



17 May 2011

Denver based Comet Ridge Resources LLC divests Sweet Pea Exploration Area for US\$28.5 million

Brisbane based Comet Ridge Limited (ASX: COI) today announced that Comet Ridge Resources LLC (CRR) has signed a binding agreement to sell its interest in the Sweet Pea exploration area in the Southern Denver Julesburg Basin, Colorado USA to an undisclosed buyer for US\$28.5 million. Comet Ridge Limited has a 17.257 % equity interest in CRR.

The exploration area lies to the northeast of CRR's producing Florence oil field where the Company produced an average of 631 barrels of oil per day during the first quarter 2011. The Florence project has produced over 300,000 barrels of cumulative oil to date and CRR is in the process of completing and testing an additional five wells.

CRR is now well positioned to focus on pursuing high value and short payback oil targets in the Florence field, testing the large Caldwell Creek structure at Grays Harbor in Washington State later this year and to capture new business opportunities.



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COMET RIDGE LIMITED - OVERVIEW

Comet Ridge Limited has significant Coal Seam Gas (CSG) projects in key regions of Queensland, northern New South Wales and New Zealand, as well as oil and gas interests in the United States. Gas resources have been independently certified at three projects. The company is listed on the Australian Securities Exchange (ASX Code: COI) and is based in Brisbane. The Board and Management are experienced in establishing and developing energy projects.

Corporate Strategy

Comet Ridge has gained early entry into well-located exploration areas, allowing shareholders to gain substantial leverage into the upside value potential associated with exploration success.

Comet Ridge conducts CSG exploration and appraisal, with the aim of maturing exploration acreage from Gas Resources into Proven and Probable Gas Reserves. This process initially involves drilling wells in order to certify Prospective and Contingent Resources and then through further appraisal via Pilot Projects, progressing into certified Reserves.

Where possible, Comet Ridge takes high equity positions in its large exploration permits, including a 100% interest in both its Galilee Basin and New Zealand assets. Comet Ridge has 40% equity in the ATP 337P Mahalo block in the Bowen Basin, and holds 25% and 40% equity respectively in PEL 427 and PEL 428 in NSW.

Certified Resources

In executing our strategy, Comet Ridge has successfully independently certified the following Prospective and Contingent Resources:

Comet Ridge Limited – Net Recoverable Resources			
Project	Location	Contingent Resource (PJ)	Prospective Resource (PJ)
Gunn Project Area (ATP 744P)	Galilee Basin, Qld	1,870	597
Mahalo Block (ATP 337P)	Bowen Basin, Qld	442	-
PEL 427 and PEL 428	Northern NSW	231	1022
Total		2,521	1,415

Work Program

Comet Ridge has an active exploration and appraisal work program for CSG projects in Queensland, northern NSW and New Zealand. The first Pilot Project for ATP 337P Mahalo is planned for 2011, with additional exploration and appraisal work planned for the Galilee Basin, northern NSW and NZ.



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