

Amended Capital Raising Investor Presentation

9 August 2012

Tor McCaul
Managing Director

www.cometridge.com.au



Comet Ridge Limited

Important Notice and Disclaimer



Comet Ridge Limited

Disclaimer

This investor presentation (Presentation) has been prepared by Comet Ridge Limited (ABN 47 106 092 577) (Comet Ridge). The Presentation and information contained in it is being provided to shareholders and investors for information purposes only. Shareholders and investors should undertake their own evaluation of this information and otherwise contact their professional advisers in the event they wish to buy or sell shares. To the extent the information contains any projections, Comet Ridge has provided these projections based upon the information that has been provided to Comet Ridge. None of Comet Ridge or Wilson HTM Corporate Finance Limited (Wilson HTM) (or their directors, officers or employees) make any representations (express or implied) as to the accuracy or otherwise of any information or opinions in the Presentation or any recommendations as to whether you should participate in the proposed Comet Ridge capital raising and (to the maximum extent permitted by law) no liability or responsibility is accepted by such persons.

Summary information

This Presentation contains summary information about Comet Ridge and its subsidiaries and their activities current as at the date of this Presentation. The information in this Presentation is of general background and does not purport to be complete. It should be read in conjunction with Comet Ridge's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), which are available at www.asx.com.au or www.cometridge.com.au.

ASX Releases

Investors are advised that by their nature as visual aids, presentations provide information in a summary form. The key information on detailed Resource statements can be found in Comet Ridge's ASX releases. Resource statements are provided to comply with ASX guidelines but investors are urged to read supporting information in full on the website.

Not financial product advice or Prospectus

This Presentation is for information purposes only and is not financial product or investment advice or a recommendation to acquire Comet Ridge shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction. Comet Ridge is not licensed to provide financial product advice in respect of Comet Ridge shares. Cooling off rights do not apply to the acquisition of Comet Ridge shares. This presentation is not a prospectus or disclosure document under the Corporations Act 2001 (Cth) or under any other law.

Financial data

All dollar values are in Australian dollars (A\$) unless stated otherwise and financial data is presented for the quarter ended 30 June 2012 unless stated otherwise.

Past performance

Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Future performance

This Presentation contains certain "forward-looking statements". Forward looking words such as, "expect", "should", "could", "may", "plan", "will", "forecast", "estimate", "target" and other similar expressions are intended to identify forward-looking statements within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Such forward-looking statements, opinions and estimates are not guarantees of future performance.

Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This presentation contains such statements that are subject to known and unknown risks and uncertainties and other factors, many of which are beyond the control of Comet Ridge, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates. Such forward-looking statements are relevant at the date of this Presentation and Comet Ridge assumes no obligation to update such information.

Investment risk

An investment in Comet Ridge shares is subject to investment and other known and unknown risks, some of which are beyond the control of Comet Ridge. Comet Ridge does not guarantee any particular rate of return or the performance of Comet Ridge. Persons should have regard to the risks outlined in this Presentation.

Not an offer

This presentation does not constitute an offer, invitation or recommendation to subscribe for or purchase any security and neither this presentation nor anything contained in it shall form the basis of any contract or commitment. In particular, this presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any person that is, or is acting for the account or benefit of any "U.S. person" (as defined in Regulation S under the Securities Act of 1933, as amended (the "U.S. Securities Act")) ("U.S. Person"). This document may not be distributed or released in the United States or to any U.S. Person. The securities in the proposed offering have not been and will not be registered under the U.S. Securities Act, or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the securities in the proposed offering may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons, except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

Lead Manager

Wilson HTM is the lead manager of the offer of new Comet Ridge shares (New Shares) issued under the entitlement offer pursuant to the equity raising referred to in this Presentation (Equity Raising). Wilson HTM has not authorised or caused the issue, lodgement, submission, dispatch or provision of this Presentation and do not make or purport to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by Wilson HTM. Wilson HTM takes no responsibility for any information in this Presentation or any action taken by you on the basis of such information. To the maximum extent permitted by law, Wilson HTM, its advisers and their respective affiliates, officers and employees and representatives (including agents) exclude and disclaim all liability, for any expenses, losses, damages or costs incurred by you as a result of your participation in the Equity Raising and the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise, make no representation or warranty as to the currency, accuracy, reliability, fairness, correctness or completeness of information in this Presentation and take no responsibility for any part of this Presentation. Wilson HTM makes no recommendations as to whether you or your related parties should participate in the Equity Raising nor do they make any representations or warranties to you concerning the Equity Raising, or any such information and you represent, warrant and agree that you have not relied on any statements made by Wilson HTM, its advisers or any of their respective affiliates in relation to Comet Ridge shares or the Equity Raising generally.

Competent Person Statement

The gas resource estimates for ATP 774P, ATP 337P, PMP 50100 and PMP 50279 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 resource figures in the form and context in which they appear in this presentation.

The resource estimates for PEL 427 and PEL 428 referred to in this presentation were determined by Mr Timothy L. Hower of MHA Petroleum Consultants LLC in accordance with Petroleum Resource Management System guidelines. Mr Hower is a full-time employee of MHA, and is a qualified person as defined under the ASX Listing Rule 5.11. Mr Hower consented to the publication of certain resource figures which appeared in the announcement of 7 March 2011 made by Eastern Star Gas Limited (ASX:ESG) and any reference and reliance on the resource figures for PEL 427 & PEL 428 in this presentation is only a restatement of the information contained in the ESG announcement.

