

Investor Presentation

Coal Asset Transformation

Presented by Rob Neill | CEO & MD 13 February 2013

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Competent Persons Statement

The information as it relates to coal resources and exploration targets advised in this presentation is based on information compiled by Mr. Garry Leblang and covers the following reports: (1) JORC Report for Wandoan EPC 1118 / MDLa 420 dated March 2012 and (2) A report dated 15 May 2012 titled: Report on Investigation of Historical Exploration Date and Potential Coal Resources EPC 1445 MacKenzie, Bowen Basin Queensland. Any reference to reported exploration targets as to coal quantity and quality for Mackenzie is considered conceptual in nature. Exploration of the Mackenzie EPC 1445 carried out to date is insufficient to be able to estimate and report coal resources in accordance with the JORC Code (2004). It is uncertain if further exploration will result in the determination of a Coal Resource. Mr Leblang is a Fellow of the Australian Institute of Mining and Metallurgy. Mr. Leblang is employed by Himap Pty Limited, trading as Coal Search Consultants. Mr. Leblang has in excess of 40 years geological experience and therefore sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Leblang consents to the use of the resource figures in the form and context in which they appear in this Presentation. The resource and exploration target information in this report has been released to the Australian Securities Exchange.



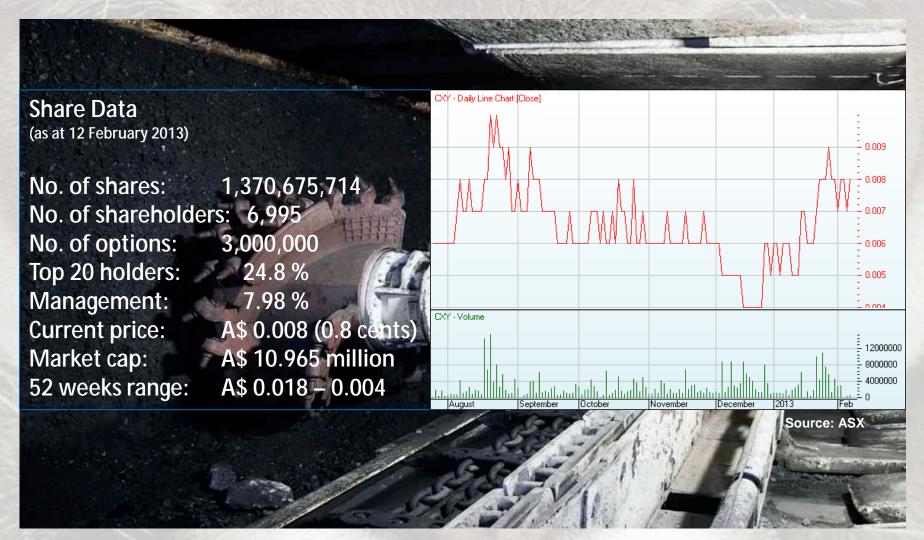
INVESTMENT DRIVERS

- **ØUnlocking the value of Metallurgical (PCI) & Thermal conventional coal assets**
- Ø Focusing on generating Mackenzie maiden JORC resource for value uplift
- **Ø** Repositioning the Company for enhanced investor attraction
- **Ø** Resolution of the Queensland litigation
- **Ø** Lowering corporate overhead costs
- **O Deferring drawdown of ASOF facility**





COMPANY INFORMATION





TRANSFORMATION IN ACTION









PAST

New Power for Asia

One focus | UCG in Australia
Single avenue for investment | UCG

PRESENT

Revitalized brand
Identified value drivers
Repositioned coal assets

FUTURE

Enhance the value of coal assets

Multiple opportunities for investment

Build a diversified energy company

Generate sustainable cashflow



UCG IN ASIA

Leveraging Australian knowledge base into Asian projects



MOU with MedcoEnergi | Large listed energy company in Indonesia Focussed on three target areas | UCG to Power Project Initial studies for 30MW Power project complete



Potential MOU with Government

MOU - Hulaan Coal Corporation for UCG on existing coal deposit Project design study for 30 MW power project underway



Discussions with major SOE | Preliminary review of coal resources

Review of UCG potential | Inner Mongolia | Xinjiang Provence



ØUtilising world's leading commercial UCG technology

ØWell suited to Asian coal resources and geological & hydrogeological settings ØLeveraging project design & development concepts into the Asian projects

COAL ASSETS





* The reference to reported exploration targets as to coal quantity and quality for Mackenzie is considered conceptual in nature. Exploration of the Mackenzie EPC 1445 carried out to date is insufficient to be able to estimate and report coal resources in accordance with the JORC Code (2004). It is uncertain if further exploration will result in the determination of a Coal Resource. Presently there has been no exploration by Cougar Energy on the Mackenzie tenement. The basis for setting the target quantity is based on Mr Leblang's report (refer to Competent Persons Statement on page 2 of this presentation) which referenced 25 reports held by the Queensland Department of Natural Resources and Mines of historical drilling results to extrapolate the geology of the area and make inferences about potential coal targets. Mr Leblang also considered geological mapping, shallow drilling results, mines exposures and seismic mapping from the immediate region, most particularly the Pollux coal seam, which is a well-known PCI grade coal seam. The target estimate of quantity was based on the understanding of the thickness of one the Pollux seams multiplied by the area of the EPC 1445 and using an in-situ density factor of 1.4.

