9 November 2007

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

PROJECT UPDATE – FLORENCE, CO

The Board of Directors of Comet Ridge Limited is pleased to provide an update for the Florence project in Fremont County, Colorado (Figure 1).

The Company is in the process of finalizing an initial inventory of 10 well locations that will be permitted for drilling in the New Year. These locations will test as many as 6 different geological concepts including the proven field pays in the Pierre Formation, the Niobrara Formation and a number of other horizons that lie deeper in the section.

The 3D seismic survey shot earlier in the year (orange outline on Figure 2) has provided a unique insight into the orientation of the more prolific production trends in the old Florence field and has provided numerous offset drilling locations in the shallow Pierre Formation (typically less than 3,000 feet (915 m) depth). The high quality data also shows seismic anomalies in deeper sandstone objectives in the Dakota, Lakota and Codell sandstone reservoirs (all objectives are at depths less than 5,000 feet (1,525 m)) and has revealed numerous potential fault block traps in the Niobrara Formation.

Target sizes per well in the Pierre Formation range between 100,000 and 300,000 barrels of oil based on offset well production where the wells fall within mapped seismic anomalies. The Niobrara and deeper well reserve targets are a little harder to predict due to the lack of established production in the Florence field in those zones, however the recently drilled Mountain Petroleum well (Figure 2), two miles to the west and down dip from Comet Ridge's lease position, is reported to have established oil production from the combined Niobrara and Codell reservoirs. Good indications of oil and gas have been encountered in both zones in number of wells drilled on or adjacent to Comet Ridge's leasehold, so the potential exists to extend the production under the Company's leases. Both horizons are prolific producers in the Wattenberg field some 50 to 60 miles to the north.

ABOUT COMET RIDGE

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

The Company's strategy is to control large acreage positions covering oil and gas opportunities in mature fields and in proven, but overlooked, basins. As much as possible, it operates these projects in order to directly control desired outcomes.

Comet Ridge draws on considerable prior experience in the USA to develop its Pacific Northwest & Rocky Mountain projects

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

USA
Pacific Northwest
- Grays Harbor (100%)
- Chehalis Basin (40%)

Rocky Mountains
- Florence (39%)
- Tow Creek (37.5%)
- Bear River (33.75%)

AUSTRALIA
Queensland
- Mahalo (40%)
- Galilee Basin (100%)

New South Wales
- Gunnedah Basin (60 – 70 %)

ASX CODE: COI

ASX Listed:……………….19 April 04
Shares on issue: ………..104 million
Unlisted options: ……… 9.9 million
Top 20: …………………… 44%
Directors: ………………… 12%

Comet Ridge

Australia
C/- Endeavour Corporate
Suite 8, 7 The Esplanade
Mt Pleasant, Western Australia 6153
Phone: +61 8 9316 9100
Fax: +61 8 9315 5475

USA
600 17th Street, Suite 800-S
Denver, Colorado 80202
Phone: +1 [303] 226.1300
Fax: +1 [303] 226.1301

E-mail: comet@cometridge.com.au
www.cometridge.com.au

Drilling is expected to commence once the permits are received from the State of Colorado. The Company has a number of options regarding rig equipment and expects to be able to secure such in the coming weeks. The initial program is likely to consist of three of the ten locations.

The Florence oil field was the second oil field discovered in the United States of America with the discovery well drilled in 1862. The field is located approximately 87 miles (140 km) south of Denver and 25 miles (40 km) west of Pueblo (Figure 1). The oil field has produced approximately 15 MMBO in its 144 year history from an area of approximately 25 square miles (65 sq km). Comet Ridge controls approximately 7,400 acres (almost 30 sq km) over the most prolific part of the field (yellow area on Figure 2) and has been able to develop a large number of potential drilling locations.

The Florence project is important to Comet Ridge as it provides the opportunity for drilling, production, reserves and cash flow in the near term. The company operates the project with a 39% working interest.

