Comet Ridge Limited

COMET RIDGE LIMITED

A.B.N 47 106 092 577

NOTICE OF 2013 ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

Date of Meeting
Thursday 28 November 2013

Time of Meeting
11.00am (Brisbane Time)

Place of Meeting
Brisbane Polo Club
Naldham House
193 Mary St (Cnr Eagle & Felix Streets)
Brisbane QLD, 4000

A Proxy Form is enclosed
Please read this Notice and Explanatory Memorandum carefully.
If you are unable to attend the Annual General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

COMET RIDGE LIMITED

A.B.N 47 106 092 577

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Comet Ridge Limited A.B.N 47 106 092 577 ("the Company") will be held at the Brisbane Polo Club, Naldham House, 193 Mary Street (Cnr Eagle & Felix Streets), Brisbane Qld 4000 on Thursday 28 November 2013 at 11.00am (Brisbane time) for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

AGENDA

ITEMS OF BUSINESS

Financial Statements and Reports

To receive and consider the financial statements of the Company for the year ended 30 June 2013 together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

Resolution 1 – Non Binding Resolution to Adopt Remuneration Report

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution:**

"That the Remuneration Report as set out in the Annual Report for the year ended 30 June 2013 be adopted."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

For the purposes of Resolution 1:

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by or on behalf of:

- a member of the Key Management Personnel (**KMP**) of the Company; or
- a Closely Related Party of a KMP,

whether the votes are cast as a shareholder, proxy or in any other capacity.

However, the Company will not disregard a vote if it is cast as a proxy by a KMP, details of whose remuneration are included in the remuneration report for the year ended 30 June 2013, or a Closely Related Party of such a KMP:

- for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- if it is cast by a person who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with an express authority on the proxy form to vote as the proxy decides, even if the resolution is connected directly or indirectly with the remuneration of a KMP; and
- the vote is not cast on behalf of a KMP details of whose remuneration are included in the remuneration report for the year ended 30 June 2013, or a Closely Related Party of a KMP.

Further, the Company will not disregard a vote if it is cast by a KMP, details of whose remuneration are not included in the remuneration report for the year ended 30 June 2013, or a Closely Related Party of such a KMP:

- as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- if it is cast by a person who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with an express authority on the proxy form to vote as the proxy decides, even if the resolution is connected directly or indirectly with the remuneration of a KMP.

You may be liable for breach of the voting restrictions in the Corporations Act if you cast a vote that the Company disregards.

Resolution 2 – Re-election of Ms Gillian Swaby as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution:**

"*That, Gillian Swaby, who retires in accordance with clause 13.2 of the Constitution and, being eligible for re-election, be re-elected as a Director*."

Resolution 3 – Re-election of Mr Christopher Pieters as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution:**

"*That, Christopher Pieters, who retires in accordance with clause 13.2 of the Constitution and, being eligible for re-election, be re-elected as a Director*."

Resolution 4 – Grant of Performance Rights to Managing Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of the Corporations Act 2001 and ASX Listing Rule 10.14, and for all other purposes, approval is hereby given for the grant of 500,000 Performance Rights (incorporating the right to acquire shares in the Company) to the Managing Director, Tor McCaul, under the Company's Performance Rights Plan (**PRP**), which is constituted and administered in accordance with the Rules of the PRP, on the terms summarised in the Explanatory Memorandum."*

For the purposes of Resolution 4:

Voting Exclusion Statement: The Company will disregard any votes cast on the proposed resolution to approve the grant of Performance Rights to the Managing Director (Resolution 4) by a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company and an associate of that person (or those persons)) and any associate of a Director (together Excluded Persons). The Company will also disregard any votes cast on Resolution 4 by any member of the KMP and each Closely Related Party of a KMP as a proxy.

However, the Company need not disregard a vote if it is cast by, another member of the KMP or a Closely Related Party of a KMP:

- as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- if it is cast by a person who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with an express authority on the proxy form to vote as the proxy decides, even if the resolution is connected with the remuneration of the KMP.

You may be liable for breach of the voting restrictions in the Corporations Act if you cast a vote that the Company disregards.