Contents

1. Comet Ridge Limited

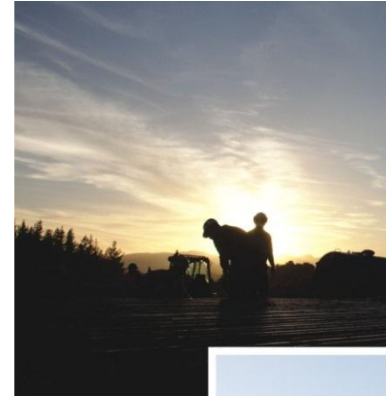
Capital Raising Summary
Strategy & Australian Operations
Key Achievements
Assets
Activities FY2012/13
Targeted Milestones

2. Capital Raising

Offer Details
Use of Funds
Indicative Timetable

3. Risks and Selling Restrictions

Investment Risks
Foreign Selling Restrictions



Section 1: Comet Ridge Limited



Capital Raising Summary

Offer Summary

- Placement to raise \$2.5m plus Accelerated Non-Renounceable Entitlement Offer (“**Entitlement Offer**”) comprising:
 - Institutional Entitlement Offer to raise \$3.8m
 - Retail Entitlement Offer to raise up to \$3.9m
- Issue price of \$0.10 per share, a discount of 16.7% to TERP and 23.3% to 5-day VWAP
- Wilson HTM is Lead Manager to the offer

Work program highlights – Next 12 months

- Mahalo project – up to 8 pilot and 4 core wells, COI cost carried under agreement with Stanwell
- Galilee Basin – 1 pre-pilot production well (Gunn-2) and 2 appraisal wells (Lake Galilee Farm-in)

Future Targeted Milestones

- Successful pilots resulting in moving 2C Resources to 2P Reserves at Mahalo
- Successful production test in Gunn Project Area in Galilee Basin
- Extension of Gunn Project Area into Lake Galilee Farm-in Area
- Galilee Basin gas sales MOU(s)
- Monetise US investment

Strategy and Australian Operations



Comet Ridge Limited

- Leverage maximum upside for shareholders via early phase exploration & appraisal projects
- Material equity positions in key Coal Seam Gas basins
- Convert Resources to Reserves
- Comet Ridge targeting first 2P Reserves within 6 months



Comet Ridge also holds 17% of an exploration business based in Denver, focused in the Rockies and the Pacific Northwest and 100% of three CSG permits in New Zealand

Key Achievements last 12 months



- Sale of 5% of Mahalo block to Stanwell for \$7M
 - Plus \$8M carry for up to 12 wells in 2012
 - Stanwell option to purchase COI interest for \$1M per PJ of converted 2P reserve
- Maiden dividend received from investment in USA oil business of US\$3.5M
- Strategic additions to acreage and equity interests in key CSG basins
 - Lake Galilee farm-in adjacent to Gunn Project Area and additional equity in Gunnedah Basin
- Significant independent Resource bookings in four areas

Comet Ridge Limited – Net Recoverable Resources

Project	COI Interest	Location	Contingent Resource 3C (PJ)	Prospective Resource (PJ)
Gunn Project Area (ATP 744P)	100%	Galilee Basin, QLD	1,870	597**
Mahalo Block (ATP 337P)	35%	Bowen Basin, QLD	387	-
PEL 427 and PEL 428 *	25% & 40%	Northern NSW	231	1022
PMP 50100 and PEP 50279	100%	West Coast, NZ	244	-
Total			2,732	1,619

* Current interest – announced 21 June 2012 that COI is acquiring a further 25% interest in PEL 427, 20% in PEL 428 and 22.5% in PEL 6, subject to Govt and JV approvals

** Where the auditor has detailed Prospective Resources in a range, the mid-range case has been listed in the table

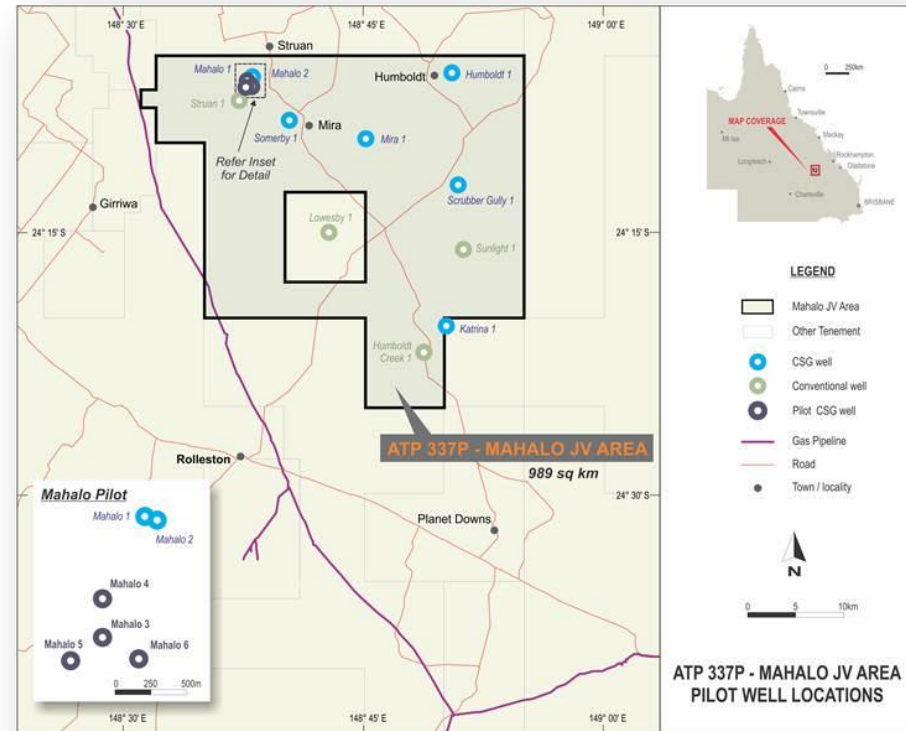
Realised A\$10.3m cash (plus \$8m carry) and certified significant Gas Resources

Bowen Basin – ATP 337P Mahalo



Comet Ridge Limited

- Equity participants – COI 35%, Stanwell 5%, Australia Pacific LNG 30% and Santos 30%
- Mahalo 4-spot pilot drilling has concluded
 - 4 wells drilled - good continuity and thickness of coal
 - Very good permeability demonstrated - JV planning commissioning of pilot facilities late 2012
- Mira 4-spot pilot scheduled 4th Qtr 2012
- Additional 4 core wells scheduled 4th Qtr 2012
- Targeting initial 2P Reserves 1st Qtr 2013, with further addition during 2013
- Activities FY2012/13:**
 - Drill and test 2 pilot schemes (Mahalo and Mira)
 - 4 additional core holes
 - 2012 programme funded by Stanwell through \$8m carry

