

ASX ANNOUNCEMENT RE: COI ROYALTY 14 JUNE 2007

OPTION TO PURCHASE THE TIPTON WEST COAL SEAM GAS ROYALTY

The Directors of Pure Energy Resources Ltd (Pure Energy) are pleased to announce the Company has entered into an Option Agreement to purchase the Tipton West Coal Seam Gas Royalty Stream from Comet Ridge Limited (Comet) (ASX: COI).

The Option Agreement grants Pure Energy an exclusive option to purchase the Tipton West Gross Royalty (TWGR) for \$ 3 million. The Option is exercisable by Pure Energy at any time up to and including the 29 June 2007, and is subject to certain due diligence criteria.

In the event the Option is exercised, Pure Energy will acquire the royalty over coal seam gas (CSG) sales from the Tipton West gas field and associated permits - ATP's 683, 689 and PL198, located in the south east of Queensland and operated by Arrow Energy NL (Arrow) (ASX: AOE), (refer figure 1, page 4).

The acquisition has the potential to generate up to \$8 million in royalties from CSG sales from any of these areas.

Pure Energy's Managing Director Mr Steve Beardsall said, " With Arrow ramping up production at Tipton West in conjunction with their recent increase in base contract to supply 10 PJ per year, a put option to potentially take this to 17 PJ per year, proposed reserve additions and upward pressure on gas prices, we believe the purchase represents excellent value to our shareholders. "

" The purchase of the royalty stream provides a substantial cash flow base for Pure Energy, as we look to develop the significant asset portfolio of the Bowen basin and Tasmanian assets we have assembled. "

PURE PLACEMENT RAISES \$5.25 MILLION, ANNOUNCES AN ADDITIONAL RAISING OF UPTO \$2.0 MILLION UNDER A SHARE PURCHASE PLAN

Pure Energy Resources Limited attracted strong institutional support for an equity capital placement to raise \$5.25 million. Funds are to be used for the acquisition of the Tipton West Coal Seam Gas Royalty Stream by way of an Option Agreement from Comet, to accelerate the appraisal and development of its Bowen Basin tenements including ATP852P, granted on 1 May 2007, and contribute towards further working capital.

The capital raising consists of a share placement of 7,720,588 fully paid shares to Institutional and Sophisticated investors at an issue price of \$0.68 per share to raise \$5.25 million, before raising costs. The issue price represents a premium of 7.22% on the company's 30 day volume weighted average share price (VWAP).

Settlement of the placement shares is expected to take place on Thursday, 21 June 2007.

In addition, the Company intends to proceed with a further raising by way of a Share Purchase Plan (SPP) and invites all shareholders on our register as of Thursday, 28 June 2007 (the record date) to participate in the proposed raising of up to \$2 million under the SPP at an issue price of \$0.69 per share (maximum discount allowed under LR7.2 exception 15).

Mr Beardsall, " The Company is very pleased with the response from both existing shareholders and institutional investors who participated in the placement. "

" The placement attracted a quick book-build of firm bids, indicating the continued strong interest and market support for Pure's existing projects and development plans. "

Mr Beardsall said, " Market factors, including the demise of the PNG Gas Project, the intensifying carbon credit debate and Arrow 's recent announcement regarding a Gladstone based LNG export project combined with Pure's success in acquiring further prospective acreage in the Bowen Basin, present a unique opportunity to accelerate the appraisal and development of Pure's Bowen Basin tenements to capitalise on these changing market dynamics."

ABOUT ATP852P

ATP 852 further expands Pure's already extensive CSG acreage, and moves it into the Walloon CSG Play Fairway which is proven to be productive and prolific in nearby fields and close to existing infrastructure and markets.

The Company believes the permit has excellent potential for exploration, appraisal and development of CSG, given the following factors.

- ATP852P lies directly between, and only 30 kilometers from, two prolific CSG fields that produce gas from the Permian Bandanna Formation of the Bowen Basin. These fields are the Fairview – Spring Gully field to the northwest and Scotia – Peat field to the south east (see Figure 2,page 5).
- Within ATP852P the prospective Coals are contained in the Jurassic Walloon Subgroup of the overlying Surat Basin. These same coals are currently being put into production at Berwyndale South and Argyle (operated by Queensland Gas Company) and Kogan North, Daandine and Tipton West (operated by Arrow).
- Existing wells and seismic coverage are sufficient for the Company to proceed directly to exploration drilling, once the permit is granted, expected in the first quarter of 2007.
- Coal seams are known to be well developed in both the Juandah and Taroom Coal Measures (CM). Nett coal thickness is expected to range from 15 to 30m, and the seams are known to contain commercial gas contents within the Walloon Play Fairway (figure 2).