Resolution 5 – Ratification of the Issue of Shares

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue of 50,000,000 ordinary fully paid shares at A$0.18 on 7 August 2013 to institutional and sophisticated investors on the terms and conditions set out in Explanatory Memorandum is ratified."

For the Purposes of Resolution 5:

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by any person who participated in the issue of ordinary shares the subject of this Resolution 5 and any of its associates.

However, the Company will not disregard a vote if:

(a) it is cast by the person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
(b) it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

You may be liable for breach of the voting restrictions in the Corporations Act if you cast a vote that the Company disregards.

RESOLUTION 6 - EMPLOYEE PERFORMANCE SHARE RIGHTS PLAN

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution:**

"That for the purposes of ASX Listing Rule 7.2, Exception 9, and exception to ASX Listing Rule 7.1, and for all other purposes the Shareholders approve:

(a) the Performance Share Rights Plan for employees (including Directors) of the Company known as the "Comet Ridge Limited Employee Performance Share Rights Plan"; and

(b) the grant of Performance Rights and the issue of ordinary shares under such Plan, during the three (3) year period commencing on 28 November 2013 and ending on 27 November 2016 (which Plan is summarised in the attached Explanatory Memorandum accompanying the Notice of 2013 Annual General Meeting of the Company."

For the Purposes of Resolution 6:

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of such persons.

However, the Company will not disregard a vote if:

(c) it is cast by the person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

(d) it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

You may be liable for breach of the voting restrictions in the Corporations Act if you cast a vote that the Company disregards.

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

For the purposes of this Notice (including each of the Resolutions), the following definitions apply:-

"Annual Report" means the annual report of the Company for the year ended 30 June 2013;

"ASX" means the ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"Board" means the Board of Directors of Comet Ridge Limited;

"Closely Related Party", in relation to a member of the KMP, means the member's spouse, child or dependant (or a child or dependant of the member's spouse), anyone else in the member's family who may be expected to influence or be influenced by the member in the member's dealings with the Company (or its controlled entities), and any company the member controls;

"Company" or **"Comet Ridge"** means Comet Ridge Limited A.B.N 47 106 092 577;

"Constitution" means the Company's Constitution, as amended from time to time;

"Corporations Act" means *Corporations Act 2001* (Cth);

"Directors" means the Directors of the Company;

"Equity Securities" has the meaning given to that term in the Listing Rules.

"Explanatory Memorandum" means the explanatory memorandum accompanying this Notice;

"Key Management Personnel" or "**KMP**" means those persons having authority and responsibility for planning, directing and controlling the activities of the Company or its controlled entities, whether directly or indirectly. Members of the KMP include directors (both executive and non-executive) and certain senior executives;

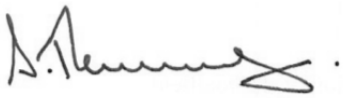
"Listing Rules" means the Listing Rules of the ASX;

"Notice" means this Notice of Annual General Meeting;

"Resolution" means a resolution contained in this Notice; *and*

"Shareholder" means a holder of shares in the Company.

By order of the Board



STEPHEN RODGERS
Company Secretary

Dated: 25 October 2013

Entitlement to attend and vote

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 7.00pm (Sydney time) on Tuesday 26 November 2013.

Shareholders can vote by either:-

- attending the meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice; or
- by submitting their proxy appointment and voting instructions by facsimile.

Voting in person (or by attorney)
Shareholders, or their attorneys, who plan to attend the meeting are asked to arrive at the venue 15 minutes prior to the time designated for the meeting, if possible, so that their holding may be checked against the Company's Share Register and attendance recorded. Attorneys should bring with them an original or certified copy of the Power of Attorney under which they have been authorised to attend and vote at the meeting.

Voting by a Corporation
A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the meeting. The appointment must comply with the requirements of Section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed unless previously given to the Company's Share Registry.

Voting by Proxy

- A Shareholder entitled to attend and vote is permitted to appoint not more than two (2) proxies. Each proxy will have the right to vote on a poll and also to speak at the meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.

