



28 November 2011

## COUGAR ENERGY LAUNCHES UCG DEVELOPMENT PLAN IN INDONESIA

Cougar Energy Ltd (**ASX: CXY**) is pleased to advise that it has signed a Memorandum of Understanding (MOU) with Indonesian mining company PT Medco Energi Mining Internasional (MedcoEnergi) to assess and identify coal deposits in Indonesia suitable for application of Underground Coal Gasification (UCG) technology, and to undertake the preparation of a preliminary study for their commercial development. The MOU also provides for the potential formation of a joint venture for development of these projects.

This MOU aligns Cougar Energy with a commercial partner of substance in Indonesia. MedcoEnergi, based in Jakarta, is a subsidiary of PT Medco Energi Internasional Tbk, a publicly listed company with a range of energy interests including domestic and international oil and gas operations, power generation and the development of downstream industries. MedcoEnergi shares with Cougar Energy the goal of bringing the UCG industry into the mainstream of energy supply in Indonesia.

Both MedcoEnergi and Cougar Energy see an immediate need for the provision of cheap and clean sources of power in Indonesia using local coal resources, which would potentially supplement MedcoEnergi affiliate's current power generation capacity of around 200MW. The companies have already identified target coal resources and plan to progress the MOU goals rapidly.

This MOU is a significant addition to Cougar Energy's announced plans for expansion and growth of its UCG businesses in Asia, which are focussed on the People's Republic of China, Mongolia and Indonesia.

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