



## **ASX ANNOUNCEMENT**

Monday 12<sup>th</sup> November 2012

### **Cougar Energy briefs Asian Investors on its new company restructure**

Cougar Energy Limited (ASX:CXY) advises that it will be undertaking an extensive Investor Roadshow through Singapore and Hong Kong in the coming week to further explain the recent restructuring of its business.

Cougar Energy CEO and managing director, Mr Rob Neill said the Roadshow would be pitched at asset managers, fund advisors and potential investors with the aim of explaining the company's new strategy and the aspirations of Cougar Energy to become a diversified global energy and resources company, while still maintaining its objective of commercialising Underground Coal Gasification (UCG) in Asia.

"I am systematically working my way through the business model to fine-tune our overall strategy along with redefining the Cougar Energy brand and image," Mr Neill said.

"You will have noticed a redefined logo and a refocussed positioning statement and our new website is now up and running and all of this is crucial to the effective and efficient marketing of Cougar Energy to a global audience," the CEO said.

The attached presentation will form the basis of Cougar Energy's Asian Investor Roadshow, which commences today and will run through until the company's Annual General Meeting in Melbourne on Thursday 22<sup>nd</sup> November 2012.





# Fixed and Focussed on the Future

Asia Roadshow

Presented by: Rob Neill  
CEO and Managing Director  
November 12 – 20, 2012

# CAUTIONARY STATEMENT

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All valuations expressed in this presentation are internal Cougar Energy valuations.



# CORPORATE OVERVIEW

## ASX Listed

Australian Listed | ASX:CXY  
Market Cap: A\$7.75 Million as at 02/11/2012  
7,035 Shareholders

## Board and Management

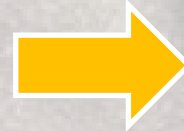
Specialist UCG and Resources experience  
Well credentialed | Legal | Accounting | Engineering  
Strong strategy development and implementation skills

## Priorities

Implementation of Asian Business Strategy  
Reposition coal assets | Kandoman Resources  
Transform into Diversified Energy Company



# TRANSFORMATION IN ACTION



PAST	PRESENT	FUTURE
One focus – UCG in Australia Over \$30 Million R&D program Single avenue for investment - UCG	Identified value drivers Repositioned coal assets UCG targets in Asia	Diversified energy company Multiple opportunities for investment Build sustainable cashflow



