

# >> ASX Announcement

ASX CODE: COI


12 JULY 2007

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

By Electronic Lodgement

## July 2007 Investor Presentation

Please find attached a copy of an Investor Presentation that will be used during meetings with brokers, analysts and investors this week and next.



ANDREW LYDYARD  
**Managing Director**  
Comet Ridge Limited

### 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  
Unlisted options: ..... 8 million  
Top 20: ..... 44%  
Directors: ..... 12%



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**Comet Ridge Limited**

**>> Investor Presentation**

**July 2007**



# >> Who Are We?

- Comet Ridge Limited (COI)
- Oil and gas explorer/developer transitioning to producer
- Projects in Australia & USA

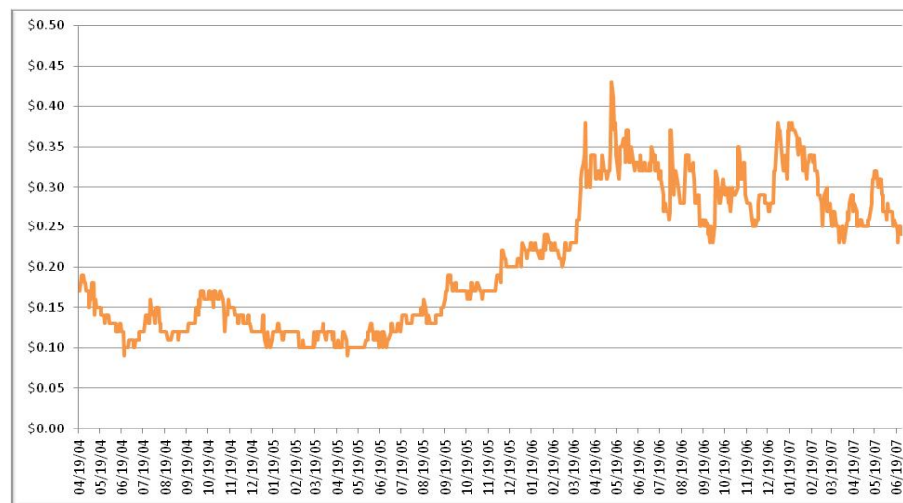
- ASX Listed: April 2004
- Management in Denver, CO (Dec 05)
- Major shareholder: Strike Oil (8.4%)

## Capital Structure#

Shares on issue	104 million
Unlisted options*	8 million
Market Cap	US\$22million
Cash	~US\$5 million
Top 20	44%
Directors	12%
Shareholders	831

# As of 28 June, 2007

\*Exercise prices between AUD\$0.2 and AUD\$0.5



Liquidity: Avg daily volume 230,000 (1/1/07 thru 6/28/07)  
Maximum: 878,800 (1/2/07)

## >> Comet Ridge - Why Invest?

- Strong diversified portfolio of seven US and Australian projects
- Exposure to conventional oil and gas and coal seam gas
- Material interests and operator of most US projects
- Experienced board and proven US based management team in place
- High activity level in 2007/08 with 10 to 12 wells planned
- Company has the people and the projects that, with success, can deliver significant share appreciation in the coming 12 months

## >> Objective

### **Generate significant shareholder returns via:**

- Finding and producing incremental oil and gas in mature fields using new technology
- Finding and producing oil and gas in proven but overlooked areas

# >> Strategy

Strategy	Execution
People	Proven US based management team 7 professionals >175+ years E&P experience 4 have run large E&P businesses
Meaningful interests	33.75% to 100% of existing projects
Large acreage positions	High impact projects in place 600,000 controlled acres over 4 plays in US Interests in 5 large Australian permits
Operator	Comet Ridge operates all but one of the US projects
Balanced Portfolio	Australia & US, Conventional oil & gas & coal seam gas
Activity level	10 – 12 wells + 3 seismic programs in 2007
Share price leverage	Portfolio offers significant upside opportunities

# >> People

## EXPERIENCED BOARD

Board owns 12% of stock

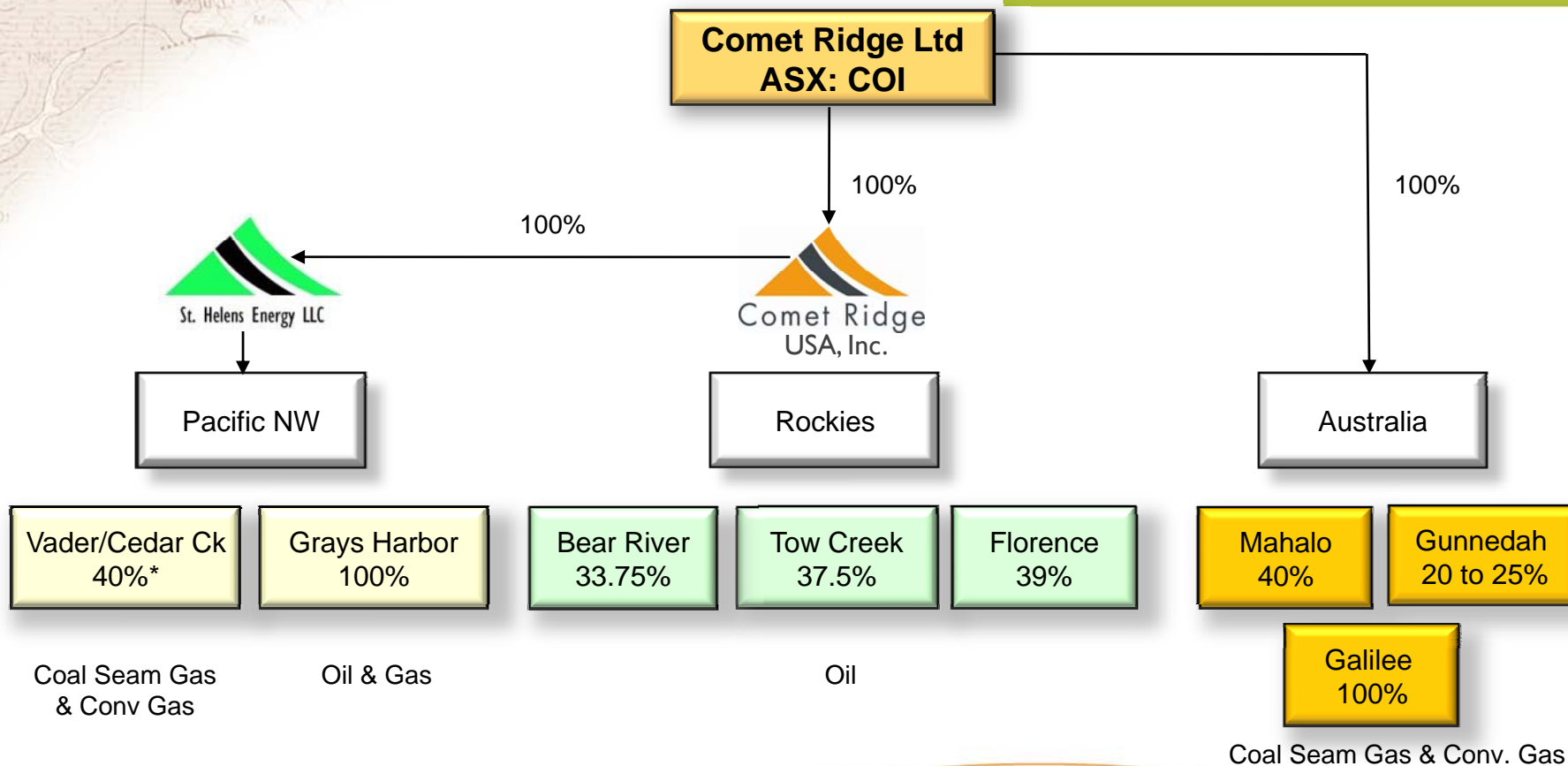
Name	Position	Experience	Located
Jeff Schneider	Chairman	30+ years	Aust
Andy Lydyard	Managing Director	26 years	USA
Gill Swaby	Company Secretary & Non Exec. Director	26 years	Aust
Simon Ashton	Non Exec. Director	30+ years	Aust
Gary Drobnack	Non Exec. Director	30+ years	USA

