



31 October 2008

The Company Announcements Office
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Dear Sir/Madam

OCTOBER QUARTER ACTIVITIES REPORT

Corporate

The Company currently has cash reserves of approximately \$2.3 million. In addition Comet holds 7 million shares and 2.2 million options in Ferrowest Limited (ASX Code: FWL).

Kerr's Creek Project (100% Comet)

Comet has selected two priority target areas at the Kerr's Creek Project, East Calula and North Pigment. New South Wales drilling contractors are being contacted to determine rig availability and suitability for drill testing the selected targets.

Browns Reef Zinc Lead Project (100% Comet)

Target areas have been selected, however due to low commodity prices no work is planned for this quarter.

Utopia Project

Under the Utopia Farmin and Joint Venture Agreement between Comet and Sipa Exploration Pty Ltd ("Sipa") and Newmont Exploration Pty Ltd ("Newmont"), Newmont and Sipa together may earn a 70% interest in Comet's tenements by spending \$1,250,000 on exploration with 5 years (21 November 2011).

A RAB / AC program commenced on the 4th September with first pass testing of Aidemanthus, Empedocles, Chrysippus and Polemarchus areas and infill drilling will be carried out at Erayinia2 area.

On completion of this phase of work the project area will be re-assessed and re-ranked, for a fresh start in 2009.

Paradise Project

This project has been relinquished.

Environmental Oil Solutions (A wholly owned subsidiary)

Research work is continuing at Flinders University. The focus has been on using DNA to show that Comet's degrading organism has no effect on other bacteria in the environment. This work has progressed well.

Bulk samples of oils from potential customers are awaited.

The Company is exploring the possibility of obtaining a Climate Ready Grant.

For further information 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 2.2 billion dollar project 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 \$2.3 million, 7 million Ferrowest shares, 2.2 million Ferrowest options, 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.