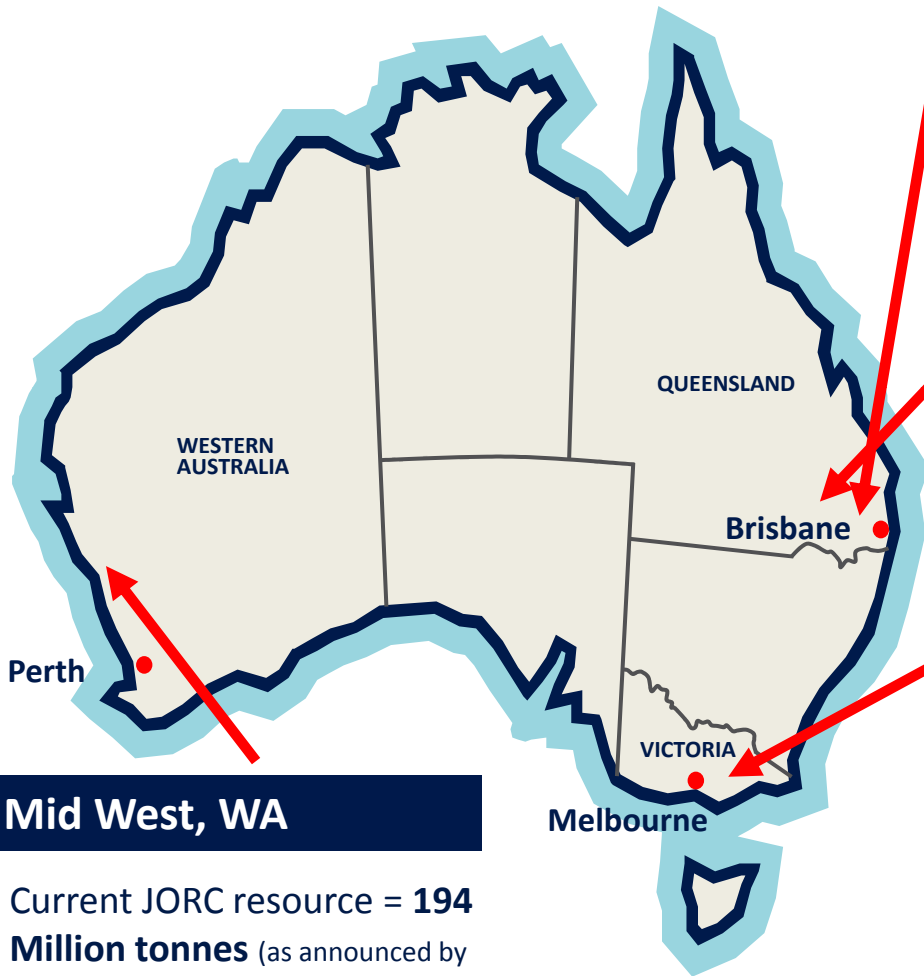


## Cougar Energy Limited is building the world's leading commercial Underground Coal Gasification (UCG) company for its shareholders ...

... it is focused on the **profitable development** of reliable, low cost and efficient **base load power** from proven underground coal gasification technology.



*Coal -> Gas -> Electricity*



### Kingaroy, Queensland (CXY: 100%)

- Current JORC resource = **73 Million tonnes** (28 million indicated and 45 million inferred as announced June 2008)
- Resource expansion planned
- Commercial project underway

### Wandoan, Queensland (CXY: 100%)

- Current JORC resource = **341 Million tonnes** (34 million indicated and 307 million inferred as announced August 2009)
- Commercial project in planning

### South Gippsland, Victoria

- Joint venture terms sheet signed

### Mid West, WA

- Current JORC resource = **194 Million tonnes** (as announced by proposed joint venture partner Eneabba Gas Limited on 30 October 2009)
- Binding Terms Sheet for Joint Venture Agreement signed

§ The exploration target is based on estimates from previous drilling programs – these estimates cannot be classified as mineral resources or ore reserves: the potential quantity and grade is conceptual in nature and there has been insufficient exploration to define a mineral resource – it is uncertain if further exploration will result in the determination of a mineral resource.

