



30th September 2005

The Company Announcements Officer
Australian Stock Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

By Electronic Lodgement

Dear Sir/Madam

The Directors of Comet Ridge Limited (Comet Ridge) are pleased to advise that the Company has achieved financial close on the previously announced leasehold acquisition over four historic oil fields located on the Tow Creek anticline in Routt County, Colorado.

The Company is acquiring a 75% working interest and operatorship in 8,868 acres from Houston based Ponder Exploration Limited and a private trust company in a transaction that comprises cash and drilling commitments.

The first of two scheduled payments was made on 29 September, 2005, the second is due in early January, 2006. Comet Ridge will also carry the sellers through additional leasing (capped at \$150,000) and the drilling of two wells.

The opportunity lies within the Rocky Mountain Area of Mutual Interest ("Mutual Interest Area") between Comet Ridge, AJ Lucas Group Limited ("Lucas") and Strike Oil Limited ("Strike") previously announced to the ASX on the 19 July 2005. Strike has already exercised its option to participate with a 25% interest (COI ASX announcement 19 September 2005).

Background

The Tow Creek anticline lies some 200 km to the northwest of Denver and 32 km west of Steamboat Springs in Northern Colorado (Figure 1). Access to the area is excellent.

The Tow Creek structure has a strong surface expression and covers around 130 sq km.

Initial production occurred in the mid 1920's from the fractured shale intervals in the Cretaceous aged Niobrara Formation. Since the 1970/80's there has been little activity.

Comet Ridge Limited
ABN 47 106 092 577

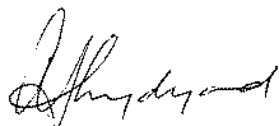
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There are seven named oil fields on the Tow Creek structure that have collectively produced in excess of 5 million barrels. The acreage position covers all or part of four of the field. Historically, some of the wells in the various fields have produced in excess of 450,000 barrels of oil. During the initial field development, new well production rates in excess of 200 BOPD were common. One notable well (which is an immediate offset to one of the acquired leases) initially produced at over 900 BOPD. There are still wells capable of production on leases adjacent to the acquired acreage. Comet Ridge believes that there is considerable potential for un-produced oil being found on the structure.

These historic oil fields and the adjacent acreage were targeted for acquisition because the reservoir characteristics of the Niobrara Formation lend themselves ideally to the directional (sub horizontal) drilling capabilities provided by Lucas, a party to the Rocky Mountain Area of Mutual Interest arrangement. Further oil and gas potential exists in deeper sandstone reservoirs and shallow coal measures offer the potential for a coal seam gas development.

Tow Creek is a cornerstone project for the Company, providing numerous close-in field extension drilling locations at depths less than 1,700m. Comprehensive geological and geophysical studies, aimed at developing well locations for a early to mid 2006 drilling programme, are under way.

Yours faithfully



Andy Lydyard
Managing Director

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