Comet Ridge Limited
ABN 47 106 092 577

>>ASX Announcement

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The Company Announcement Officer
Australian Stock Exchange Limited Exchange Centre
20 Bridge Street
SYDNEY NSW 2000
By Electronic Lodgement

Operations Update - USA Activities

Highlights

- **Florence 3D seismic survey 80% complete**
- **Permitting of Grays Harbor seismic underway**
- **Acreage positions at Grays Harbor and Chehalis projects strengthened further**
- **Drilling operations on Vader recommenced**
- **Tow Creek sidetrack scheduled for drilling in early August**
- **Denver team strengthened**

The directors of Comet Ridge Limited are pleased to provide the following update for the Company's projects:

Florence

Acquisition of the 8 square mile (13 km^2) three-dimensional (3D) seismic survey being acquired over the Florence project in Fremont County, Colorado is approximately 80% complete.

The survey is expected to be completed in early July and will cover a significant part of the old Florence oil field and overlaps a smaller survey shot by the Company's US partners in 2004.

Once acquisition is complete, the new data will be processed and merged with the existing data for interpretation and prospect generation. Drilling is expected to commence in the 4th quarter of 2007.

Grays Harbor

Permitting of up to 173 miles (280 km) of new 2D seismic over a number of identified leads and prospects in the Grays Harbor project area is under way. Acquisition is expected to commence before the end of the 3rd quarter of 2007.

Two of the prospects to be delineated by the new seismic have wells that are interpreted to have by-passed gas zones already drilled on them.

ABOUT COMET RIDGE

Comet Ridge is an Australian-listed oil and gas explorer transitioning to producer with projects in the USA & Australia

The Company's strategy is to capture meaningful interests and, via operatorship, control of large acreage positions covering high potential impact oil and gas opportunities, in both mature fields and in proven, but overlooked, basins

Comet Ridge is capitalising on its local experience in the USA through development of its Pacific Northwest & Rocky Mountain projects

Comet Ridge is also advancing a number of key projects in Australia

USA
Pacific Northwest
• Grays Harbor (COI: 100%)
• Cedar Creek/Vader (40%)
Rocky Mountains
• Tow Creek (37.5%)
• Bear River (33.75%)
• Florence (39%)

AUSTRALIA
Queensland
• Mahalo (40%)
• Galilee Basin (100%)
New South Wales
• Gunnedah Basin (20 – 25 %)

ASX Listed: ....19 April 04
Shares on issue: ....104 million
Listed options: ....14.2 million*
Unlisted options: ....8 million
Top 20: 44%
Directors: 12%

*40 cents expire June 29 2007

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One well, drilled in the mid 1980's, encountered strong gas shows over a 1,100 foot (335 metre) thick interval on the flanks of a large anticline. The structure, as currently mapped, is assessed to offer potential for over 100 BCF of recoverable gas (P50) with an upside of around 250 BCF (P90). The prospect lies within 10 kilometres of existing gas pipeline infrastructure.

Comet Ridge continues to strengthen its control of the prospective acreage in the basin with oil and gas leases totaling approximately 9,500 acres having been recently acquired over a number of the mapped leads and prospects. As the Company is still actively engaged in leasing further details will be withheld for competitive reasons.

Chehalis Basin (Vader and Cedar Creek prospects)

Surface casing has been set on two core holes in preparation for coring in the 3rd quarter. The operator, Cascadia Energy, is close to securing a coring rig to resume the coal seam gas resource drilling program that was terminated after one well due to drilling rig related problems. An additional (4th) core hole will be drilled in a newly identified prospect area to the north of Vader.

The Joint Venture partners have recently acquired an additional 18,200 acres of prospective acreage in the northern Chehalis Basin.

Tow Creek/Bear River

Preparation for the drilling of the sidetrack of the Coal View Unit 31-4 well is underway. A number of available rigs are being assessed and drilling is expected to commence in August. Oil and gas shows were encountered across a 245 foot (75 metre) thick fractured interval in the Niobrara Formation in the original hole. The sidetrack will be drilled around part of a work string that became irretrievable stuck during completion operations.

Remedial operations on the Peltier 11-12 are planned for the first week of July. The initial attempt will be to pump treated oil down hole in an attempt to clear suspected plugged perforations.

Denver Team

The technical, operational and administrative capabilities of the Denver team have been strengthened by the filling of the Manager of Operations and accountant positions. The Company is negotiating with candidates for the VP of Exploration and Senior Reservoir Engineer positions. These appointments will almost complete the building of an accomplished and proven team of oil and gas professionals to effectively execute the Company's growth strategy.

ANDREW LYDYARD
Managing Director
Comet Ridge Limited