



## THE NEW POWER IN AUSTRALIA

10 January 2011

### COUGAR ENERGY SUCCESSFULLY COMPLETES \$ 1 MILLION CAPITAL RAISING

- Share placement to raise A\$ 1 million completed at 3.7 cents per share
- Funds to be utilised for working capital and to continue the advancement of domestic and international Underground Coal Gasification (UCG) projects
- New institutions and sophisticated investors to join the Company's share register

Cougar Energy Limited (ASX: CXY) is pleased to announce it has undertaken a placement of new shares to institutional, sophisticated and professional investors to raise A\$1 million.

27,027,027 new shares have been placed at A\$0.037 (3.7 cents) per share. The shares will rank equally with the Company's existing ordinary shares.

The funds raised will be used for working capital and to advance the Company's UCG projects in Australia and overseas, particularly in the People's Republic of China.

The placement will be progressed under the 15% placement capacity of the Company, and as such, shareholder approval is not required for the issue.

#### Investor contacts:

**Dr Len Walker**  
Managing Director  
Tel: + 61 3 9909 7200

**Brad Glynn**  
GM – Corporate Finance  
and Investor Relations  
Tel: + 61 3 9909 7226

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

#### About Cougar Energy Limited

Cougar Energy Limited (ASX: 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.

Cougar Energy is working in Australia on potential UCG projects on its coal lease at Wandoan in the Surat Basin, in Western Australia and in Victoria.

Cougar Energy is also developing additional projects internationally in the People's Republic of China and through Cougar Energy (UK) Limited (47.8% owned).

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

Cougar Energy Limited  
Suite 1002, 530 Little Collins Street  
Melbourne 3000 Australia

T: + 61 3 9909 7200  
F: + 61 3 9909 7217  
[www.cougarenergy.com.au](http://www.cougarenergy.com.au)

ASX: CXY  
Reuters: CXY.AX  
Bloomberg: CXY AU

Issued  
shares:  
919,127,810