



Galilee Basin Coal & Energy Conference, Brisbane

Comet Ridge Limited Galilee Programme Update

13 November 2012

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Comet Ridge Limited

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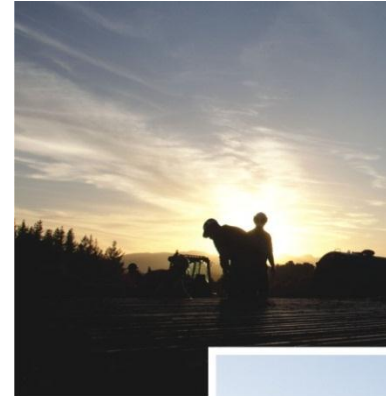
Comet Ridge Limited

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Company Overview



Comet Ridge – Corporate Overview



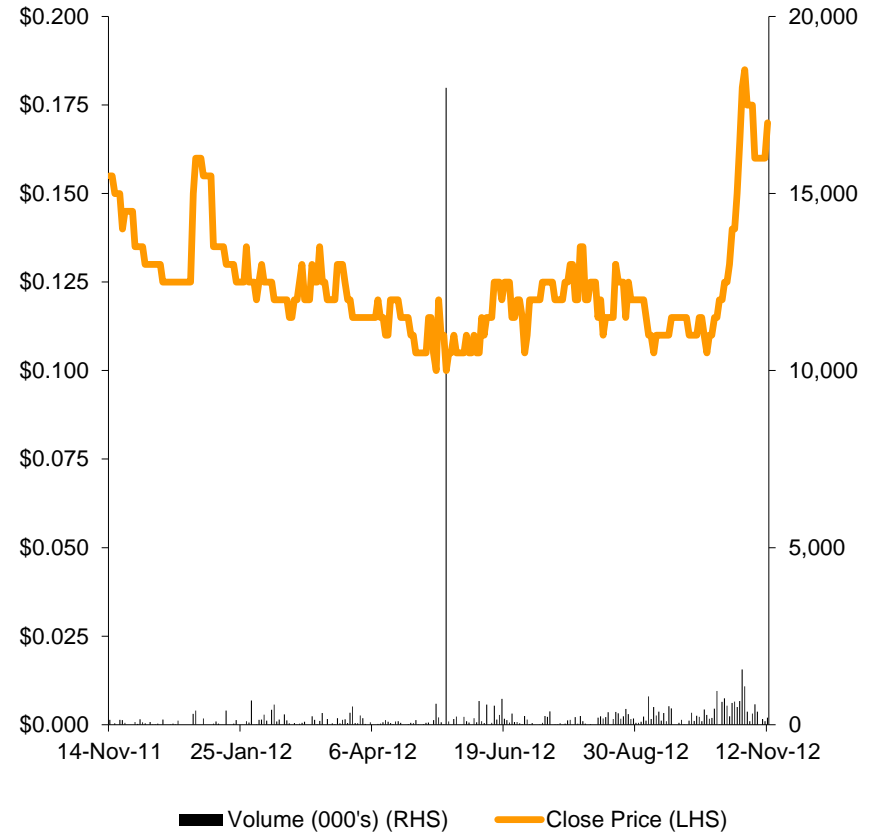
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Capital structure (ASX:COI)

Share price (as at 12-Nov-12)	\$0.17
Shares on issue	402.1m
Unlisted options	2.5m
Performance rights	6.6m
Undiluted market capitalisation¹	\$68.4m
Fully diluted market capitalisation	\$69.9m
Cash (as at 30-Sep-12)	\$13.5m
Enterprise value¹	\$54.8m

1. Excludes options and performance rights.

12 month share price performance



Introduction



Comet Ridge Limited

- Large acreage position and significant resource base established particularly in Eastern Galilee Basin
 - Corporate focus on conversion to reserves
 - Galilee Basin over 13,000 km² and 100% equity
 - New Galilee Basin farm-in to expand position further
 - Mahalo block with Santos, APLNG & Stanwell
 - Gunnedah Basin with Santos expanding to over 18,000 km²
- Experienced board and management team in key areas
 - Exploration and Appraisal
 - Production
 - Domestic Gas
 - LNG
- Comet Ridge targeting first Qld 2P Reserves within 6 months
- Asset Portfolio includes NZ and USA assets



Net Gas Resources

- Significant independent Resource bookings in four areas
- Galilee Basin Contingent Resource - 68% of company total
- Following the completion of current NSW transaction – 5400 PJ resources East Aus

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%	Gunnedah Basin, 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 Comet Ridge Limited is acquiring a further 25% interest in PEL 427, 20% in PEL 428 and 22.5% in PEL 6, subject to NSW Government and JV approvals. Following the completion of this transaction, Comet Ridge Limited net resources in NSW will increase to 474 PJ (Contingent) and 2101 PJ (Prospective), totalling in excess of 5400 PJ eastern Australia gas resources.