Name	Position	Experience	Located
Andy Lydyard	President & CEO	26 years	USA
Gary Mabie	VP Operations	40 years	USA
Pat Jackson	VP Exploration	27 years	USA
Michael Cuba	VP Land & Bus Dev.	28 years	USA
Art Stewart	Manager Operations	30 years	USA
Jim Knox	Financial Controller	18 years	USA

## PROVEN MANAGEMENT

All employees own options

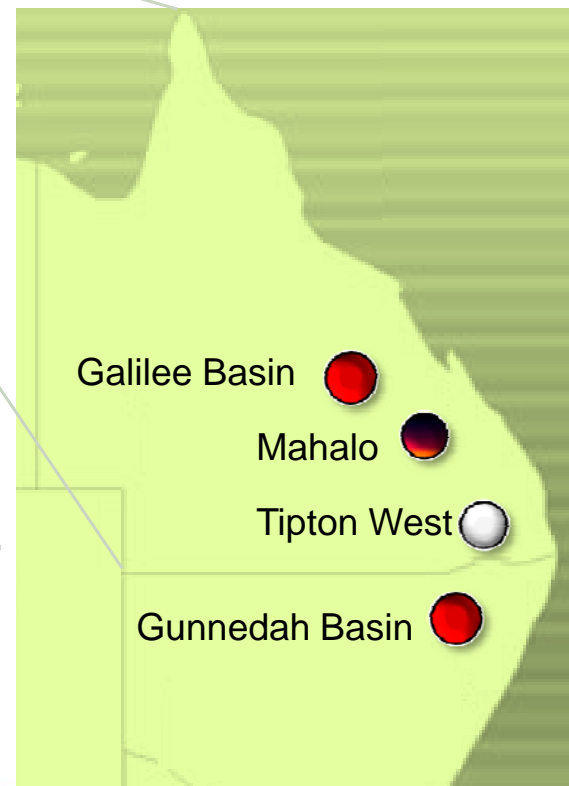
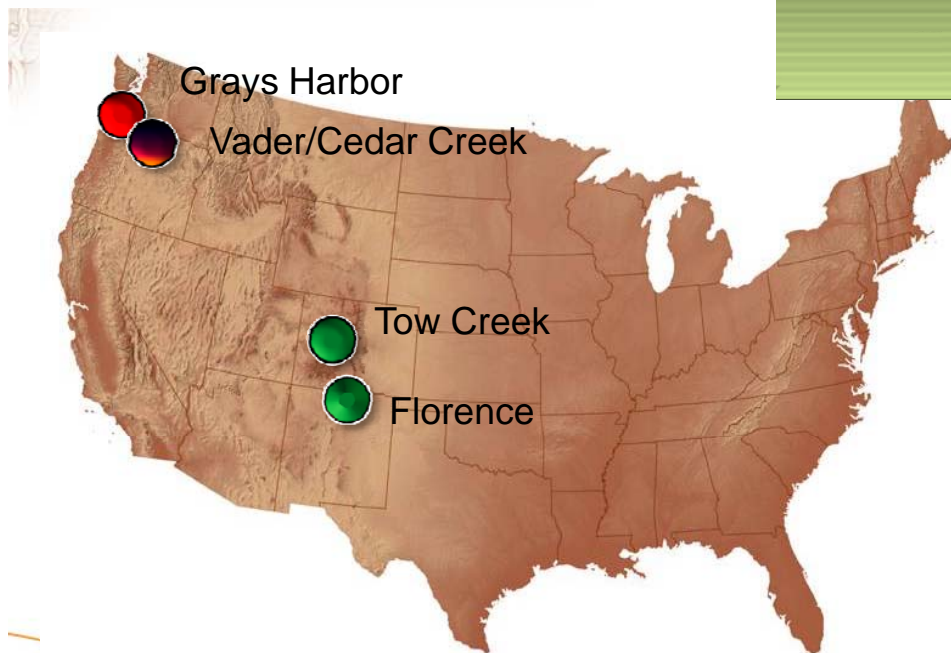
# >>Project Summary






# >>Project Areas

Targeting...

- Oil & Gas
- Coal Seam Gas



## TARGET

-  Oil
-  Gas
-  Coal seam gas

# >> Potential Value

	Grays Harbor*	Vader/ Cedar Creek	Tow Creek/ Bear River	Florence
Play Type	GAS	CSG/GAS	OIL	OIL
Modeled Reserve (Gross)	100 BCF (16.7 MMBOE)	140 BCF (23.3 MMBOE)	3.3 MMBBLS	1.5 MMBBLS
Working Interest	100%	40%	35.6% (Avg)	39%
BTAX NPV 10% (Net)	AU\$168 million	AU\$74 million	AU\$24 million	AU\$15 million
Potential value/share	AU\$1.61	AU\$0.75	AU\$0.225	AU\$ 0.15
Potential value/share	US\$1.29	US\$0.60	US\$0.18	US\$0.12

