

Cougar Energy Limited
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Stock symbols
ASX: CXY
Reuters: CXY.AX
Bloomberg: CXY AU

No. of shares on issue
919,127,810

Current share price
AUD 0.085

Market capitalisation
AUD 78.1 million

17 December 2009

COUGAR ENERGY'S KINGAROY POWER PROJECT ON SCHEDULE: SENIOR STAFF ENGAGED FOR FEASIBILITY STUDY PROGRAM

- Site work at Kingaroy progressing to planned timetable
- All major equipment installed
- Power supply infrastructure works are well progressed
- Pre-feasibility studies for power plant formally commenced
- Key personnel appointed for pre-feasibility and bank feasibility study

Cougar Energy Limited (ASX: CXY) is pleased to advise that its **Kingaroy underground coal gasification and power project in central Queensland remains on schedule for ignition in late February 2010.**

Since the Company's previous market update on 11 November, 2010 the following major activities have been completed or are close to completion:

- All earthworks, roadworks and concrete constructions are fully complete and major equipment is now fully installed
- Installation of electrical power, lighting and control infrastructure is well advanced
- The evaporation pond for collection and re-use of production water has been finished and lined
- Installation of process piping for air injection to and syngas recovery from the production wells is well progressed
- Ergon Energy has commenced installation of the 11kV power supply infrastructure.

With the rapid advances on construction and field work at the Kingaroy site, Cougar Energy can now focus on the feasibility study program for the 400MW power station to be constructed in two stages.

"The two key ingredients to completing a successful bank feasibility study are obtaining reliable and relevant operational data from our pilot operation, and being able to recruit an experienced and skilled owner's study team" said John Henderson, Cougar Energy's Manager – UCG Projects.

"We are 100% on track to achieve both, with the expected commissioning of the pilot plant early next year, the appointment of Peter South to the integral position of Operations Manager for the pilot plant, and the recruitment of more outstandingly talented people to fill key roles in our owner's study team," Mr Henderson said.

Recent appointments include:

Andrew Garton
Engineering Manager

BSc Eng. (Chem.),
RPEQ, CEng, FIChemE,
CPEng, FIEAust.



23 years experience in industrial process engineering in the chemical manufacturing sectors in Australia and South Africa. Diverse experience in research and development, design, construction, commissioning and operations in organic and inorganic chemicals, including coal gasification.

Kristy Lyttle
Senior Geologist

BSc Geology,
Grad.Cert Mgmt



9 years experience as a geologist: Mine Geologist (Anglo Gold), Exploration Geologist (GeoConsult and Energy Minerals), rising to Senior Coal Quality and Logistics Manager at Ensham Resources, then Coal Quality & Scheduling Geologist at Teck Coal's Fording River operations in Canada.

Dr. Tim Wrigley
Environmental Manager

PhD, MSc, BSc (Hons)



30 years experience as on-site Environmental Manager (including mining environmental studies) in Australia, China, India, South East Asia and for AusAID, the World Bank and the Asia Development Bank. Teaching positions at Murdoch University and the University of Queensland.

Chris Hill
Senior Project Engineer

BSc (Physics), Grad.Dip.Mgmt



Over 30 years experience, having worked for BP in Australia and overseas in the oil refining operations; Rio Tinto in the alumina and aluminium production facilities locally and off-shore; Aker Kvaerner (metallurgy and petroleum); Anglo Coal's seam gas division in Queensland and Arrow Energy.

Peter South
Operations Manager

B.Eng(Elec), MBA, GAICD,
MIEAust.



More than 15 years experience in project management across the Australian power industry including working on the development of the National Electricity Market, Operations Manager for two coal fired power stations and Production Manager for a greenfields power station project.

Cougar Energy's Managing Director and CEO Dr Len Walker commented: "The impressive calibre of new staff we are able to attract to Cougar Energy is **evidence of the strong engineering and operational appeal in the technology we are implementing in Kingaroy** – the world's leading UCG technology for commercial large scale projects."



Kingaroy Gas Processing Plant

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About Cougar Energy Limited

Cougar Energy Limited is an Australian company at the forefront of progressing the development and commercialisation of Underground Coal Gasification (UCG) projects, using the world's best proven technology.

The UCG process converts coal in-situ into a gas which can be used as a fuel for power generation or for conversion into a range of petrochemical products and gas-to-liquid solutions.

The UCG process generates:

- cleaner energy
- cheaper energy
- efficient resource utilisation.

The Company's flagship operation is the 400 MW Kingaroy Power Station project in central Queensland. Ignition and production of gas will take place in early 2010.

It is also currently developing a second Queensland UCG project on its Wandoan lease in the Surat Basin for the production of electricity, methane gas and petrochemicals, and is also working in Victoria with Ignite Energy Resources Pty Ltd on the phased development of a potential UCG project in the Gippsland Basin.

Cougar Energy is also developing additional projects internationally through Cougar Direct Invest China Limited (60% owned) and Cougar Energy (UK) Limited (47.8% owned).

www.cougarenergy.com.au