- The proxy can be either an individual or a body corporate.

- If a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting, as they think fit.

- Should any resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that resolution as they think fit.

- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice.

- To be effective, proxies must be lodged by 11.00am (Brisbane time) on Tuesday 26 November 2013. Proxies lodged after this time will be invalid.

- Proxies may be lodged using any of the following methods:-

  1. by returning a completed proxy form in person or by post using the pre-addressed envelope provided with this Notice to:-

     The Share Registry
     Comet Ridge Limited
     c/- Computershare Investor Services Pty Limited
     GPO Box 242
     MELBOURNE VIC 3001

     or

  2. by faxing a completed proxy form to:-

     Comet Ridge Limited, on
     1800 783 447 (within Australia); or
     + 61 3 9473 2555 (outside Australia)

     or

  3. by visiting:-

     www.investorvote.com.au and logging in using the control number found on the front of your accompanying proxy form.

     Intermediary Online subscribers (Institutions/Custodians) may lodge their proxy instruction online by visiting www.intermediaryonline.com

     or

  4. *Online voting is now mobile compatible so you can readily appoint a proxy straight from your smart phone.*

     To do this, enter www.investorvote.com.au directly into your smart phone and follow the instructions on your personalised proxy form or scanning the QR Code on the front of your proxy form. To scan the QR code you will have needed to download and installed a QR Code Scanner application for your smart phone.

The proxy form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the Power itself, must be received by the Company at the above address, or by facsimile and by 11.00am (Brisbane time) on Tuesday 26 November 2013. If facsimile transmission is used, the Power of Attorney must be certified.

COMET RIDGE LIMITED

A.B.N 47 106 092 577

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of Comet Ridge Limited (**"Comet Ridge"** or the **"Company"**) to be held at 11.00 am Thursday 28 November 2013. Shareholders should read this document in full.

FINANCIAL STATEMENTS AND REPORTS

The first item of the Notice of Annual General Meeting deals with the presentation of the consolidated annual financial statements of the Company for the financial year ended 30 June 2013 together with the Directors' Declaration and Report in relation to that financial year and the Auditor's Report on those financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman will also provide Shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the Independent Auditor's Report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; *and*
- the independence of the Auditor in relation to the conduct of the audit.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

In accordance with Section 250R(2) of the Corporations Act the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's 2013 Annual Report. The Remuneration Report is contained in the Annual Report and is also available on the Company's website: www.cometridge.com.au

The Board believes that the Company's remuneration policy and framework as detailed in the Remuneration Report are appropriate given the size of the Company and its current strategic objectives.

Shareholders should note that this Resolution is advisory only and does not bind the Directors or the Company. However, if at least 25% of the votes cast on the resolution at the Annual General Meeting are against adoption of the report, then:

- if comments are made on the report at the Annual General Meeting, the Company's remuneration report for the financial year ending 30 June 2014 will be required to include an explanation of the board's proposed action in response or, if no action is proposed, the board's reasons for this; and

- if, at the Company's 2014 Annual General Meeting, at least 25% of the votes cast on the resolution for adoption of the remuneration report for the relevant financial year are against its adoption, the Company will be required to put to shareholders a resolution proposing that a general meeting (**Spill Meeting**) be called to consider the election of directors of the Company (**Spill Resolution**). For any Spill Resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it. If a Spill Resolution is passed, all of the directors (other than any managing director) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.

Recommendation

The Remuneration Report forms part of the Directors' Report, made in accordance with a unanimous resolution of the Directors. Each of the Directors recommends the report to Shareholders for adoption.

RESOLUTION 2 – RE-ELECTION OF MS GILLIAN SWABY AS A DIRECTOR

The Company's Constitution provides that at every Annual General Meeting one-third of the Directors, or, if their number is not a multiple of three, then such number as is appropriate shall retire from office to ensure that no Director holds office for more than three (3) years. Ms Gillian Swaby therefore, retires from office in accordance with this requirement and submits herself for re-election.

Gillian Swaby has been involved in financial and corporate administration for listed companies, as both Director and Company Secretary covering a broad range of industry sectors, for over 30 years. Ms Swaby has extensive experience in the area of secretarial practice, management accounting and corporate and financial management.