\* Considers one 100 BCF discovery only

Revenues and costs un-escalated

AU\$/share and US\$/share calculated with 104 million shares

More complete data shown in Appendix 1

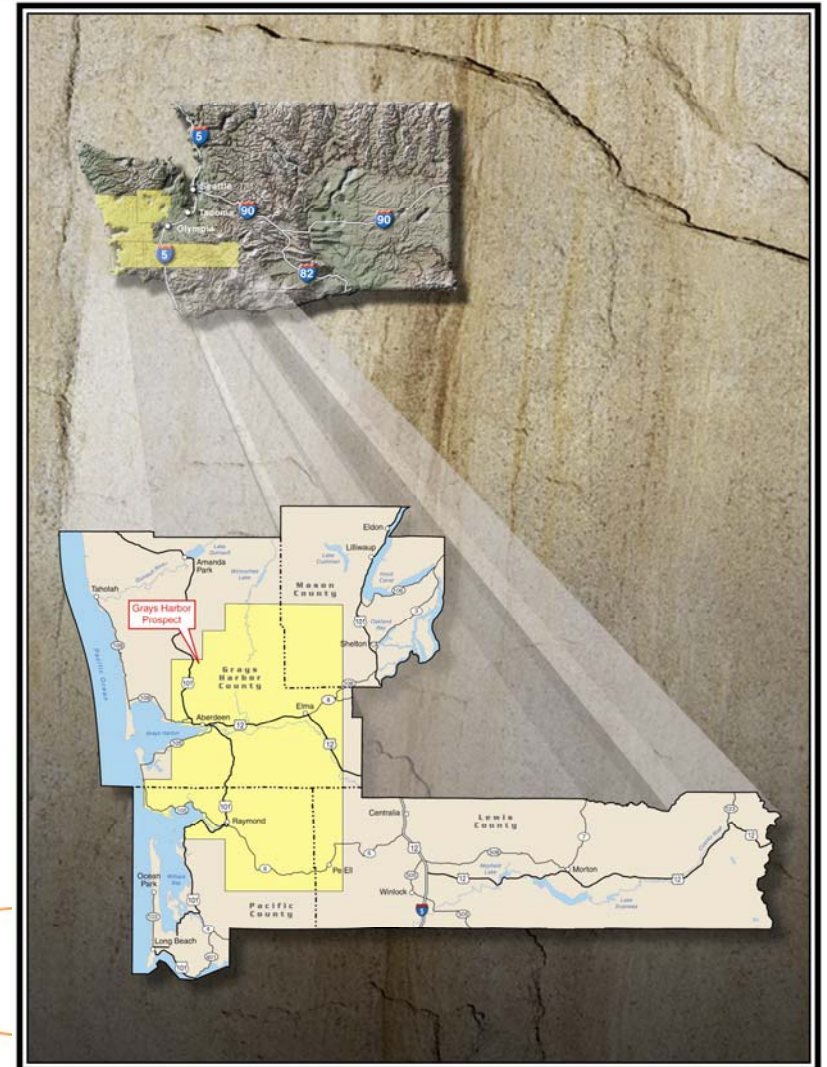
# >>Project Timeline

Assembling the team and acreage position is almost complete, significant field activity planned for 07/08

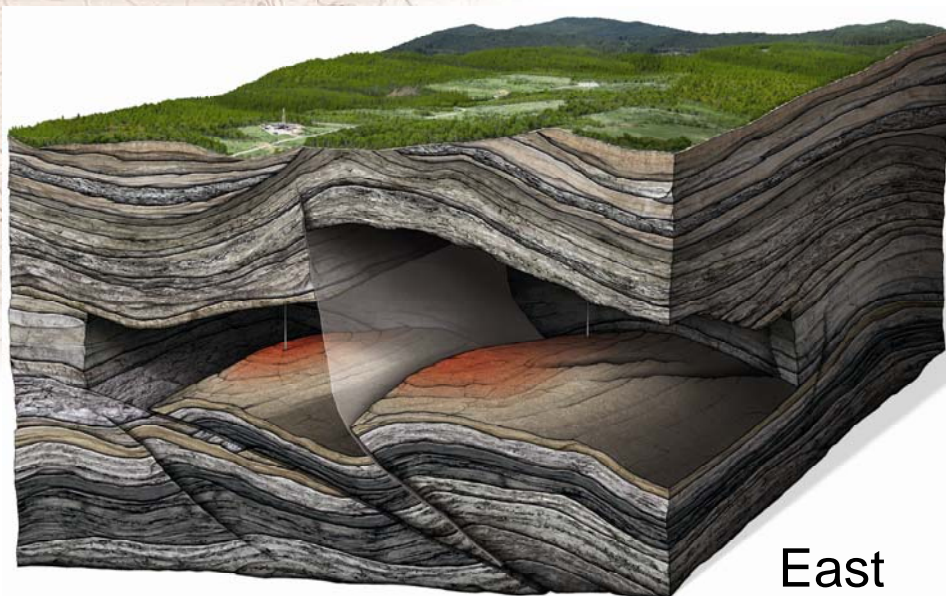
Australian Financial Year Quarter Calendar Months	2005		2006				2007				2008	
	Q3 JAS	Q4 OND	Q1 JFM	Q2 AMJ	Q3 JAS	Q4 OND	Q1 JFM	Q2 AMJ	Q3 JAS	Q4 OND	Q1 JFM	Q2 AMJ
<b>Project</b>												
US Office established		★										
Building team and Operating Capabilities												
<b>Grays Harbor (SW Washington)</b>												
Building lease position												
Technical review												
Seismic reprocessing & interp												
Planning & acquisition of new seismic												
Drilling												
Marketing of prospect												
<b>Tow Creek (Northern Colorado)</b>												
Building lease position												
Technical review												
Seismic reprocessing & interp												
Drilling												
<b>Florence (Southern Colorado)</b>												
Building lease position												
Technical review												
