



26 June 2009

Comet Ridge Announces Amendment of Option Terms

As Shareholders would be aware Comet Ridge Limited (**Comet Ridge** or the **Company**) recently announced the successful completion of a placement to professional and sophisticated investors to raise A\$7.5M before costs (**Placement**). The Placement was managed by Wilson HTM Corporate Finance Limited with 22,000,000 new shares subscribed for at A\$0.34 per share.

In conjunction with the Placement, the Company gave all eligible Comet Ridge Shareholders the opportunity to participate in a non-renounceable entitlement offer (**Entitlement Offer**) to acquire 1 new (**New Share**) for every 5 shares held as at 27 May 2009 being the Record Date to raise approximately A\$13.8M. The Entitlement Offer closed on 18 June 2009 and trading in the New Shares is expected to commence on or about 29 June 2009.

Comet Ridge currently has 32,867,500 Options on issue which were granted pursuant to the Company's Option Plan Rules (**Plan Rules**). The exercise price of the Options range from A\$0.20 to A\$0.45.

Pursuant to the Plan Rules, Option Holders did not have a right to participate in the Entitlement Offer without exercising their Options in accordance with Listing Rule 6.19. The Company wishes to advise that no Option Holders exercised their options prior to the Record Date and accordingly did not participate in the Entitlement Offer.

As a result of the Entitlement Offer and the effective dilution of the Options, the Directors have resolved to exercise their discretion to recalculate the exercise price of the Options downward pursuant to Listing Rule 6.22.2.

In exercising their discretion, the Directors considered a number of factors including their obligations pursuant to the *Corporations Act Cth 2001* and their duty to act in the best interests of the Company and are satisfied that effecting a downward amendment to the exercise price of the Options is a proper and responsible exercise of their discretionary power.

Applying the formula set out in that Rule, and which is also incorporated in the Plan Rules, the new exercise prices for the Options currently on issue will be adjusted as per the table below:

Option Price	
From \$0.20	To \$0.169
\$0.30	\$0.269
\$0.45	\$0.419

All other terms of the Options as set out in the Plan Rules remain unchanged.

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Pursuant to the Plan Rules, the Company has within 1 month of the Record Date of the Entitlement Offer written each Option Holder notifying and explaining how the adjustment formulae has been applied and has notified the ASX of the adjustment to the exercise price of the Options.

The Company will be issuing a new Option Certificate with respect to all Options on issue to reflect the revised exercise price. Enquiries about the amendment or the option terms should be directed to the Company Secretary, Stephen Rodgers on +61 7 3221 3661.

COMET RIDGE LIMITED - OVERVIEW

Comet Ridge Limited is a Brisbane based, ASX-listed (ASX Code: COI) coal seam gas (CSG) exploration and development company with a focus on Queensland, NSW and New Zealand. The Company also has exposure to prospective conventional oil and gas fields in the United States via a joint venture.

The Company has several projects in various stages of maturity. Comet Ridge Limited plans to grow shareholder value through the establishment and development of gas reserves from the significant resource potential of its projects.



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