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The Company intends to drill and test three core holes and if these wells are successful, the Company plans to move rapidly into a pilot testing programme, in order to establish commercial viability and to certify reserves.

SPP INDICATIVE TIMETABLE

The indicative timetable for the SPP is shown below. Full details of the offer will be sent to Shareholders by Thursday 5 July 2007. Acceptances pursuant to the SPP will close at 5pm wst on Thursday 26 July 2007. Allotment and dispatch of holder statements is expected by Thursday 2 August 2007.

INDICATIVE DATES

Record Date of participants in the SPP	28 June 2007
SPP Materials dispatched to shareholders (on or before)	5 July 2007
Closing time and date for acceptances together with payment in full	26 July 2007
Allotment and dispatch of holding statements	2 August 2007

For and on behalf of the Board of Directors

Geoff Hewett
Company Secretary

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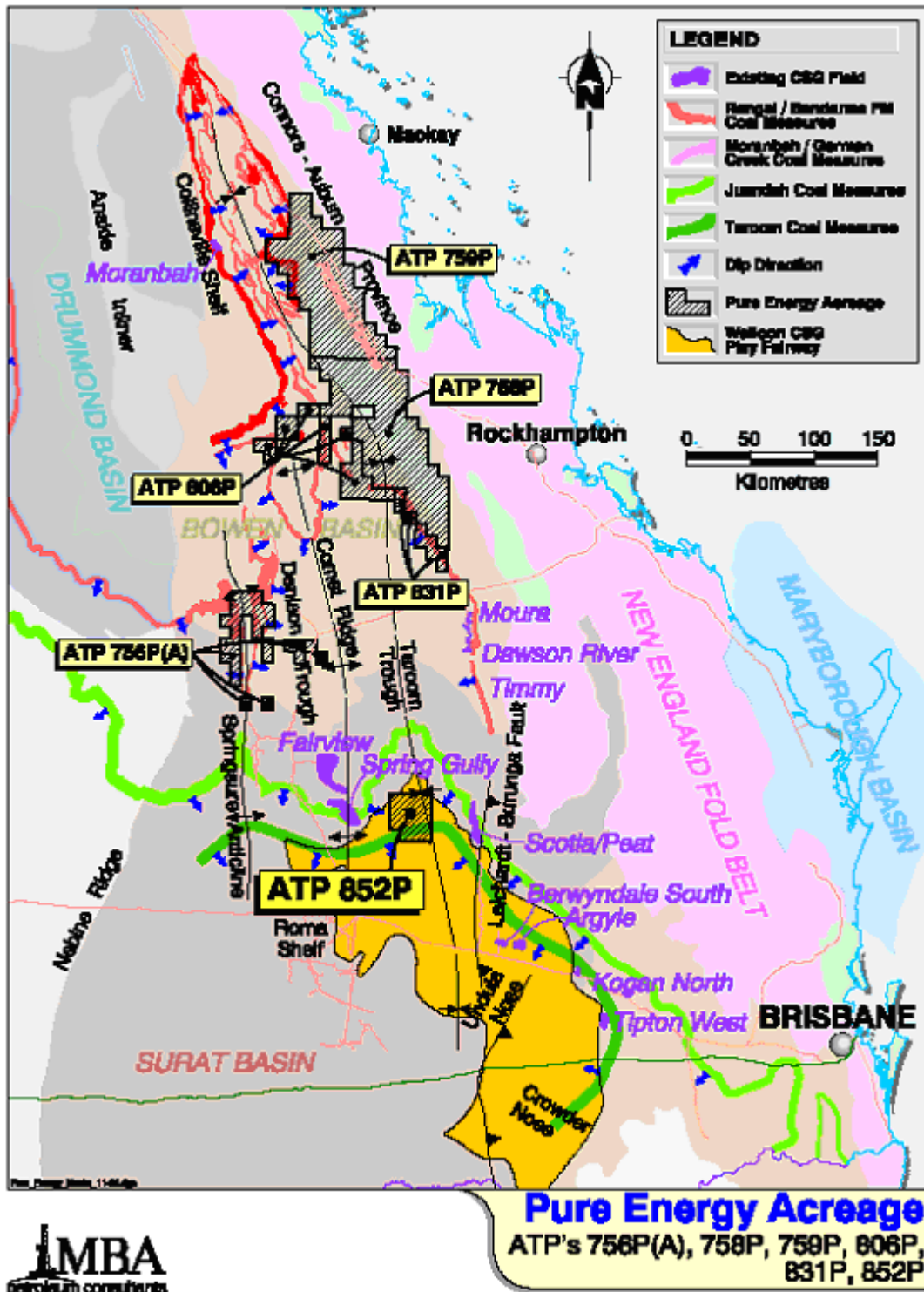


Figure 2: Pure Energy Queensland CSG Permits