Gillian Swaby is past Chair of the Western Australian Council of Chartered Secretaries of Australia, a former Director on their National Board and a lecturer for the Securities Institute of Australia. Ms Swaby is the principal of a corporate consulting company and was a member of the Paladin Board for a period of 10 years before accepting her current role as the Company Secretary.

Recommendation
The Directors (with Ms Swaby abstaining) recommend that you vote in favour of the resolution.

RESOLUTION 3 – RE-ELECTION OF MR CHRISTOPHER PIETERS AS A DIRECTOR

The Company's Constitution provides that at every Annual General Meeting one-third of the Directors, or, if their number is not a multiple of three, then such number as is appropriate shall retire from office to ensure that no Director holds office for more than three (3) years. Mr Pieters therefore, retires from office in accordance with this requirement and submits himself for re-election.

Chris Pieters is Managing Director and co-founder of Walcot Capital, a private venture capital business specialising in energy investment and the former Managing Director of Tlou Energy Limited a private unlisted public company with Coal Bed Methane exploration interests in Southern Africa.

Previously he was Chief Commercial Officer of Sunshine Gas Limited prior to its merger with the Queensland Gas Company in 2008. Chris also held other technical and business development roles at Sunshine Gas.

He is a member of the Petroleum Exploration Society of Australia.

Recommendation
The Directors (with Mr Pieters abstaining) recommend that you vote in favour of the resolution.

RESOLUTION 4 – GRANT OF PERFORMANCE RIGHTS TO MANAGING DIRECTOR

The Company proposes to grant its Managing Director, Tor McCaul, up to a total of 500,000 Performance Rights under the Company's Employee Performance Share Rights Plan (**PRP**).

The terms on which the Performance Rights will be granted have not been finalised as yet, but rather the Board is seeking approval of shareholders in accordance with the requirements of ASX Listing Rule 10.14 for the grant of up to 500,000 Performance Rights as part of the annual review of the Managing Directors salary package.

The Board intends that performance criteria will be established for the grant of some or all of these performance rights and that these performance criteria will relate to the performance of the Company.

The Managing Director will receive any Performance Rights which are granted to him at no cost.

The Performance Rights will only be granted if he maintains his employment with the Company at the time that they vest.

A total of 2,150,000 Performance Rights have previously been granted to the Managing Director of which 1,510,000 have converted to ordinary shares.

The Managing Director is the only director to whom it is proposed that Performance Rights be granted under the PRP at this time. No other person who requires approval to participate in the PRP under ASX Listing Rule 10.14 has been or will be issued with Performance Rights until such approval is obtained.

No loans will be granted to the Managing Director in relation to his participation in the PRP.

The PRP was summarised in the 2010 Notice of Annual General Meeting and is again summarised under Resolution 6 in this Explanatory Memorandum. A copy of the PRP Rules can be obtained from the Company Secretary upon request.

Details of any Performance Rights issued under the PRP (and shares issued upon their vesting) will be published in each annual report of the Company relating to the period in which they have been issued, together with a note that approval of the issue was obtained under ASX Listing Rule 10.14.

Additional persons:
- who become entitled to participate in the PRP after this resolution is approved;
- who were not named in this notice of meeting; and
- who are directors of the Company, associates of a Director of the Company or persons to whom ASX considers this criteria should apply;

will not participate in the PRP until approval is obtained under ASX Listing Rule 10.14.

Allocation of Performance Rights to the Managing Director will be made no later than 12 months after the date of this meeting.

This item is not a resolution to grant any Performance

Rights to Tor McCaul. It is an authority for the Board of the Company to grant the Performance Rights.

Recommendation
Each of the Directors (other than Tor McCaul who is not entitled to vote) recommends the approval of the grant of Performance Rights to Tor McCaul. None of the Directors (other than Tor McCaul) has an interest in the outcome of this resolution.

RESOLUTION 5 – RATIFICATION OF THE ISSUE OF SHARES

In a placement that was completed on 7 August 2013 the Company raised a total of $9,000,000 through the issue of 50,000,000 ordinary shares at $0.18 per share.