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

Technical



Galilee Basin – background



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- Large area covering a large part of central western Queensland
 - Approx 250,000 km²
- Overlain by Eromanga Basin and underlain by Drummond Basin
- Key towns include Longreach, Barcaldine, Blackall, Winton, Hughenden and particularly for Comet Ridge, Aramac
- Land use is grazing – cattle and sheep
- Oil recoveries and conventional gas flows over a number of years but remains under-explored
- One working pilot in the basin
- Permian Betts Creek Beds
 - Up to 6 seams
 - Total thickness up to 24m net coal
- Significant coal mine province evolving in shallow coals in the east



Comet Ridge Position

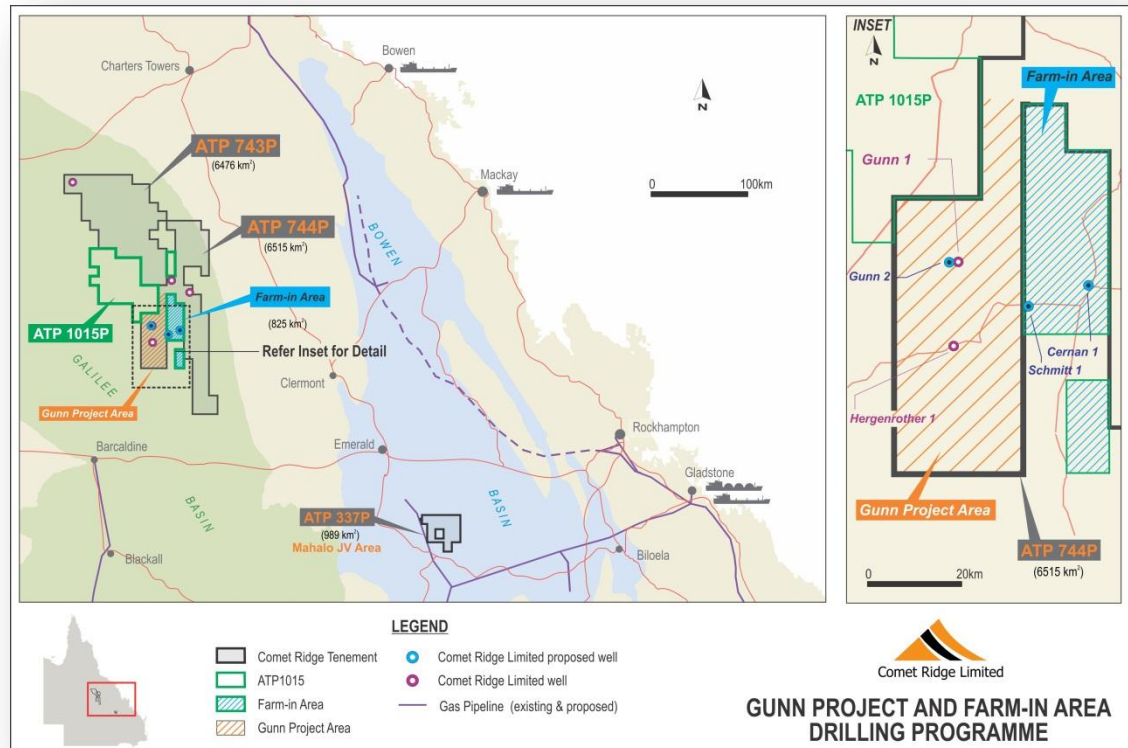


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- Comet Ridge blocks ATP 743P & 744P
 - 12,991 km² (3.2 million acres)
 - 286 km from NW to SE corner
 - Comet Ridge equity 100% - full upside exposure

- Eastern basin selected
 - Coals range from shallow to deep (east to west)
 - Eastern edge closer to largest potential gas markets