MACKENZIE PCI COAL ASSET (Bowen Basin Queensland)

- EPC 1445
- Exploration target: 120-170 Mt
- Anticipated PCI grade coal
- Adjacent to Jellinbah (PCI) and Yarrabee (PCI, Thermal) mines
- 26 km haul road to rail system
- Rail runs to Port of Gladstone
- Suggested mine size: 3.0 Mta *
- Product coal: 2.7 Mta *





* Cougar Energy's mine planning concepts as outlined herein are subject to successful delineation of required coal resources, timely delivery by 3rd parties of proposed rail and port capacity expansions, capital availability, approval and compliance within all relevant regulatory frameworks, financial feasibility and other key inputs.

MACKENZIE JORC DRILLING PROGRAM

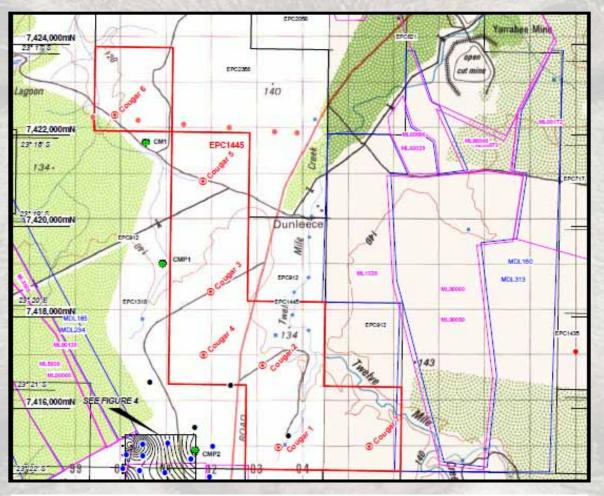


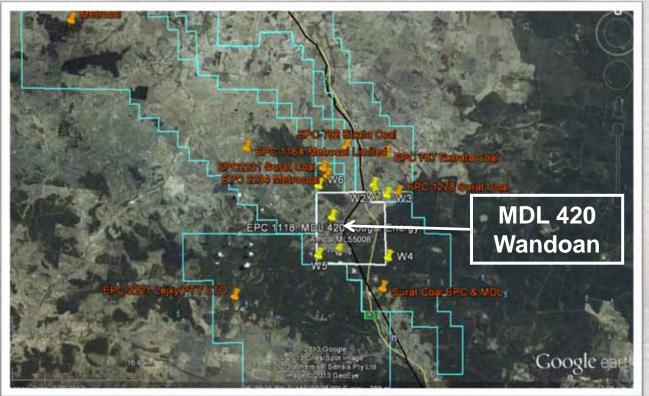


TABLE 1	EXPLORATION COST ESTIMATE EPC 1445 MC KENZIE 7 HOLE PROGRAM VERS 5, 5th FEB 2013						
DURATION	DAYS PER HOLE	NUMBER HOLES	DAYS	Cootings \$274 F00			
CORE HOLE	3.5	7.0	24.5	Costing: \$371,500			
structure h0le (open)	0.0	1.0	0.0				
TOTAL			24.5				

WANDOAN ASSET (Surat Basin Queensland)

- MDL 420
- JORC compliant resource: 360 Mt (32 Mt indicated, 328 Mt inferred)
- Thermal grade coal suitable for power generation
- Western Rail runs through tenement (use subject to approvals)
- Suggested mine size: 5.5 Mta *
- Product coal: 4.4 Mta *

Adjacent to Xstrata proposed Wandoan Coal Project 22 Mta | Metro Coal planned Bundi Project 5.5Mta | Cockatoo Coal planned Collingwood Project and Stanmore Coal planned Clifford Project.





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ASX LISTED COAL COMPANIES

ASX	Company	Basin	Coal Type	Debt	Equity	Cash	Asset Val	Measured	Indicated	Inferred	Total	Reser- ves	Val	Mine
				A\$m	A\$m	A\$m	A\$m	MT	MT	MT	MT	MT	A\$/ Tonne	Status
	Bandanna													Feasiblity
BND	Energy Ltd	Bowen & Galilee	PCI and Thermal	0	132	90	42	83	433	1,133	1,649	307	0.025	studies
CNAD	St	0.00	Coking and			20	10	10	045	457			0.010	Feasibility
SMR	Stanmore Coal	Bowen & Surat	Thermal	4	41	32	13	18	215	456	689	0	0.019	studies
NCR	Nucoal Resources	Hunter Valley	Semi Soft and Thermal	0	142	21	121	23	119	369	511	51	0.237	Drilling, concept studies
CLR	Carabella Resources Ltd	Bowen, Mulgildie, Clarence-Moreton,	Coking, Thermal	0	56	16	40	67	42	32	141	0	0.284	Drilling, concept studies

Note - *Endocoal recently sold (October 2012) for A\$71 million cash via a Scheme of Arrangement to UD Mining (Chinese Group) - valuing their coal assets at around A\$0.14 cents per JORC tonne

* * Includes Endocoal valuation

Sources: ASX Releases of companies



Average 0.14 **

IMMEDIATE MANAGEMENT FOCUS

ITEM	ACTION						
Mackenzie PCI Coal Asset	Commence JORC drilling program						
Corporate Cost Structure	Identify savings to lower cash use						
Litigation	Conducting discussions for resolution						
Current Funding	ASOF Facility - pause and replace						



SUMMARY

DRIVER	IMPACT
Company transformation	Now identified as a true resources exploration and development company
Release maiden JORC report on Mackenzie	Validation of PCI coal asset leads to expected value uplift
Removal of legacy issues	Positive impact on cash burn and removes management distraction
Repositioning company profile and brand enhancement	Enhanced investor attraction



CONTACTS



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