Planning & acquisition of new seismic												
Drilling												
<b>Cedar Creek/Vader (Southern Washington)</b>												
Building lease position												
Technical review												
Drilling												
<b>Australian Activities</b>												
Sale of Tipton West (royalty starred)												
Drilling of Mahalo 2												
Farmout of Galilee Basin Permits												

# >> Grays Harbor

- 🔦 Proven but overlooked basin
- 🔦 **Conventional oil & gas**
- 🔦 Washington State, Pacific NW USA
- 🔦 438,000 acres under lease or option
- 🔦 100% interest and operator
- 🔦 Lightly explored, proven basin
- 🔦 Strong oil and gas shows
- 🔦 Numerous large structures
- 🔦 Multiple reservoir targets
- 🔦 Excellent year round access



# >> Grays Harbor



## Unrisked In Place Gas Resource Potential

<b>P10</b>	<b>6.6 TCF</b>
P50	1.7 TCF
P90	0.5 TCF

- 2 near drillable prospects – **one with bypassed pay**
  - (100+ BCF P50)
- 38 leads - 15 to 100 BCF (P50)
- 2 wells on seismic - **one is a potential discovery**
- 42 wells - 7 deeper than 3,000ft
- Pipeline infrastructure in place
- Gas market identified
- New seismic being permitted

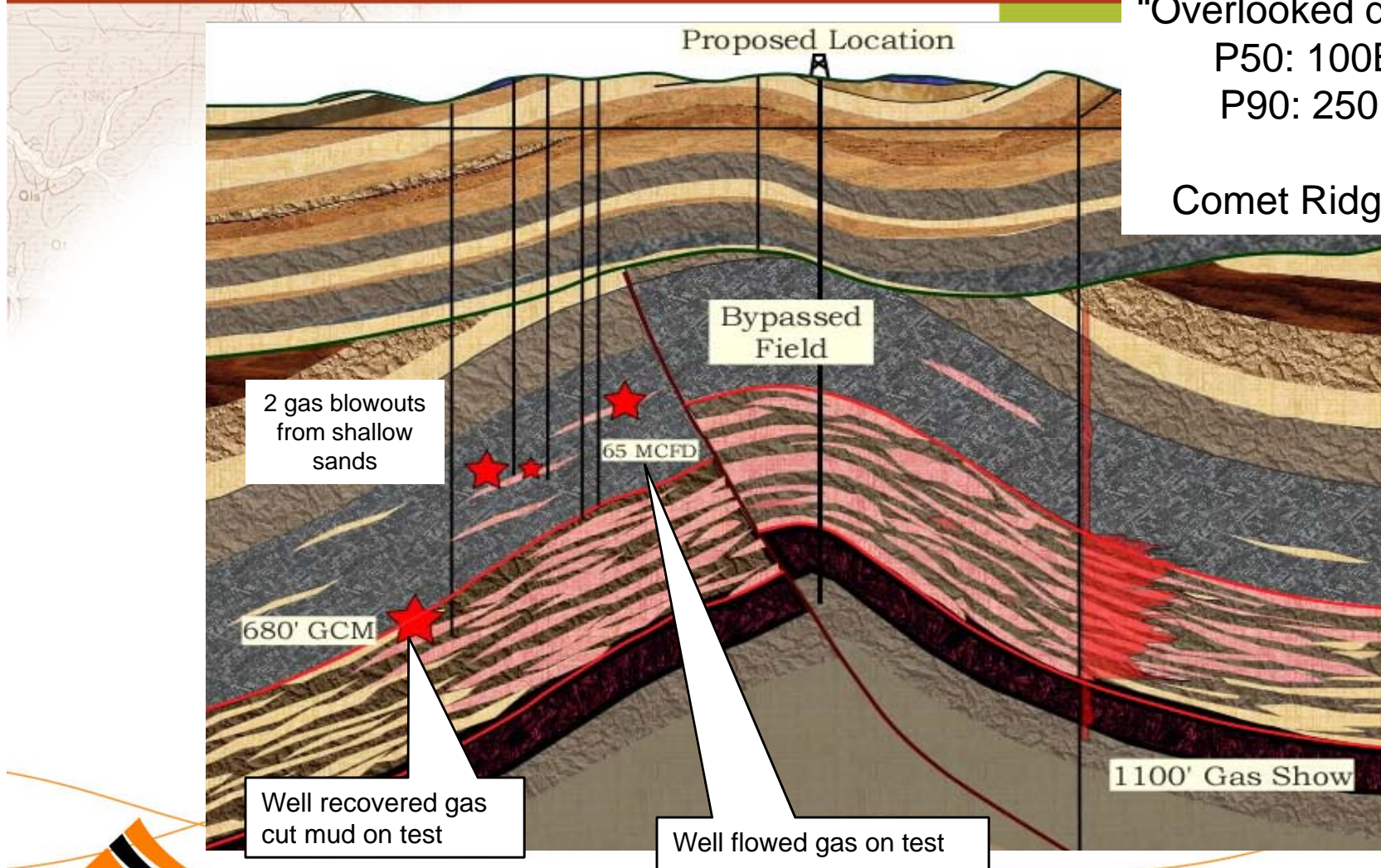
# >> Grays Harbor – Prospect “A”

