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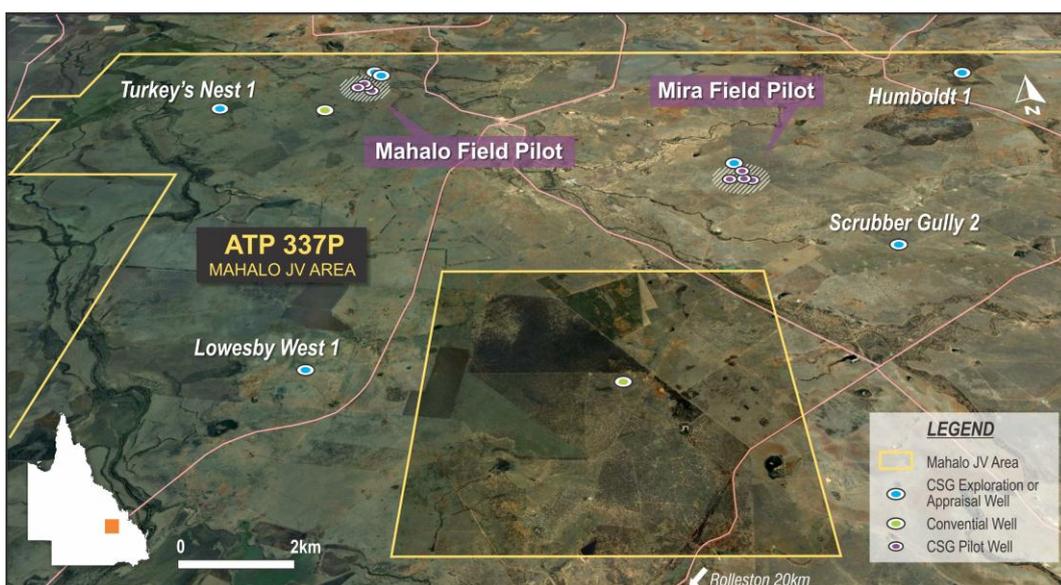
4 April 2013

Mahalo Block Pilot Schemes: Production Operations Starting This Month

- Joint Venture entering exciting phase with Mahalo Field Pilot Scheme Construction nearly complete and production operations expected to start mid-April
- Mira Field Pilot Scheme Construction progressing with production operations expected to start in May

Coal seam gas explorer Comet Ridge Limited (ASX:COI) announced today that construction at the two Joint Venture Mahalo block pilot schemes is progressing, with both pilot schemes expected to start production operations in the coming weeks.

Work on construction of two separate pilot schemes at the Mahalo Field and Mira Field, 13 km apart, and approximately 240 km west of Gladstone, has been undertaken over the past nine months, commencing with the drilling of the four Mahalo Field pilot wells in July 2012. These wells were completed for production, with tubing and pumps installed during December 2012 and construction of flowlines and tanks for water storage commencing early this year. Mahalo construction is now almost fully complete, with commissioning of the facilities about to commence and production operations expected to start in mid-April.



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At the Mira Field, the four pilot wells were drilled in December 2012 and January 2013 and were immediately completed for production with pumps and tubing installed. Construction of flowlines and tanks for water storage is underway with that field expected to be ready for production operations in May.



Mahalo Wellhead Set-up under construction



Mahalo Water Storage Tanks

Comet Ridge Managing Director, Tor McCaul, said the Mahalo Joint Venture was entering an exciting phase with production operations about to commence in two separate areas of the Mahalo Block.

The Mahalo pilot drilling results from 2012 and the Mira pilot drilling results, concluded early this year, demonstrate the presence of highly productive and continuous coals across the Mahalo block, and confirm that the ingredients required for successful pilot testing and reserves booking are present in both areas of the block. The objective of both these pilot production schemes is to demonstrate commercial gas flows at two points in the Mahalo Block, with the intention of achieving reserves certification later this year.

Lowesby West 1 Corehole Drilling

The Operator has decided to drill a non-Mahalo Block well to the south, before moving the rig to the northwest to drill the Lowesby West 1 well. This is the final well in the current Mahalo Block drilling programme and is expected to be drilled late this month.

Equity participants in ATP 337P Mahalo are Comet Ridge Mahalo Pty Ltd 35%, Stanwell Corporation Limited 5%, Australia Pacific LNG Pty Ltd 30% and Santos QNT Pty Ltd 30%.

A handwritten signature in blue ink, appearing to read "S. Rodgers".

Stephen Rodgers
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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 certified, by independent professional certifiers, 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, with the intention of 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 35% equity in the ATP 337P Mahalo block in the Bowen Basin, and announced in 2012 that it has signed an agreement to increase its equity to 22.5%, 50% and 60% respectively in PEL 6, PEL 427 and PEL 428 in the Gunnedah Basin in New South Wales. This transaction is subject to government consent to transfer.

Work Programme

Comet Ridge has an active exploration and appraisal work program for CSG projects in Queensland and northern New South Wales. Drilling for the first Pilot Project for ATP 337P Mahalo was undertaken in 2012, with additional exploration and appraisal work planned for the Galilee Basin and Mahalo in 2013.



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