



20 April 2004


Company Announcements Office  
Australian Stock Exchange Limited  
10<sup>th</sup> Floor  
20 Bond Street  
SYDNEY NSW 2000

Dear Sir

**FORM 603 – NOTICE OF INITIAL SUBSTANTIAL HOLDER**

Please find Form 603 – Notice of Initial Substantial Holder for Strike Oil NL.

Yours faithfully  
**COMET RIDGE LIMITED**



Gillian Swaby  
**Company Secretary**

Attachments

Comet Ridge Limited  
ACN 106 092 577

Level 10, International House  
26 St George's Terrace,  
Perth, Western Australia 6000

Phone: 61 8 9225 7108  
Facsimile: 61 8 9225 4448

**Form 603**Corporations Act 2001  
Section 671B**Notice of initial substantial holder**To Company Name/Scheme Comet Ridge LimitedACN/ARSN 106 092 577**1. Details of substantial holder (1)**Name Strike Oil NLACN/ARSN (if applicable) 078 012 745The holder became a substantial holder on 19 / 04 / 2004**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary Shares	6,250,000	6,250,000	10.2 %

**3. Details of relevant interests**

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Strike Oil NL	Beneficial Owner	6,250,000 ordinary fully paid shares

**4. Details of present registered holders**

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Strike Oil NL	Strike Oil NL		6,250,000 ordinary fully paid shares

**5. Consideration**

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Strike Oil NL	7th April 2004		\$1.25 million	6,250,000 ordinary fully paid shares
			Refer to Annexure A	

**6. Associates**

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	

**7. Addresses**

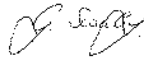
The addresses of persons named in this form are as follows:

Name	Address
Strike Oil NL	Level 10, International House
	26, St. Georges Terrace, Perth WA 6000

**Signature**

print name Gillian Swaby capacity Company Secretary

sign here



date 20 / 04 / 2004

**DIRECTIONS**

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
  - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

## ANNEXURE A

THIS IS THE ANNEXURE OF 6 PAGES MARKED "A" REFERRED TO IN THE FORM 603 SIGNED BY ME AND DATED 20 APRIL 2004.



SIGNED BY G.SWABY 20 APRIL 2004

**SUMMARY OF AGREEMENTS BETWEEN STRIKE OIL NL AND COMET RIDGE LIMITED RESULTING IN THE ISSUE OF 6,250,000 FULLY PAID SHARES.**

### **CSG Sale Agreements**

Strike and Comet Ridge have negotiated the terms of three sale agreements, known as the Coal Seam Gas (Qld Applications) Sale Agreement, the Coal Seam Gas (Qld Permits) Sale Agreement, and the Coal Seam Gas (NSW Permits) Sale Agreement (collectively, the **CSG Sale Agreements**).

The CSG Sale Agreements provide for the purchase by Comet Ridge of the following:

- (a) Strike's earned interest in ATP 689P and the Millmerran and Dalby South blocks of ATP 683P defined in the agreement titled 'Exchange of Interests, WA-261-P for ATP 683P and ATP 689P and Farmin Agreement' between Strike, Arrow and ACBM dated 20 November 2002 (as varied) (**Exchange Farmin Agreement**);
- (b) Strike's rights under the Exchange Farmin Agreement to earn a further interest in ATP 689P and the Millmerran and Dalby South blocks of ATP 683P;
- (c) Strike's right under the ATP 337P Farmin Agreement between Santos, Origin Energy (formerly the Oil Company of Australia Limited) and Strike dated 11 September 2003 (**Permit Farmin Agreement**) to earn an interest in ATP 337P;
- (d) Strikes applications for ATP 743P, ATP 744P;
- (e) PEL 427 held by Strike;
- (f) Strike's 80% interest in PEL 428; and
- (g) Strike's 50% interest in PSPA 9.

The purchase of the interests described in (a), (b) and (c) above is set out in the Coal Seam Gas (Qld Permits) Sale Agreement. The purchase of the applications described in (d) above is set out in the Coal Seam Gas (Qld Applications) Sale Agreement. The purchase of the interests described in (e), (f) and (g) above is described in the Coal Seam Gas (NSW Permits) Sale Agreement.

### **Coal Seam Gas (Qld Permits) Sale Agreement**

The Coal Seam Gas (Qld Permits) Sale Agreement provides for Comet Ridge to acquire all of Strike's interest in, and rights to earn a further interest in, the granted permits located in Queensland. Strike's interests are set out in both the Exchange Farmin Agreement (ATP 683P and ATP 689P) and the Permit Farmin Agreement (ATP 337P).

The Coal Seam Gas (Qld Permits) Sale Agreement is conditional upon the assignment of Strike's interest in the agreements referred to in Section 9.4(a) and (b) to Comet Ridge and the Company being granted conditional approval to be admitted to the Official List.

