



ASX ANNOUNCEMENT

Friday 1st February 2013

Market Update

As previously announced **Cougar Energy Limited (ASX:CXY)** has sought expressions of interest in its two conventional coal assets situated in Queensland's proven coal rich Bowen and Surat Basins.

As a result of this strategy, Cougar Energy is in discussions with a number of parties regarding potential transactions that may include capital raisings, acquisitions of other coal assets and the development of UCG projects.

Interested parties include local and offshore entities.

Cougar Energy has established both project and corporate data rooms and confidential due diligence investigations are advancing.

The Company is engaged in moving discussions forward, however it is unable to say whether any of the proposals will be transformed into an offer capable of being accepted, or where necessary, recommended to shareholders for approval.

Cougar Energy's Board has appointed an external advisor to assist with the evaluation of proposals and to develop a strategy to progress a transaction to completion.

Cougar Energy will continue to keep the market fully updated as to the progress of these discussions.

Rob Neill

CEO and Managing Director

