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ENVIRONMENTAL OIL SOLUTIONS FOR COMET.

Comet Resources Limited's Chairman Roj Jones said "the technology we are purchasing is an exciting opportunity for the Comet. The technology is simple and the concept of solving an oil waste problem and recycling the waste material is attractive to everyone involved in the oil industry."

"The proposed time table to commercialisation is also attractive" Mr Jones said "The technology has been successfully demonstrated in laboratory tests and the work over the next 9 months goes through a process of confirming that the bacteria can be produced at commercial prices and quantities. Since the equipment used to produce the product is in use throughout the biotechnology industry the technology risk is reduced."

"BIO-Tec has established relationships with well respected research and commercialisation company Environmental Biotechnology CRC Pty Ltd (EBCRC) who introduced the project to Comet, and EBCRC will be involved in future research and development as well as the commercial applications," Mr Jones said.

Mr Jones further stated "industry and governments are demanding solutions to the global oil waste problem. The technology is being developing as a cost effective cleaning technology solution for the waste oil problem, including waste components left in oil storage tanks. "

This technology offers a significant improvement to current cleaning methods which involve chemical additives, tank entry by personnel, dumping or incineration of waste, and significant down time for the storage tank. The problem is world wide and is serviced by a billion dollar cleaning industry."

Mr Jones said" this opportunity has the potential for very high returns in the global waste oil industry."

For further information contact

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COMET SECURES ENVIRONMENTAL OIL SOLUTIONS TECHNOLOGY

Comet Resources Limited (CRL) is pleased to announce that it has entered into an agreement to purchase the assets of environmental research Company BIO-Tec Pty Ltd. The assets are related to various patent applications and intellectual property associated with BIO-Tec's BIO-Paragone bacteria technology platform (The Technology) for the clean up and recycling of oil wastes.

The Technology is being developed as a cost effective solution for the global waste oil problem. This includes the residual heavier hydrocarbon waste components left in oil storage tanks in the oil refining and storage industry. This waste must be removed by law in many developed countries. CRL plans to be able to recycle oil waste by altering the properties of the waste oil so it can be reused. Currently, there is no method available that cost effectively recycles heavy hydrocarbon waste without adverse environmental side effects.

The Technology offers a significant improvement to current cleaning methods of oil storage tanks, which involve chemical additives, tank entry by personnel, dumping or incineration of waste, and significant down time for the storage tank. The Technology has the potential to be used on any hydrocarbon oil waste that is surplus to requirements or becomes contaminated after use. The problem is world-wide and is serviced by a billion dollar cleaning industry.

Proof of concept of The Technology has been achieved and scale-up to commercial production is now required. CRL's funding will be applied to that purpose, together with funding which is anticipated to come from various Government organisations.

CRL believes that the attractions of The Technology are:-

1. Governments and participants in oil waste management around the world are demanding more cost effective, safer and environmentally friendly methods of handling oil wastes.
2. The planned development work involves optimising the time to grow the bacteria and progressively scaling up to commercial production. The bacteria will be grown in vessels used throughout the biotechnology industry.
3. The test work and the securing of initial commercial contracts are scheduled to be completed within 9 months of project commencement.
4. CRL believes that The Technology will be an enabling platform for other commercial uses, which will be developed in due course.
5. BIO-Tec has developed strong relationships with many of the major oil production, processing and service companies, which have long term contracts in place to clean oil tanks.

The proposed transaction will reward BIO-Tec as tangible milestones are met. CRL will seek shareholder approval as required as the project proceeds. The basis of the agreement is summarised below.

- CRL acquires 100% of patents, Intellectual property and assets from BIO-Tec Pty Ltd for the BIO-Paragone Technology platform and associated products.
- CRL provides funding of up to \$500,000 over the first 9 months of the agreement.
- CRL will issue up to 14 million shares and 4 million options if all milestones are met.
- The first tranche of 5 million shares will be paid after 9 months if the technology has led to \$20 million in commercial contracts to CRL.
- A second tranche of 5 million shares will be paid if CRL achieves \$2 million dollars net profits after tax (NPAT) during the 2007-2008 tax year.
- A third tranche of 4 million shares will be paid if CRL achieves \$10 million NPAT during the 2008-2009 tax year.
- The full payment of 14 million shares will be made to BIO-Tec at any time after the first 9 months if the average price of Comet shares remains above \$0.50 for a period of 4 months.

- BIO-Tec will also receive 1million options in CRL exercisable @ \$0.75/share, 1million @ \$1.00/share, 1million @1.25/share and 1million @1.50/share.
- The agreement is subject to due diligence.

CRL has negotiated a Consultancy agreement with the BIO-Tec technology inventor Mr Andy Roberts. CRL will work with the Environmental Biotechnology CRC Pty Ltd, which is government and industry sponsored under the CRC Programme, to commercialise The Technology and develop further products for the oil industry.

This project is now at the feasibility stage and CRL is experienced in managing this process. CRL has been looking for a project to enhance shareholder value since the successful sale of the Ravensthorpe Nickel Project and a return of 52 cents a share to shareholders. The Company has a tight capital structure and cash assets of over 3 million dollars which can significantly advance this project.

For more information on Comet and its projects please visit Comet's web site or contact Roj Jones or Tony Cooper at:-

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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 1.8 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 2.5 million dollars in cash, 6 million Prosperity shares and has approximately 68 million shares on issue.