**Abundant resources for long-life projects**

# KINGAROY PROJECT

- Gas production from Pilot Plant commenced 16 March 2010
- Upper production well casing fracture occurred after one week
- Plant is shut-down while reviews in progress
- Govt approval for re-start required
- Pre-feasibility study for 200MW Power Project completed
- Govt decision on UCG future to be determined early 2012



**Flares and  
waste storage  
(out of picture)**

**Gas processing plant**

**Gas pipeline  
racks**

**Drilling rig –  
position of  
4 process  
wells**



# KINGAROY PROGRESSES TO IGNITION



THE NEW POWER IN AUSTRALIA



## THAR COAL UCG PROJECT

- Cougar has taken representatives from two foreign drilling companies to Block III so they can see conditions in the field

- The Sind Coal Authority AD provided excellent assistance, including the laying out of core from recent drilling at Thar to enable to foreign drilling representatives to see the drilling conditions



Cougar Team on Block III



## THAR COAL BLOCKS

### Block-IV

Area (sqkm): 82.50  
Reserves (mn tonnes)  
Total: 2,471

### Block-V

Area (sqkm): 63.50  
Reserves (mn tonnes)  
Total: 1,394

**Allocated: PEPCO**

### Block-VI

Area (sqkm): 66.10  
Reserves (mn tonnes)  
Total: 1,655

**Allocated: Oracle Coal Fields**



### Block-I

Area (sqkm): 122.00  
Reserves (mn tonnes)  
Total: 3,570

### Block-II

Area (sqkm): 55.00  
Reserves (mn tonnes)  
Total: 1,584

**Allocated: Sindh Govt. Engro**

### Block-III

Area (sqkm): 47.3  
Reserves (mn tonnes)  
Total: 2,008

**Allocated: Cougar Energy**



### Exploration Licence

- Offer of Grant made on 17 November 2007
- Grant made on 16 September 2009, valid for 3 years

### Joint Venture Formation

- JV negotiations with large Pakistan Company in final stages
- Approval anticipated late December

### Drilling Program

- Initial Phase drilling program of 15 holes planned
- Tenders called and Interdrill selected as drilling contractor
- Draft contract document prepared
- First phase drilling program estimated at 3 months
- Drilling commencement in March 2011 anticipated after JV documentation signed

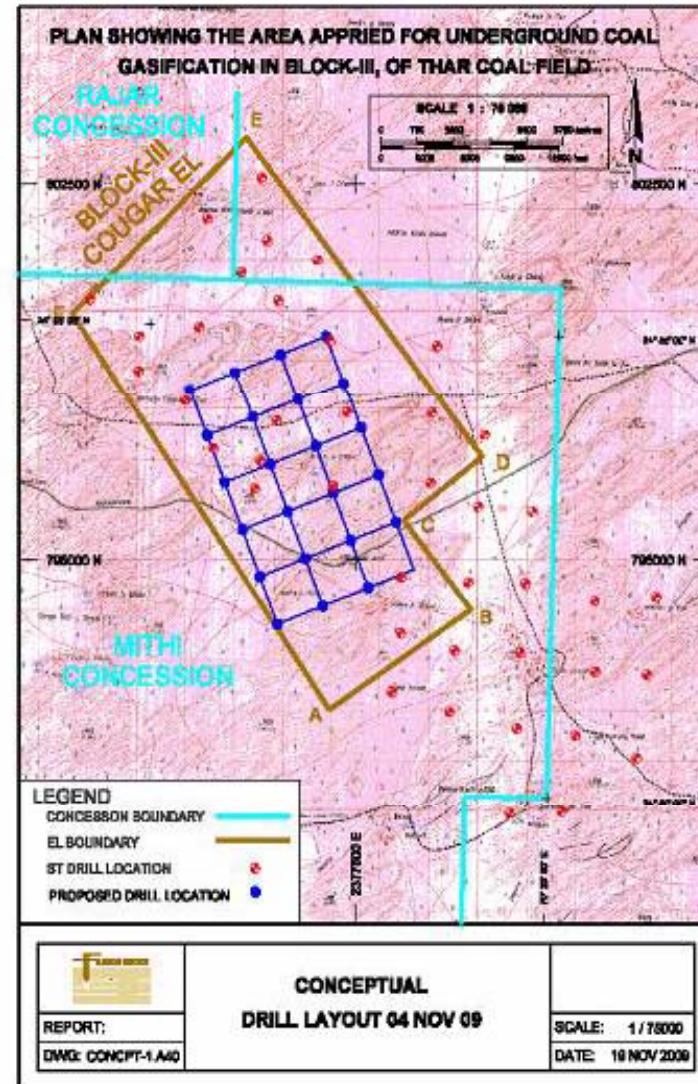
*Coal -> Gas -> Electricity*

## Overview

- The Saleh Jo Tar, Block-III, covers an area of 47.3sq.kms.
- The field area is covered by stabilized sand dunes trending in northeast direction longitudinally. It is approachable by all weather road up to 10 km. beyond Mithi and onwards by four-wheel driven vehicles through desert sand.
- It has coal resources of 1330 million tonnes suitable for UCG, of which 270m tonnes is in the measured category. Average properties are - ash content 6.1%, fixed carbon 19.6%, moisture 45.4 %, volatile matter 28.5 %, sulfur 1.1% and CV 13.7 Mj/kg.