Subject to certain exceptions, ASX Listing Rule 7.1 restricts a company from issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of the company's ordinary securities on issue at the commencement of that period without shareholder approval.

ASX Listing Rule 7.4 permits the ratification by shareholders of previous issues of securities made without shareholder approval provided the issue did not breach the 15% threshold in ASX Listing Rule 7.1.

In accordance with ASX Listing Rules 7.4 and 7.5, the Company advises that:

(a) Resolution 5 has been included so that shareholders may approve and ratify pursuant to ASX Listing Rule 7.4 the issue of a total of 50,000,000 ordinary shares to those parties detailed below;
(b) The shares were issued and allotted to various sophisticated investors and Australian institutions unrelated to the Company;
(c) The proceeds raised through the issue of the shares will be used primarily to fund the completion of the Mahalo Project work programme, including work-overs and operations, other portfolio project costs, corporate and technical costs and working capital for the Company;
(d) The shares issued rank pari passu with, and on the same terms, as the existing fully paid ordinary shares on issue in the Company;
(e) None of the allottees are related parties of the Company; and
(f) The shares were issued at $0.18.

Accordingly, as the issue of Shares did not breach ASX Listing Rule 7.1, the Company wishes to refresh its capacity to issue without specific approval by seeking approval under ASX Listing Rule 7.4 for the issue of those shares. The effect of obtaining Shareholder approval will be that the shares issued will be treated as having been made in accordance with ASX Listing Rule 7.1 and, as a result, the Company's ability to issue the number of shares permitted under ASX Listing Rule 7.1, without Shareholder approval will not be effected.

Recommendation
The Directors consider it prudent that the Company retain the flexibility of that ability in case the need to issue further securities arise and recommend that Shareholders vote in favour of the proposed resolution.

RESOLUTION 6 - EMPLOYEE PERFORMANCE SHARE RIGHTS PLAN

This resolution seeks shareholder approval for the Company's Performance Share Rights Plan for employees (including Directors) which is currently in operation known as the "*Comet Ridge Limited Employee Performance Share Rights Plan*" (**Plan or Employee Plan**), and the issue of securities under the Plan.

The Plan was originally approved by Shareholders at the 2010 Annual General Meeting held on 11 November 2010 (**2010 Approval**). The Company obtained the 2010 Approval in order to exempt issues of securities under the Plan from contributing towards the rolling annual limit of 15% of issued ordinary shares prescribed by Listing Rule 7.1. This limit otherwise applies to all new issues of equity securities made without Shareholder approval.

Listing Rule 7.2, Exception 9, provides that Shareholders may approve in advance the issue of securities made under the Plan as an exception to the limit imposed by Listing Rule 7.1. However, Listing Rule 7.2, Exception 9 also requires that Shareholder approval must have been given within the three years prior to the date on which the relevant securities are issued. The 2010 Approval will expire for these purposes on 12 November 2013. The Company is therefore seeking a further Shareholder approval for the purposes of Listing Rule 7.2, Exception 9.

Further information about the Plan is set out below. A copy of the full terms and conditions of the Plan can be obtained by contacting the Company.

Rationale for the Plan

The Board continues to believe that the Plan is necessary in order to ensure that the Company maintains its ability to attract and retain key staff and to reward employees for their performance and loyalty to the Company. In addition, grants made to eligible employees under the Plan provide a powerful tool to underpin the Company's employment strategy. The Plan also:

- enables the Company to recruit and retain the talented people needed to achieve the Company's business objectives;

- links the reward of key staff with the achievements of strategic goals and the long term performance of the Company;
- aligns the financial interest of employees with those of Shareholders; and
- provide incentives to employees to strive to achieve performance markers that in turn creates Shareholder value.

Outline of the Plan

Below is a brief overview of the Plan and how it will operate.

Overview

The Plan allows the Company to issue Performance Rights to eligible employees. A Performance Right is a right to acquire one Share in the Company (subject to the determination by the Board that the relevant performance conditions attaching to the Performance Right have been met). If the relevant performance conditions are not met, then the Performance Right will lapse.

