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The Company Announcements Officer
Australian Securities Exchange Limited

ASX Code: CRL

Via Electronic Lodgement

Dear Sir/Madam

REVISED SECURITIES TRADING POLICY

Comet Resources Limited (Company) wishes to advise that in preparation for the introduction of Listing Rules 12.9 – 12.12, which are due to take effect from 1 January 2011, it has revised its Securities Trading Policy relating to the dealing in securities of Comet Resources Limited by the Directors, senior management and other key personnel.

The Company's Securities Trading Policies also provides guidance to other personnel of the Company with respect to the trading of the Company's securities.

In accordance with Listing Rule 12.9 a copy of our revised Securities Trading Policy (which takes effect from 1 January 2011) is attached for the market's information.

Yours faithfully

A handwritten signature in blue ink, appearing to be 'Edmund Czechowski', written over a horizontal line.

Edmund Czechowski
Company Secretary

COMET RESOURCES LIMITED

Securities Trading Policy

1. Introduction

These guidelines set out the policy on the sale and purchase of securities in Comet Resources Limited ACN 060 628 202 (Company) by its Directors and Employees.

Directors and Employees of the Company are encouraged to be long-term holders of the Company's securities. However, it is important that care is taken in the timing of any purchase or sale of such securities.

The purpose of these guidelines is to assist Directors and Employees of the Company to avoid conduct known as 'insider trading'. In some respects, the Company's policy extends beyond strict requirement of the *Corporations Act 2001 (Cth)*.

Compliance with these guidelines for trading in the Company's securities does not absolve that individual from complying with the law, which must be the overriding consideration when dealing in the Company's securities.

2. Who does this policy apply to and what types of transactions are covered by this policy?

This policy applies to all Directors and Employees and their respective associates (including the people listed in section 6.3 of this policy). Section 4 contains further information applying to Directors and key management personnel.

This policy applies to both the sale and purchase of any securities of the Company and its subsidiaries on issue from time to time.

3. Restrictions on dealing in the Company's securities

A Director or an Employee must not deal in the Company's securities if in possession of price sensitive or inside information. Further information on "price sensitive information" and "insider trading" is attached to this policy.

A Director or an Employee is free to deal in shares of other companies, however buying and selling securities of other companies with which Comet may be dealing is prohibited where a Director or an Employee possesses information which is not generally available to the market and is 'price sensitive'.

4. Restrictions only applying to Directors and key management personnel

For the purpose of this section 4. “key management personnel” include:

- (a) any first line reports of the managing director or chief executive officer of the Company; and
- (b) any other person designated by the managing director or chief executive officer of the Company as key management personnel on the basis that they have authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly.

The restrictions set out in this section 4 apply to Directors and key management personnel (Restricted Persons).

Restricted Persons are not permitted to deal in the Company’s securities during a “closed period” except in exceptional circumstances.

“Closed periods” mean the following:

- (a) within the period of 5 days prior to the release of annual, half-yearly or quarterly results;
- (b) any other period determined by the Board from time to time.

The restrictions referred to in this section do not apply in the following circumstances:

- (a) acquire ordinary shares in the Company by conversion of securities giving right of conversion to ordinary shares;
- (b) acquire Company securities under a bonus issue made to all holders of securities of the same class;
- (c) acquire Company securities under a dividend reinvestment or top-up plan that is available to all holders of securities of the same class;
- (d) acquire, or agree to acquire or exercise options under a Company Share Option Plan;
- (e) withdraw ordinary shares in the Company held on behalf of the employee in an employee share plan where the withdrawal is permitted by the rules of that plan;
- (f) acquire ordinary shares in the Company as a result of the exercise of options held under an employee option scheme;
- (g) transfer securities of the Company already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
- (h) make an investment in, or trade in units of, a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (i) where a restricted person is a trustee, trade in the securities of the Company by that trust, provided the restricted person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the restricted person;
- (j) undertake to accept, or accept, a takeover offer;

- (k) trade under any offer or invitation made to all or most security holders, such as a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- (l) dispose of securities of the Company resulting from a secured lender exercising their rights, for example, under a margin lending agreement;
- (m) exercise (but not sell securities following exercise) an option or a right under an employee incentive scheme, or convert a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a closed period;
- (n) sell securities where net proceeds are to be used to exercise options which will expire during a closed period;
- (o) trade under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy.