## The Project

- The Consortium through the UCG process plans to set up a 400MW power plant which will be increased to 1,000 MW plant after three years
- The electricity generated by the plant will be supplied to the local/national grid through a 30 year Power Purchase Agreement. The PPA includes a tariff that compensates the power generation company for all costs as “pass through items” along with a fixed return on equity
- The tariff ensures a minimum US\$ IRR of 18% for the life of the Project though the efficiency of the UCG process is likely to lift IRR's. Additionally the World Bank and IFC who are acting as consultants to the TCEB have recommended an upfront tariff of a base IRR of >20%
- The payments under the PPA are guaranteed by the Government of Pakistan



### THAR COAL UCG PROJECT BLOCK III - TYPICAL CROSS-SECTION

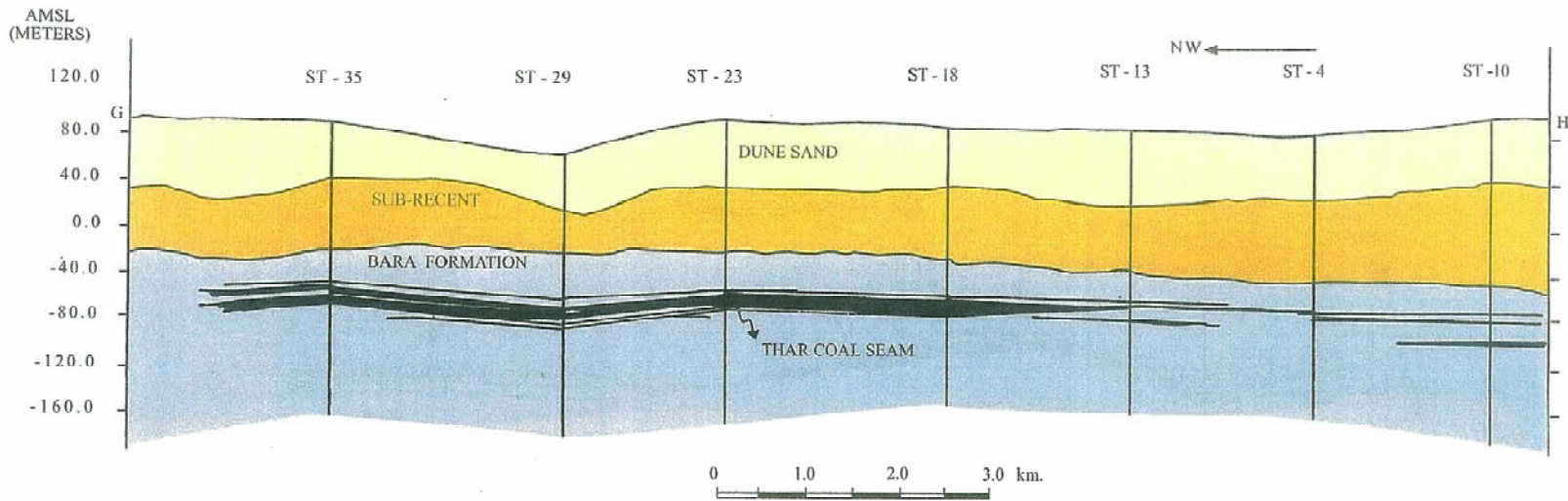


FIG-9d. CROSS SECTION ALONG LINE GH, SALEH JO TAR,  
BLOCK-III, THAR COALFIELD, SINDH, PAKISTAN



## THAR COAL UCG PROJECT DEVELOPMENT PROGRAM SUMMARY

### Targets

Support for early project stages and testing; high risk, high return via sale of gas rights

Total equity: **\$ 10.0mn**

Timeline: 2010-2011

Support for early project stages and testing; high risk, high return via sale of gas rights

Total Cost: **\$ 30mn**

Timeline: 2012

Equity finance for plant construction; mid-risk, high return, partial debt financing

Total Cost: **\$ 600mn**

Timeline: 2013–2014

### Details

- Site Characterisation
- Finalised Input Data for Design for Pilot Burn
- Report on preliminary feasibility

- Feasibility Study of first stage of project
- Confirmation of technical, financial, and economic viability of the first stage of project
- Complete final feasibility

- Construction of first stage of project



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