



14 December 2005

The Company Announcements Officer
Australian Stock Exchange Limited

Dear Sir/Madam

By Electronic Lodgement

**COMET RIDGE INCREASES INTEREST IN
OIL FIELD REDEVELOPMENT PROJECT**

The directors of Comet Ridge Limited (ASX Code: COI) are pleased to advise that its wholly owned subsidiary Comet Ridge USA Inc. has increased its interest in the Tow Creek project in Routt County, Colorado from 25% to 37.5% working interest.

Joint venture partner, AJ Lucas Group Limited, has elected not to take up its 1/3rd participation in the project for reasons unrelated to the merits of the prospect. Lucas has advised that it is still in the position to provide drilling equipment and its directional drilling technology when drilling commences in the second quarter of 2006.

Comet Ridge's other Rocky Mountain Joint Venture partner Strike Oil Limited (ASX Code: STX) will be offered the opportunity of also increasing its interest to 37.5%. Private US interests hold the other 25%.

Comet Ridge has acquired a lease position covering close to 9,000 acres over the Tow Creek anticline. Over 5 million barrels of oil have been produced from fractured shale reservoirs in a number of fields on the structure. Comet Ridge is planning on extending and redeveloping the old fields using directionally drilled, sub-horizontal to horizontal holes designed to maximize the number of fractures intersected.

A grid of conventional 2D seismic lines has been acquired and the data are currently being reprocessed to optimize the initial drilling locations.

For further information:

Yours faithfully

Andy Lydyard
Managing Director

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