- July 2012 Farm-in to part of ATP1015P
 - Access to additional 825 km²
 - Three stages to allow equity up to 75%
 - First stage completed shortly



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GUNN PROJECT AND FARM-IN AREA DRILLING PROGRAMME

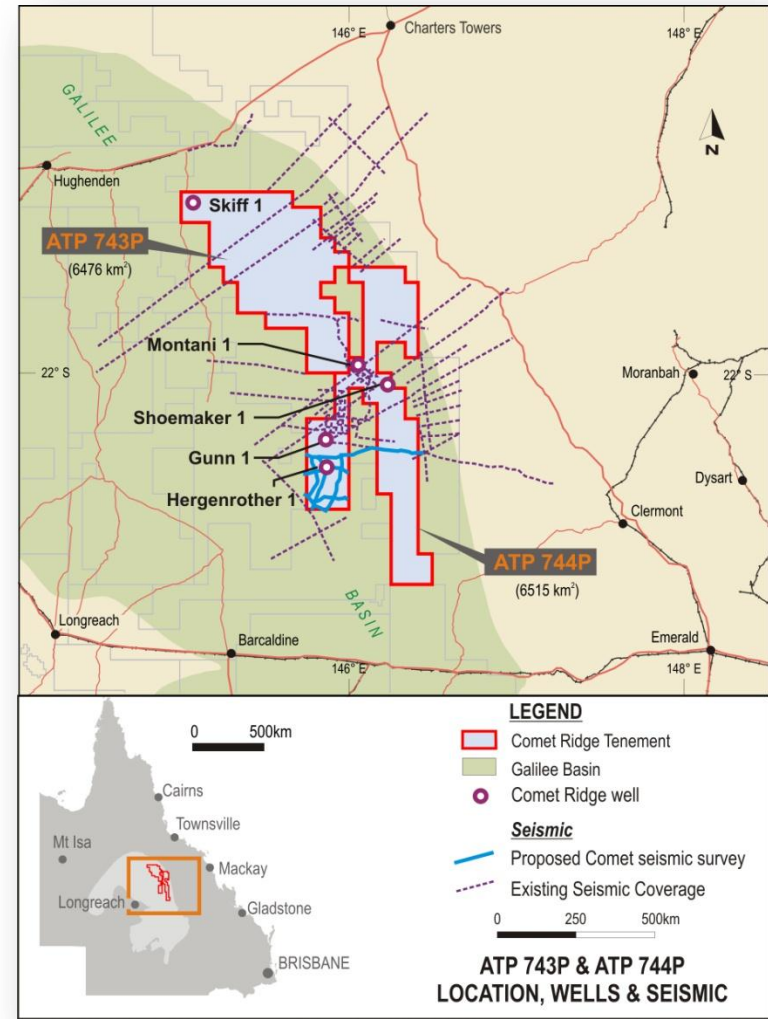
Significant position in eastern part of basin

Technical Understanding Growing



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- 2009 Sep/Oct - Blocks awarded
 - including Qld Govt environmental approvals
- 2010 - five core holes drilled
 - Total drilled section 5000m with 1000m core
 - Coal thickness from 16m to 24m with up to 22m shale
- 2011 - 252 km 2D seismic survey
 - Combined with gravity data
 - Very good quality image of Betts Creek
- 2012 - drilling programme underway
 - Drilling final of three wells now
 - Good to excellent productivity measured
 - Gunn Project Area extended – significant area in eastern part of basin
- 2012 Remainder
 - Gunn 2 Extended Production Test
 - Positions company for 2013 pilot scheme