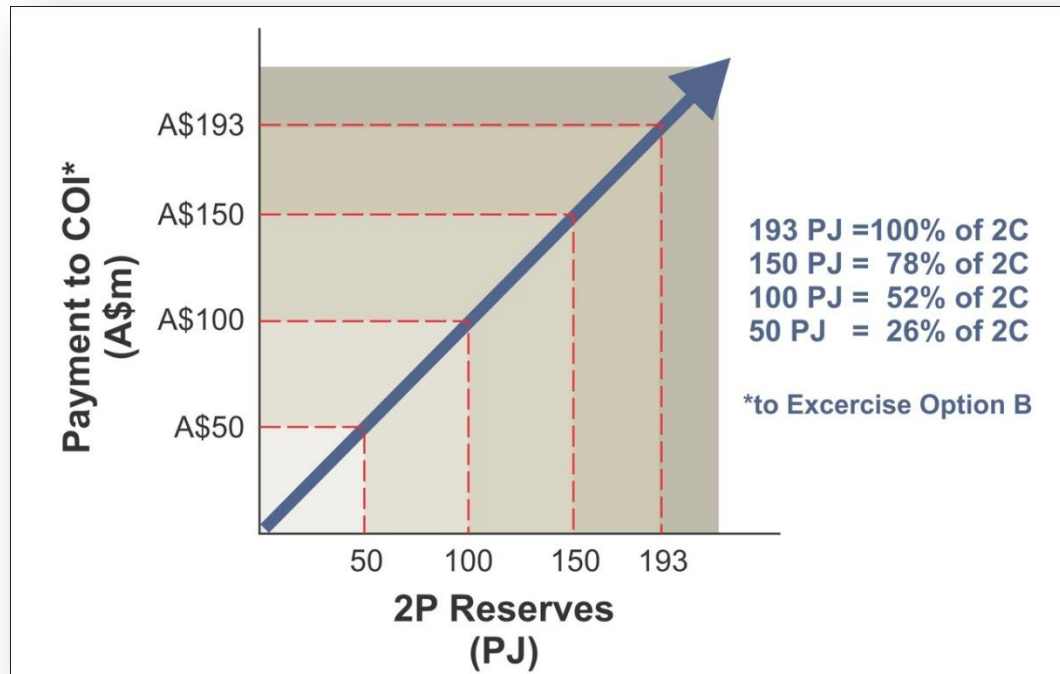


ATP 337P Mahalo Agreement with Stanwell



Comet Ridge Limited

- Sale to Stanwell Corporation of COI interest in ATP 337P Mahalo:
 - 5% interest for \$7 million;
 - Stanwell funding up to \$8 million of 2012 drilling programme expenditure
 - Stanwell option to pay \$1M per PJ of 2P reserves booked (to buy-out COI completely)
- Mahalo Contingent Resource net to COI: **387 PJ of 3C and 193 PJ of 2C**
- Refer to Comet Ridge ASX release 28 December 2011 for full detail
- The graph below shows a range of potential outcomes for COI if Stanwell exercises its option

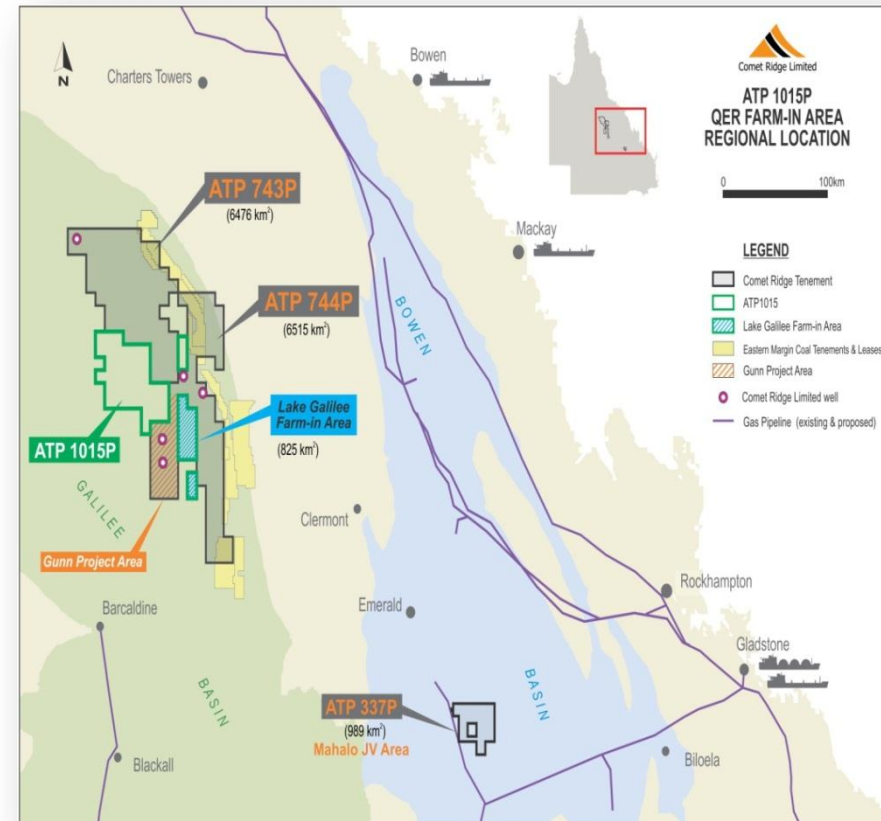


Galilee Basin – Greater Gunn Project Area



Comet Ridge Limited

- 100% interest in 13,000 km² plus Lake Galilee Farm-in Area, operated by COI
- 5 wells and 2D Seismic acquisition programme completed
- 1,870 PJ of 3C Contingent Resource
 - Considerable upside in ATP 744P still untested
- Announced Lake Galilee farm-in with QER (COI to operate):
 - Additional 825 km² added adjacent to Gunn Project Area and up to 75% equity
 - Allows greater Gunn Project Area to be appraised as a single project
- **Activities FY2012/13:**
 - Drill and production test 1 pre-pilot well in Gunn Project Area (ATP 744P)
 - Drill 2 appraisal wells in Lake Galilee Farm-in Area (Stage 1)
 - Develop multiple MOU(s) for gas sales



