



21 February 2006

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

By Electronic Lodgement

Dear Sir/Madam

Mahalo Drilling Update

- **Mira 1 drilled and cored to 252m plus tested**
- **Humboldt 1 drilled and cored to 253m and currently being tested**
- **Mahalo 2 to be mid year 2006**

The directors of Comet Ridge Limited (ASX Code: COI) are pleased to advise the following update on the Mahalo core program.

Mira 1 commenced drilling 10 February 2006. The well reached a total depth of 252m on 13 February 2006. A total of 8m of coal was intersected in the Bandanna Formation. Two drill stem tests were undertaken, one over the Castor seam and one over the Pollux seam. Both tests indicated presence of permeability. The DST results are currently being analysed and will be reported on in the near future.

Humboldt 1 commenced drilling 17 February 2006. The well reached a total depth of 253m on 19 February 2006. A total of ~ 4.5m of coal was intersected in the Bandanna Formation. A drill stem test has been run over the Pollux seam, with indications of permeability, and a second drill stem test will be conducted over the Castor seam. The DST results will be analysed and reported on in the near future.

Currently all coal cores are degassing (undergoing desorption testing). Final figures for gas contents and saturations are expected in the coming months.

Mahalo 2, the third well in Comet's Phase II earning program is due to commence drilling mid year 2006.

Yours sincerely

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