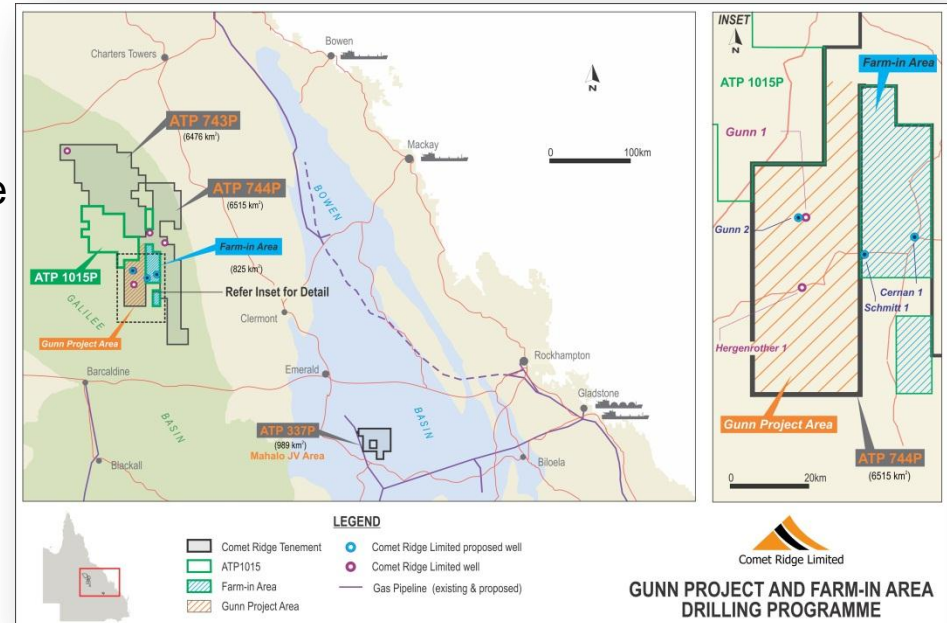
Building an excellent platform for reserves

Galilee Basin – Greater Gunn Project Area



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- Initially SW part of ATP 744P
- Recent drilling at Schmitt 1 in Farm-in Area shows easterly extension
- 1,870 PJ of 3C Contingent Resource certified in 2010 with considerable upside
- Three-well drilling programme
 - One production test well in Gunn Project Area
 - Two appraisal wells in Farm-in Area to earn 20% equity as First Stage
- Extended Production Test on Gunn 2 is key step on path to reserves
 - Determines key reservoir parameters for pilot scheme design for 2013
 - Provides detailed Betts Creek water samples



Gunn Project Area already shown to be very large and contains significant gas volume

Commercial



Gas Pricing & Volumes



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- Historically, Eastern Australia has had some of the cheapest gas in the world
 - Due to relatively small market size in comparison to reserves

- Gladstone LNG schemes have significantly shifted the market dynamic for gas in Eastern Australia
 - LNG schemes provide linkage to world oil and energy prices and provide significant gas market

- Eastern Australian gas prices have already moved up and the market expects will continue to move up
 - Just a matter now of how much and how quickly

- LNG manufacturers have insufficient gas for expansion
- Takeovers of Eastern Star Gas and Bow Energy means four large LNG consortia control almost 90% of 2P CSG gas reserves in Eastern Australia
- This will put intense pressure on domestic gas supply
- Resultant intensifying competition for uncommitted gas reserves from
 - Major power consumers (including Galilee Basin coal projects)
 - LNG schemes
 - Domestic power generators
 - Other domestic/industrial gas consumers replacing expiring gas contracts