**Prospect “A”**  
“Overlooked discovery”

P50: 100BCF+

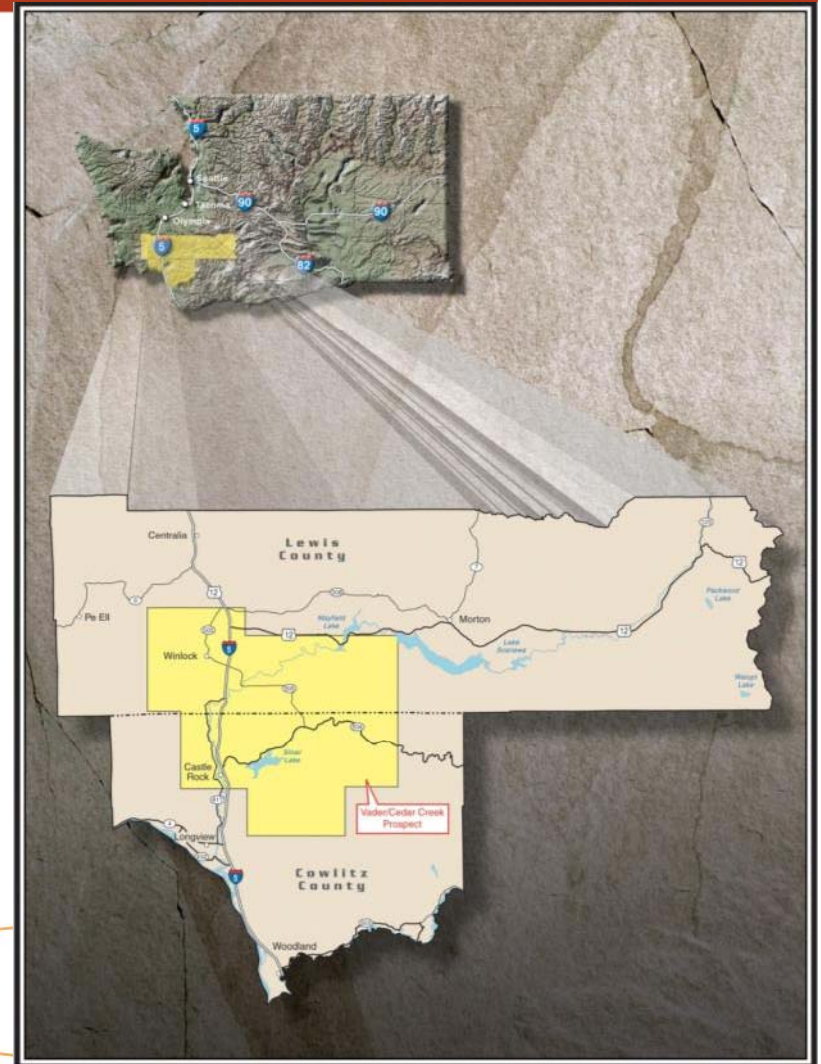
P90: 250 BCF

Comet Ridge 100%



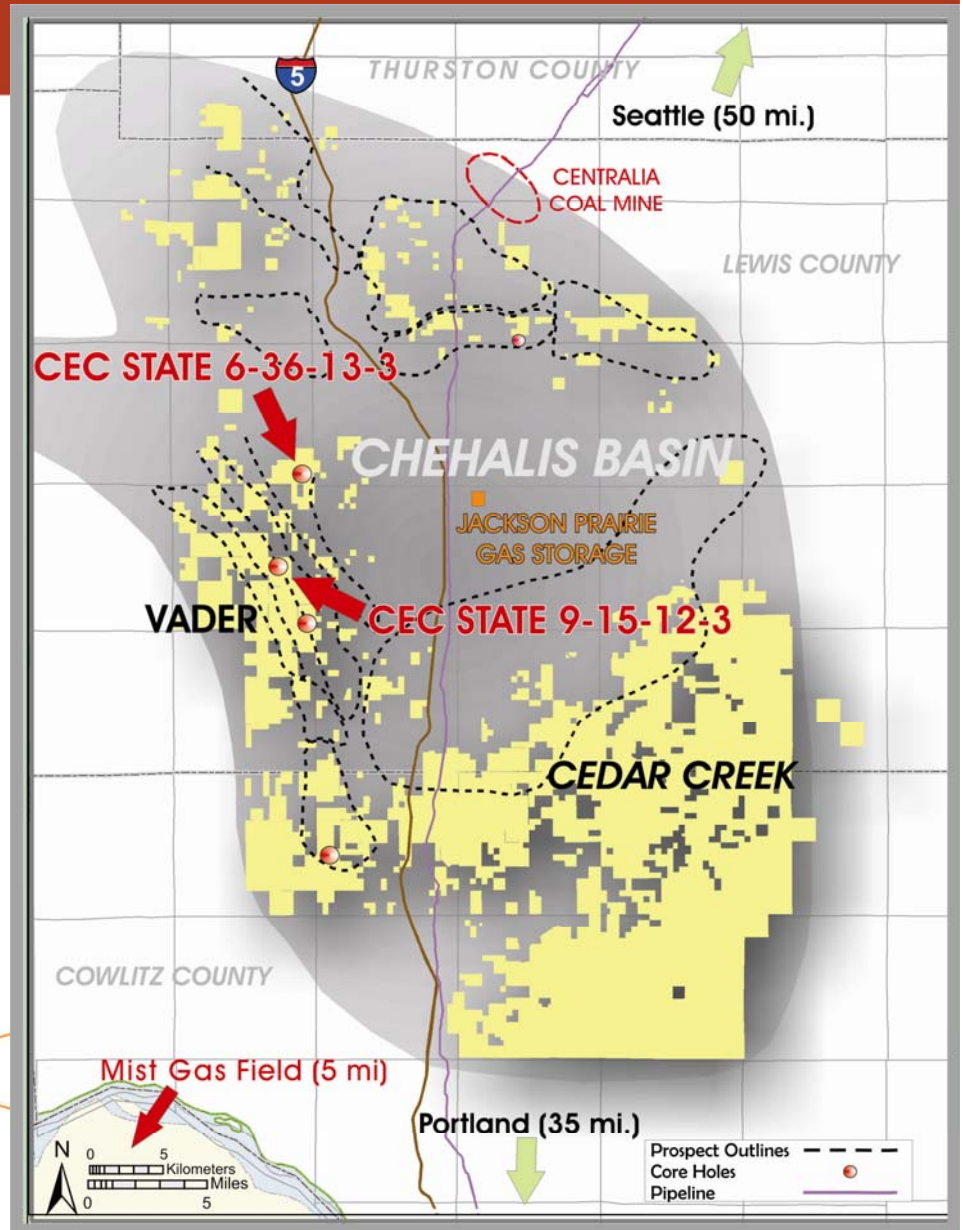
# >>Chehalis Basin

- 💧 Coal seam gas
- 💧 Washington State, Pacific NW USA
- 💧 176,000 gross/70,400 net acres
- 💧 40% interest (Cascadia Energy)



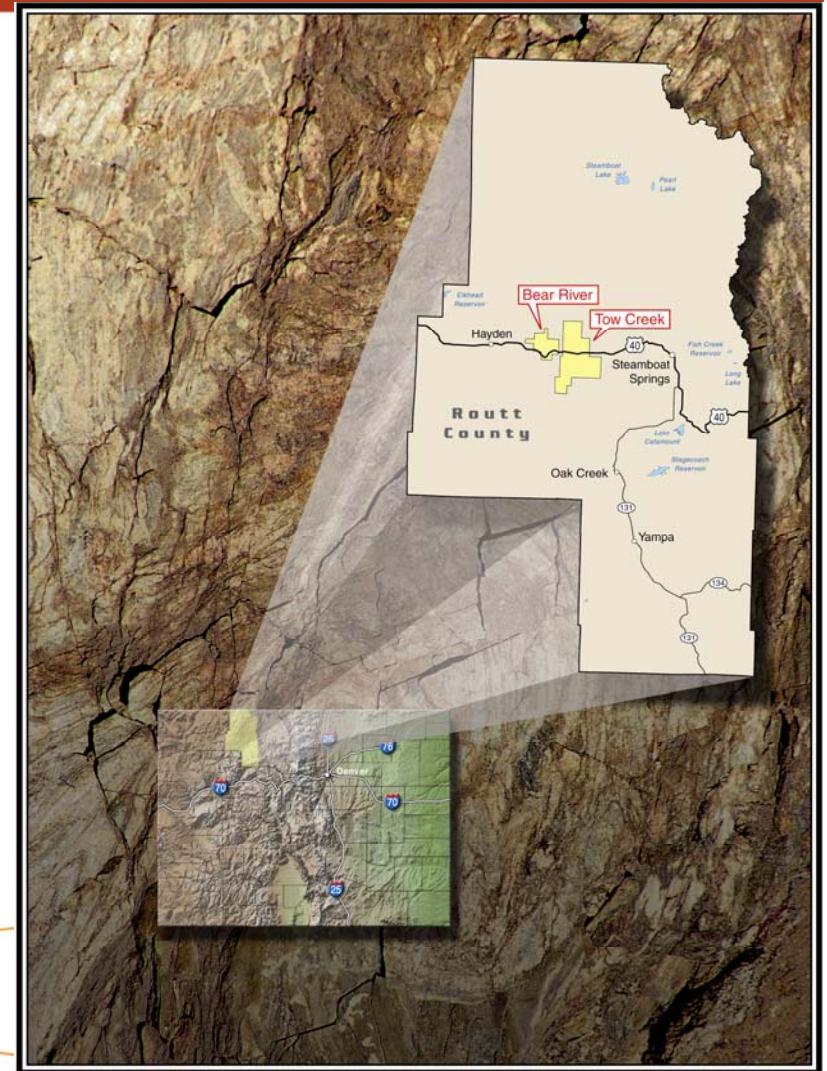
# >> Chehalis Basin

- Proven but overlooked basin
- 1 hole drilled on Vader
- 3 core hole program imminent
- Program aimed at establishing a significant gas resource in shallow coals and sands close to major pipeline infrastructure

