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1 February 2012

Dear Shareholder

Notice to Eligible Shareholders of Offer

We write to you as the registered holder of shares in Comet Resources Limited (**CRL or Company**) as at today's date.

As announced on 7 November 2011, CRL is undertaking an underwritten non-renounceable pro-rata offer of up to 18,263,790 shares at an issue price of \$0.10 each per share (**New Shares**) on the basis of one (1) share for every four (4) shares held, plus one (1) free attaching option exercisable at \$0.20 each for every share issued (**Offer**). The Offer will be undertaken through a prospectus (**Prospectus**).

The Offer is available to all CRL shareholders (**Shareholders**) registered on the Record Date of 10 February 2012 whose registered address is in Australia or New Zealand (**Eligible Shareholders**). The Offer is not being extended to any Shareholders whose address is outside Australia or New Zealand.

Purpose of the Offer

Completion of the issue of securities offered by the Prospectus will result in an increase in the cash on hand of up to approximately \$1,670,000 (after the payment of associated costs).

The funds raised pursuant to the Offer will allow the Company to continue its current exploration activities and to pursue new opportunities in the resources sector.

Indicative Timetable

The New Shares will be offered in accordance with the following timetable:

Lodgement of Prospectus with ASIC and ASX	1 February 2012
Send information to security holders containing information required by Appendix 3B.	3 February 2012
Existing Shares quoted on an "ex" basis	6 February 2012
Record Date	10 February 2012
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders	13 February 2012

Closing Date	29 February 2012
Securities quoted on a deferred basis	1 March 2012
Notify ASX of under subscriptions	2 March 2012
Despatch date. Deferred settlement trading ends.	6 March 2012

All dates are indicative only. The Company reserves the right, subject to the *Corporations Act* 2001 (Cth) and the ASX Listing Rules, to amend the indicative timetable without prior written notice. Any extension of the Closing Date will have a consequential effect on the date of issue of the New Shares.

Shortfall Offer

In addition to the Offer, there may be a separate and independent shortfall offer (**Shortfall Offer**) under the Prospectus to Eligible Shareholders and other eligible investors to subscribe for shares not otherwise taken up in the Offer at a price of \$0.10 per share (**Shortfall Share**). One option will also be issued for every Shortfall Share issued pursuant to the Shortfall Offer.

The directors reserve the right, subject to any restrictions imposed by the *Corporations Act* 2011 (Cth) and the ASX Listing Rules to issue the Shortfall Shares at their sole discretion in consultation with the Company's underwriter.

Capital Structure of the Company

The table below details the capital structure of the Company on the issue of all securities offered by the Prospectus.

Issued Capital	Number of Shares	Number of Listed Options	Number of Unlisted Options
Current issued capital	73,055,187	0	0
Issue ¹	18,263,790	28,263,790	0
Total securities after the issue	91,318,977	28,263,790	0

¹ A maximum of 18,263,790 New Shares and a total of 28,263,790 options will be issued pursuant to the Prospectus.

Prospectus

Details of the Offer are contained in the Prospectus which was lodged with ASIC and ASX on 1 February 2012. The Prospectus is available on both the ASX website (www.asx.com.au) and the CRL website (www.cometres.com.au).

A copy of the Prospectus will be sent to Eligible Shareholders on 13 February 2012.

The directors encourage you to read the Prospectus carefully and seek advice from your professional adviser if you have any queries. This notice is to inform you of the Offer. You are not required to do anything in respect to this letter.

Yours faithfully

A handwritten signature in black ink that reads "R A Jones". The signature is written in a cursive style with a large 'R' and a small 'A'.

Robert Jones
Chairman