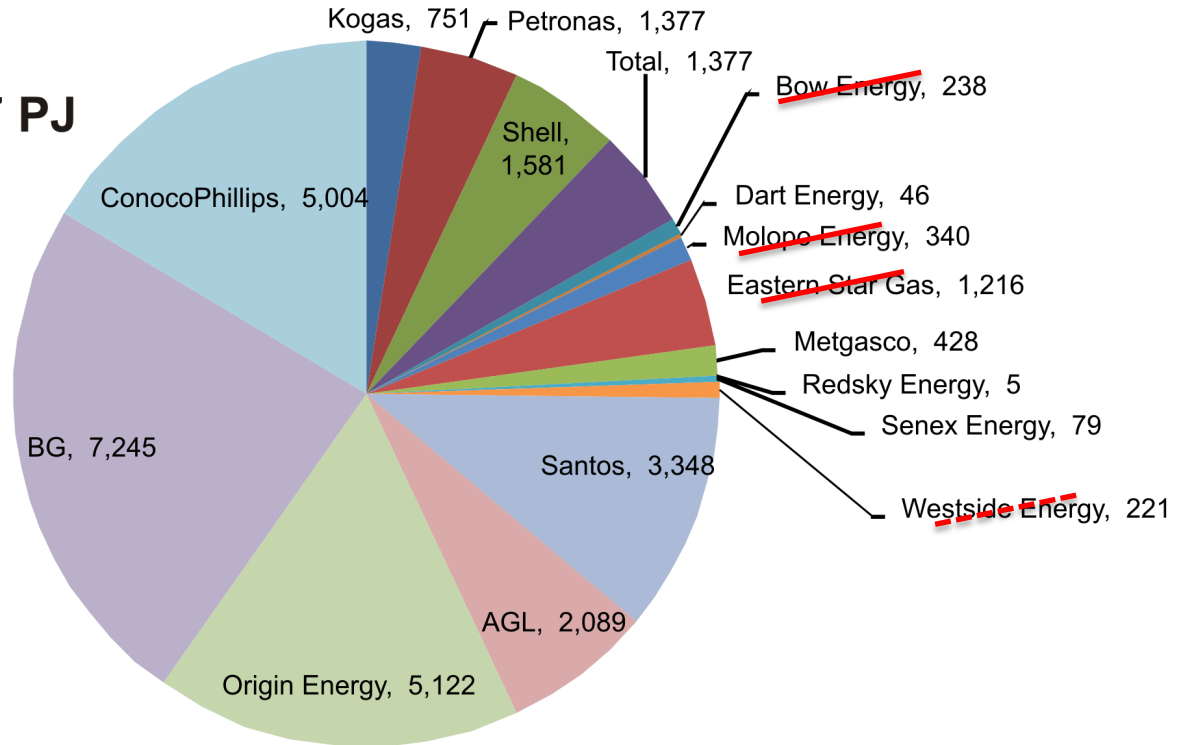
2P Gas Reserves Consolidation



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2P Reserves (PJ) - Eastern Aust. CSG

Total 2P: 30,467 PJ



Concentration of Ownership:

LNG Proponents	89%
AGL	7%
Other	4%

Data Source: Wilson HTM Nov 2011

Acquisition of ESG and Bow have continued the trend of Gas Reserves consolidation in CSG

3C Gas Resources by Company

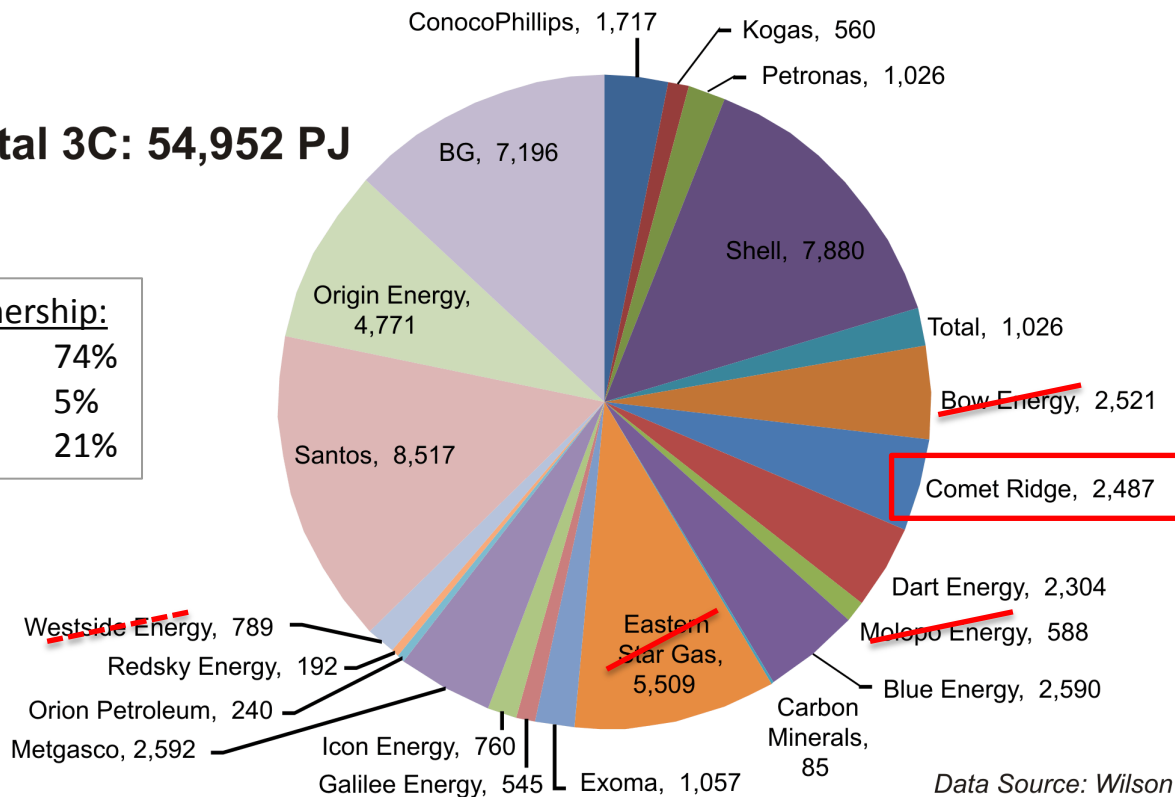


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3C Contingent Resources (PJ) - Eastern Aust. CSG

