



ASX Announcement

6 May 2010

Award of A\$2.5M Drilling Contract in Brazil

HIGHLIGHTS

- 20,000 metre contract awarded in Brazil.**
- Forecast to generate A\$2.5 M in revenue.**
- Continued development of drilling division within South America.**

Cougar Metals NL (ASX:CGM) (**Cougar** or the **Company**) is pleased to announce that it has been awarded the tender from Beadell Resources Limited (**Beadell**) to provide 20,000 metres of reverse circulation (**RC**) and diamond drilling at Beadell's Amapari project in the state of Amapa in Brazil.

The program, expected to run for 4 months, will utilise 3 of Cougar's existing diamond rigs and the 1 existing in country RC rig, and is forecast to generate \$A2.5 million in revenue for the Company, bringing the Company's drilling businesses work on hand to over A\$12 million.

The existing diamond and RC rigs will be mobilised to Beadell's Amapari project following completion of current contracts. It is expected that the first rig will arrive on site within 2 weeks and all rigs to be on site by early June.

Cougar's Managing Director, Randal Swick said "having been operating our contract drilling division within Brazil for 2.5 years the division is now being recognised as a high quality, productive and cost effective service provider. We look forward to working closely with Beadell Resources as they travel the path from explorer to producer."

For further information, please contact the undersigned on (08) 9381 1755.

Yours faithfully

RANDAL SWICK
Executive Chairman

About Cougar Metals NL:

Cougar Metals NL is a Perth based exploration company listed on the Australian Securities Exchange (ASX:CGM). The Company is focused on exploring the Alta Floresta Gold Project in central west Brazil, where past production is estimated at five million ounces of gold. The Company also operates a growing mineral drilling business in Brazil and Uruguay, providing surface diamond, reverse circulation and RAB drilling services to the Brazilian and Uruguayan mining industries, and holds the mineral rights to the Pyke Hill JORC compliant Resource of 14.7mt @ 0.9% Ni and 0.06% Co.