 recoverable Contingent and Prospective Resources based upon the 7 March 2011 announcement of resources and the 28 April 2011 transaction with Greenpower Energy.

Project	Contingent Resource (PJ)	Prospective Resource (PJ)
PEL 427	188	614
PEL 428	43	408
Total	231	1022

In terms of the technical work currently being conducted, in PEL 427, 105 km of 1980s vintage 2D seismic was re-processed over the past several months, with the forward plan now to acquire a further 80 km of high resolution 2D seismic in the second quarter of this year. This will enable targeting of a Bellata Trough corehole to be drilled in third quarter of 2011 in the southeastern portion of the block.

Technical work in PEL 428 included planning for 64 km of 2D seismic acquisition in the Pilliga Trough in the southwestern portion of the block. This seismic will be acquired concurrent with the PEL 427 seismic this year.

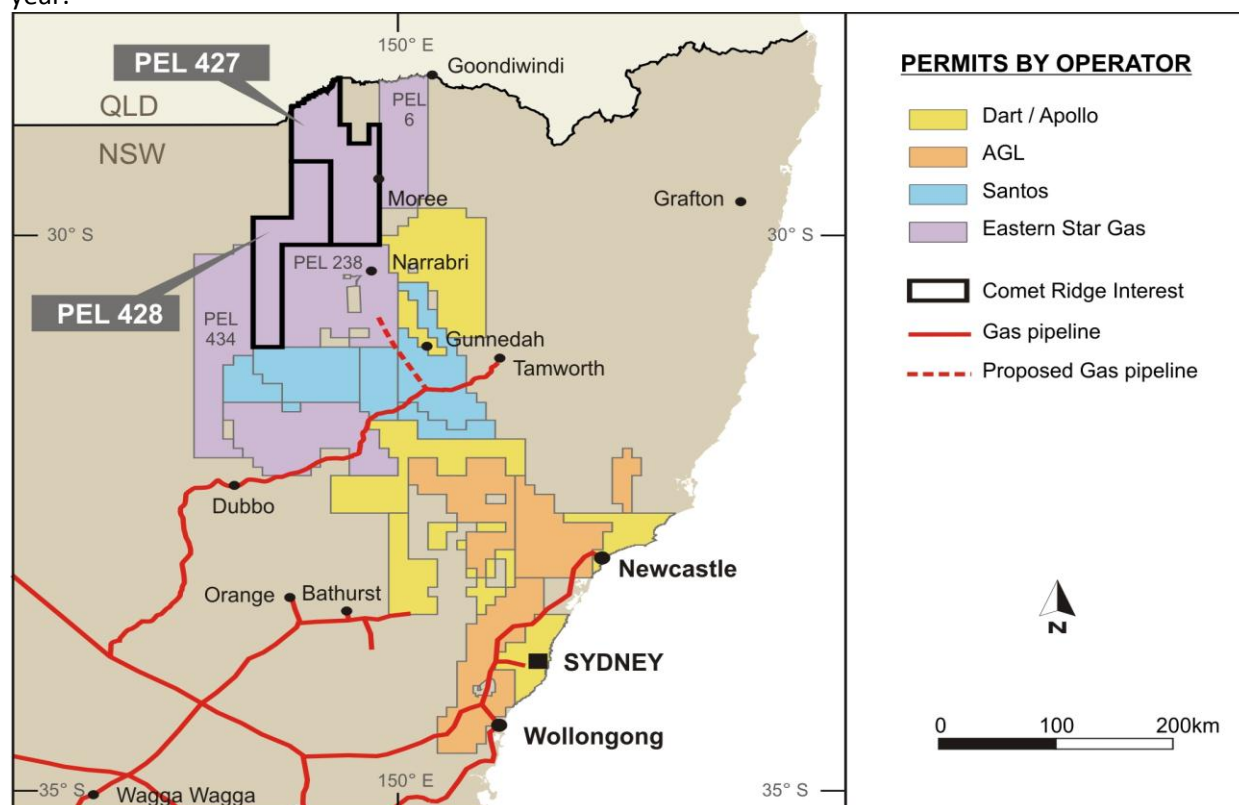


Figure 4 – PEL 427 & PEL 428, Northern NSW

New Zealand Permits:

PMP 50100 - Greymouth, West Coast (Comet Ridge 100%)

PEP 50279 - Buller, West Coast (Comet Ridge 100%)

PEP 50280 - North Waikato Region (Comet Ridge 100%)

During the quarter, the Airborne Gravity Gradiometry (AGG) survey, the first of its kind in NZ for Coal Seam Gas, across Comet Ridge's 8600 km² acreage base, was continuing. In the Waikato (PEP 50280), the full 2462 line-km of data had been acquired at the end of the period to conclude that survey. In the South Island blocks on the West Coast (PMP 50100 and PEP 50279) 1036 line-km of a planned 6736 line-km had been acquired at the end of the period with surveying continuing into April.