Total 3C: 54,952 PJ

Concentration of Ownership:	
LNG Proponents	74%
Comet Ridge	5%
Other	21%



Data Source: Wilson HTM Nov 2011

Comet Ridge has a material and expanding 3C Resource position with approx. 5% of East Australian Total

- COI is well positioned to start the conversion of Contingent Resources to 2P & 3P Reserves

Galilee Basin – Commercial Options

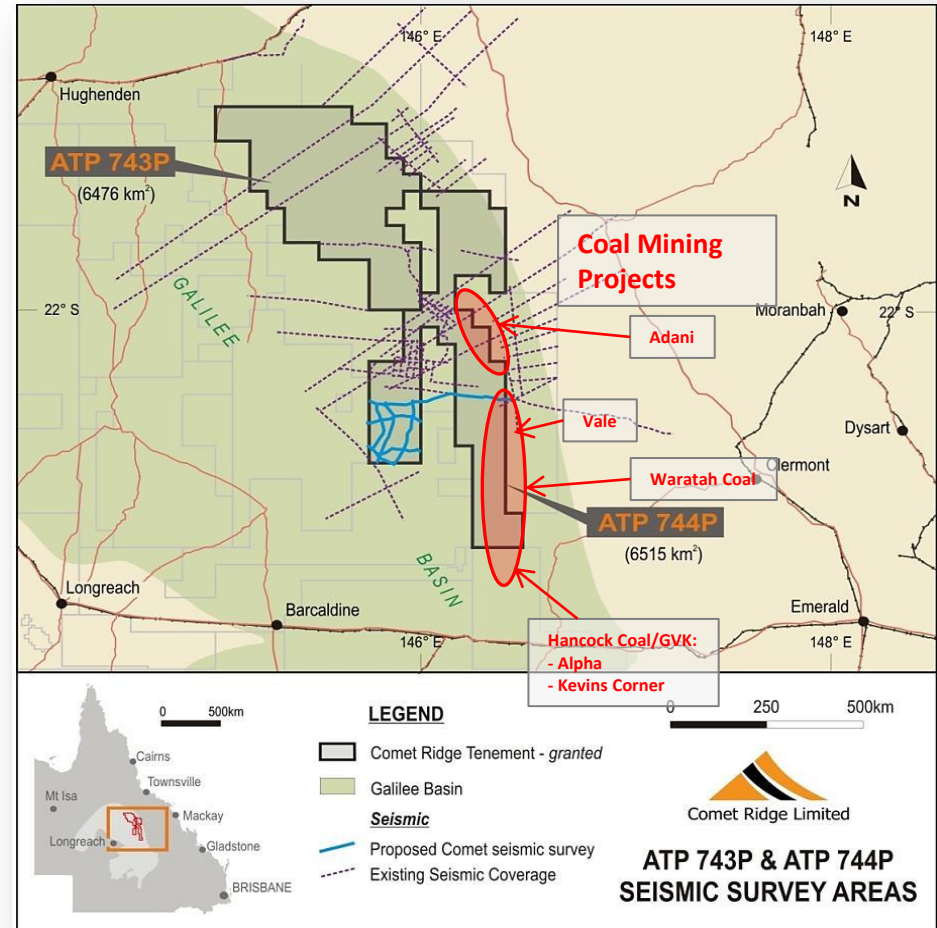


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- Different market segments emerging for commercial development options
 - Coal mine users
 - Power producers
 - LNG market
 - Other domestic/industrial consumers

- 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 or domestic/industrial market