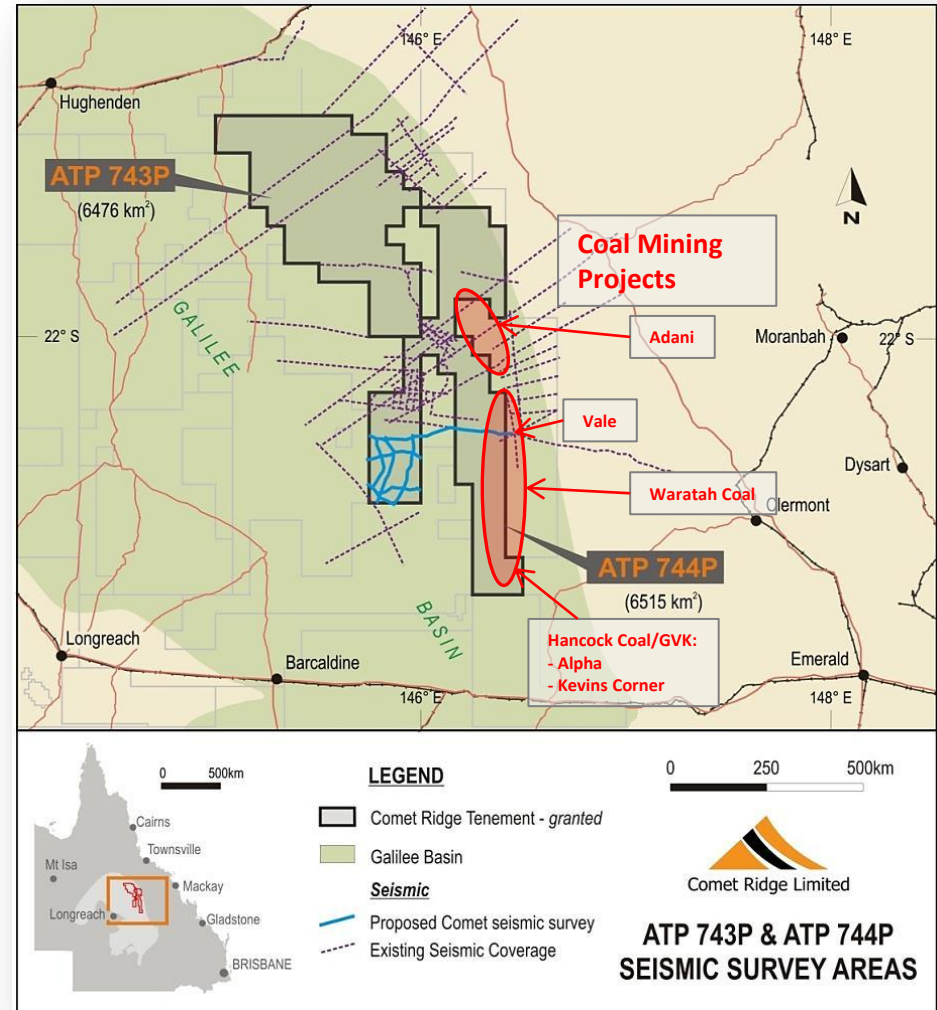
Gunn Project Area 3C Gas Resources are material in size (1,870 PJ) and 100% COI

Galilee Basin – Commercial Options



Comet Ridge Limited

- 3 different market segments emerging for commercial development:
 - Coal mine users
 - Power producers
 - LNG market
- Stage 1 Development: Power for Coal Mines / Local generation
 - Up to 1,500 MW energy demand just east of Gunn Project Area
 - Mine developments will provide significant infrastructure development (including transmission network) into Eastern Galilee Basin
- Stage 2 Development: Gas supply to LNG projects at Gladstone



Comet Ridge indifferent to end market if domestic gas prices approach export parity

Gunnedah Basin – PEL 427 & PEL 428



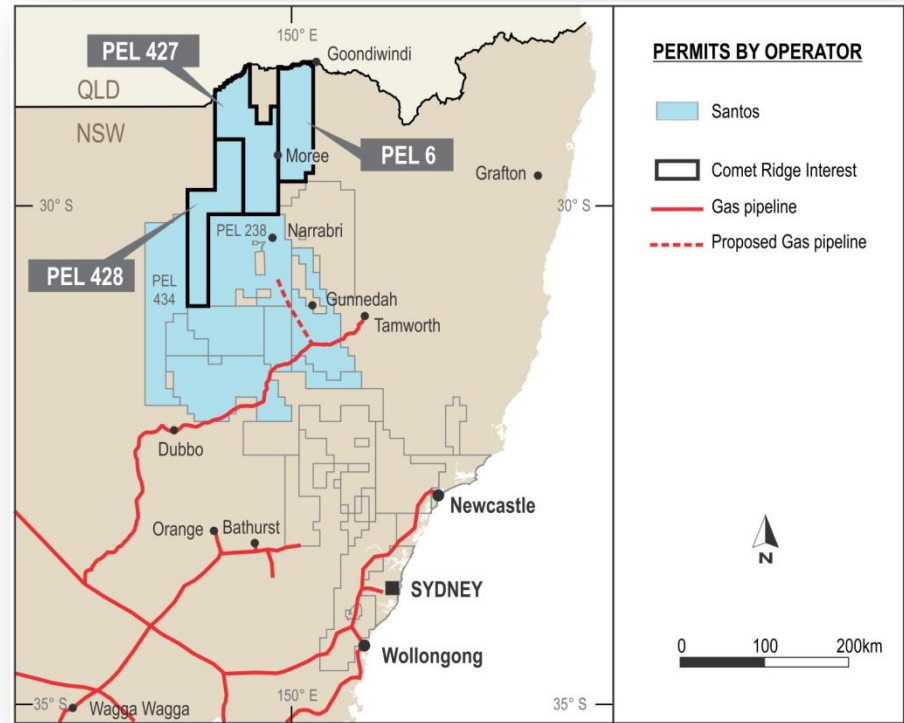
Comet Ridge Limited

- Santos / TruEnergy \$924m acquisition of ESG
 - confirms gas potential of northern NSW
 - likely to bring infrastructure and commercial options for gas

- ESG built Bohena Trough 2P reserves up to 1520 PJ gross
 - Other troughs in Northern NSW?

