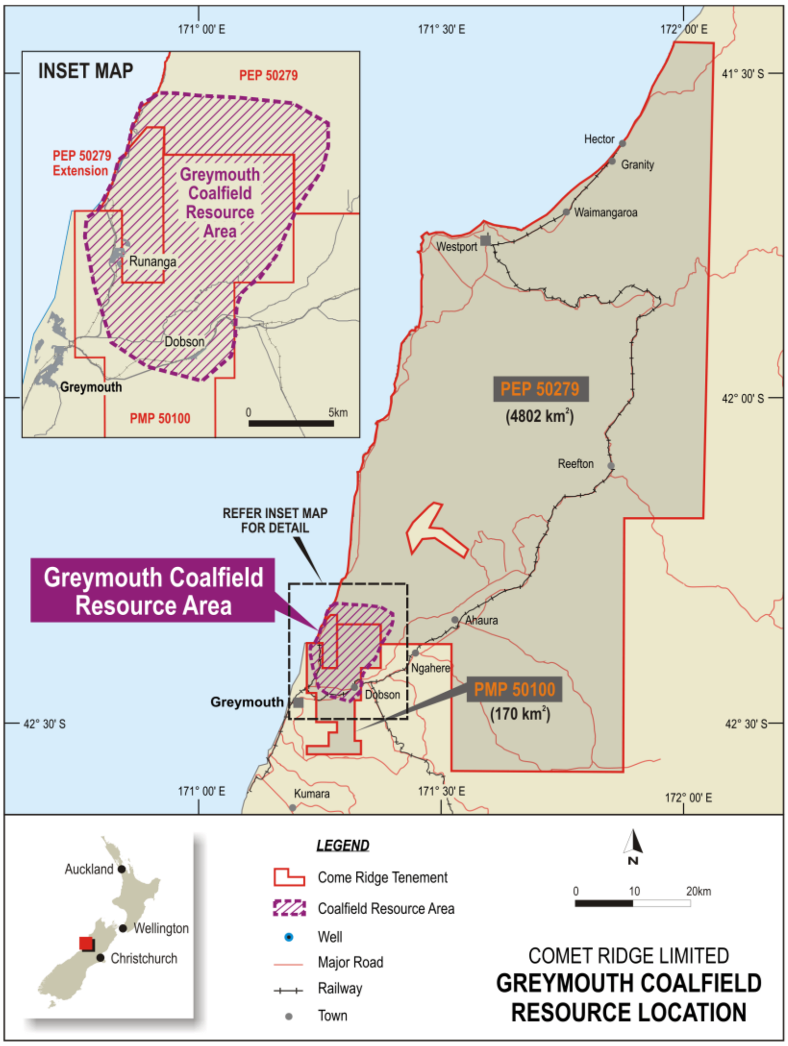
26 September 2011

Comet Ridge announces Recoverable Gas Resource Certification for New Zealand

- **Comet Ridge first CSG resource booking for NZ's prospective West Coast**
- **Certification of 244 PJ of 3C Resources across the Greymouth Coalfield**
- **Recent strategic addition of PEP 50279 Extension Area, key to commercialising this resource**

Comet Ridge Limited (ASX:COI) today announced its first Coal Seam Gas (CSG) resource certification in the Greymouth Coalfield, located in the West Coast of the South Island of New Zealand.



Comet Ridge announced a Contingent Resource Certification of 65 Petajoules (PJ) of 1C, 127 PJ of 2C, and 244 PJ of 3C Resources (recoverable).

The Greymouth Coalfield is situated over much of Petroleum Mining Permit PMP 50100, and the south western corner of Petroleum Exploration Permit PEP 50279, both of which are held 100% by Comet Ridge.

The Contingent Resources have been certified by industry recognised, Independent Reserves Certifiers, Netherland, Sewell & Assoc (NSAI) of Dallas, Texas.

Comet Ridge Managing Director, Tor McCaul said "The certification represents the first coal seam gas resources independently certified on the West Coast, and the first for Comet Ridge in New Zealand. The certification has been based on drilling results from a combination of coal seam gas wells and a significant number of coal core holes across the area, and demonstrates that a significant volume of recoverable gas is present in this area. Commercial gas production from the Greymouth coalfields area has the potential to make a significant contribution to the energy supply equation in this region."

Mr McCaul noted that the Greymouth Coalfields area was only a small part of Comet Ridge's total acreage position in NZ, which totalled approximately 8,600 km^2. He said the aerial magnetic and gravity surveying, which was conducted in 2010 and 2011, combined with follow up drilling, could enable further resource volumes to be certified in the coming year.

The Contingent Resources (recoverable) announced today by Comet Ridge are detailed below:

		Greymouth Coalfield Net Recoverable Resources		
Permit	**COI Interest**	**1C (PJ)**	**2C (PJ)**	**3C (PJ)**
PMP50100 (Greymouth)	100%	45	88	168
PEP50279 (Buller Block)	100%	20	39	76
	COI TOTAL	**65**	**127**	**244**

This represents Comet Ridge's fourth resources certification across the company's CSG portfolio since October 2010, following on from certifications in the Bowen Basin (ATP 337P Mahalo), Galilee Basin (ATP 744P), and Northern NSW (PEL 427 & PEL 428).

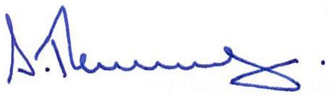
Mr McCaul said it was Comet Ridge's objective on the West Coast to establish coal seam gas reserves to meet increased energy demand, particularly through localised electricity generation. Locally sited generation would improve the security of supply on the West Coast, which has experienced issues with voltage instability due to low levels of redundancy in electricity supply. Recent upgrades have been made to transmission assets in this region, which could create additional opportunities for local electricity generators.

The strategic addition of the PEP 50279 Extension Area, which was secured in July 2011, has provided a key link between PMP 50100 to the south and PMP 50279 to the north. This additional area will prove to be important in the accessing and commercialisation of the thicker coals north and east of the town of Runanga.

Comet Ridge is currently processing and interpreting the data acquired in its recently completed Airborne Gravity Gradiometry (AGG) survey programme. This is being incorporated into regional geological modelling of the West Coast in the South Island of New Zealand, which will help Comet Ridge identify the highest value CSG targets for the 2012 drilling programme.

Disclosure Regarding Certifications

The gas Contingent Resource estimates provided in this statement were determined by Mr John Hattner of Netherland, Sewell and Associates Inc, Dallas, Texas, USA, in accordance with Petroleum Resource Management System guidelines. Mr Hattner is a full-time employee of NSAI, and is considered to be a qualified person as defined under the ASX Listing Rule 5.11 and has given his consent to the use of the Contingent Resource figures in this announcement.



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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 four 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
PMP 50100 and PEP 50279	West Coast, Sth Island, NZ	244	-
Total		**2,787**	**1,619**

*Where the auditor has detailed Prospective Resources in a range (low, middle and high) the mid-range case has been listed in the table.

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.