



29 June 2012

COUGAR ENERGY EXTENDS LICENCE AGREEMENT WITH ERGO EXERGY

Cougar Energy Limited (ASX: CXY) advises that it has entered into a revised General Licence Agreement (GLA) with its Underground Coal Gasification (UCG) technical partner Ergo Exergy Technologies, Inc. for the use of Ergo Exergy's world leading εUCG™ Technology.

Significantly, this comes at a time when Cougar Energy is aggressively developing its UCG interests in the Asian region.

Ergo Exergy, based in Montreal (Canada), has a long and proven track record in applying its εUCG Technology to UCG projects across the Western world.

In addition to operating the first successful UCG demonstration pilot plant at Chinchilla in Queensland from 1999 to 2002, and the ignition at Kingaroy in March 2010, Ergo Exergy has successfully managed the ignition and expansion of the pilot demonstration plant operated since January 2007 by Eskom, the South African Government utility company. Eskom has announced plans to use the Ergo Exergy εUCG™ Technology to produce up to 2000MW of power over a 10 year period.

More recently, on 16 April this year, Solid Energy Ltd, a major New Zealand Government owned energy company, announced the successful ignition and syngas production from its \$22m UCG pilot plant near Huntly on New Zealand's North Island using Ergo Exergy's εUCG™ Technology. The stated purpose of the plant is to give Solid Energy the geological, process and environmental data to assist in commercial UCG plant design.

Ergo Exergy has developed an extensive knowledge bank to support its εUCG™ technology through its experience gained in many countries around the world. This combined with Cougar Energy's project design and operating experience presents a powerful alliance to evaluate and develop the potential UCG projects in Asia currently being assembled by the Company.

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