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Yalgoo Project Update

Reverse Circulation Drilling Programme Completed

Comet Resources Limited has completed 8 reverse circulation drill holes for 989 metres. Holes were drilled to evaluate 7 electromagnetic anomalies believed to be prospective for base metal mineralisation. Assay results are expected in early September.

Comet is seeking deposits similar to Newmont's world-class base metal/gold mine at Golden Grove, which is located just 50km along strike to the south of Comet's Project. The Golden Grove mine has revenue in excess of \$100 million per year and has been in operation for 20 years. Golden Grove has projected resources for a further 20 years of operation. This style of deposit typically occurs as clusters along a prospective horizon. Comet's Yalgoo Project has over 30km strike length of this prospective felsic volcanic sequence.

For further information on Comet and its exploration projects please visit Comet's web site or contact:

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Comet listed on the Australian Stock Exchange in 1994. The Company discovered and studied the Ravensthorpe Nickel Project which is now part of a 1.7 billion dollar project being developed by BHP Billiton. In 2001 Comet successfully sold its final equity to BHP Billiton and returned to Comet shareholders 32 million dollars. Comet has a number of exciting exploration projects that it is currently exploring and advancing. Comet has approximately 3 million dollars of cash, 6 million Prosperity shares and has approximately 61 million shares on issue and 34 million 8 cent December 2004 options.