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## Cougar Energy drilling results on Wandoan coal mine

Wednesday, 19 Aug, 2009

Cougar Energy Limited announces the results of the drilling program on its Wandoan tenement EPC 1118 conducted in June and July 2009. The JORC compliant resource is 341 million coal tonnes, which exceeds the target estimate of 200 to 300 million tonnes advised to the market in May of this year. This represents a significant uplift to Cougar Energy's current reported resource base of 73 million tonnes.

Further highlights of this major and important increase to the Company's coal resource base:

1. 34 million tonnes indicated and 307 million tonnes inferred resource
2. Cougar Energy's total JORC resource now exceeds 400 million tonnes
3. A further milestone in Cougar Energy's UCG project development planning has been achieved
4. The resource enables potential commercial projects of long life and scale to be developed at Wandoan
5. The resource has an in situ energy content in the region of 6,800 PJ

This JORC compliant resource fulfils Cougar Energy's criteria a deposit with a potential commercial project life of 30+ years project life and maximum coal seam depths of 400 meters. It enables the Company to confidently plan the commercial development of its second major project. The size and quality of the resource will give the Company enhanced flexibility in project planning: to build a power station replicating the Company's Kingaroy project combined with conversion of the UCG gas to a range of potential chemical products.

Dr Len Walker CEO & MD of Cougar Energy said that "This is a high quality coal resource upon which to develop a second UCG project with our UCG technology partner Ergo Exergy Technologies Inc. The coal deposit is in the same coal seam as the nearby Chinchilla deposit, where previous underground gasification tests were successfully conducted by Dr Michael Blinderman CEO of Ergo Exergy and myself some 10 years ago. This gives us great confidence in the product gas we can produce from the site."

He added that "Our Wandoan project is centrally located in the Surat Basin. The size of this resource, and potential further target resources at a depth in excess of 150 meters on EPC 1118 and the neighboring Cockatoo Coal tenements, highlights the potential for Cougar Energy to make the area one of Australia's most significant sources of alternative cleaner and cheaper energy in the next decade. We will follow a clear development roadmap to build long life projects at Wandoan in a similar manner to our Kingaroy development. Given that our Kingaroy Power Plant will supply 400,000 homes with electricity for 30 years, the upside potential for power generation at Wandoan is extremely exciting. In addition, we have incorporated into our overall project plan a work program to determine the most appropriate chemical by products to be produced from the syngas."

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