- COI substantial position of 3.2 million acres
 - 40% PEL 428
 - 25% PEL 427

- COI recently announced acquisition of further interests in these permits. Upon completion COI interest will be:
 - 60% PEL 428
 - 50% PEL 427
 - 22.5% PEL 6



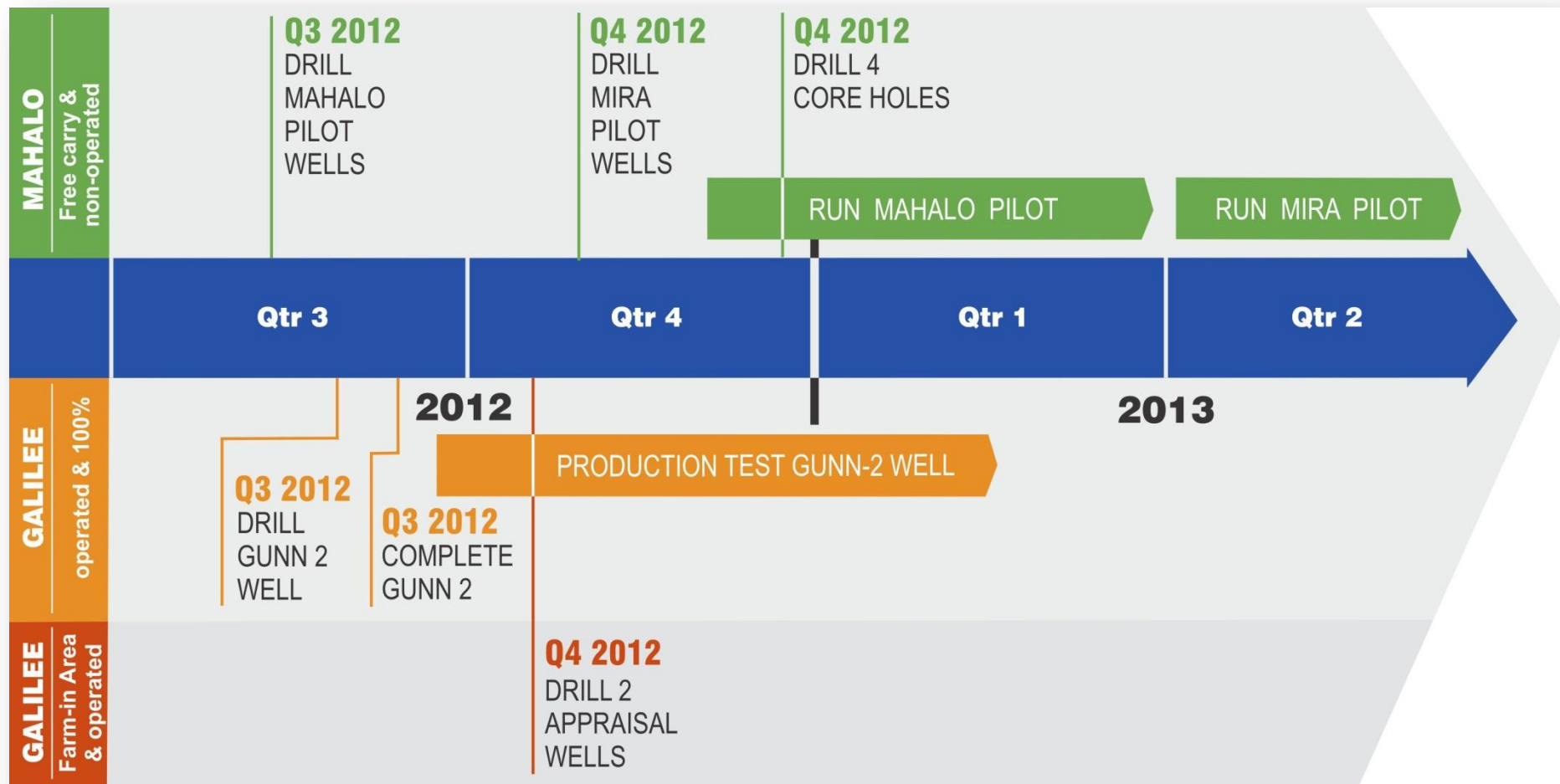
- **Future Activities:**
 - Targeted seismic surveys leading on to drilling activities into most substantial troughs (following NSW Govt policy landing)

USA – Comet Ridge Resources LLC

- 17.257% in Comet Ridge Resources LLC (CRR)
- US\$3.5M dividend paid to Comet Ridge Limited in June 2011
- Grays Harbor drilling scheduled 3rd qtr 2012
- Completed sale of Florence oil field for US\$12.25M (provides funding for CRR activities)
- Three other acquisitions / farm-ins this year which have added almost 200,000 acres in the Rockies with significant oil potential
- COI plans to monetise its US investment in next 12 months



QLD Activities Schedule – FY2012/13



Future Targeted Milestones



Comet Ridge Limited

- 12 wells in Mahalo block leading to initial reserves in 1st Qtr 2013 and additional reserves in 2013
- Early production test well in Gunn Project Area in Galilee Basin followed by pilot program
- 2 core wells in Lake Galilee Farm-in Area to extend Gunn Project Area and gas resources
- Develop multiple MOU(s) for gas sales from Galilee Basin
- Monetise US investment

Comet Ridge – substantial appraisal programme next 12 months - positioning for growth and converting resources to reserves in 2012 and 2013

Section 2: Capital Raising Overview



Offer Details



Comet Ridge Limited

- Offer Structure:
 - Placement to raise \$2.5m and a 1 for 4 Entitlement Offer, comprising an Accelerated Institutional Entitlement Offer to raise \$3.8m and Retail Entitlement Offer to raise up to \$3.9m
 - Up to approximately 102.1m new COI shares to be issued (representing 33% of current issued capital)
- Offer Price:
 - Offer price of \$0.10 per share, representing a:
 - 16.7% discount to TERP¹
 - 20.0% discount to the last traded price of \$0.125 on 6 August 2012
 - 23.3% discount to the 5 day VWAP² of \$0.130
- Placement and Institutional Entitlement Offer
 - \$6.3m was raised under the Placement and Institutional Entitlement Offer
 - Entitlements not taken up under the Institutional Entitlement Offer were allocated via an institutional bookbuild
- Retail Entitlement Offer
 - Opens on 15 August 2012 and closes on 29 August 2012
 - Eligible retail shareholders who apply for their full entitlement may apply for additional (top-up) shares
 - Underwritten to \$1.8m by Wilson HTM
 - The Directors reserve the right to allocate top-up shares or place any shortfall at their discretion within 3 months after the close of the Entitlement Offer (at a price not less than the Offer price)
- Eligibility
 - The Entitlement Offer is open to existing COI shareholders with a registered address in Australia or New Zealand (or a COI shareholder that COI has determined is eligible to participate) on the register as at 7.00pm on the Record Date of 10 August 2012

¹ Theoretical ex-rights price (TERP) is calculated by reference to COI's closing price on 6 August 2012 of \$0.125 and excludes the Placement. TERP is a theoretical calculation.