# Kandoman

RESOURCES

**Wandoan  
Coal Asset  
Thermal**

**Mackenzie  
Coal Asset  
PCI**

**Mongolian  
Coal Leases\***  
(Under Consideration)

**Australian Coal Resources**  
**Potential 500Mt + | Thermal & PCI**  
100% Owned by Cougar Energy

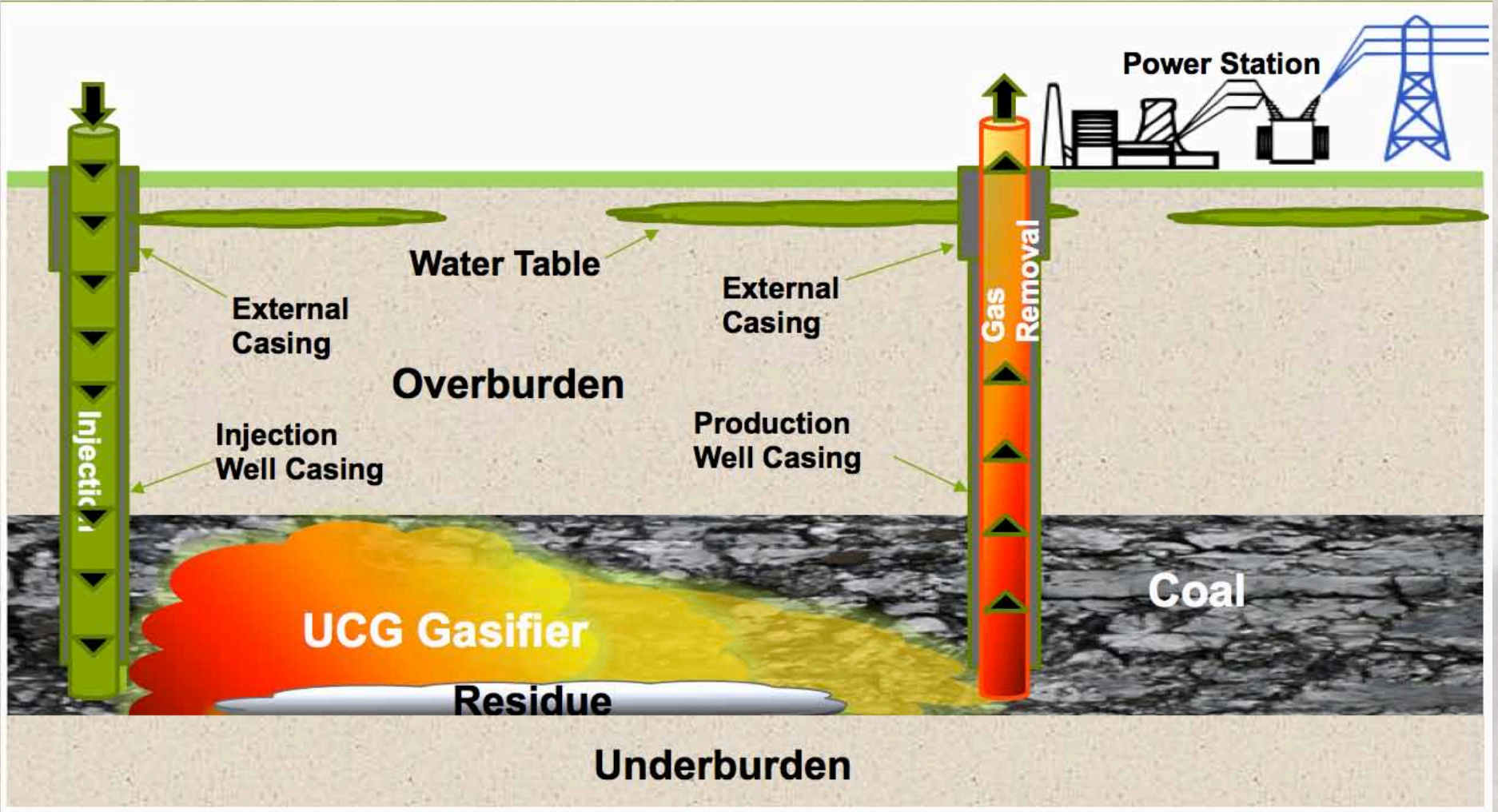
**International Coal Resources**  
**504Mt\*\* | Thermal\*\*\***  
Under Consideration

**Global Resources Company - Potentially 1.0 billion tonnes of Coal**



\* Mongolian Mineral Exploration Licenses (MEL) 6107X,9304X, 12835X, 13684X, 14683X and XV-015554. The property consists of 13,093 hectares (ha) mainly in Buren Soum of Tuv Aimag with a minor portion in the Adaatsag Soum of Dundgobi Aimag.  
\*\* National Instrument Compliant | Measured 158.13Mt | Indicated 113.9 | Inferred 232.03 = Total 504.06Mt.  
\*\*\* Kcal of coal between 5,094 and 5,434 AD basis.

# UCG IN ACTION



# ASIA UCG PROGRESS



## INDONESIA

- ü MOU with PT Medco Energi
- ü Largest Energy Company in the country
- ü Moving to 30MW Project

## MONGOLIA

- ü MOU with Hulaan Coal
- ü Geological review underway
- ü Potential MOU with Government

## CHINA

- ü Discussions with major SOE
- ü Preliminary review of coal resources
- ü UCG potential | Inner Mongolia | Xinjiang Province





# BRINGING IT ALL TOGETHER

**COUGAR ENERGY GROUP**



**Diversified Energy Company | Global Growth Potential**



# KANDOMAN COAL ASSETS | VALUE DRIVERS



## WANDOAN

- Ø Upgrade JORC Resource
- Ø Conduct Coal Quality Testing
- Ø Allow Infrastructure to Build Out
- Ø Negotiate Off-Take Agreement

