

17 December 2008

Company Announcements Office

ASX Limited

Exchange Plaza

2 The Esplanade

PERTH WA 6000

Dear Sirs

RENOUNCEABLE RIGHTS ISSUE

Cougar Metals NL advises that its partially underwritten Renounceable Rights Issue closed at 5:00pm (WST) on 12 December 2008.

A total of \$1,289,729.88 was raised under the Rights Issue (before the costs of the issue) inclusive of the amount committed under the Underwriting Agreement as set out in the Prospectus dated 18 November 2008.

The total number of shares taken up by shareholders under the Rights Issue and pursuant to the Underwriting Agreement was 64,486,494, and the number of shortfall shares was 20,846,617. The directors reserve the right to place all or some of the shortfall shares within 3 months of the closing date of the Rights Issue. The relevant shares will be issued, and holding statements dispatched, on 22 December 2008.

The directors wish to thank all shareholders who participated in the Rights Issue. For further information, please contact Neil Kelly on (08) 9381 1755.

Yours faithfully



NEIL KELLY
COMPANY SECRETARY