

Media Release: Tuesday 28th September 2010

From: Kingaroy Concerned Citizens Group

Locals Dismiss Cougar's Claims

Kingaroy Concerned Citizens Group (KCCG) met last night to discuss a range of matters that relate to Cougar Energy's failed UCG experiment and the effect that this is having on the local community.

The group noted the recent release of a letter from Cougar Energy (27th Sept 2010: Letter to all Queensland State Members of Parliament) and the interest from various media outlets in KCCG's response.

Consideration was given to the company's claims to be "a flagship UCG project" and "world leaders in UCG technology". However the company's response to DERM explaining the failure of the project presents a more accurate assessment of the company. (A report to DERM: Environmental Evaluation: Cougar Energy Pilot Burn at Kingaroy: 16-8-10).

This report lists various causes of the trial failure, such as split pipes in bore casings, bore casing suddenly lifting out of the ground on ignition, poor concrete injection between the bore casings trapping water, gas escaping from a monitoring well some distance from the UCG site and even possible contamination from oil from the air compressor after only 3 to 4 days of "operation" in March.

DERM is still investigating the matter with reference to the Environmental Protection Act, and there is still an ongoing investigation into the failure of UCG trial so far. Investors in the project will be making their own assessment of Cougar Energy as a "world leader" in UCG technology.

KCCG had earlier invited the Minister for Climate Change and Sustainability (Kate Jones MP) to commence discussions on the development of better processes for community consultation in the approval of projects such as the Cougar Energy UCG operation in Kingaroy. The need for improved protocols and transparency was again discussed, with many members again expressing frustration over the manner in which the project was approved, and the failure of the Government to address the obvious needs of the local community. The group commends the Minister Kate Jones for her recognition of the serious damage that this failed experiment has had on the South Burnett community.

Mayor David Carter said that he is trying to address some of these needs by establishing a central reference for all mining activities and proposals in the South Burnett Regional Council area. This has been necessary because of public demand. He said that development of such a document and map was a particularly difficult exercise as it needed input and expertise from the Environment, Resource and Mines Departments. When completed, it will be the first Shire in Queensland to have such a map to inform local residents of the potential impact of mining in their region.

Minister Kate Jones has committed to engaging with KCCG in retrospectively examining State Government protocols in respect to these types of issues. In a

recent letter to KCCG, she also agreed to a request from Kingaroy residents that the release of DERM's final report into the Cougar Energy's failed UCG trial, (and the decision on its permit to continue), will be made in Kingaroy.

Concern was also expressed at the meeting about the various ways in which the proposed Strategic Cropping legislation may or may not affect the future for UCG and Cougar Energy. Various members believed that the actual site of Cougar's trial is marked as prime agricultural land and will be protected under the legislation. Others pointed out that at a meeting in Dalby, it was made clear that the legislation was not retrospective and that UCG was in any case deemed by the Government as a "trial only", and as such, could be made exempt from the legislation in the same way that it was from the need to do an Environmental Impact Statement. This point would need to be clarified by DERM before the next meeting, and Dorothy Pratt (Member for Nanango) said that she would also try to have this piece of State Legislation clarified for the group.

Other items for clarification included:

- Determine whether or not Cougar Energy's failure to report the contamination to DERM for several months constituted a legal offence in the same way as proof of contamination would be a legal offence.
- Determine from DERM if syn gas could have escaped untreated from Cougar Energy's site via bore number 37 as per the diagram on page 22 of its report to DERM.

The meeting concluded with a resolution from all members to continue to access relevant information from DERM and other sources in order make informed decisions about where to direct this campaign to protect valuable food producing farm land. Many expressed concern that the time being taken to assess the fall-out of the failed UCG trial was stressful, time consuming, avoidable if good practice was followed, and still casts a question mark over future planning and land values.

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