² 5-day volume weighted average price (VWAP) calculated over the 5 days trading up to and including 6 August 2012.

Use of Funds FY2012/13



Comet Ridge Limited

Sources	A\$m
Cash at 30 June 2012	6.1
Stanwell farm-in proceeds	8.0
Placement and Institutional Entitlement Offer	6.3
Retail Entitlement Offer (underwritten amount)	1.8
Total Sources	22.2

Uses (FY2012/13)	A\$m
Galilee	4.7
Mahalo (COI carried by Stanwell up to A\$8m)	8.0
Other exploration and Petrel acquisition	1.2
Corporate costs/offer costs/cash reserves	8.3
Total Uses	22.2

- Additional funds raised from the Retail Entitlement Offer (above the underwritten amount) will be applied to additional appraisal activities and cash reserves

Indicative Timetable



Comet Ridge Limited

Entitlement Offer	Date
Announce completion of Institutional Entitlement Offer and Placement	9 Aug 2012
COI shares resume trading on an ex-entitlement basis	9 Aug 2012
Record Date for the Entitlement Offer (7.00pm AEST)	10 Aug 2012
Retail Entitlement Offer opens	15 Aug 2012
Settlement of Institutional Entitlement Offer and Placement	16 Aug 2012
Allotment and normal trading of new shares issued under the Institutional Entitlement Offer and Placement	17 Aug 2012
Retail Entitlement Offer closes	29 Aug 2012
Allotment of new shares issued under the Retail Entitlement Offer	5 Sep 2012
Normal trading of new shares issued under the Retail Entitlement Offer	6 Sep 2012

- Note: Dates and times are indicative only and are subject to change. COI reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, to vary the dates and times. All times and dates refer to Australian Eastern Standard Time (AEST).

Section 3: Investment Risks and Selling Restrictions



Investment Risks



Comet Ridge Limited

- There are various risks associated with investing in Comet Ridge, as with any stock market investment and, specifically, because of the nature of Comet Ridge's exploration business and the present stage of development of Comet Ridge's operations. Potential investors should consider whether the securities are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors set out below. Many of those risk factors are outside the control of the Company.

Exploration and production risk	<ul style="list-style-type: none">■ When exploring for, or producing gas from underground structures or coal seams there is always an inherent risk that the geological or reservoir characteristics will prevent ultimate commercial production. These risks can impact the effective application of funds and resources and the ability of the Company to supply gas at commercial rates, and may be the result of events and conditions beyond the Company's control.
Operational risk	<ul style="list-style-type: none">■ Gas field operations involve the potential for hazards such as well blowouts, explosions, uncontrollable flows, fires, formations with abnormal pressures, pollution, releases of dangerous gas and other environmental hazards and risks. Comet Ridge could suffer substantial losses as a result of any of these events, particularly if it is not fully insured against those risks. Even where Comet Ridge is insured, accidents that damage drilling rigs or other equipment could delay exploration or production operations.
Reserves risk	<ul style="list-style-type: none">■ There can be no assurance that Comet Ridge's planned exploration activities will result in reserves.■ The estimation of natural gas reserves involves subjective judgements and determinations based on geological, technical, contractual and economic information. There is uncertainty in the estimates and it is not an exact calculation. The estimates may change because of new information from operational activities or changes in economic factors, such as assumptions regarding incomes and costs. It may also alter because of acquisitions and disposals, new discoveries and extensions of existing fields as well as the application of improved recovery techniques. Published reserves estimates may also be subject to correction in the application of published rules and guidance.
Tenements risk	<ul style="list-style-type: none">■ Comet Ridge's exploration and appraisal activities are dependent upon the grant and maintenance of appropriate licences, permits, resource consents, access arrangements and regulatory authorities (authorisations), which may not be granted or may be withdrawn or made subject to limitations at the discretion of government or regulatory authorities. Although the authorisations may be renewed following expiry or granted (as the case may be), there can be no assurances the authorisations will be continued, renewed or granted, or as to the terms of such renewals or grants. Further, Comet Ridge's failure to meet its work or expenditure obligations under its authorisations may lead to dilution of its interest in, or the loss of, such authorisations.
Land access risk	<ul style="list-style-type: none">■ Overlapping tenure and other restrictions could impact Comet Ridge's ability to commercially develop its assets and derive full value for shareholders.■ Access to drilling locations and rights of way generally require agreements and compensation arrangement with land owners. Negotiations of these agreements can be lengthy, costly and inconclusive and ultimately pose a risk that Comet Ridge may be denied access to a particular location.
Gas market	<ul style="list-style-type: none">■ Comet Ridge's possible future revenues are expected to be derived from domestic and/or export gas sales.■ The profitability of Comet Ridge's coal seam gas business will be determined by the future market for domestic and export gas. LNG prices are generally linked to oil price and in US dollars, and can vary significantly depending on oil prices, exchange rates, worldwide LNG supply and demand and the terms under which LNG off-take arrangements are agreed. Domestic gas prices are historically fixed prices with a percentage escalation of CPI, and may also vary due to various economic factors and factors which influence demand and supply at the time of contracting.■ Numerous factors outside the control of Comet Ridge impact on gas prices. The prices required to achieve adequate returns on Comet Ridge's coal seam gas business will vary depending on cost of production including drilling costs, economies of scale and gas flow rates. Any substantial decline in the price of gas is likely to have a material adverse effect on the financial position of Comet Ridge.