Andy Lydyard
Managing Director

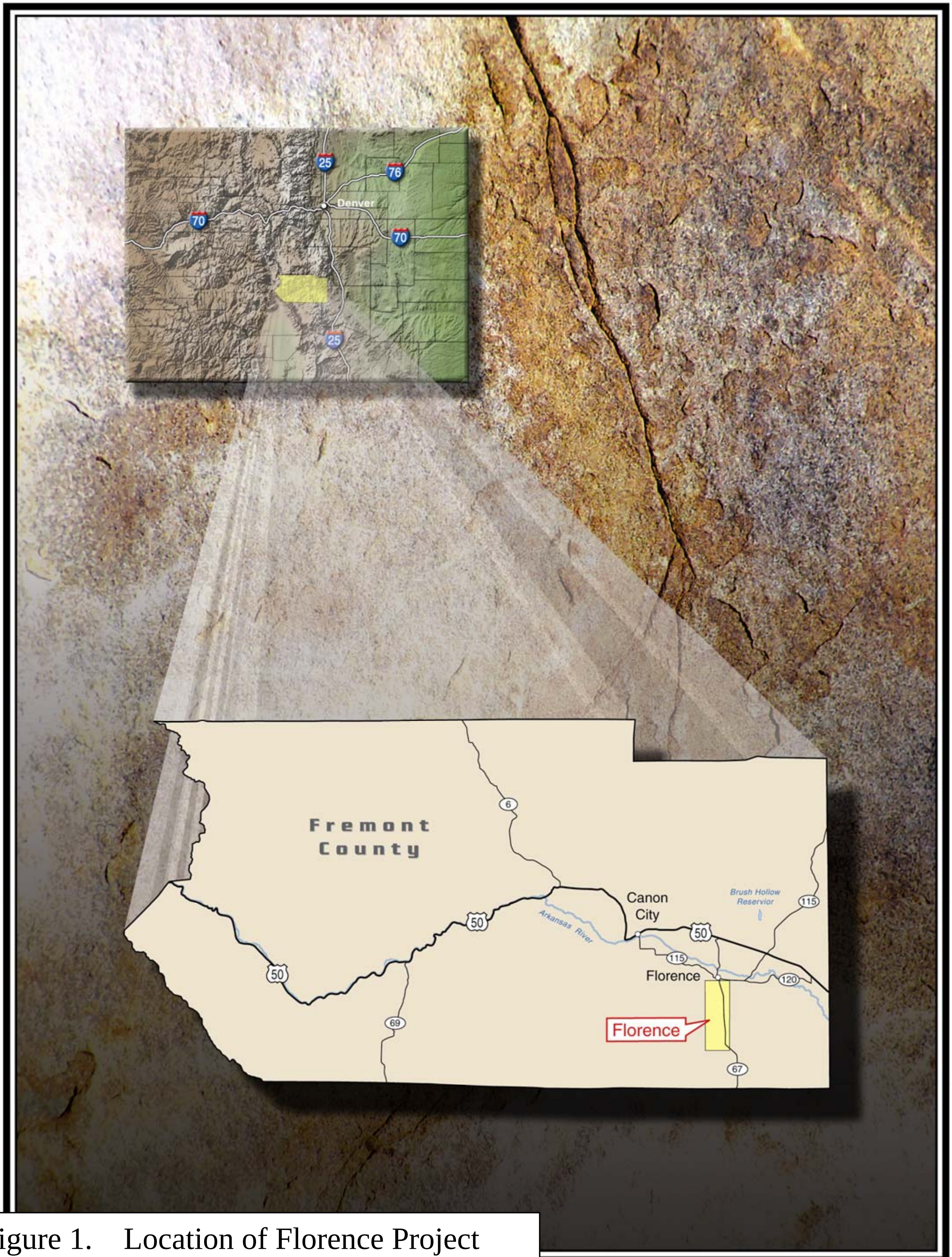

Figure 1. Location of Florence Project
