



28 October 2011

COUGAR ENERGY TO CONTINUE EXPANSION STRATEGY

Cougar Energy Limited (ASX: CXY) confirmed at today's Annual General Meeting that it will press ahead with its two-pronged strategy of expanding into Asia while also seeking recovery for the shut-down of its Kingaroy power plant project in Queensland.

A copy of the Company's Media Release to be distributed today is attached to provide further information.

The Chairman's Address and the Managing Director's Address to the AGM were lodged earlier today with the ASX.

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ASX / MEDIA RELEASE

COUGAR ENERGY TO CONTINUE EXPANSION STRATEGY

Cougar Energy Limited today confirmed it will press ahead with its two-pronged strategy of expanding into Asia while also seeking recovery for the shut-down of its Kingaroy power plant project in Queensland.

Chairman Malcolm McAully told today's Annual General Meeting in Melbourne that the Company had made significant advances over recent months with its Australian and international activities.

"This includes progress with litigation recently launched against the Queensland Government and government department officials over the unreasonable and unjustified shut-down of the Kingaroy project, as well as moving forward with significant negotiations with government authorities and local partners for underground coal gasification (UCG) developments in China and Mongolia.

"I can assure you that the Board, Management and Staff have been working extremely hard on each of these initiatives and are achieving progress across both fronts," Mr McAully said.

Earlier this month, Cougar Energy commenced legal proceedings against the Queensland Government and three Queensland Government officials seeking more than \$34 million in compensation over the decision to halt the \$550 million Kingaroy power plant project.

It is also appealing the shut-down decision in the Queensland Planning and Environment Court.

"We have been meticulous in the preparation of court actions and believe we have a robust case for compensation for losses," Mr McAully said.

The Company's Managing Director Dr Len Walker provided shareholders with an update on the Company's Asian operations.

He said that since initiating its business in Asia, Cougar Energy had received an increasing number of enquiries from companies requesting access to the Company's knowledge and operational skills in the region.

Dr Walker said current progress in the region included Cougar Energy's plans for setting up an Asian corporate structure to use for developing Asian projects.

"In each of China, Mongolia and Indonesia the Company is negotiating with both the Government and private sectors to access coal deposits suitable for development using the UCG process," Dr Walker said.

“While power generation is the immediate focus for development, due to both demand and simplicity of use, there is also a strong interest to use the syngas for conversion to natural gas and other petro-chemical products,” said Dr Walker.

Cougar Energy Limited is an ASX-listed Australian company at the forefront of progressing the development and commercialisation of alternative energy projects, using the world’s best proven UCG technology.

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