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Media Release/ASX Announcement

COMET'S ENVIRONMENTAL OIL SOLUTIONS PROJECT COMMENCES WITH \$1,000,000 GRANT FUNDING FROM SOUTH AUSTRALIAN GOVERNMENT.

Comet Resources Limited (CRL) is pleased to announce that its Environmental Oil Solutions Project has received grant funding support from the Government of South Australia. A letter of approval has been received for the project from The Hon. Karlene Maywald MP, Minister for Science and Information Economy, Government of South Australia for a total amount of \$1,048,268 grant funding for the project over three years. The first amount of \$405,661.00 will be paid immediately. The Government announced the grant today with the Minister expected to sign off in the near future.

CRL is encouraged to have this Government recognition of the strategic and commercial potential of the project with support for the project through the Science Technology and Innovation Directorate of the Department of Further Education, Employment, Science and Technology. The project has been recognised for its potential as a national solution for the treatment and recycling of waste oil residues.

CRL believes that this grant funding will enable the proposed timetable announced on 2nd November to be implemented. The funding will enable the project to commence immediately to establish that the bacteria can be produced at commercial prices and quantities and that they are effective in clean up of waste oil materials on a commercial scale. This is expected to enable the technology to be developed as a cost effective cleaning technology solution for the waste oil problem, including waste components left in oil storage tanks. The technology has the capability to develop into a range of other commercial applications.

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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.