Fremont County, Colorado

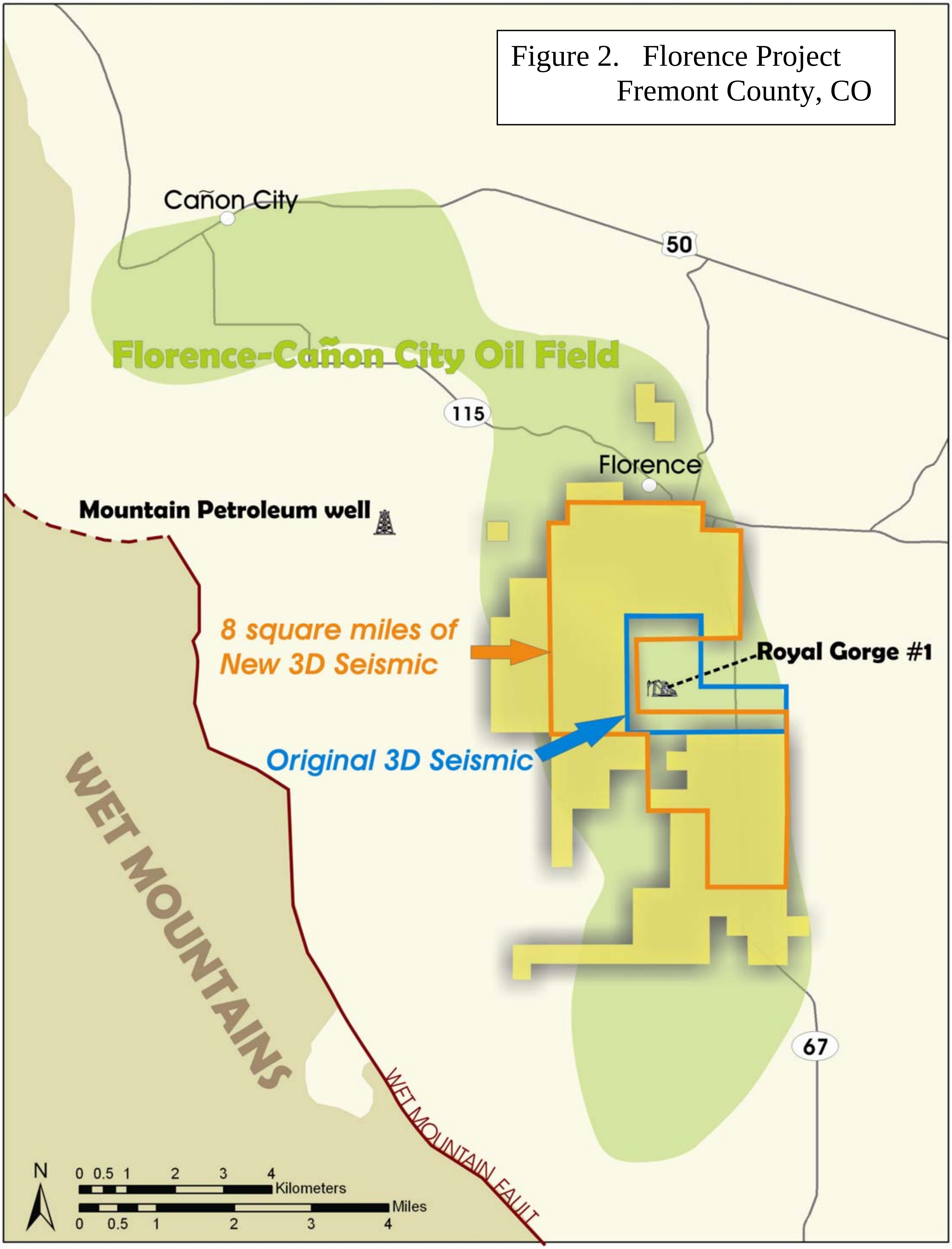

Figure 2. Florence Project
Fremont County, CO