

**COMET RIDGE LIMITED
ASX ANNOUNCEMENT
2 November 2006**

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

By Electronic Lodgement

**COMET RIDGE STRENGTHENS LEASE POSITION ON
VADER / CEDAR CREEK PROSPECTS, SOUTHERN WASHINGTON STATE**

HIGHLIGHTS

- Comet Ridge acquires 40% in over 25,600 acres (104 sq km) over the Vader Prospect in southern Washington State
 - Drilling planned for late 2006 – early 2007
 - Total gross acreage under lease or lease option exceeds 150,000 acres (600 sq km)
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The Directors of Comet Ridge Limited (ASX Code: COI) are pleased to advise that its wholly owned US subsidiary, St Helens Energy LLC (St Helens), has acquired a 40% interest in a new oil and gas lease covering 25,664 acres over the Vader prospect in Lewis and Cowlitz Counties in southern Washington State (Figure 1).

The acquired acreage covers a number of well locations that St Helens and operator of the project, Cascadia Energy Corp. (Cascadia), are planning to drill later this year - early next and provides the joint venture partners with a commanding position in the project area.

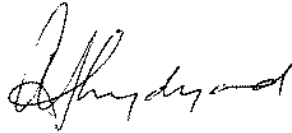
St Helens now has a 40% interest in leases and lease options covering in excess of 156,000 acres over the contiguous Vader and Cedar Creek prospect areas (Figure 2).

The partners are pursuing a large potential, shallow coal seam gas resource in the Eocene aged (~38 million years old) Cowlitz Formation. These coals have been extensively explored as a coal resource and numerous gas shows have been recorded in coal holes and water wells in the Vader area. In addition, a 700,000 cubic feet per day gas flow was recorded from a conventional sandstone reservoir lying at 700 feet in the northern part of the acreage position (Figure 2). St Helens and Cascadia have a partial interest in the lease the well was drilled on.

Cascadia and St. Helens are also evaluating the potential for conventional gas in deeper sandstones. These potential reservoirs are the same age as those that produce gas at the Mist Field in northern Oregon (65 to 70 billion cubic feet of gas produced to date) 30 kilometres to the southwest of the Vader/Cedar Creek area (Figure 2).

All of the recently acquired acreage lies within 12 miles of a major gas pipeline.

Yours sincerely



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Figure 1, Location of Vader and Cedar Creek Projects, USA



Figure 2, Vader and Cedar Creek Projects
Lewis and Cowlitz Counties, southern Washington

