

**COMET RIDGE LIMITED  
ASX ANNOUNCEMENT  
14 FEBRUARY 2007**

The Company Announcements Officer  
Australian Stock Exchange Limited Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000  
By Electronic Lodgement

**OPERATIONS UPDATE  
FLORENCE PROJECT,  
FREMONT COUNTY, COLORADO, USA**

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**MAIN POINTS**

- **Seismic acquisition contract signed**
  - **Permitting of 8 square mile 3D survey to commence next week**
  - **Field acquisition to commence before the end of March**
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The directors of Comet Ridge Limited (**ASX Code: COI**) are pleased to provide the following operational update for the Florence oil field redevelopment project in Fremont County, Colorado, USA.

Comet Ridge Limited's wholly owned US subsidiary, Comet Ridge USA Inc, has secured a seismic acquisition crew to acquire the planned 8 square mile three dimensional (3D) seismic survey over the project.

Permitting for the survey will commence next week and acquisition is expected to commence mid to late March (depending on permitting).

The survey will cover a significant part of the old Florence oil field and overlap a smaller survey shot by the Company's US partners in 2004. The seismic data is expected to provide a critical subsurface view of fracture patterns that control oil production in the Pierre and Niobrara Formations. The Company intends to employ the directional drilling capability developed at Tow Creek to re-develop the old field. Drilling is planned to commence by the end of July this year.

**Background**

The Florence oil field was the second oil field discovered in the United States of America with the discovery well drilled in 1862. The field is located approximately 87 miles (140 km) south of Denver and 25 miles (40 km) west of Pueblo (Figure 1). The oil field has produced approximately 15 MMBO in its 144 year history. As is typical of many fractured reservoir oil fields, there are a modest number of excellent producers with per well recoveries ranging from 100,000 barrels to in excess of 550,000 barrels of oil and a lot of lower recovery wells and dry holes where few or no fractures were penetrated.

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**AUSTRALIA**

Level 9, Wesfarmers House  
40 The Esplanade, Perth WA 6000  
Phone: 61 8 6464 0499  
Fax: 61 8 6464 0498

**USA**

600 17<sup>th</sup> Street, Suite 600-S  
Denver, Colorado 80202  
Phone: +1 (303) 226 1300  
Fax: +1 (303) 226 1301

Comet Ridge Limited  
ABN 47 106 092 577  
Email: [comet@cometridge.com.au](mailto:comet@cometridge.com.au)  
Website: [www.cometridge.com.au](http://www.cometridge.com.au)



All of the production achieved to date has been from shallow, vertical wells drilled almost exclusively without the benefit of modern seismic data and petrophysical logging technology. There have been very few wells drilled directionally. The underlying Niobrara Formation (the same formation the Company is pursuing at Tow Creek and Bear River in northern Colorado) has proven productive but is very lightly explored.

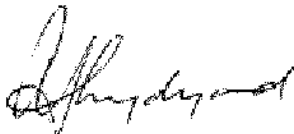
The advent of 3D seismic, directional drilling techniques and modern petrophysical logging technologies provides companies like Comet Ridge with a set of tools to apply to the re-development of these prolific established oil fields. Evidence that such opportunities exist is provided by a vertical well drilled on a lease immediately adjacent to Comet Ridge's position at Florence. The well (located using the small 3D seismic survey mentioned above) is consistently producing 100 barrels of oil per day from the Pierre Shale after producing 55,000 barrels over the past two years.

Oil produced from the Florence typically sells at a US\$2.45 per barrel discount to the West Texas Intermediate (WTI) posting. As of 13 February 2007, the WTI posting for delivery in March '07 was US\$58.91 per barrel.

Since announcing the initial acquisition the Company has continued to acquire acreage and now controls approximately 7,000 acres in the play.

Comet Ridge and Australian partners, Strike Oil Limited (ASX Code: STX) and AJ Lucas Group Ltd (ASX Code: AJL) each have a 26% working interest. Comet Ridge is the operator.

Yours sincerely



ANDREW LYDYARD  
Managing Director  
Comet Ridge Limited

For further information contact:  
Andy Lydyard (USA)  
Managing Director  
Phone: +1 (303) 226 1303  
Fax: +1 (303) 226 1301  
Mobile: +1 (303) 547 4478  
Email: [andyly@cometridgeusa.com](mailto:andyly@cometridgeusa.com)

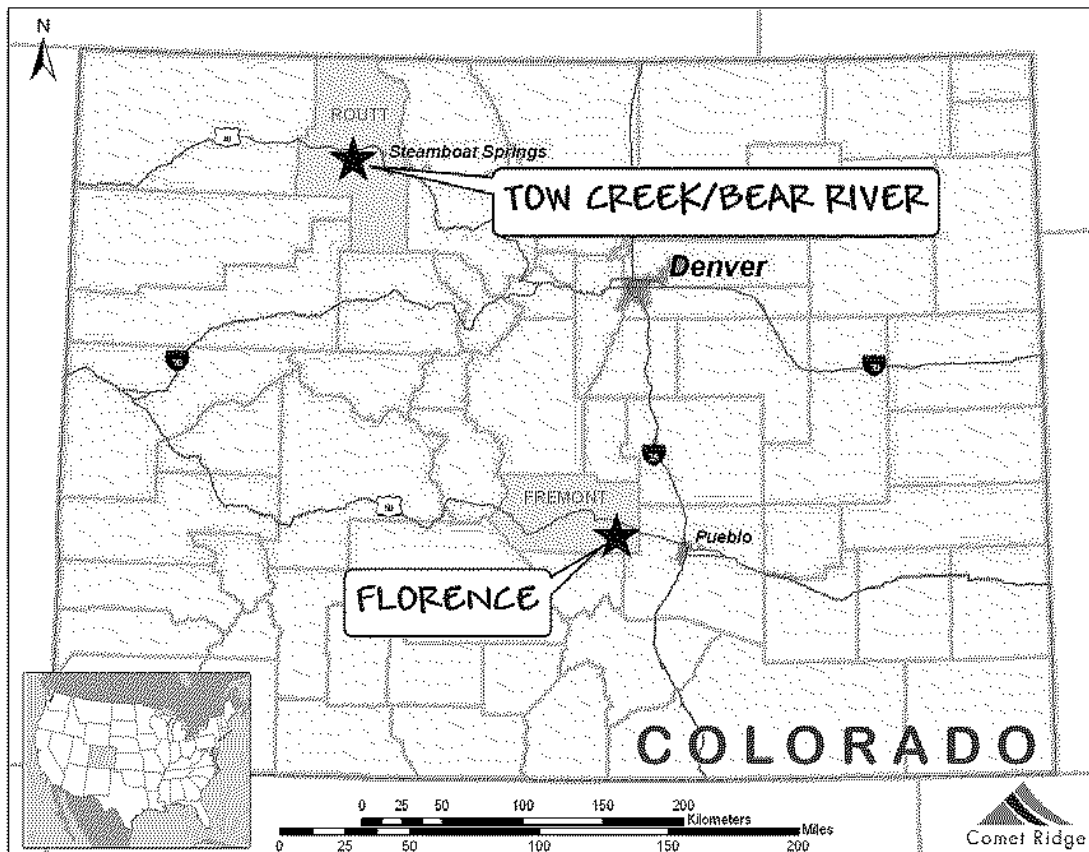


Figure 1. Location of Florence and Tow Creek/Bear River Projects