



11 April 2011

## Cougar Energy raises A\$ 2.7 million with share placement

- Share placement to raise A\$ 2.7 million at 3.0 cents per share
- Funds raised to focus on further advancement of Cougar Energy's international Underground Coal Gasification (UCG) projects

**Cougar Energy Limited (ASX: CXY)** is pleased to announce that it has received commitments for the placement of 90 million new shares at a price of A\$ 0.03 (3.0 cents) per share to institutional, sophisticated and professional investors to raise A\$ 2.7 million (before transaction costs). The placement was arranged by Melbourne Capital Limited.

The new shares will rank equally with the Company's existing ordinary shares.

Cougar Energy will apply the funds raised to focus on the further advancement of its international UCG project portfolio including:

- Cougar Energy's working capital costs for the Wu Ni Te project in the Inner Mongolia Autonomous Region in the People's Republic of China pending the project receiving requisite regulatory approval – as previously announced the project will operate under a 50/50 joint venture sharing profits and expenses
- continued work to identify suitable UCG project sites in XinJiang in the People's Republic of China with Limitless International Holdings
- review of potential UCG project sites in Indonesia, Mongolia and Malaysia.

The share placement announced today will be progressed under the 15% placement capacity of the Company, and as such, shareholder approval will not be required.

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