



## ASX ANNOUNCEMENT

24 September 2013

### Environmental charges - Kingaroy site

**Cougar Energy Limited** (ASX: CXY) advises that it has pleaded guilty to three summary charges brought in the Brisbane Magistrates' Court by the Department of Environment and Heritage Protection (DEHP) associated with the Company's underground coal gasification (UCG) project at Kingaroy in Queensland in 2010, despite there being no environmental harm arising from the offences:

- The first charge related to the failure by the Company to properly supervise contractors cementing a production well in order to comply with the Company's environmental authority for the site.
- The second charge related to the Company's notification of its monitoring results of toluene and benzene to the Department in June 2010 not being as soon as reasonably practicable after becoming aware of any release of contaminants not in accordance with, or reasonably expected to be not in accordance with, the conditions of the environmental authority.
- The third charge related to the release of air containing minor levels of toluene and benzene to the Company's dedicated groundwater monitoring bores, located adjacent to the UCG working cavity.

Groundwater monitoring continues at the site. There has been no detection of toluene or benzene exceeding the monitoring trigger levels at the groundwater aquifer monitoring bores, other than for a period of a few weeks in June 2010. There have never been any detections in excess of trigger monitoring levels at any actual groundwater bores beyond the site. This follows three years of extensive monitoring by both the Company and the Department, including the installation of additional monitoring bores.

The Company has been ordered to pay a total fine of \$75,000 for all three charges, and agreed to pay \$40,000 for legal and investigation costs of the DEHP. These amounts are scheduled to be paid in instalments over two years. No conviction was recorded.

It is anticipated that this outcome will not have an effect on Cougar Energy's day-to-day and project development activities at the Mackenzie and Wandoan tenements in Queensland.

The Department acknowledged to the Court that Cougar Energy's dedicated groundwater monitoring bores had provided an early warning detection system, and that no environmental harm resulted from the incident.

DEHP has approved the Company's proposed on-going monitoring regime for Monitored Natural Attenuation for the UCG working cavity. Cougar Energy is currently discussing with DEHP the scope of the decommissioning and rehabilitation works for the remainder of the site and the timetable for their completion. The Company has previously lodged a cash bond with the Department to cover these works.

"The conclusion of these proceedings today marks the closure of the last of the legal actions relating to the Kingaroy site. This allows the Board and Management to further focus all of the Company's



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resources on rejuvenating the Company through our conventional coal development work in the Bowen and Surat Basins in Queensland,” said Chairman Andrew Matheson.

Andrew Matheson  
Chairman