



30 August 2010

Cougar Energy to meet with Queensland Government officials to clarify request for additional information on the Company's Kingaroy Environmental Evaluation Report

Cougar Energy Limited (ASX: CXY) advises that it will meet with Queensland's Department of Environment and Resource Management ("DERM") this week to discuss the Environmental Evaluation Report submitted to DERM on 16 August 2010.

This follows notification from DERM that it has not accepted the Company's Report, and that it would advise the Company of "any further regulatory requirements in due course" (for further details, refer to Cougar Energy's ASX announcement on 26 August 2010).

This week's meeting has been confirmed following Cougar Energy-DERM discussions held in Brisbane on Friday last week (27 August 2010) after the Company requested clarification of DERM's concerns with Cougar Energy's original submission and what further information, if any, the Company needs to submit to satisfy DERM.

Following the scheduled Cougar Energy-DERM meeting, it will then be the Company's intention to respond as quickly as possible to any requests for further information, and to provide such information in the manner requested of it.

Cougar Energy remains committed to re-commencing operations at its Kingaroy project in Queensland and will continue to work with DERM to demonstrate that the Company's Underground Coal Gasification activities have not and will not harm the environment.

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About Cougar Energy Limited

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

The UCG process converts coal in-situ into a synthesis gas ("syngas") 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
- low cost energy
- efficient resource utilisation.

The Company's flagship operation is the proposed 400 MW Kingaroy Power Station project at Kingaroy in central Queensland.

CXY 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 working in Victoria with Ignite Energy Resources Pty Ltd on the phased development of a potential UCG project in the Gippsland Basin. Recently the Company signed a Binding Terms Sheet with Eneabba Gas Ltd to form a joint venture for a UCG fired power generation project in The Mid West region of Western Australia.

Cougar Energy is also developing additional projects internationally with Direct Invest (People's Republic of China and Mongolia) and Cougar Energy (UK) Limited (47.8% owned).

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