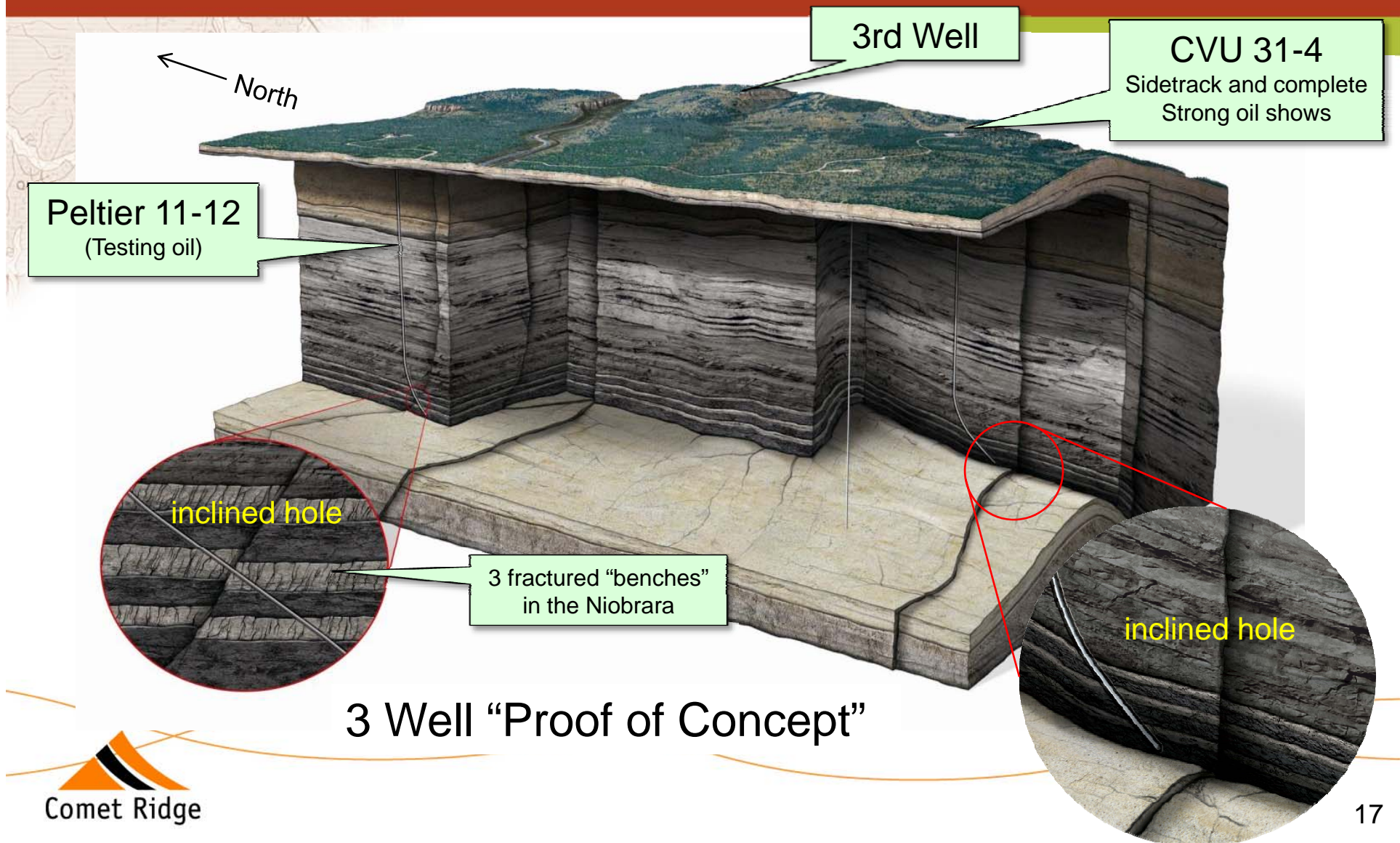


# >>Tow Creek/Bear River

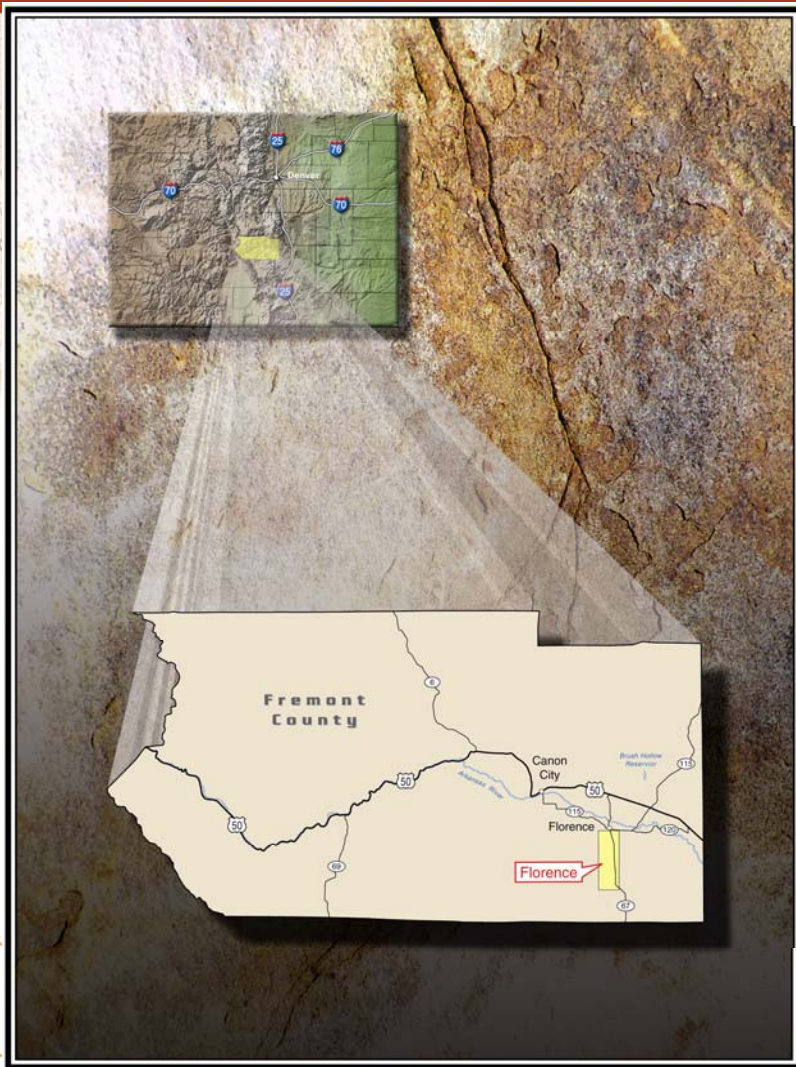
- Oil in fractured shale reservoirs
- The Rockies, USA
- Mature oil field redevelopment
- Large known oil field
  - Tow Creek 200 MMBO in place\*  
Recovered 6 MMBO (3%)
- 16,000 acres leased
- Operator
  - Tow Creek (37.5% interest)
  - Bear River (33.75% interest)
- Sidetrack + 1 well in 2007
- Ready market – premium prices
- Play expansion possible



# >> Tow Creek/Bear River – Exploration Concept



## >> Florence



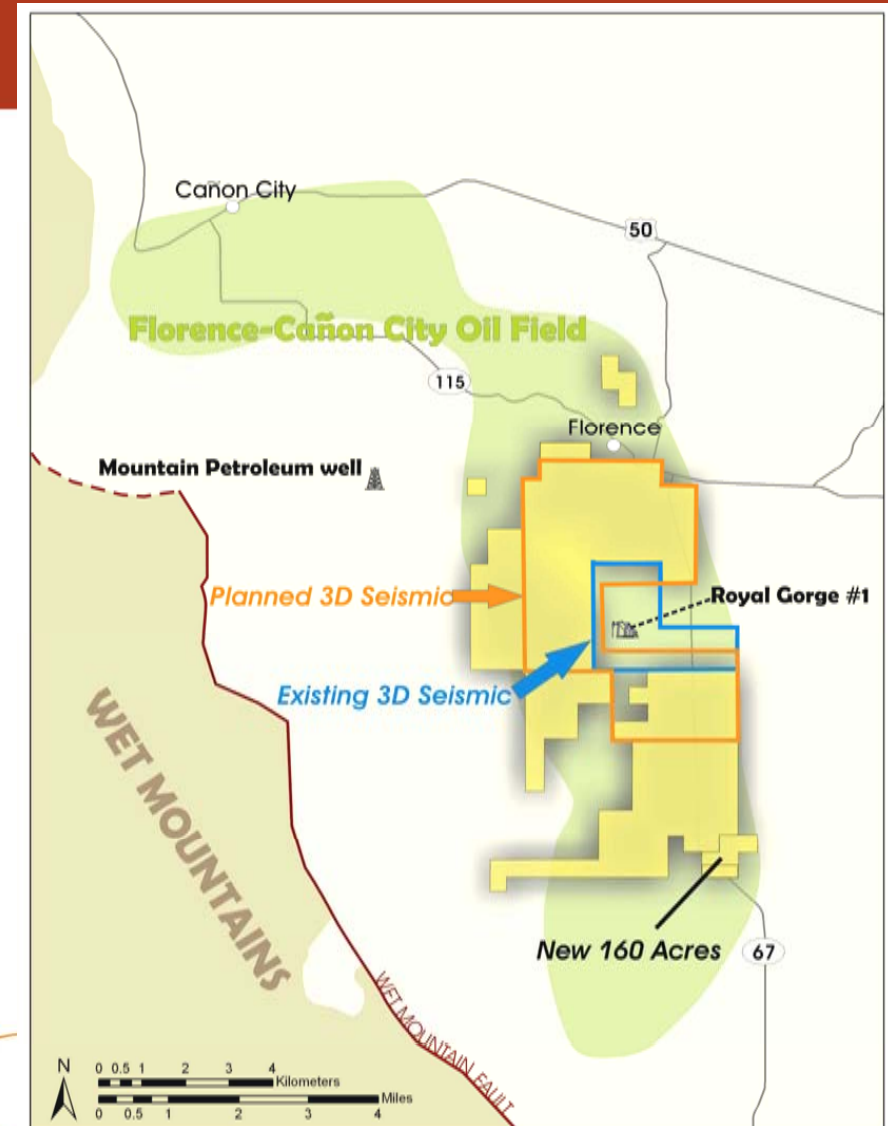
Comet Ridge

- Oil in fractured shales
- Central Colorado, USA
- 7,000 acres under lease
- Operator with 39%
- Mature oil field redevelopment
- 8 sq mi 3D seismic program in 2007
- 3 wells later in the year
- Multiple objectives
  - Deeper zones very lightly drilled
  - Shallow zones – vertical wells
- 15 MMBO recovered to date