## MACKENZIE

- Ø Upgrade to JORC Standard
- Ø Conduct Coal Quality Testing
- Ø Prepare Pre-feasibility
- Ø Negotiate Off-Take Agreement

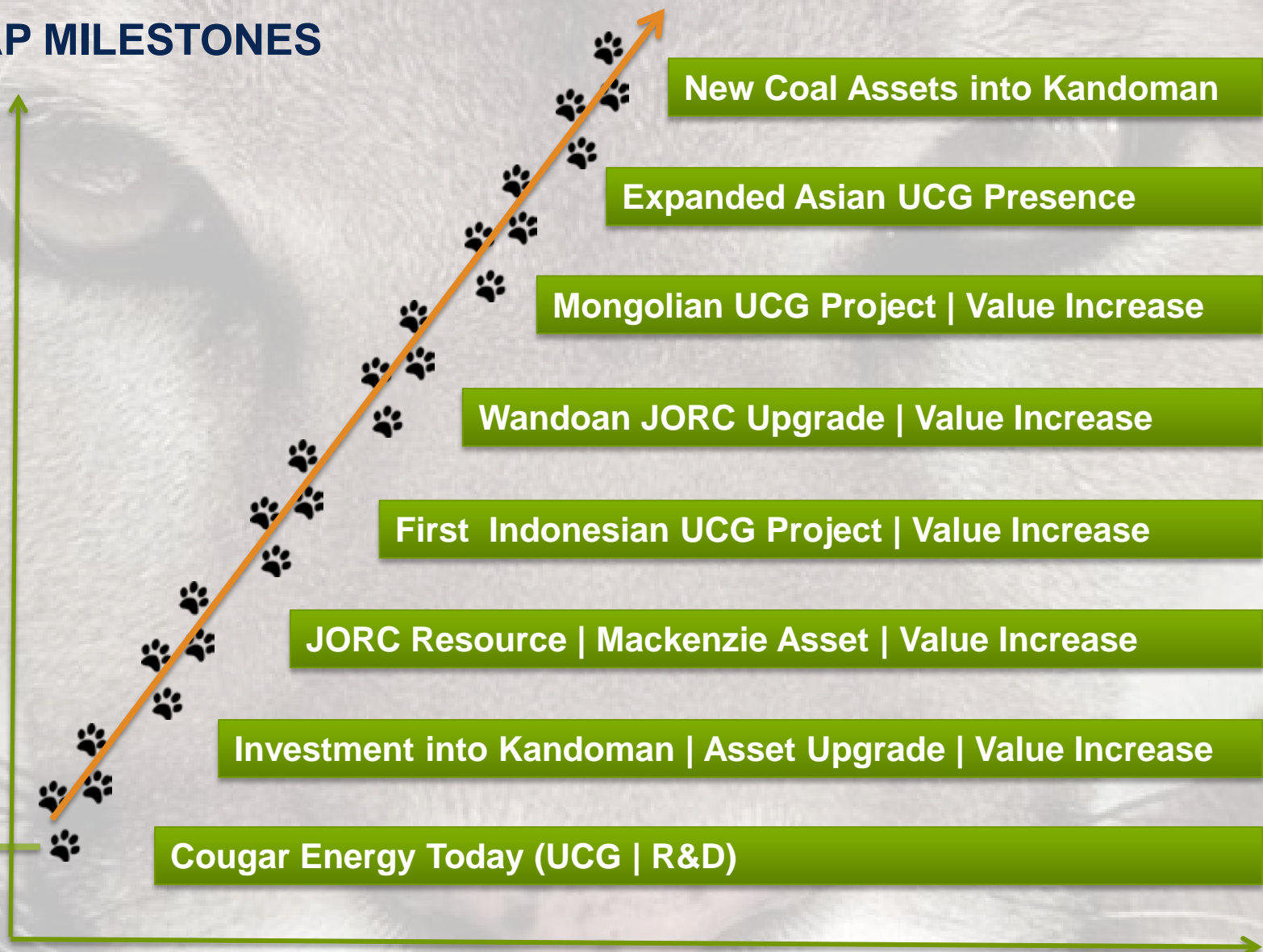


# VALUE GAP MILESTONES

Market Cap

Re-rate of Share Price

A\$8 million



Time



# ACTION PLAN | NEXT 12 MONTHS

## Corporate

Consolidate future funding requirements and position  
Reposition Cougar Energy Brand and Media / Investor Profile  
Develop in-country presence | Indonesia | Mongolia

