



4 November 2016

Comet Ridge Announces Rights Issue Closes Oversubscribed

Highlights:

- **Comet Ridge's Non Renounceable Rights Issue as announced 30 September 2016 has closed.**
- **Strong support for the stock has seen the Rights Issue heavily oversubscribed.**
- **In order to meet the strong demand from shareholders, the Company has completed a subsequent placement to raise an additional \$402,065.**

Comet Ridge Limited (ASX:COI) (Comet or the Company) is pleased to announce that its Non Renounceable Rights Issue (the Offer) announced 30 September 2016 raised the maximum amount of \$1,052,515 (before costs) through the issue of 21,050,306 (adjusted for rounding) fully paid shares in the Company (New Shares). The Offer closed substantially oversubscribed with many eligible shareholders applying for New Shares significantly in excess of their entitlement under the Offer.

Under the Offer, existing eligible shareholders were invited to subscribe for 1 New Share for every 25 ordinary shares held on the record date at the offer price of \$0.05 per New Share in order to raise \$1,052,515 through the issue of up to 21,050,306 (adjusted for rounding) New Shares. The Offer closed on Monday 31 October 2016.

Eligible shareholders who subscribed for their full entitlement under the Offer were invited to subscribe for New Shares in excess of their entitlement (Additional Shares) to the extent there was a shortfall between the number of New Shares applied for and the maximum number of New Shares offered under the Offer (Shortfall). The Offer was 46.4% subscribed by eligible shareholders raising \$488,570 with a further \$563,945 of Shortfall applications received from eligible shareholders (through the issue of 11,278,901 Additional Shares at the offer price of \$0.05 per New Share).

The Shortfall under the Offer was heavily oversubscribed by eligible shareholders. After gauging feedback from shareholders (who expressed a strong desire not to have their application for Additional Shares under the Shortfall scaled back) and in order to partially meet the strong demand, the Company has today completed a placement to shareholders who are sophisticated and professional investors (Placement) to raise an additional \$402,065 through the issue of 8,041,301 fully paid ordinary shares in Comet (representing approx. 1.4% of the existing shares on issue) at the offer price of \$0.05 per New Share (being the same price under the Offer) (Placement Shares).

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ASX CODE: COI

The Placement Shares will be issued pursuant to the Company's existing 15% annual placement capacity under Listing Rule 7.1 and as such, shareholder approval will not be required. The Placement Shares will rank equally with Comet's existing shares on issue.

The total raised from the Offer (including the Shortfall under the Offer) and the subsequent Placement totals \$1,454,580 before costs through the issue of a total of 29,091,607 fully paid ordinary shares in Comet.

The Company's Chairman, Mr James McKay said *"the success of the initial Placement and the Offer is a reflection of the confidence that shareholders have in the Company's strategy and the development potential of its Mahalo and Galilee Assets and their value given the looming severe shortage of deliverable gas in the east coast gas market."*

As the Offer was oversubscribed, and notwithstanding the Placement, it has been necessary for the Company to scale back some applications for Additional Shares applied for under the Shortfall (in accordance with its right to do so under the terms of the Offer as set out in the Offer Booklet (ASX Release: 30 September 2016)). The general scale-back policy that has been adopted is as follows:

- Eligible shareholders who applied for New Shares up to their full pro-rata entitlement will receive their full entitlement; and
- Eligible shareholders who also applied for Additional Shares under the Shortfall may have their application for Additional Shares scaled back.

The scale-back of applications for Additional Shares under the Shortfall will be at Comet's absolute and sole discretion and its decision on the number of Additional Shares allocated to each eligible shareholder will be final.

Refunds for the unallocated portion of applications for Additional Shares under the Shortfall will be paid by no later than 15 November 2016.

Subject to finalisation of the scale-back, it is expected that the New Shares and Additional Shares will be issued and allotted on Tuesday 8 November 2016, with holding statements to be dispatched on that date.

Use of Funds

Completion of the Offer and Placement will result in Comet's cash at hand increasing to approximately A\$2.96 million (before the payment of the costs associated with the Offer).

The Company intends to apply these funds raised, along with existing cash, to fund the ongoing working capital requirements of the Company as detailed in the Offer Booklet dated 30 September 2016.

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COMET RIDGE LIMITED – OVERVIEW

Comet Ridge Limited has significant Coal Seam Gas (CSG) projects in key regions of Queensland and northern New South Wales. Gas resources have been certified, by independent professional certifiers, at several projects and gas reserves were certified in 2014 and expanded in 2015, at the Mahalo project in Queensland. 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's early entry into well-located exploration areas, has allowed shareholders to gain substantial leverage into the considerable 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 two blocks in the Galilee Basin. Comet Ridge has 40% equity in the ATP 1191 Mahalo Block in the Bowen Basin, and CSG equity of 29.55%, 59.09% and 68.42% respectively in PEL 6, PEL 427 and PEL 428 in the Gunnedah Basin in New South Wales.

Work Programme

Comet Ridge has an active exploration and appraisal work plan for CSG projects in eastern Australia, focused on the conversion of contingent resources to reserves.



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