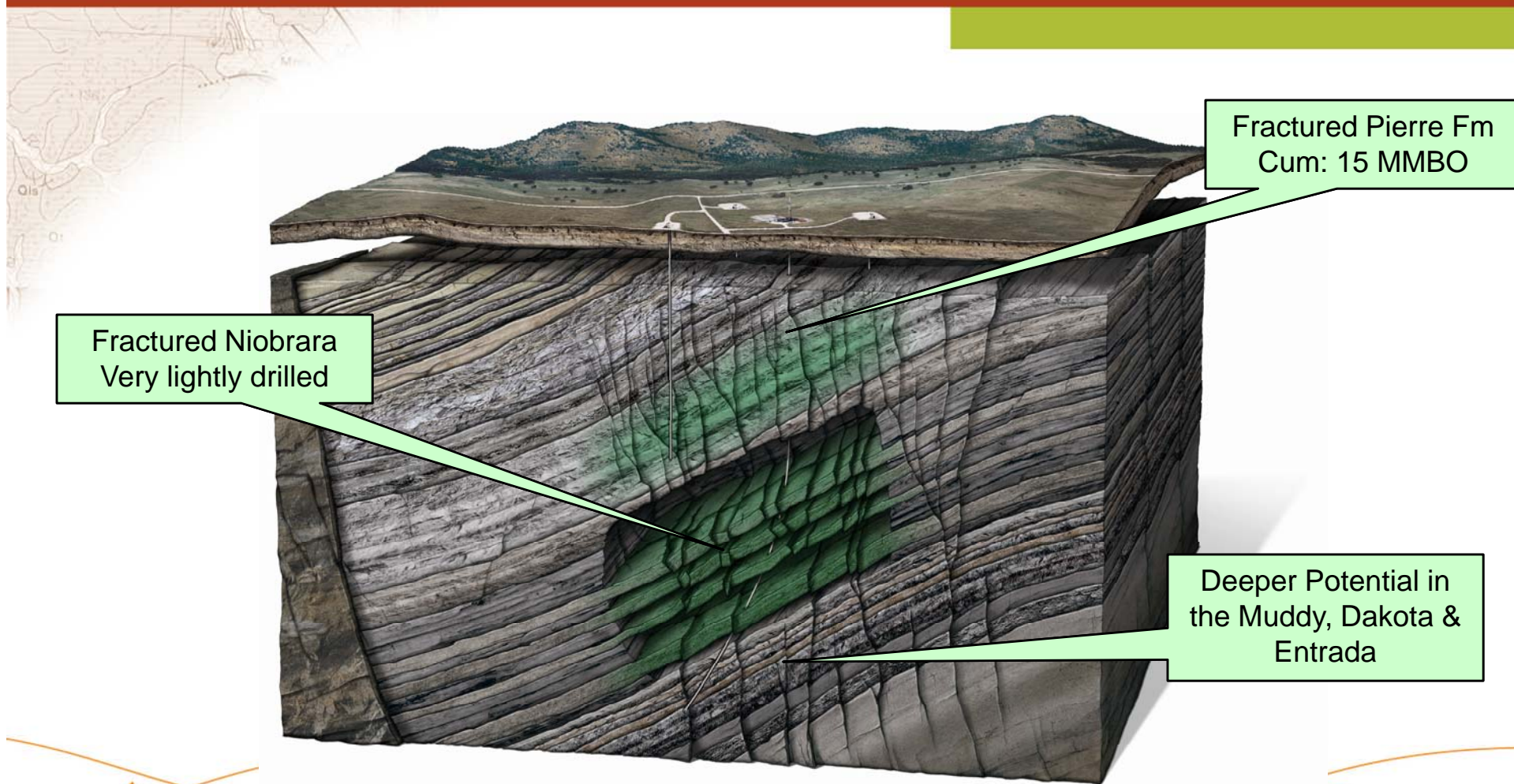


## >> Florence

- Field discovered 1862
- 15 MMBO produced from shallow fractured shales
- Field largely abandoned
- Deeper potential virtually untested
- Royal Gorge 1 producing 100 BOPD
  - 72,000 barrels in 2 years
- Mountain Petroleum well cased
  - 100 to 200 BCF gas + 15 MMBO
- 8+ mile<sup>2</sup> 3D seismic survey complete