Investment Risks (cont'd)



Comet Ridge Limited

Gas flow rates and gas sale agreements

- The rate at which gas flows from Comet Ridge's wells will be a determinant of its profitability. There is a risk that gas flow rates from Comet Ridge's wells will not be sufficient to meet the requirements of future gas supply contracts. This may result in further remedies and/or increased development expenditure to drill more wells than originally anticipated. There is also a risk that Comet Ridge may not be able to procure gas sale agreements for its coal seam gas business on reasonable terms, which may adversely affect the profitability of Comet Ridge.

Hydraulic fracturing

- Comet Ridge may use horizontal drilling and/or hydraulic fracturing technology in its exploration and development activities. The use of these drilling technologies may be necessary for the production of commercial quantities of gas from geological formations of the type that Comet Ridge is targeting. There has been an increase in interest by governments and the public in hydraulic fracturing and the enactment of any new laws, regulations or requirements by any relevant government authority in respect of hydraulic fracturing could result in operational delays, increased operational costs and potential claims from a third party or governmental authority. Restrictions on the use of hydraulic fracturing may reduce the amount of gas Comet Ridge can produce and may have a material impact on Comet Ridge's business.

Access to infrastructure

- Infrastructure is a key path to market for a CSG producer and any limitation of infrastructure exposes a producer to potential cost and capacity constraints. Discoveries in remote locations may be difficult and expensive to commercialise due to infrastructure and transport costs.
- The sharing with other industry participants of transport and operating infrastructure is common in the gas sector. Any delay or failure to access properly maintained operating infrastructure or shared facilities may have a material adverse effect on the Company.

Joint ventures

- Comet Ridge is party to joint venture or joint operating agreements for several of the tenements in which it holds an interest. Under these agreements, Comet Ridge may be voted into programs and budgets which are not in line with the objectives and strategy of Comet Ridge or that Comet Ridge does not have the cash resources to fund. Comet Ridge may be required to contribute to increases in capital expenditure requirements and/or operating costs where the requirements of the project change or in circumstances where any or all of the joint venture parties are unable to fund their pro rata contributions to expenditure.
- Other companies may be operators under joint venture operating agreements and, to the extent that Comet Ridge is a minority joint venture partner, Comet Ridge will be dependent to a degree on the efficient and effective management of those operations by its partners.

Stanwell farm-in

- Comet Ridge has a 35% interest in the Mahalo Farm-in Area (ATP 337P Mahalo) which is a joint venture between Comet Ridge, Stanwell Corporation Limited, Santos QNT Pty Ltd and Australia Pacific LNG (Origin / ConocoPhillips / Sinopec). Due to its non-operator position, Comet Ridge may be unable to influence the operator to execute the agreed program in a timely manner. In particular, Comet Ridge's desire to see 2P reserves certified by 31 December 2013 (in order to crystallise the Stanwell options) may not be completed by the operator within this timeframe.
- Comet Ridge's farm-out to Stanwell includes a number of options which are at Stanwell's election. Stanwell may choose not to exercise one or more of these options.

Strategic cropping risk

- The Queensland government has developed a strategic cropping land (SCL) policy aimed at protecting prime agricultural land from urban development and resources exploration. SCL legislation was passed on 1 December 2011. Based on the new legislation, the ability of companies like Comet Ridge to undertake operations and projects in certain protected areas and management areas may be restricted.
- Comet Ridge will continue to engage with the government and seek further clarification on the SCL maps and regulations in relation to SCL.

Investment Risks (cont'd)



Comet Ridge Limited

Environmental

- Comet Ridge's operations and projects are subject to state and federal laws and regulation regarding the environment. These laws and regulations set various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former facilities and locations where operations are or were conducted. Significant liability could be imposed on Comet Ridge for damages, clean up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property acquired by Comet Ridge, or non compliance with environmental laws or regulations.
- Comet Ridge proposes to minimise these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage.

Carbon Tax

- The Clean Energy Act 2011 (Cth) (**CEA**) introduced a mandatory carbon pricing mechanism for certain large carbon emitters and natural gas suppliers in Australia. The price was fixed by the Commonwealth government on 1 July 2012. On 1 July 2015 the flexible pricing regime commences subject to a cap and floor price. From 1 July 2018, the mechanism will transition into a fully flexible pricing emissions trading scheme allowing the price of carbon to be determined by the market. Generally, liable entities that exceed set thresholds of greenhouse gas emissions will be required under the CEA to purchase and surrender carbon units for each equivalent tonne of carbon dioxide released into the atmosphere. In some circumstances, direct statutory liability for the greenhouse gas emissions embedded in the natural gas rests with the supplier, rather than the ultimate user of the gas. The CEA applies to natural gas, in which case Comet Ridge may incur costs or liabilities under the CEA (unless it can transfer any liability accrued under the CEA to its customers, either through increased supply cost or the transfer of the statutory obligation). Comet Ridge may also be indirectly affected by increased operating costs as a result of CEA costs being passed on by suppliers and any impact that the CEA may have on the wholesale or retail gas price and markets.

Regulatory risk

- Changes in law and regulations or government policy may adversely affect Comet Ridge's business. By way of example, in the context of the current political environment, the introduction of legislation that further restricts or inhibits coal seam gas exploration and production, changes to strategic cropping, native title, land access or overlapping tenement arrangements or the introduction of legislation that restricts or inhibits exploration and production would likely operate to Comet Ridge's detriment.
- Changes to taxation rates or regimes, such as increases in taxation on resources produced by Comet Ridge (including the extension of the operation of the Petroleum Resources Rent Tax), or regulatory change in response to the potential impacts of greenhouse gas emissions are also relevant regulatory risks for Comet Ridge.

Native title

- Formal agreements with traditional and tribal land owners are required in many areas. Despite Comet Ridge working closely with Traditional Owners and entering into agreements to formalise Comet Ridge's ongoing commitment to manage cultural heritage matters in its areas of operations, conflicts are possible and denial of access to the land is possible, if items of cultural heritage significance are identified.
- Permit applications and existing permits may be affected by native title claims or procedures. This could preclude or delay granting of exploration permits and considerable expenses could be incurred negotiating and resolving issues.

