

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Comet Ridge Ltd

ABN

47 106 092 577

Quarter ended ("current quarter")

30 June 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter US\$'000	Year to date 12 months US\$'000
1.1 Receipts from product sales and related debtors	-	7
1.2 Payments for (a)exploration and evaluation	(796)	(3,018)
(b) development	-	(5)
(c) production	(22)	(73)
(d) administration	(403)	(1,712)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	109
1.5 Interest and other costs of finance paid	(7)	(7)
1.6 Income taxes paid	-	-
1.7 Net cash inflows (outflows) attributable to joint venture partners on operated projects	699	519
Net Operating Cash Flows	(522)	(4,180)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	(535)	(1,251)
(b)equity investments	-	-
(c) other fixed assets	(4)	(73)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (sale of oil and gas interests)	424	3,436
Net investing cash flows	(115)	2,112
1.13 Total operating and investing cash flows (carried forward)	(637)	(2,068)

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(637)	(2,068)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	96	96
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	1,000	1,000
1.17	Repayment of borrowings	(1,000)	(1,000)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	96	96
	Net increase (decrease) in cash held	(541)	(1,972)
1.20	Cash at beginning of quarter/year	1,302	2,629
1.21	Exchange rate adjustments to item 1.20	4	108
1.22	Cash at end of quarter	765	765

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter US\$'000
1.2 Aggregate amount of payments to the parties included in item 1.2	115
1.2 Aggregate amount of loans to the parties included in item 1.10	-

1.2 Explanation necessary for an understanding of the transactions

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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Contributed \$7,000,000 of USA assets in exchange for a 43.6% minority interest in a new USA based oil and gas company called Comet Ridge Resources, LLC.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available US\$'000	Amount used US\$'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	US\$'000
4.1 Exploration and evaluation	100
4.2 Development	-
Total	100

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Curent quarter US\$'000	Previous quarter US\$'000
5.1 Cash on hand and at bank	765	1,302
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	765	1,302

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Tow Creek, Colorado Bear River, Colorado Florence, Colorado Grays Harbor, Wash Chehalis, Washington	Contributed all net acreage in exchange for minority ownership in new USA entity	37.50% 38.75% 39.00% 100.00% 10.00%	0.00% 0.00% 0.00% 0.00% 0.00%

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6.2 Interests in mining
tenements acquired or
increased

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference +securities (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs, redemptions				
7.3	+Ordinary securities	105,375,950	105,375,950		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs	500,000	500,000		
7.5	+Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

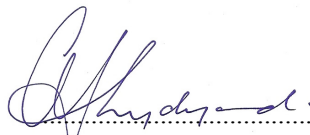
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7.7	Options <i>(description and conversion factor)</i>	1,500,000		<i>Exercise price</i> AU\$ 20 cents	<i>Expiry date</i> 31 December 2008
		450,000		AU\$ 40 cents	11 May 2009
		75,000		AU\$ 45 cents	26 June 2009
		1,000,000		AU\$ 45 cents	31 July 2009
		955,000		AU\$ 45 cents	10 November 2009
		3,500,000		AU\$ 45 cents	31 December 2009
		1,900,000		AU\$ 45 cents	31 July 2011
		30,000		AU\$ 45 cents	4 September 2011
		65,000		AU\$ 45 cents	2 December 2011
		300,000		AU\$ 45 cents	6 December 2011
7.8	Issued during quarter				
7.9	Exercised during quarter	500,000		AU\$ 20 cents	18 August 2008
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX \(see note 4\)](#).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:


(Managing Director)

Date: 30 July 2008

Print name:

Andrew Lydyard

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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