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## Comet Ridge unveils \$21m capital raising

18-May-09 by Rebecca Lawson



Mount Pleasant-based Comet Ridge plans to raise \$21 million to fund exploration efforts at its coal seam gas projects in Queensland and New Zealand for the next 18 months.

The company has already locked in \$7.5 million through the completion of a share placement that was managed by Wilson HTM Corporate Finance.

Under the placement, 22 million shares were subscribed at a discounted 34 cents each.

At 12:20 AEST, shares in Comet Ridge were trading at 44c, down one cent.

Comet Ridge will also undertake a one-for-five entitlement offer to raise \$13.8 million, with shares priced at 27c each.

The entitlement offer has been underwritten by Wilson HTM.

At the completion of the capital raisings, Comet Ridge will have \$28 million cash which will be used for its coal seam gas assets in the Galilee Basin and Mahalo block in Queensland and the Greymouth project in New Zealand.

The announcement is below:

Comet Ridge Limited (Comet Ridge or the Company) is pleased to announce the successful completion of a placement to professional and sophisticated investors to raise A\$7.5 million before costs (Placement).

The Placement was managed by Wilson HTM Corporate Finance Limited with 22,000,000 shares subscribed for at A\$0.34 per share.

In conjunction with the Placement, all eligible Comet Ridge shareholders will have the opportunity to participate in a non-renounceable entitlement offer (Entitlement Offer) to acquire 1 new share (New Share) for every 5 shares held as at 5:00pm (WST) on the Record Date being 27 May 2009, at an issue price of A\$0.27 per share, to raise approximately A\$13.8 million.

In these volatile times the board considers it prudent to have the Offer underwritten. This will be undertaken by Wilson HTM. In pricing the Offer the board has endeavoured to set a price which will encourage strong support from existing shareholders.

On completion of the Placement and Entitlement Offer Comet Ridge will have approximately A\$28 million in cash, which will be used primarily to fund the exploration and appraisal of the Company's key coal seam gas (CSG) projects being the Galilee Basin and the Mahalo block in Queensland and the Greymouth project in New Zealand.



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Tor McCaul, Managing Director of Comet Ridge said "We are extremely pleased with the level of support from domestic and offshore investors in the Placement. We would like to acknowledge those existing shareholders who participated in the Placement, for their continued support, and also welcome new shareholders to the register. The level of demand for the Placement signals the strong support for the Company's CSG projects, directors and management team."

The Directors wish to provide the opportunity for existing shareholders to invest in the Entitlement Offer at a discounted price. Some directors (James McKay and Chris Pieters), together with Tony Gilby a proposed Director, have also further supported the Entitlement Offer by participating as sub-underwriters.

Mr. McCaul said "The key rationale of the merger with Chartwell Energy was to provide Comet Ridge with additional technical and financial strength and this support should give shareholders confidence that the board believes in the potential of the Company. Following completion of the Placement and the underwritten Entitlement Offer, Comet Ridge will be in a strong financial position. The additional funds allow us to advance our key CSG projects including the Galilee Basin, and the Mahalo Block in Queensland and Greymouth in New Zealand. The proceeds of the capital raisings will satisfy funding requirements over the next 12 to 18 months, including the accelerated exploration program".

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