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COUGAR ENERGY ASIA PROJECTS UPDATE

Cougar Energy Limited (ASX: CXY) continues with its strategy of focussing on new developments in the Asian region, and provides the following update on its current activities.

China – Inner Mongolian Autonomous Region

The Company and its local partner (DeTailong Investment Energy Ltd - “DeTailong”) have submitted the application for their first project in Inner Mongolia. Following recent changes to the approval processes, the local authority has requested further technical and environmental details relating to the proposed pilot burn.

Cougar Energy, through its Beijing Office, is supporting DeTailong in preparing this material. It is estimated that the request for additional information will extend the time for receipt of registration by 2 – 3 months. The new approval process gives the Company the opportunity to work more closely with the local government in promoting the long term benefits of Underground Coal Gasification (UCG) projects in the region.

Mongolia

After a recent visit to Ulaanbaatar by Cougar Energy’s Managing Director and General Manager – Asia, initial work has commenced to prepare agreements establishing a UCG project development venture in Mongolia.

Strategic focus

In light of recent developments within Eneabba Gas Limited (ASX: ENB), the Cougar Energy Board has decided not to pursue the joint venture on the Sargon tenement in Western Australia. This is in accordance with the Company’s strategy of expansion of its activities in the Asian region where the size of coal deposits and demand for energy supply create attractive opportunities. Cougar Energy continues to work with PricewaterhouseCoopers Securities to identify and evaluate strategic opportunities offshore including in Asia as well as defining the corporate structure by which the Company’s objectives can be best achieved.

Investor contacts:

Dr Len Walker
Managing Director
Tel: + 61 419 587 396

Brad Glynne
GM – Corporate Finance
and Investor Relations
Tel: + 61 447 774 009

John Field
Field Public Relations
Tel: + 61 8 8234 9555