

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 0.095

Market capitalisation
 AUD 87.32 million

11 November 2009

COUGAR CONSTRUCTION WORKS ON SCHEDULE FOR KINGAROY PILOT PLANT START-UP IN FEBRUARY

- Gas processing plant assembly completed as construction works continue to progress on schedule
- Ignition of the gasification process (pilot burn) forecast to commence in February 2010
- Community Consultative Committee formed

Cougar Energy Limited (ASX: CXY) is pleased to advise that construction works are continuing on schedule towards the milestone pilot burn expected in February 2010 at the Company’s Kingaroy underground coal gasification (UCG) power project in Queensland.

A highlight of construction progress since our previous market update on 25 September 2009 has been the **assembling of the Gas Processing Plant** (see photograph below).

“The modular design of this newly-constructed gas processing plant is especially well suited to a pilot operation,” John Henderson, Cougar Energy’s Manager – UCG Projects, said today. “Significantly, the relocatable design allows it to be quickly dismantled and set up in a new location for our next UCG project,” he said.

“The gas processing unit is the key component of our pilot plant that will allow Cougar Energy to accurately evaluate the composition and production of syngas which will in turn optimise the design and operation of a full-scale power plant project and the turbine equipment.”



Gas Processing Plant

All major equipment deliveries have been made to the Kingaroy site, including the injection air compressors. Construction of the evaporation pond has progressed very well and installation of a special polyethylene liner will commence this month.

“Our plan of works continues to remain on schedule, for **ignition to commence in February next year**,” Mr Henderson said.

Membership of the Community Consultative Committee has now been finalised, following registrations of interest from nearby landholders, town residents and State MLA Ms Dorothy Pratt. The committee is to be chaired by South Burnett Shire Mayor, Mr David Carter.

The Committee’s first meeting has been set down for 16 November 2009.



**Kingaroy
site panorama**

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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, and
- efficient resource utilisation.

The Company's flagship operation is the 400 MW Kingaroy Power Station project in central Queensland. After recently receiving requisite approvals from the Queensland Government, construction of the pre-production plant at Kingaroy has commenced. Ignition of the resource will take place in early 2010. Current planning forecasts commercial production of electricity from the first stage of the power plant in 2013. Cougar Energy operates within the stringent environmental impact guidelines imposed by the Environmental Protection Authority on the Kingaroy site and the Company is committed to working with the communities in which it operates.

It is also currently developing a second Queensland UCG project on its Wandoan lease in the Surat Basin, and is working in Victoria with Ignite Energy Resources Pty Ltd on the phased development of a potential UCG project in the Gippsland Basin using syngas for various applications.

Cougar Energy is also developing additional projects internationally through its 47.8% owned subsidiary company Cougar Energy (UK) Ltd.

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