## UCG

Establish first commercial project in Indonesia (30MW Power)  
Partnering on UCG development in Indonesia and Mongolia  
Continue to review suitable coals in China with SOE partner

## Kandoman Resources

Funding Mackenzie JORC drilling and Mongolian Coal acquisition  
Commence Mackenzie pre-feasibility once JORC announced  
Evaluation of opportunistic acquisitions to build out asset base  
Prepare company for possible spin off or sale



# INVESTMENT PATHWAYS

## CXY Listed Level

**Offers:** The combined strategy of UCG & Resources

**How:** Placement  
Convertible Notes or Options

## Kandoman Resources Level

**Offers:** A diversified resources play (Australia and Asia)  
Undervalued coal assets (PCI and Thermal)

**How:** Strategic or cornerstone investment  
Exit via spin out or sale

## Project Development Level

**Offers:** A project level investment

**How:** Fund upgrade to a JORC resource (Mackenzie)  
Fund upgrade / increase JORC resource (Wandoan)



# CONTACT DETAILS

**Cougar Energy Limited**

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# APPENDICES

Ø Competent Persons Statement

Ø Australia

Ø Qualified Persons Statement

Ø Mongolia

Ø Asian Business Strategy | Key Achievements

Ø Coal Asset Location and Infrastructure Summary

Ø Valuation Metrics | Wandoan

§ Cents per Tonne



# COMPETENT PERSONS STATEMENT

## AUSTRALIAN COAL ASSETS

The information as it relates to coal resources and exploration targets advised in this presentation is based on information compiled by Mr. Garry Leblang and covers the following reports: (1) JORC Report for Wandoan EPC 1118 / MDLa 420 dated March 2012 and (2) A report dated 15 May 2012 titled; Report on Investigation of Historical Exploration Date and Potential Coal Resources EPC 1445 MacKenzie, Bowen Basin Queensland.

Any reference to reported exploration targets as to coal quality and quality for Mackenzie is considered conceptual in nature. Exploration of the Mackenzie EPC 1445 carried out to date is insufficient to be able to estimate and report coal resources in accordance with the JORC Code (2004). It is uncertain if further exploration will result in the determination of a Coal Resource.

Mr Leblang is a Fellow of the Australian Institute of Mining and Metallurgy. Mr. Leblang is employed by Himap Pty Limited, trading as Coal Search Consultants. Mr. Leblang has in excess of 40 years geological experience and therefore sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 edition of the “Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”.

Mr. Leblang consents to the use of the resource figures in the form and context in which they appear in this Presentation. The resource and exploration target information in this report has been released to the Australian Securities Exchange.





# QUALIFIED PERSONS STATEMENT

## MONGOLIAN COAL LEASES | NI - 43-101

The information as it relates to the Mongolian coal resources and exploration targets advised in this presentation is based on information compiled by the authors Mr Warren A Evenson PGEO and Mr David E Leppert PGEO of Norwest Corporation of 300 Capitol Street Suite 810 Charleston, WV 25301 in a report titled *Technical Report for CN Coal Project, Tuv Aimag, Mongolia* and dated 5 October 2011.

The Technical report has been prepared in accordance with the National Instrument 43-101 and Form 43-101F1 and the Technical Report has been prepared in compliance with that instrument and form.

Mr Evenson declares in the report - I have read the definition of “qualified person” set out in National Instrument 43-101 (NI 43-101) and certify by reason of my education, affiliation with a professional association (as defined by NI 43-101) and past relevant work experience, I fulfil the requirements to be a “qualified person” for the purposes of NI 43-101.