Performance Rights issued under the Plan do not confer an entitlement to attend or vote at general meetings of the Company.

Participation

The eligible participants under the Employee Plan are full time employees and permanent part-time employees (including Directors) of the Company and its subsidiaries.

In accordance with the requirements of the Listing Rules, prior Shareholder approval will be required before any of the Directors or a related party of the Company can participate in the Employee Plan.

Performance Criteria

Performance Rights granted under the Plan will be subject to performance conditions as determined by the Board from time to time and for each particular participant on a case by case basis. Criteria that may be taken into account include (without limitation) matters such as length of employment, successful operational results and/or direct increase in Shareholder value linked to the share price of the Company or reserve targets.

Terms of the Plan

Entitlement Limits

The Plan has a fixed maximum number of Shares that may be issued. An offer of Performance Rights may only be made under the Plan if the number of Shares underlying the Performance Rights the subject of the offer when aggregated with:

(i) the number of Shares that would be issued if each outstanding offer made by the Company with respect to the Shares under an employee incentive scheme were accepted or exercised (as the case may be) and;

(ii) the number of Shares issued during the previous five years pursuant to this Plan or any other employee incentive scheme,

will not exceed 5% of the total number of issued Shares as at the time of the offer. In performing this calculation, no regard will be made to any offer made, or option acquired or Share issued as a result of:

(i) an offer to a person situated at the time of receipt of the offer outside Australia;

(ii) an offer that did not need disclosure under Part 6D.2 or Part 7.9 of the Corporations Act; or

(iii) an offer made using a Corporations Act disclosure document or PDS.

Consideration

No amount is payable in connection with the grant of a Performance Right. The vesting of a Performance Right is conditional on the satisfaction of the performance conditions attaching to the Performance Right. Subject to the Listing Rules, the Board may nonetheless determine in its discretion that it will reduce or waive the performance conditions in whole or in part.

Number of Performance Rights

The Plan does not set a maximum number of ordinary shares that may be made available to any one participant. The Board may determine the persons who are eligible to participate in the Plan. An offer to a person to participate in the Plan, or any Performance Rights held by a participant in the Plan, are personal to the relevant person and may not be exercised by any other person.

The Board may stipulate the terms and conditions on which offers of Performance Rights are made, including but not limited to the maximum number of Performance Rights for which an eligible participant may apply, performance conditions, expiry date, the amount payable (if any) for the grant of a Performance Right circumstances in which the Performance Rights will lapse and any other terms and conditions applicable which the Board determines. A participant may not dispose of or grant security over, or enter into any arrangement for the purpose of hedging or otherwise effecting their economic exposure to their Performance Rights.

Term

The Performance Rights have a term of seven (7) years, or a term of up to a maximum of seven (7) years, or such other term as the Board may determine in its absolute discretion and specify.

Lapse of Performance Rights

A Performance Right will lapse on the earlier of:-

1. its stated expiry date;

2. the date that is 30 days after the participant ceases to be an employee of the Company;

3. the Board making a determination that the Performance Right has lapsed on account of the participant acting fraudulently or dishonestly or in breach of the participant's obligations to the Company; or

4. the participant or the participants' estate becomes bankrupt or commits an act of bankruptcy.

In special circumstances a Performance Right can vest where a participant ceases to be an eligible participant. Early vesting of the Performance Right will occur in the event that:-

1. the participant dies, is totally and permanently disabled or made redundant;

2. there is a change of control of the Company;

3. the Company passes a resolution for winding up;

4. an order is made for the compulsory winding up of the Company;

5. a person becomes bound and are entitled to acquire the shares in the Company:

   (a) upon a scheme of arrangement being approved for the purposes of section 414 of the Corporations Act; or

   (b) under a compulsory acquisition process following a takeover bid pursuant to Chapter 6A of the Corporations Act; or

7. the Performance Right has otherwise vested under the Plan.

Re-organisation of Share Capital

Other than as provided for by the Plan, participants will not be entitled to participate in any new issue of shares.