The Board may grant a Restricted Person an exemption from the restrictions from trading in the Company's securities during a closed period:

- (a) in exceptional circumstances; or
- (b) where the Restricted Person is experiencing severe financial hardship; and
- (c) where the Restricted Person is not in possession of information which is not generally available to the market and is 'price sensitive' to the satisfaction of the Board.

Restricted Persons who consider they meet the above criteria may apply in writing to the Chairman of Directors (or in the case of the Chairman the Deputy Chairman) for an exemption from dealing with the Company's securities during a closed period.

Exceptional circumstances may apply if a Restricted Person is required by a court order or a court enforceable undertaking (for example in a bona fide family settlement), to transfer or sell securities of the Company, or there is some other overriding legal or regulatory requirement to do so.

A Restricted Person may be in severe financial hardship if they have a pressing financial commitment that cannot be satisfied other than by selling the securities of the Company.

Any applications for exemption from restrictions due to exceptional circumstances or severe financial hardship must be accompanied by all relevant documentation and authority to obtain verification from independent parties and to make independent enquiries. If granted, an exemption will be in writing and will contain a specified time period during which the sale of securities of the Company can be made and other such conditions as may be determined by the Board.

Restricted Persons are permitted to hedge the Company's securities except during a closed period or when the Restricted Person is in possession of information which is not generally available to the market and is 'price sensitive'.

5. Notification of dealings

A Director must advise the Company Secretary of any dealing which results in a change of their relevant interest in the securities of the Company within two days of the change. The Company will then notify the ASX of the change as per the Listing Rules.

6. What is insider trading

6.1 Prohibition

Insider trading is a criminal offence. It may result in civil liability. In broad terms, a person will be guilty of insider trading if:

- (a) that person possesses information which is not generally available to the market and, if it were generally available to the market, would likely have a material effect on the price or value of the Company's securities (ie information that is 'price sensitive'); and
- (b) that person:
 - buys or sells securities of the Company; or
 - procures someone else to buy or sell securities in the Company; or
 - passes on that information to a third party where the person knows, or ought reasonably to know, that the third party would be likely to buy or sell the securities or procure someone else to buy or sell the securities of the Company.

6.2 Examples

To illustrate the prohibition described above, the following are possible examples of 'price sensitive' information which, if made available to the market, may be likely to materially affect the price of the Company's securities:

- (a) the Company considering a major acquisition or disposal of assets;
- (b) the threat of major litigation against the Company;
- (c) the Company's sales and profit results materially exceeding (or falling short of) the market's expectations;
- (d) a material change in debt, liquidity or cash flow;
- (e) a significant new development proposal (eg a new product or technology);
- (f) a grant or loss of a major contract;
- (g) a management or business restructuring proposal;
- (h) a share issue proposal;
- (i) an agreement or option to acquire an interest in a mining tenement, or to enter into a joint venture or farm-in or farm-out arrangement in relation to a mining tenement; and

- (j) significant discoveries, exploration results, or changes in reserve/resource estimates of mining tenements in which the Company has an interest.

6.3 Dealing through third parties

A person does not need to be a Director or an Employee of the Company to be guilty of insider trading in relation to securities in the Company. The prohibition extends to dealings by Directors and Employees through nominees, agents or other associates, such as family members, family trusts and family companies.

6.4 Information however obtained

It does not matter how or where the person obtains the information – it does not have to be obtained from the Company to constitute inside information.

6.5 Employee share schemes

The prohibition does not apply to acquisition of shares or options by Employees made under employee share or option schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme. However, the prohibition does apply to the sale of shares acquired under an employee share scheme and also to the sale of shares following the exercise of an option granted under an employee option scheme.