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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 0.135

**Market capitalisation**  
AUD 124.1 million

15 April 2010

## COUGAR ENERGY – ENEABBA GAS ANNOUNCE WESTERN AUSTRALIA MID-WEST UNDERGROUND COAL GASIFICATION AND POWER STATION DEVELOPMENT PLAN

- **Signed MOU paves way for a Joint Venture Agreement with Eneabba Gas**
- **Cougar Energy and Eneabba Gas intend to develop an UCG project and power generator in the strong growth region in Mid West Western Australia**
- **Work program expected to commence mid 2010**
- **Accords with Cougar Energy's strategy of extending its UCG activities across Australia and creating energy generation hubs**

**Cougar Energy Limited (ASX: CXY)** is pleased to announce that it has signed a Memorandum of Understanding (MOU) with Eneabba Gas Limited (ASX: ENB) for the establishment of a joint venture to develop an Underground Coal Gasification (UCG) project together with an adjoining power station utility in the Mid West of Western Australia.

The formation of the joint venture is subject to the finalisation of the Terms Sheet and execution of the Joint Venture Agreement. The MOU specifies that this is to occur within 60 days.

Upon signing of the Joint Venture Agreement, Cougar Energy will be entitled to 50% of the Sargon Tenement (E70/2758) owned by Eneabba Mining Pty Ltd (100% subsidiary of Eneabba Gas).

Through the formal Joint Venture Agreement, Cougar Energy and Eneabba Gas intend, from the middle of this year, to conduct further exploration drilling, test work and studies to scope the size of the potential UCG project.

Cougar Energy has been investigating for some time various opportunities to expand its present portfolio of sites and more particularly to establish its UCG activities in Western Australia.

"We are delighted to have signed this MOU with Eneabba Gas," said Dr Len Walker, Managing Director of Cougar Energy.



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“The Sargon Tenement coal resource near Dongara in Western Australia exhibits good potential for a long-life UCG project. It satisfies all of our preliminary due diligence enquiries. The technology and know-how of our UCG partner Ergo Exergy Technologies, Inc. is very well suited to exploit this resource.”

“The economic growth outlook for Western Australia is positive, driven by the expansion of the resources sector. Similarly in the Mid West of the State we are seeing a number of resources projects announced, which will have significant electricity requirements and can be ideal long-term customers. The prospect of establishing a power generation facility on the tenement accords with our strategy of building energy generation hubs around Australia using syngas as a cost competitive feedstock,” said Dr Walker.

### Investor contacts:

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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
- low cost energy
- efficient resource utilisation.

The Company's flagship operation is the 400 MW Kingaroy Power Station project in central Queensland. Ignition and production of gas has commenced in March 2010.

It 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.

Cougar Energy is also developing additional projects internationally through Cougar Direct Invest China Limited (60% owned) and Cougar Energy (UK) Limited (47.8% owned).

[www.cougarenergy.com.au](http://www.cougarenergy.com.au)



## **THE NEW POWER IN AUSTRALIA**

### **About Eneabba Gas Limited**

Eneabba Gas is focused on the development of its 168MW gas-fired Centauri 1 Power Station on Company-owned land near Dongara in the Mid West of Western Australia. Eneabba Gas proposes to market power from Centauri 1 to the fast growing Mid West region of Western Australia.

The Company's strategic position is to convert the coal in its highly prospective tenement package in the Mid West Region of Western Australia into UCG Syngas for fuel. While UCG is the gasification of burning coal underground, it is the Company's intention to capture the resultant CO<sub>2</sub> (geo-sequestration), which may potentially be injected into an existing geological formation. This process will significantly reduce the total carbon footprint of the project, farming of land will remain relatively uninterrupted and water resources will be preserved. In other words, energy in the coal is extracted without the environmental impacts associated with traditional coal-mining.

**[www.eneabbagas.com.au](http://www.eneabbagas.com.au)**