

**10 July 2015****Comet Ridge Limited**

Changes to the Managing Director's Remuneration effective July 2015 and issue of Performance Rights

This announcement sets out adjustments that have been made to the remuneration arrangements for the Managing Director of Comet Ridge Limited (COI), Mr Tor McCaul, commencing from 10 July 2015 together with the issue of Performance Rights to Executive Director, Mr Christopher Pieters.

Base Salary

There is to be no increase in the base salary of the Managing Director.

Grant of Performance Rights

Following the approval by shareholders given at the Company's 2014 Annual General Meeting (AGM), the Managing Director has now been invited to participate in the Company's Employee Performance Rights Plan (PRP) for a total of 1,000,000 Performance Rights.

As explained to shareholders at the AGM, the vesting of any Performance Rights would be linked to criteria relating to the performance of the Company. The issue of the 1,000,000 Performance Rights are on the following terms:

- *500,000 to be divided into 3 equal tranches vesting on the securing of 75PJ of 2P Reserves for the first tranche and 100PJ of 2P Reserves for the second tranche and 125PJ of 2P Reserves for the third tranche, all on or before 31 December 2016 or on a change of control event; and*
- *500,000 to vest on the Mahalo Field Pilot achieving a sustained average gas flow of 500mfcd on or before 31 December 2016 or on a change of control event;*
- *The Managing Director maintains his employment with the Company at the time the Performance Rights vest; and*
- *In the event that these criteria are not achieved by the expiry date (31 December 2016) the Performance Rights are to lapse.*

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

The Managing Director was previously granted 500,000 Performance Rights, approved at the 2013 AGM, which were linked to a 2P Reserve Booking of 75PJ for the Company's assets, however these did not vest.

While a 2P Reserve Booking was achieved during the period prescribed by the terms of the Performance Rights, the target was not reached and accordingly all of these Performance Rights lapsed on 30 June 2015.

Bonus Remuneration Incentive – Managing Director

The Board, having reviewed the Managing Director's remuneration package, has agreed to a variation of his employment contract to include an incentive in the form of a cash bonus of AUS\$200,000. Awarding of the bonus will be subject to the Mahalo Field Pilot achieving, in accordance with accepted industry standards, a sustained average gas flow of 500mfcd on or before 31 December 2016 or on a change of control event during this period.

In making this decision, the Board took into consideration that the Managing Director's base salary has not been increased since 1 July 2012, in an effort to conserve the cash resources of the Company.

The Board believes that the linking of the bonus with the performance of the Mahalo Field Pilot directly aligns the interest of the Managing Director to that of shareholders, with the performance of the Pilot likely to be reflected in value to shareholders.

Issue of Performance Rights to Executive Director - Christopher Pieters

As announced on 17 June 2015 Christopher Pieters has been appointed to a role as an executive director. In addition to the remuneration details already announced, the Board has invited Mr Pieters to participate in the Company's Consultant's Performance Rights Plan, for a total of 500,000 Performance Rights. His participation was approved by shareholders at the 2014 AGM.

The terms on which the Performance Rights have been granted are as follows:

- *500,000 to vest on the Mahalo Field Pilot achieving a sustained average gas flow of 500mfcd on or before 31 December 2016 or on a change of control event;*
- *The Director maintains his employment or association with the Company at the time the Performance Rights vest; and*
- *In the event that these criteria are not achieved by the expiry date (31 December 2016) the Performance Rights are to lapse.*

Mr Pieters will receive any Performance Rights which are granted to him at no cost.



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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. Gas resources have been certified, by independent professional certifiers, at four projects and gas reserves were certified in 2014 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 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 two blocks in the Galilee Basin and a block in New Zealand. Comet Ridge has 40% equity in the ATP 337P Mahalo Block in the Bowen Basin, and CSG equity of 22.5%, 50% and 60% 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.

