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Revised version - Project updates

First hole at Browns Reef intersects 40 metres at 2.2% Zn + Pb.

New lease EL 6657 granted extending potential strike of prospective unit at Browns Reef to 30 Km.

Browns Reef Zinc Lead Project (100% Comet)

The first hole (CDB DD 001) drilled by Comet at the Browns Reef Zinc Lead Project was completed at 407 metres. This hole intersected **40 metres at 1.5% Zinc (Zn), 0.7% Lead (Pb), 0.17% Copper (Cu), and 5.8g/t Silver (Ag) from 333 metres**. The width and style of mineralisation is consistent with historic drill intersections which drill tested a 4 km strike length of the Preston beds (mineralisation zone). The zone is still open along strike and at depth and has not been drill tested near surface. Historic RAB and surface sampling has indicated mineralisation extends for at least 10 km in the Preston beds. The intersection in CDB DD 001 supports the potential of this wide and extensive zone of mineralisation to host a large tonnage (+50 million tonne) ore body.

Comet commissioned Tony Showell & Associates Pty Ltd to undertake a 4 million tonne per annum Case Study for the proposed Browns Reef Zinc Lead Project. The aim of the Case Study was to determine the potential of the target area

The key project assumptions provided by Comet, and the estimates generated by the study are summarised in the following table.

ASSUMPTIONS AND STUDY ESTIMATES

Assumed Ore Grade		
Zn	%	2.0
Pb	%	1.1
Ag	g/t	0.9
Assumed Ore Treatment		
Treatment rate	Mt/year	4.0
Life Of Mine treatment	Mt	40
Project Life	Years	10
Marketing		
Assumed Zinc Price	US\$/lb	1.40
Assumed Lead Price	US\$/lb	0.45
Simple Project Financials		
NPV (10% Disc)	\$A	247,000,000
IRR	%	28.3

The study suggests that the project may be economically viable. It needs to be noted that this study is based on a number of key assumptions which have not been tested or proven. A significant amount of metallurgical, geological, engineering and financial test work needs to be completed.

If the **current Zn price (over US\$2.00 per pound) and Pb (over US\$ 0.75 per pound)** are used the case study projects financial are increased to:-

Simple Project Financials		
NPV (10% Disc)	\$A	589,000,000
IRR	%	46.8

The results of this case study have confirmed Comets belief in the Browns Reef Zinc Lead Project potential to become a significant Zn project.

The intersection in CDB DD 001 contains higher grade zones which are listed below:-

- **3 metres at 6% Zn+Pb from 360 metres**
- **3 metres at 5.2% Zn+Pb from 370 metres**

Another significant intersection of **2 metres at 0.76% Cu** was returned from 363 metres which is a higher Cu tenor than any intersections recorded from

historic drilling. This increase in Cu grade may indicate the start of a Cu dominate zone within the mineralisation.

This higher grade zones within the intersection in CDB DD 001 supports the interpretation that the higher grade zone intersected in **BR 02, of 20 metres at 7.7% combined Zn + Pb** at 302metres (approximately 80 metres north of CDB DD 001), and the higher grade zone in **BR 03, of 5.8 metres at 6% Zn + Pb** from 279.4 metres (approximately 80 metres south of CBD DD 001) could be continuous.

CDB DD 001 was drilled at 437087 m GDA East and 6312610 m GDA North with an azimuth of 71° and a dip of 65°. The second diamond hole CDB DD 002 being drilled at 437068 m GDA East and 6312709 m GDA North with an azimuth of 71° and a dip of 60° is currently at 230 metres. Planned depth is 350 m.

Drilling rates have been slow due to mechanical problems and breakdowns with the drilling equipment (mainly gear box failure). However, with limited drill rig availability Comet has a drilling contractor who is drilling for the company and has made him self available for next year (2007).

Comet plans a further 4 holes in this current programme which are being drilled to indicate continuity of higher grade zones within the previously defined 20 million tonne inferred resource of 2% Zn, 1.1% Pb, 0.1% Cu and 9g/t Ag over a 1km strike length and to start testing the depth extent of this mineralised system.

Comet has applied for and been granted a new lease which extends the potential strike of the prospective Preston beds unit to approximately 30 km. Past explorers have defined a base metal geochemical anomaly over the Preston beds unit for 10 km of this strike length. This geochemical anomaly is still open. The Browns Reef project area now covers approximately 240 sq Km.

Environmental Oil Solutions Project (100% Comet)

The project has now obtained three new oil samples and work is progressing on these samples at Flinders and Murdoch Universities. The R and D Contract with Flinders and Murdoch will be extended to the end of April 2007 at which time the results will be evaluated.

Comet, through its wholly owned subsidiary Environmental Oil Solutions Pty Ltd, now owns intellectual property and technology purchased from BIO-Tec Pty Ltd under an agreement dated 2 November 2005 (as amended). BIO-Tec Pty Ltd is a company associated with Mr Andrew Roberts, the former General Manager of Environmental Oil Solutions Pty Ltd. BIO-Tec Pty Ltd consultancy contract with Comet was terminated by Comet due to a failure to meet various Milestones under this agreement.

Mr Roberts has recently announced his intention to work in areas which Comet believes are the same or substantially similar to the technology and intellectual property which BIO-Tec Pty Ltd had previously sold to Comet. Comet is currently in dispute with Mr Roberts in relation to these issues. In Comet's view, BIO-Tec Pty Ltd and Mr Roberts are in breach of the terms of the November 2005 agreements by working in the subject area of technology.

For further information on Comet and its projects please 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. Comet has a number of exciting projects that it is currently exploring and advancing. Comet has cash assets of approximately \$3.6 million, 0.5 million Prosperity shares, 8.7 million Ferrowest shares and has approximately 68 million shares on issue.

The information in the report to which this statement is attached relates to Exploration Results, Mineral Resources or Ore Reserves compiled by Mr. A Cooper, who is a Member of The Australian Institute of Mining and Metallurgy, with over 20 years experience in the mining industry. Mr. Cooper has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australian Code for Reporting of Mineral Resources and Ore reserves". Mr Cooper consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.