Competition

- As a result of high levels of demand in the natural resource industries, a shortage of supply of material, labour and services could impact adversely on exploration or production activities.

Insurance

- Insurance of all risks associated with gas exploration and production is not always available and, where available, the cost can be high. Comet Ridge will have in place insurance considered appropriate for Comet Ridge's needs, however there is no guarantee that such insurance will be sufficient in all circumstances.

Litigation

- Comet Ridge may be exposed to potential legal and other claims or disputes in the future which could negatively impact Comet Ridge's financial performance through damages payments and harm to reputation.

Investment Risks (cont'd)



Comet Ridge Limited

Occupational health and safety risk

- Gas exploration and production may expose Comet Ridge's staff to potentially dangerous working environments. Occupational health and safety legislation and regulations differ in each jurisdiction. If any of Comet Ridge's employees suffered injury or death, compensation payments or fines may be payable and such circumstances could result in the loss of a licence or permit required to carry on the business.

Financing

- Comet Ridge, in order to meet future ongoing work programs, will likely require additional capital (via asset sales, farm-ins, equity, etc). There can be no assurance that sufficient capital funding will be available to Comet Ridge on favourable terms or at all. If Comet Ridge is unable to raise necessary capital, there may be a reduction in planned capital expenditure which could have a material adverse effect on Comet Ridge's ability to expand its business and/or maintain operations at current levels; this could, in turn, have a material adverse effect on Comet Ridge's business, financial condition and operations. Any additional capital requirements may dilute existing shareholdings.

Reliance on key personnel risk

- Comet Ridge's progress in pursuing its exploration and appraisal programs within the timeframes and currently envisaged cost structure could be influenced by the loss of existing key personnel or a failure to secure and retain additional key personnel as Comet Ridge's exploration and appraisal programs progress. The result of such loss would depend on the quality and timing of the employee's replacement.
- Although Comet Ridge's key personnel have a considerable amount of experience and have previously been successful in their pursuits of acquiring, exploring and evaluating mineral projects, there is no guarantee or assurance that they will be successful in their objectives.

Economic factors

- Factors such as economic outlook, inflation, currency fluctuation, interest rates, demand, global geo-political events and hostilities and industrial disruption have an impact on operating costs, oil and gas prices and share market conditions. Comet Ridge's future possible profitability and the market price of Comet Ridge Shares can be affected by these factors which are beyond the control of its directors.

Investment in equity capital

- There are general risks associated with investments in equity capital. The trading price of shares in Comet Ridge may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for New Shares being less or more than the Issue Price.

General

Generally applicable factors which may affect the market price of shares include:

- general movements in Australian and international stock markets;
- investor sentiment;
- Australian and international economic conditions and outlook;
- changes in interest rates, commodity prices and the rate of inflation;
- changes to government regulation and policies;
- announcement of new technologies; and
- geo-political instability, including international hostilities and acts of terrorism.

Foreign Selling Restrictions



Comet Ridge Limited

Hong Kong

The contents of this Presentation have not been reviewed or approved by any regulatory authority in Hong Kong. The information in this Presentation has not been, and will not be, registered as a prospectus in Hong Kong under the Companies Ordinance (Cap 32) (CO) nor has it been authorised by the Securities and Futures Commission (SFC) in Hong Kong pursuant to the Securities and Futures Ordinance (Cap 571) of the Laws of Hong Kong (the SFO). Accordingly, the Presentation must not be issued, circulated or distributed in Hong Kong other than:

- (i) to “professional investors” within the meaning of SFO and any rules made under that ordinance (Professional Investors); or
- (ii) in other circumstances which do not result in the information in this Presentation being a “prospectus” as defined in the CO nor constitute an offer to the public which requires authorisation by the SFC under the SFO.

Unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to New Shares, which is directed at, or the content of which is likely to be accessed or read by, the public of Hong Kong other than with respect to New Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors. No person allotted New Shares may sell, or offer to sell, such New Shares to the public in Hong Kong within six months following the date of issue of such New Shares. This offering is not an offer for sale to the public in Hong Kong and it is not the intention of Comet Ridge that the New Shares be offered for sale to the public in Hong Kong.

Singapore

This Presentation has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Presentation and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Shares may not be circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an existing holder of Comet Ridge shares pursuant to Section 273(1)(cd)(i) of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), (ii) to an institutional investor under Section 274 of the SFA, (iii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iv) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Note: Where the New Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is: a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the New Shares pursuant to an offer made under Section 275 of the SFA except: to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such securities of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA; where no consideration is or will be given for the transfer; or where the transfer is by operation of law.

United Kingdom

Neither this Presentation nor any other presentation have been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000 (“FSMA”)) has been published or is intended to be published in respect of the New Shares. Accordingly, the New Shares may not be offered or sold in the United Kingdom by means of this Presentation or any other document, except to persons which are qualified investors within the meaning of section 86(7) of FSMA.

This Presentation is being distributed only to, and is directed only at, persons in the United Kingdom that are qualified investors, within the meaning of Article 2(1)(e) of European Union Directive 2003/71/EC (the “Prospectus Directive”), that (a) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”), or (b) are high net worth entities falling within Article 49(2)(a) to (d) of the Order; or to persons being fewer than 100 in number, to whom it may be lawfully communicated and to any other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as “relevant persons”). This Presentation must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Presentation relates is available only to relevant persons and will be engaged in only with such persons. This Presentation and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this Presentation or any of its contents.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”) or on any other stock exchange or regulated trading facility in Switzerland. This Presentation has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Presentation nor any other offering material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. Neither this Presentation nor any other offering material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Presentation will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA). The New Shares will be offered or sold only to a selected number of individual investors in Switzerland under circumstances which will not result in the offer of the New Shares being a public offering within the meaning of Article 652a or Article 1156 of the Swiss Code of Obligations. This Presentation is personal to the recipient only and not for general circulation in Switzerland.

Comet Ridge Limited

www.cometridge.com.au

Address

Level 1
283 Elizabeth Street
Brisbane 4000
&
GPO Box 798
Brisbane 4001

Telephone: +61 7 3221 3661
Facsimile: +61 7 3221 3668
Email: info@cometridge.com.au