#### **(a) Exchange Farmin Agreement**

At the commencement of the Exchange Farmin Agreement, Arrow was the holder of the Millmerran and Dalby South blocks of ATP 683P and ACBM was the holder of ATP 689P. The Millmerran and Dalby South blocks of ATP 683P and ATP 689P are referred to collectively as the 'Farmout Blocks'.

The Exchange Farmin Agreement provided for Arrow to assign a 10% interest in the Millmerran block of ATP 683P and a 5% interest in the Dalby South block of ATP 683P to Strike, and ACBM assigning a 10% interest in ATP 689P to Strike. Following this assignment, Strike may earn further interests in the Farmout Blocks by funding certain drilling.

The initial drilling, consisting of the drilling of three core holes on ATP 689P, was completed on 9 February 2003 giving Strike the option to elect to proceed to earn a further 10% interest in the Millmerran block, a 5% interest in the Dalby South block, and a 10% interest in ATP 689P (**First Option Interest**).

On 21 May 2003, Strike elected to proceed to earn the First Option Interest by agreeing to fund (to a maximum of \$250,000) the drilling of three core holes in the Farmout Blocks by 30 July 2003 (**Second Drilling**). By Deed of Variation, the parties agreed to vary the Second Drilling program and direct exploration towards the Tipton area of ATP 683P.

Following completion of the Second Drilling, Strike may earn a further interest of 30% in the Millmerran block, 20% in the Dalby South block, and 30% in ATP 689P (**Second Optional Interest**) by making an election within 90 days of completing the Second Drilling, to sole fund (to a maximum of \$3,000,000) certain defined work programs (**CSM Pilot**

**Program).** Work must commence by 1 July 2004. The interests may be earned in three stages. Each stage requires Strike to fund exploration totalling \$1,000,000 and will earn Strike one third of the Second Optional Interest.

The following table sets out the interests of the parties at each earning stage.

Earn in Stage	Parties	Percentage Interest		
		ATP 683P Millmerran Block	ATP 683P Dalby South Block	ATP 689P
Commencement	Strike	Nil	Nil	Nil
	ACBM	Nil	Nil	100
	Arrow	100	100	Nil
Post Assignment Interests	Strike	10	5	10
	ACBM	Nil	Nil	90
	Arrow	90	95	Nil
Second Drilling (First Optional Interest)	Strike	20	10	20
	ACBM	Nil	Nil	80
	Arrow	80	90	Nil
CSM Pilot Program (Second Optional Interest)	Strike	50	30	50
	ACBM	Nil	Nil	50
	Arrow	50	70	Nil

All work is to be conducted by Arrow as operator.

If Strike elects not to proceed to earn an interest at any stage, the parties will contribute to all exploration in accordance with their interests.

The Exchange Farmin Agreement provides that the parties must endeavour to agree on the terms of a joint operating agreement over the Farmout Blocks prior to 15 December 2002. Agreements are in an advanced draft form but have not as yet been finalised.

The Exchange Farmin Agreement is subject to certain royalties that attach to ATP 689P.

In May 2000, ATP 689P was held by SEQ and Falcon Resources Pty Ltd (**Falcon**). On 20 May 2000, SEQ and Falcon entered into the Royalty Agreement – ATP 689P (granting to SEQ a royalty) (**SEQ Royalty Agreement**) and the Royalty Agreement – ATP 689P (granting to Falcon a royalty) (**Falcon Royalty Agreement**) whereby the parties granted to each other a royalty of 2.5% (total royalty of 5%) of the wellhead value of all petroleum produced and sold from ATP 689P.

By Transfer Agreement – ATP 689P (Application Area) between SEQ, Falcon and ACBM (formerly Queensland Milk Pty Ltd), SEQ and Falcon sold their interests in ATP 689P to ACBM and ACBM recognised and confirmed that they would comply with the obligations to pay the royalties to SEQ and Falcon.

On 22 March 2001, SEQ, Falcon and ACBM entered into the ATP 689P Royalty Covenant Deed whereby ACBM covenanted to be bound by the terms of the SEQ Royalty Agreement and the Falcon Royalty Agreement in terms required by those agreements.

(b) **Permit Farmin Agreement**

The Permit Farmin Agreement provides for Strike to earn an interest in part of ATP 337P from Santos and Origin Energy, the current holders of ATP 337P.

Prior to the establishment of the Permit Farmin Agreement, Santos and Origin Energy's interests in ATP 337P were governed by the Denison Trough Exploration and Production Joint Operating Agreement between CSR Limited (**CSR**), Origin Energy (formerly Oil Company of Australia NL) and Central Queensland Natural Gas Pty Ltd (**CQNG**) dated 26 May 1989 (**Denison Trough JOA**).