Community



Responsible CSG Exploration & Development



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- CSG industry has been operating in Queensland for >15 years
- CSG industry in Eastern Australia is one of the most heavily regulated industries in Australia
 - APPEA suggests more regulated than the nuclear industry
 - Queensland has established significant reporting, regulation and legislation
- CSG explorers and producers need to work in an increasingly complex regulatory system
- Queensland Legislation currently in effect (or being finalised) that places requirements on CSG companies:
 - Petroleum & Gas Act 2004
 - Environmental Protection Act 1994
 - Aboriginal Cultural Heritage Act 2003
 - Nature Conservation Act 1992
 - Water Act (Qld) 2000 & Commonwealth (2007)
 - Strategic Cropping Land Bill
 - Wild Rivers Act 2005
 - Land Protection (Pest & Stock Route Management) Act (2002)

Comments from some commentators, that CSG is an unregulated industry, are false and misleading

Galilee Basin – Community



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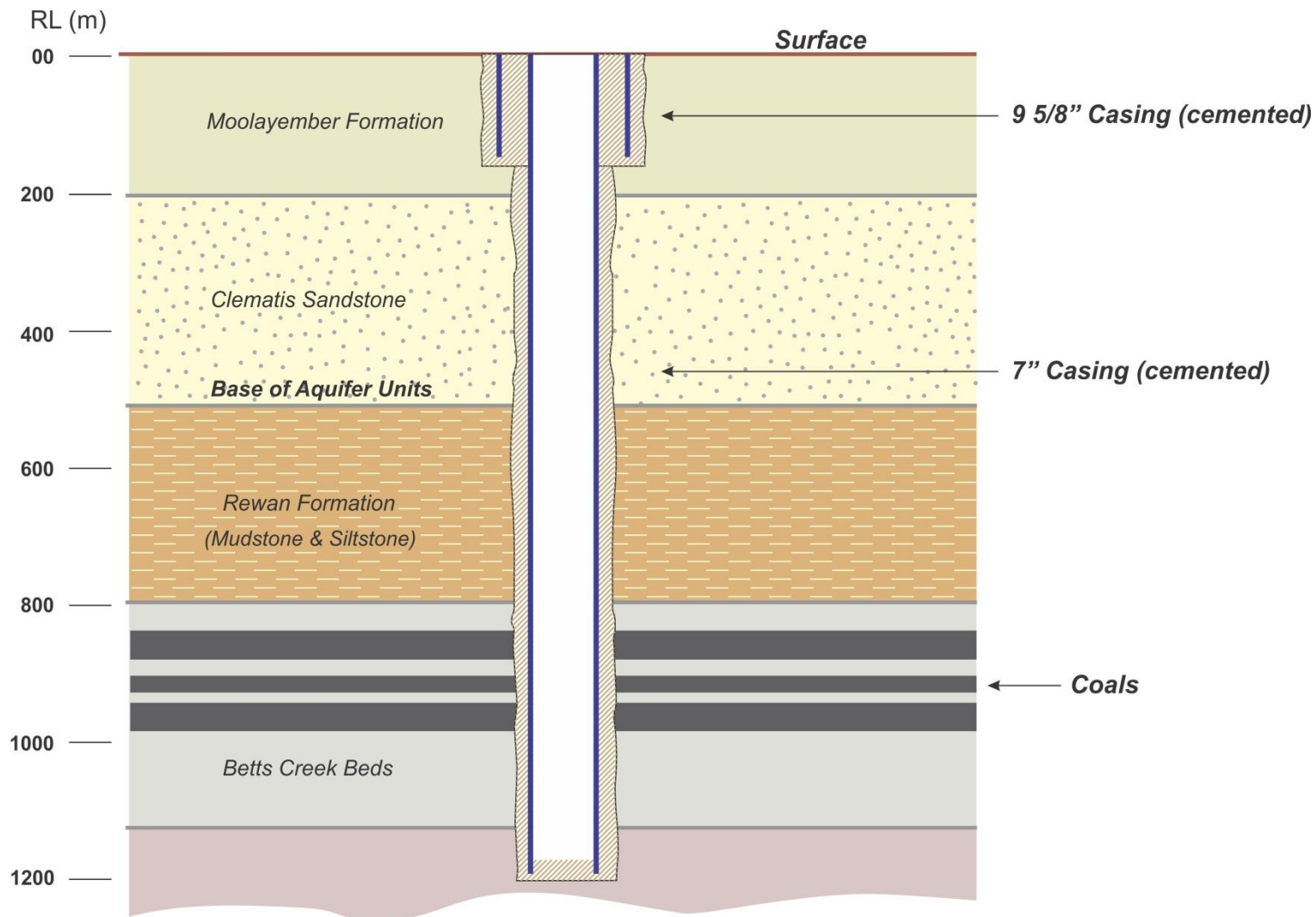
- Cultural Heritage Management Plans successfully in place with three groups
- Galilee Basin Operators Forum undertaking detailed basin-wide aquifer study
 - www.gbof.com.au
- Engagement and information sharing with local councils is ongoing
 - Central West Remote Area Planning & Development Board (RAPAD)
 - Mt Isa to Townsville Economic Development Zone (MITEZ)
 - Direct Council interaction
- Interaction with community positive
- Seismic & drilling impact negligible
 - Seismic acquired along existing roads and firebreaks where possible
 - Exploration drilling sites rehabilitated back to natural state after wells plugged with cement and abandoned
 - Site pictured (right) is Hergenrother 1 after drilling showing planned revegetation underway