In the event that the Company makes a bonus issue of shares, then the number of underlying shares over which the Performance Rights are exercisable, will be increased by the number of shares which the participant would have received if the Performance Rights had vested immediately prior to such record date.

If there is a re-organisation of capital of the Company then the rights of the participant will be changed to the extent necessary to comply with the Listing Rules applying to a re-organisation of capital at the time of the re-organisation.

Quotation of Shares

The Company will not seek official quotation of any Performance Rights. The Company will apply to the ASX for quotation of shares issued on exercise of Performance Rights if other shares of the Company are officially quoted by ASX at that time.

Administration and Amendment of the Plan

The Plan will be administered by the Board which will have power to determine appropriate procedures and make regulations for the administration of the Plan which are consistent with it subject to the Listing Rules, the Board may, in its absolute discretion, at any time amend any of the rules, or waive or modify the application of any of the rules in relation to any participant provided no amendment to the Plan materially reduces the right of any participant in respect of any Performance Right granted to that participant, other than an amendment introduced to either correct any manifest error or mistake, and the purposes of complying with present or future State or Commonwealth legislation, termination and suspension of the Plan. The Board may suspend or terminate the plan at any time, provided that such termination or suspension does not adversely affect the then existing rights of the participants.

In accordance with the requirements of Listing Rules 7.2 Exception 9(b) the following information is provided:-

(a) the terms of the Plan has been summarised in this Explanatory Memorandum;

(b) since the date of the 2010 Approval, 4,530,000 Performance Rights have been issued under the Plan and 2,810,000 Shares have been issued under the Plan; and

(c) a Voting Exclusion Statement has been included for the purposes of Resolution 6.

Comet Ridge Ltd

ABN 47 106 092 577

⊢ 000001 000 COI
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:

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Proxy Form

Vote and view the annual report online

Go to www.investorvote.com.au **or** scan the QR Code with your mobile device.
Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 11.00am (Brisbane time) Tuesday 26 November 2013

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.
Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.
Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

GO ONLINE TO VOTE,
or turn over to complete the form ➔

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☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with '**X**') should advise your broker of any changes.

I 9999999999 I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Comet Ridge Limited hereby appoint

☐ **the Chairman of the Meeting** **OR** _____

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Comet Ridge Limited to be held at **Brisbane Polo Club, Naldham House, 193 Mary St (Cnr Eagle & Felix Streets) Brisbane QLD 4000, Thursday 28 November 2013 at 11.00am (Brisbane time)** and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on every Item of Business (except where I/we have indicated a different voting intention below) even if the Items of Business (including, without limitation Items 1, 4 & 6) is connected directly or indirectly with the remuneration of a member of key management personnel of Comet Ridge Limited, which includes the Chairman.

Important Note: For **Items 4 & 6,** this express authority is also subject to you marking the box in the section below. If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Item 4 or Item 6** by marking the appropriate box in step 2 below.

Important for Items 4 & 6: If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on **Items 4 & 6** below, please mark the box in this section. If you do not mark this box and you have not otherwise directed your proxy how to vote on **Item 4 or Item 6,** the Chairman of the Meeting will not cast your votes on **that item** and your votes will not be counted in computing the required majority if a poll is called on **that item**. The Chairman of the Meeting intends to vote undirected proxies in favour of **Items 4 & 6** of business.

☐ I/We acknowledge that the Chairman of the Meeting may exercise my/our proxy even if the Chairman has an interest in the outcome of **Item 4 or Item 6** and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
1	Non Binding Resolution to Adopt Remuneration Report	☐	☐	☐
2	Re-election of Ms Gillian Swaby as a Director	☐	☐	☐
3	Re-election of Mr Christopher Pieters as a Director	☐	☐	☐
4	Grant of Performance Rights to Managing Director	☐	☐	☐
5	Ratification of the Issue of Shares	☐	☐	☐
6	Employee Performance Share Rights Plan	☐	☐	☐

The Chairman of the Meeting intends to vote all undirected proxies in favour of each Item of Business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name _____ **Contact Daytime Telephone** _____ **Date** ___ / ___ / ___

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