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AUSTRALIAN STOCK EXCHANGE
Via Electronic Lodgement

Certified Tipton West Gas Reserves Exceed 2000PJ

KEY POINTS

- **Certified initial Tipton West Proved and Probable (2P) gas reserve of 143 Petajoules (PJ)**
- **Certified initial Proved, Probable and Possible (3P) gas reserve of 2028 (PJ)**
- **Additional 1P and 2P reserves expected with conversion of current total project 3P reserves via development drilling.**
- **Proceeding now to upgrade conditional gas sales agreements to binding contracts**
- **First Tipton West gas sales forecast for the September quarter 2006.**

Comet Ridge Limited (ASX Code: COI) announces that a Proved and Probable (2P) gas reserve of 143 (PJ) has been certified for the Tipton West Coal Seam Gas Field in south-eastern Queensland.

Independent reserve engineering consultants, Netherland, Sewell and Associates Inc [NSAI] of Dallas, Texas, USA have certified initial reserves for Tipton West as follows:

Reserve Category	Gross Reserves (PJ)	COI Net (20%) (PJ)
Proven (1P)	61	10
Proven + Probable (2P)	143	29
Proven + Probable + Possible (3P)	2028	406

The initial 2P reserves certification is restricted to the areas immediately surrounding the pilot and four monitoring wells. Further 2P reserves are anticipated following the drilling and testing of the TWP17 well, planned to be drilled this month, 3km to the north of the pilot area. Additional 2P reserves will be added as further production wells are drilled.

Comet Ridge and Arrow Energy (ASX Code: AOE), operator of the Tipton West project, have negotiated conditional gas sales agreements totalling 123 PJ from the Tipton West field, comprised of 60 PJ to ERM Wambo Power (50% Babcock & Brown, 50% ERM Power), 48 PJ to Ergon Energy and 15PJ to BP. Negotiation of binding gas sales agreements can now proceed with a view to achieving financial close by the end of September 2005. First gas sales from Tipton West are projected for the third quarter of 2006.

The Managing Director of Comet Ridge Limited, Mr. Andy Lydyard said "reserves certification at Tipton West is a major milestone for Comet Ridge. In just over 12 months we have delivered on the strategy we floated on. The 3P reserves of approximately 2 trillion cubic feet of gas confirms the enormous potential of this field and is double the previously certified 3P reserves of 1 trillion cubic feet announced in July 2004. Comet Ridge is now established as a coal seam gas company with reserves and substantial upside. The Company remains focussed on increasing shareholder value through the on-going development of Tipton West, further evaluation of the Mahalo Project in central Queensland and ongoing business development activities both in Australia and overseas."

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The reserves estimates used in this statement were compiled by Mr. John Hattner of Netherland, Sewell & Associates, Inc., Dallas, and are consistent with the definitions of proved, probable, and possible hydrocarbon reserves that appear in the Australian Stock Exchange (ASX) Listing Rules. Mr. Hattner consents to the use of the reserves figures in this announcement.