Mr Leppert declares in the report - I have read the definition of “qualified person” set out in National Instrument 43-101 (NI 43-101) and certify by reason of my education, affiliation with a professional association (as defined by NI 43-101) and past relevant work experience, I fulfil the requirements to be a “qualified person” for the purposes of NI 43-101.



# ASIAN BUSINESS STRATEGY

## Key Achievements



JV Partner Medco Energy | Largest listed energy company  
Focussed on three target areas | UCG to Power Project  
Financial modelling and feasibility for 30MW Power project



Negotiations with Government | Upgraded terms and next steps  
MOU with Hulaan | 500M tonnes of coal under review



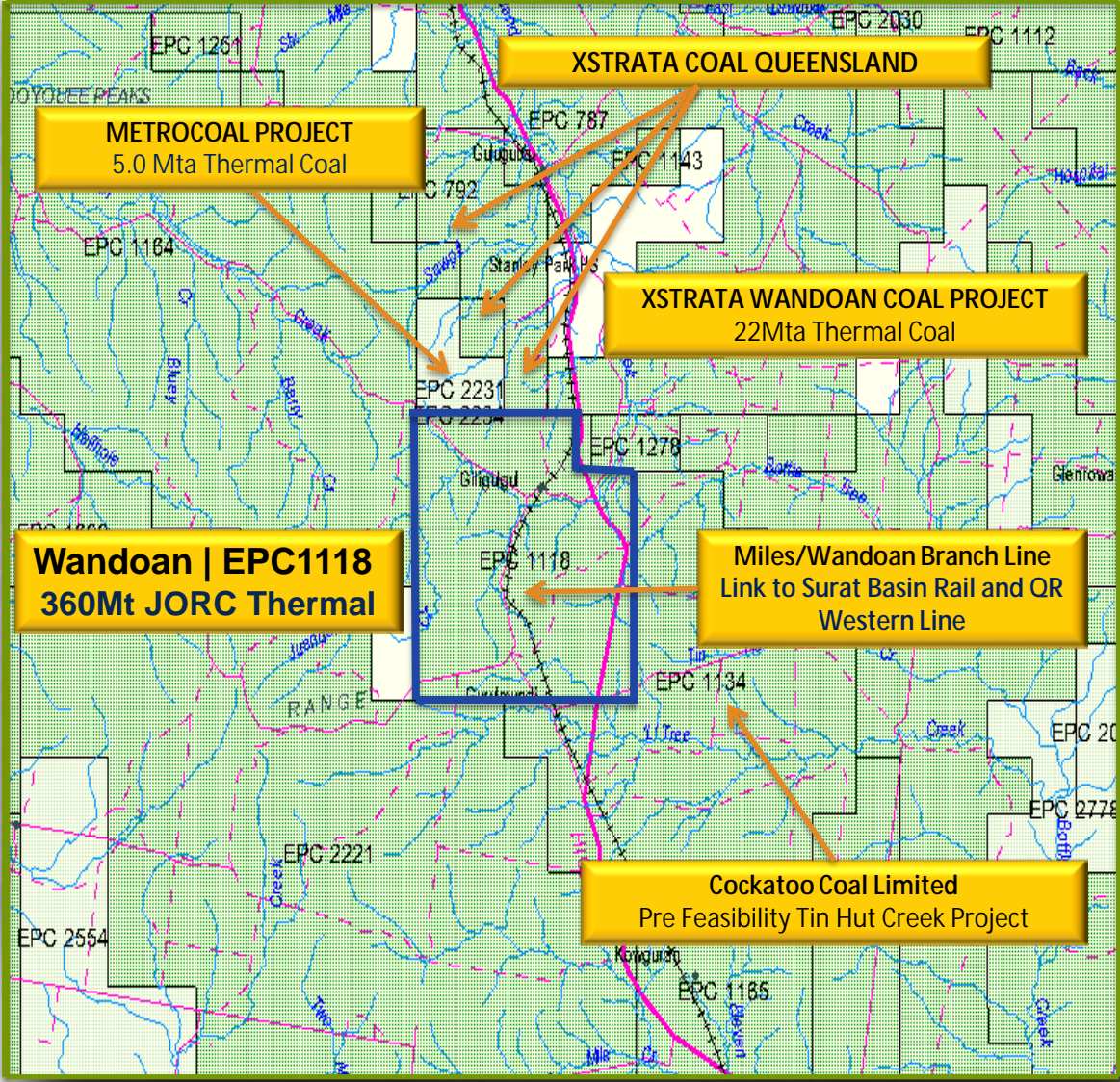
Discussions with major SOE | Preliminary review of coal resources  
Review of UCG potential | Inner Mongolia | Xinjiang Province