East Galilee Basin – Production Well Design



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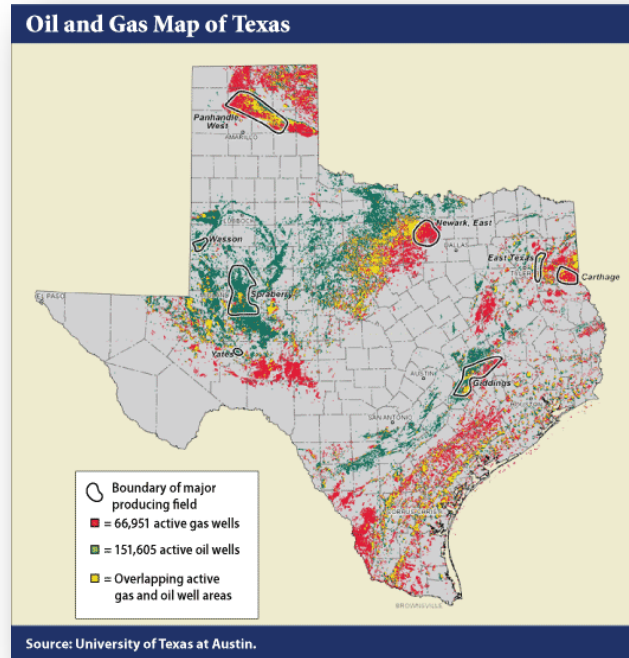


Case Study: Wells & Agriculture Can Co-exist

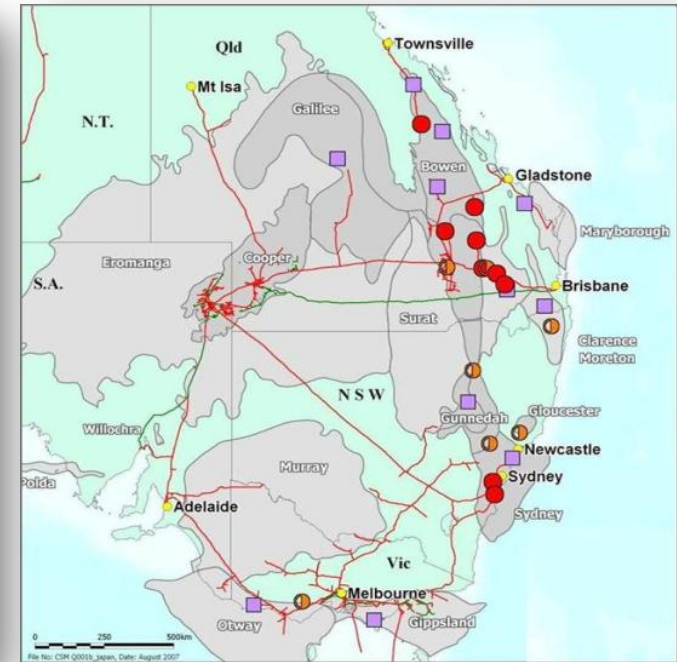


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	Qld	NSW	Texas
Area ('000 sq km)	1,731	802	696
Gross Farm Product* (\$Bn)	9.1	8.3	9.7
Petroleum Wells	7,000	249	218,556



*Source: ABS 1367.0 State and Terr Stat Indicators for 2009/10; 2009 Texas Agriculture Statistics, USDA



Source APPEA

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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 6, 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 6, PEL 427 & PEL 428 in this presentation is only a restatement of the information contained in the ESG announcement.

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