DECEMBER QUARTER ACTIVITIES REPORT

Corporate

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

Your Company has been reviewing a number of projects and opportunities.

Kerr’s Creek Project (100% Comet)

Comet is currently assessing the optimum way to test East Calula and North Pigment target areas, and is expecting to have a drilling contractor sourced to commence work during this quarter.

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.

Environmental Oil Solutions (A wholly owned subsidiary)

Significant advances have been made in the development of analytical tools used by researchers to monitor the activity of COM001 during the degradation of waste oil. This
involves the use of molecular techniques which allow better control and understanding of the activities of COM001 during the degradation process.

The biodegrading potential of COMClean has been investigated on newly sourced waste oil from Eastern Australia. This has demonstrated that the formulation is capable of causing a significant reduction in the total petroleum hydrocarbons present in samples after 20 days of treatment. This supports plans to undertake further bulk bio-pile treatments.

Graph showing chromatographic analysis Total Petroleum Hydrocarbons in waste oil contaminated soil at (a) day 0 and (b) day 20. Of note is the drastic reduction in long chain aromatic hydrocarbons by day 20. X axis volume, Y axis carbon chain size

Optimisation of the production of COMClean has continued and cost efficiencies have been achieved. The results will be further tested on the large bio-pile during this quarter.
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. 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 $2.2 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.