# WANDOAN THERMAL COAL ASSET

## Salient Features

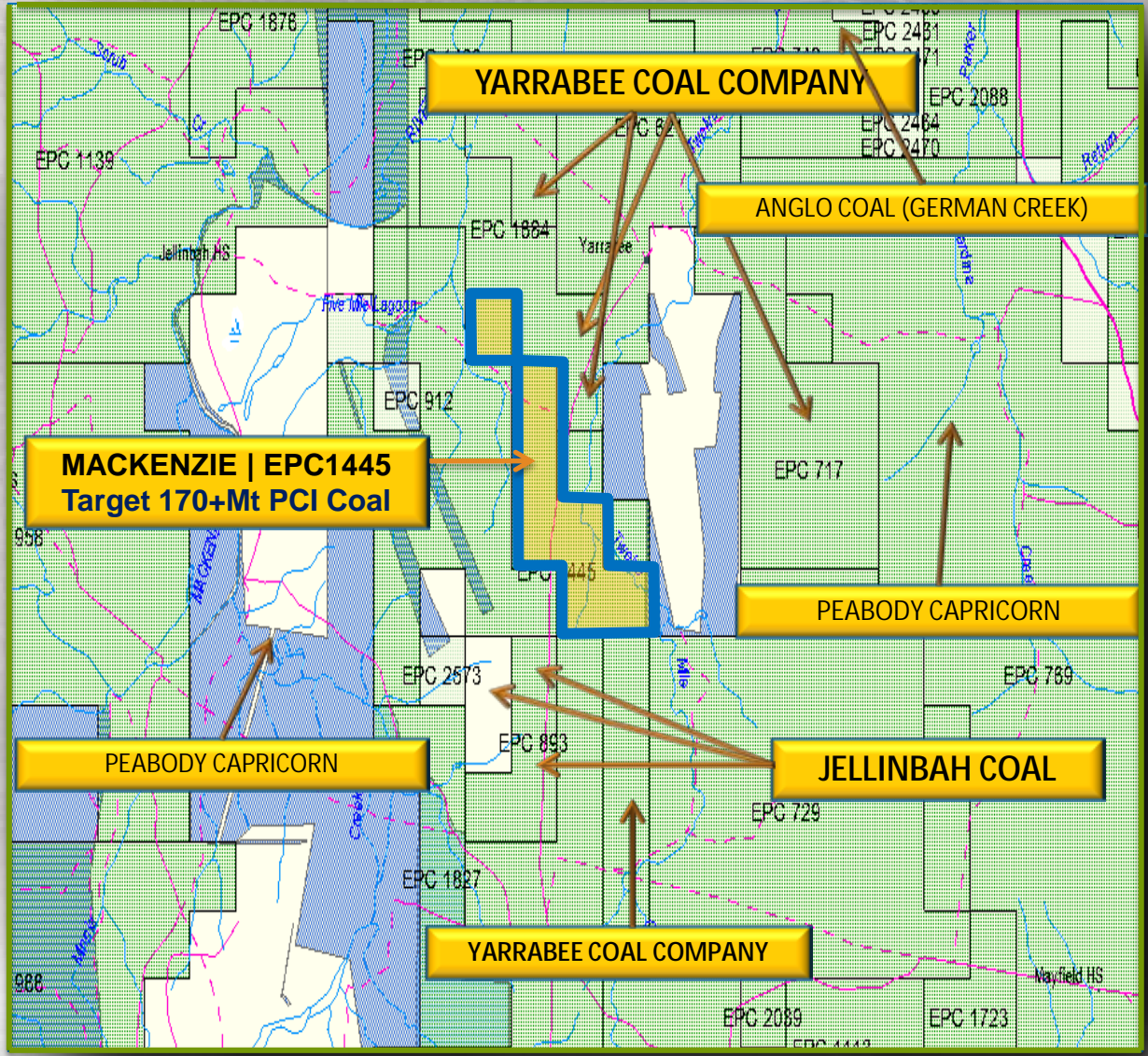
- Surat Basin Location
- 360Mt JORC compliant resource
- Thermal Grade Coal
- Coal suitable for power generation
- Adjacent to Xstrata 22 Mta project
- Adjacent to Metrocoal 5.0Mta project
- Rail runs across the EPC
- Rail to Port facilities (Gladstone)
- Suggested mine size ROM 5.5 Mta
- Product coal 4.4 Mta