# >> Florence - Exploration Concept



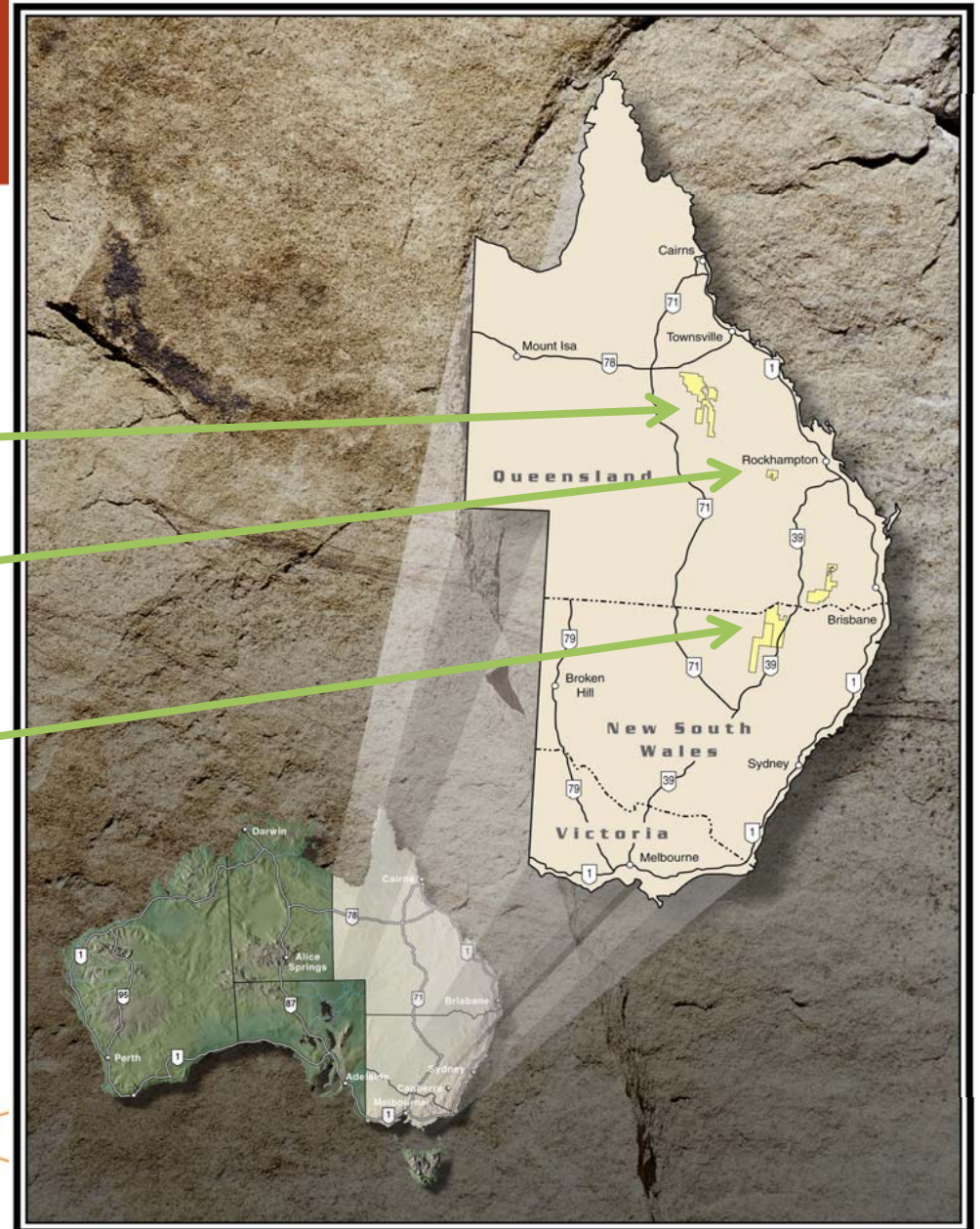
Fractured Pierre Fm  
Cum: 15 MMBO

Fractured Niobrara  
Very lightly drilled

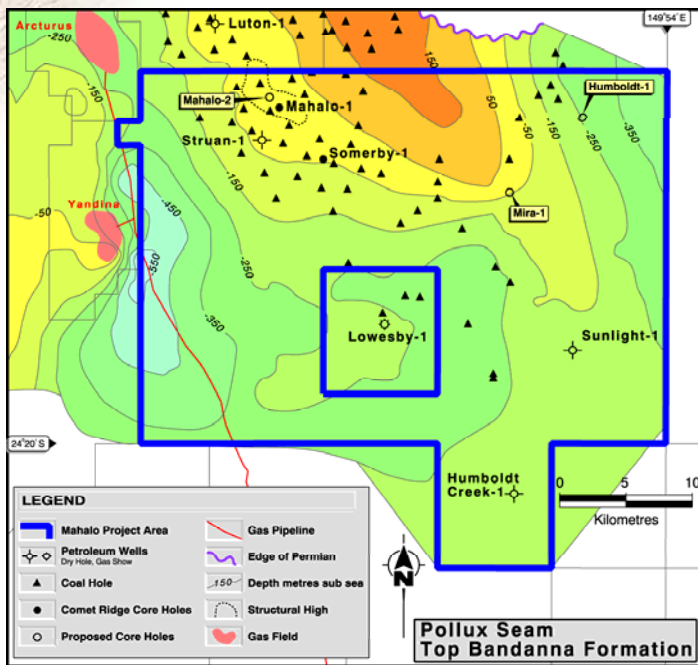
Deeper Potential in  
the Muddy, Dakota &  
Entrada

# >> Australian Projects

- 🔦 Galilee Basin – ATP's 743/744
- 🔦 Mahalo – ATP 337P
- 🔦 Gunnedah Basin – PEL's 427/428



# >>Mahalo



- Coal seam gas
- Northern ATP 337P, Qld, Australia
- Significant contingent gas resource (180 – 990 BCF)
- 40% non operated Interest
- 260,000 acres
- Partners are Santos and Origin Energy
- Project can deliver shareholder value
  - Significant CSG transactions, market growth and demise of PNG pipeline
- 5 holes drilled, further work warranted

## >> Activity & Capital Program

Region	Project	2007/08 Activity	Net Capital (US\$ million)
<b>Australia</b>	Mahalo	TBD	TBD
	Gunnedah Basin	Seismic + 2 wells	Farmed out
	Galilee Basin	Technical Studies	Farmed out
	Tipton West Royalty	SOLD	0
<b>USA</b>	Tow Creek/ Bear River	2 to 4 wells	\$1.2 to 2.5
	Florence	Seismic + 3 wells	\$1
	Grays Harbor	Seismic + 1 well	\$4 to 7
	Vader/Cedar Creek	4 wells	\$1.0
	<b>TOTAL</b>	<b>10 to 12 wells</b>	<b>\$7.2 to 11.5</b>



## >> Funding Sources

Exploration Funding Requirement: US\$7.2 to 11.5 million  
(over next 12 months)

- Current cash
  - Cash on hand US\$5.0 million  
(Includes proceeds from TPW sale)
- Industry partners
  - Farm-outs (marketing underway)



## >> Summary

- Strong diversified portfolio
- Conventional oil and gas and coal seam gas
- Material interests
- Operator of most US projects
- Experienced board and proven US based management team
- 10 to 12 wells planned in 2007/08

*Company has the people and the projects that, with success, can deliver significant share appreciation in the coming 12 months*

# >>Glossary

## Oil & Gas Terminology:

### Crude Oil

- 💡 BBLs – Barrels of Oil
- 💡 BOE – Barrels of Oil Equivalent (1 BOE= 6MCF gas)
- 💡 BOPD – Barrels of Oil per Day
- 💡 MBBLs – Thousand Barrels of Oil
- 💡 MBOE – Thousand Barrels of Oil Equivalent
- 💡 MMBBLs - Million Barrels of Oil
- 💡 MMBOE – Million Barrels of Oil Equivalent

### Natural Gas

- 💡 MCF – thousand cubic feet (approximately equal to 1 GigaJoule)
- 💡 MCFD – thousand cubic feet per day
- 💡 MMCF – Million cubic feet (approximately equal to 1 TeraJoule)
- 💡 BCF – Billion cubic feet (approximately equal to 1 PetaJoule)
- 💡 TCF - Trillion cubic feet (approximately equal to 1000 PJ)

# >>Contacts

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## >> Appendix 1 - Economics

	Grays Harbor	Vader/ Cedar Creek	Tow Creek/ Bear River	Florence
Play Type	GAS	CSG/GAS	OIL	OIL
Modeled Reserve (Gross)	100 BCF (16.7 MMBOE)	140 BCF (25.3 MMBOE)	3.3 MMBBLS	1.5 MMBBLS
Number of wells	20	400	11	10
Initial Rate	5 MMCFD/well	200 MCFD/well	150 BOPD	100 BOPD
Recovery per well	5 BCF (902,650 BOE)	0.35 BCF (63,186 BOE)	300,000 BBLS	100,000 BBLS
Cost per well	\$2.9MM	\$245,000	\$2.2 million	\$600,000
Total Capital (Net)	\$57 million	\$39.2 million	\$8.14 million	\$2.34 million
Operating Expenses	\$0.50/MCF \$0.45/MCF trans	\$0.50/MCF \$0.45/MCF trans	\$1,500/well/mo	\$1,500/well/mo
Working Interest	100%	40%	35.6% (Avg)	39%
Product Price	\$5/MCF flat	\$5/MCF flat	\$60/BBL flat	\$60/BBL flat
BTAX NPV 10%	\$134 million	\$59 million	\$19.4 million	\$12 million
IRR	>100%	66%	>100%	>100%
Potential value/share	US\$1.29	US\$0.60	\$0.18/share	\$0.12/share

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