The Denison Trough JOA established a joint venture over ATP 337P and any other area agreed between the parties. Participating interests of the parties were CSR 50% and Origin Energy 50%, with CSR being the operator of all exploration operations, and CQNG the operator of all production operations. The Denison Trough JOA contains detailed but essentially standard joint venture terms including budgets and programs, management, sole risk, default, withdrawal and force majeure and will continue, with the Permit Farmin Agreement, to govern the joint venture.

By the Denison Trough Deed of Assignment and Assumption between CSR, Origin Energy, Associated Petroleum Pty Ltd (formerly Associated Petroleum Ltd) (**APL**), Santos (formerly AGL Petroleum Operations Pty Limited) and CQNG dated 26 May 1989 (**Deed of Assignment**), CSR assigned all of its interest in ATP 337P, and all of its interest in the Denison Trough JOA to Santos.

The Deed of Assignment further provided for the resignation of CSR as operator of exploration operations under the Denison Trough JOA and the appointment of APL into that role.

On 29 October 1992, Origin Energy, CQNG, Santos and APL entered into a Deed (**Amendment Deed**) whereby the parties agreed that Origin Energy will become the operator of production operations in substitution for CQNG, and that Santos will become the operator of exploration operations in substitution for APL.

The parties also agreed to amend the Denison Trough JOA and the Deed of Assignment to make the rights of the production operator more generally consistent with the rights of the exploration operator.

ATP 337P forms part of the Denison Trough JOA of which, consequent to the Deed of Assignment and Amendment Deed, Origin Energy and Santos each hold a 50% interest. Origin Energy and Santos agreed, pursuant to the Permit Farmin Agreement, to allow Strike to earn an interest in a defined portion of ATP 337P known as the 'Farmin Area'. Strike's interest may be earned in two phases as follows:

- (i) Phase 1. Strike to earn a 20% interest following the completion of a specified work program that must include the drilling of two coal seam gas core holes and completing a minimum defined evaluation program for each core hole. Phase 1 work to commence by 31 December 2003 and to be completed within 6 months of commencement of the work. Due to rig availability, land access and weather, Santos and Origin Energy have extended this date. Strike will forfeit its interest in the Farmin Area if it does not elect to proceed with, or complete, the Phase 2 work.
- (ii) Phase 2. Strike may, following the completion of the Phase 1 work, elect to earn a further 20% interest by drilling, equipping and testing a coal seam gas test hole to an agreed depth. Phase 2 work must commence by 30 June 2004 or within 60 days of Strike electing to proceed with the Phase 2 work, whichever is the later, and be completed within 6 months of commencement of the work.

The Phase 1 and Phase 2 work is to be carried out by Santos at the expense of Strike. At the completion of the Phase 2 work the interests of the parties will be Strike 40%, Santos 30% and Origin Energy 30%.

At the completion of the Phase 2 work, the parties will form a joint venture governed by the terms of the Denison Trough JOA, unless the terms of that agreement are inconsistent with the terms of the Permit Farmin Agreement, in which case the Permit Farmin Agreement will apply.

### **Coal Seam Gas (Qld Applications) Sale Agreement**

The Coal Seam Gas (Qld Applications) Sale Agreement provides for Comet Ridge to purchase Strike's interest in applications ATP 743P and ATP 744P. Strike must hold the applications on trust for Comet Ridge until their grant, at which time applications to transfer the permits to Comet Ridge will be made.

The Coal Seam Gas (Qld Applications) Sale Agreement is conditional upon the Company being granted conditional approval to be admitted to the Official List.

### **Coal Seam Gas (NSW Permits) Sale Agreement**

The Coal Seam Gas (NSW Permits) Sale Agreement provides for Comet Ridge to purchase Strike's interest in the whole of PEL 427, Strike's 80% interest in PEL 428, and Strike's 50% interest in PSPA 9.

The Coal Seam Gas (NSW Permits) Sale Agreement is conditional upon the assignment of Strike's interest in the agreements referred to in this Section 9, Ministerial consent and the Company being granted conditional approval to be admitted to the Official List.

Davidson Prospecting Pty Ltd (**Davidson**) holds a 20% beneficial interest in PEL 428. Strike and Davidson's interests are described in the Joint Operating Agreement – Exploration Licence PEL 428 (**Davidson JOA**).

Strike is the operator of the Davidson JOA. As operator, Strike must prepare programs and budgets and conduct all exploration on the permit. The Davidson JOA sets out the standard joint venture protocols such as operating committees, programs and budgets, sole risk, and default.

PSPA 9 is held jointly by Australian Coalbed and Strike. There is no agreement governing the relationship of Strike and Australian Coalbed in relation to this permit.