# MACKENZIE PCI COAL ASSET

## Salient Features

- Bowen Basin Location
- Strong Geological Report
- 120Mt - 170Mt - With Upside
- PCI Grade Coal
- Adjacent to 2 x Operating Mines
- Jellinbah and Yarrabee (Yancoal)
- 26km haul road to rail system
- Rail runs to Port of Gladstone
- Suggested mine size: 4.0 Mta
- Product coal: 3.2 Mta



# COAL ASSETS | WANDOAN VALUATION METRICS

Wandoan EPC1118/MDLA420 | 360 Million Tonne JORC | 32Mt Indicated/328Mt Inferred | Thermal Coal

Valuation Approach	Upper Value	Lower Value	Midpoint
* Comparable Transactions	A\$0.24/tonne	A\$0.12/tonne	A\$0.18/tonne
Implied Value (Using JORC tonnage of 360Mt)	A\$86.4 Million	A\$43.2 Million	\$64.8 Million
** Peer Group (5 ASX listed exploration companies)	A\$0.21/tonne	A\$0.03/tonne	A\$0.12/tonne
Implied Value (Using JORC tonnage of 360Mt)	A\$75.6 Million	A\$10.8 Million	A\$27.0 Million
MIDPOINT COMPARABLE TRANSACTIONS & PEER GROUP	\$0.225/tonne	A\$0.135/tonne	A\$0.15/tonne
IMPLIED MIDPOINT VALUE (Using JORC tonnage of 360Mt)	\$81.0 Million	A\$48.6 Million	A\$54.0 Million
*** Value Diminution (Based on 6 Value Influences)			(A\$3.6 Million)
<b>ATTRIBUTED VALUE   360Mt x A\$0.14/tonne</b>			<b>A\$50.4 Million</b>

\* October 2012 U&D Mining purchase of 100% of Endocoal @A\$0.14/tonne = A\$71 million, January 2010 Itochu acquires 49% of Coalworks @ A\$0.24/tonne = A\$28.9 million. October 2009 Whitehaven acquisition of Coal & Allied @ A\$0.18/tonne = A\$54.0 million. April 2009 Aston farm in to Dingo project@A\$0.12/tonne = A\$36.0 million & June 2007 Cockatoo coals acquisition of Metallic Metals Taabinga project.

\*\* Peer Group - ASX:BND | ASX:EOC | ASX:COK, ASX:NCR & ASX:CLR.

\*\*\* Value diminution based upon 6 key value influencing items (1) The status of exploration and resource classification. (2) The quality of the coal which varies from Coking and PCI to Thermal but assessed by its potential end use and market potential. (3) The nature of the resource with respect to mining potential and mining method be it by underground or surface mining methods. (4) The location of the tenement and proximity to existing mine operations and infrastructure. (5) Market potential for the coal – be it Domestic and/or Offshore. (6) The forecast coal price trends for the rank of coal at the time of the transaction.