Once the data is fully acquired, an interpretation and integration project will commence to incorporate this data into regional and prospect mapping for identification of high-value targets for drilling. Comet Ridge expects that CSG may be utilised to provide thermal power generation into the power grid, particularly on the West Coast but also in the Waikato region.

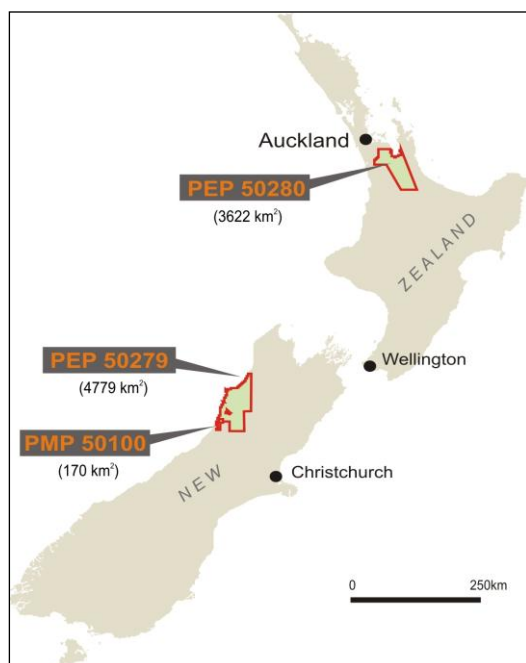


Figure 5 – Comet Ridge New Zealand CSG Permits



Figure 6 – Cessna 208 Caravan in Hamilton

USA

Comet Ridge Resources LLC (Comet Ridge 17.257%)

Oil production from the Florence field in Colorado was strongly maintained during the quarter, averaging 631 barrels per day. The high Nymex oil price continues to benefit the company with net-back oil prices during March in excess of \$95 per barrel, ensuring Florence continues to generate strong cash flow.

Technical work during the period centred on permitting, contracting and lease preparation for a Florence six-well drilling programme that commenced just after the end of the quarter and is designed to access high-value oil targets in order to expand oil production capability from the field. Gross company cumulative production from the Florence field passed 300,000 barrels during March.

In the Grays Harbor large exploration area in Washington State, technical work focused on mapping of the Black Creek and Caldwell Creek prospects during the quarter. Historical wells in both locations have shown good gas indications. Technical work by Comet Ridge Resources has utilised latest seismic

technology to define drilling locations. This seismic data has shown Caldwell Creek to be a sizeable anticline and a surface location has now been selected and permitting work for the drilling commenced.

Exploration work continues on three other exploration areas that are held by Comet Ridge Resources.

Corporate

Chief Operating Officer

Comet Ridge Limited has promoted Mr Dale Aaskow to the role of Chief Operating Officer. He has been with the company for almost a year, previously serving as Engineering and Operations Manager.

Mr Aaskow, originally from Canada, is an engineer with more than 25 years' experience in the international oil and gas industry, including 10 years in a variety of technical and management roles in Asia. He has also previously held a regional unconventional gas development role for a major services company, becoming closely involved with a large number of coal seam gas developments in Queensland and the region.

Dale's focus is on moving Comet Ridge's considerable Contingent and Prospective Resource base (currently in excess of 4,100 PJ) to reserves as quickly and as efficiently as possible.



COO – Dale Aaskow

A handwritten signature in blue ink, appearing to read 'S. Rodgers'.

Stephen Rodgers
Company Secretary
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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.

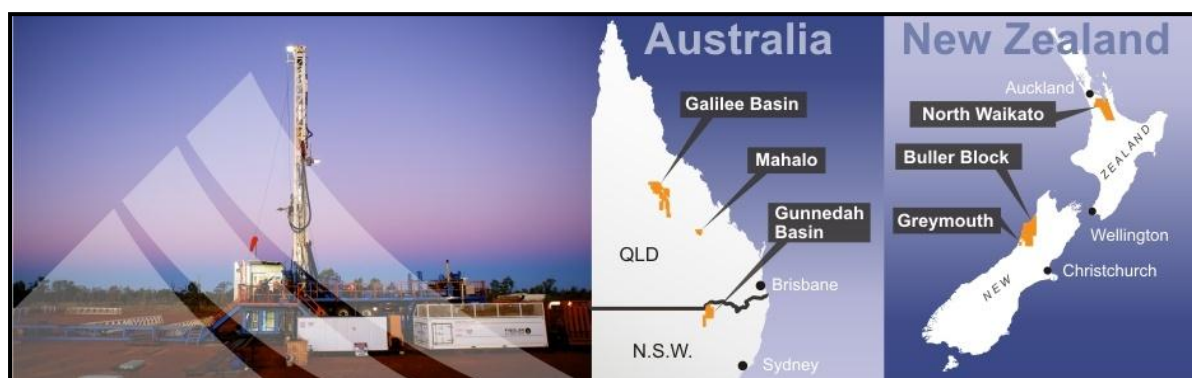
Certified Resources

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
Total		2,543	1,619

Work Programme

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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