Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

COUGAR ENERGY LIMITED

ABN

3

75 060 111 784

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1 +Class of +securities issued or to be issued

Listed fully paid ordinary shares (CXY).

- 2 Number of +securities issued or to be issued (if known) or maximum number which may be issued
 - Principal terms of the ⁺securities (eg, if options, exercise price and expiry date; if partly paid ⁺securities, the amount outstanding and due dates for payment; if ⁺convertible securities, the conversion price and dates for conversion)

Fully paid ordinary shares.

3,125,500

+ See chapter 19 for defined terms.

⁴ Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

Yes, the shares issued pursuant to this notice rank equally in all respects with the Company's other fully paid ordinary shares (CXY).

Number	Issue	Total
Issued	Price	Consideration
3,125,500	\$0.032	\$100,016

5 Issue price or consideration

6

Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)

7	Dates of entering ⁺ securities into uncertificated
	holdings or despatch of certificates

The drawdown of working capital funds pursuant to an Advance Notice submitted under the Equity Line of Credit Facility Agreement with YA Global Master SPV Ltd
dated 26 February 2010, as subsequently varied by further agreement on 31 August 2010.

	Issue Date	Number Issued
icated	17-09-2010	3,125,500

Number and ⁺class of all ⁺securities quoted on ASX (*including* the securities in clause 2 if applicable)

	Number	+Class
oted on the 2 if	942,087,542	Fully paid ordinary shares (CXY)

⁺ See chapter 19 for defined terms.

		Number	+Class
9	Number and ⁺ class of all ⁺ securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	10,800,000	Management options with an exercise price of \$0.10 (10 cents) and an expiry date of 30-11-2010 (CXYAM)
		10,000,000	Tranche A project financier options with an exercise price of \$0.25 (25 cents) and an expiry date of 30-06- 2011 (CXYAK)
		1,600,000	Management options with an exercise price of \$0.10 (10 cents) and an expiry date of 01-05-2012 (CXYAQ)
		1,600,000	Management options with an exercise price of \$0.15 (15 cents) and an expiry date of 01-05-2012 (CXYAQ)
		1,600,000	Management options with an exercise price of \$0.20 (20 cents) and an expiry date of 01-05-2012 (CXYAQ)
		1,600,000	Management options with an exercise price of \$0.10 (10 cents) and an expiry date of 03-05-2012 (CXYAO)
		1,700,000	Management options with an exercise price of \$0.15 (15 cents) and an expiry date of 03-05-2012 (CXYAO)
		1,700,000	Management options with an exercise price of \$0.20 (20 cents) and an expiry date of 03-05-2012 (CXYAO)
		1,400,000	Management options with an exercise price of \$0.10 (10 cents) and an expiry date of 30-11-2012 (CXYAI)
		1,400,000	Management options with an exercise price of \$0.15 (15 cents) and an expiry date of 30-11-2012 (CXYAI)
		1,400,000	Management options with an exercise price of \$0.20 (20 cents) and an expiry date of 30-11-2012 (CXYAI)
			·
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	of this notice;	the ordinary shares that are the subject their dividend entitlement is the same ther fully paid ordinary shares on issue.
		options on iss right to partici	the unlisted management and vendor sue; none of these options carry any pate in dividends until such time as fully shares are issued pursuant to the hose options.

⁺ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue

	-	
11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
10		
13	Ratio in which the ⁺ securities will be offered	
14	⁺ Class of ⁺ securities to which the offer relates	
1.5		
15	⁺ Record date to determine entitlements	
		Г
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
	aggregated for carculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security	
	holders who will not be sent new issue documents	
	Note: Security holders must be told how their	
	entitlements are to be dealt with.	
	Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
20	Trailes of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
	Traines of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who	
24	lodge acceptances or renunciations on behalf of ⁺ security	
	holders	
25	If the issue is contingent on ⁺ security holders' approval,	
	the date of the meeting	
26	Date entitlement and acceptance form and prospectus or	
	Product Disclosure Statement will be sent to persons entitled	
	entitied	
27	If the entity has issued options, and the terms entitle	
	option holders to participate on exercise, the date on	
	which notices will be sent to option holders	
20	Data nighta tao ding mill having (ff angli a bla)	
28	Date rights trading will begin (if applicable)	

⁺ See chapter 19 for defined terms.

- 29 Date rights trading will end (if applicable)
- ³⁰ How do ⁺security holders sell their entitlements *in full* through a broker?
- ³¹ How do ⁺security holders sell *part* of their entitlements through a broker and accept for the balance?
- ³² How do ⁺security holders dispose of the entitlements (except by sale through a broker)?
- 33 +Despatch date

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their ;)?	

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities (*tick one*)
- (a) Securities described in Part 1
- (b)

All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to	indicate	you	are	providing	the	information	01
docume	nts						



If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders



If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories

37

A copy of any trust deed for the additional +securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought
- 40 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
- 41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

42 Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)

Number	+Class			

⁺ See chapter 19 for defined terms.

Quotation agreement

- ¹ ⁺Quotation of our additional ⁺securities is in ASX's absolute discretion. ASX may quote the ⁺securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the ⁺securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the ⁺securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any ⁺securities to be quoted and that no-one has any right to return any ⁺securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the ⁺securities be quoted.
- If we are a trust, we warrant that no person has the right to return the ⁺securities to be quoted under section 1019B of the Corporations Act at the time that we request that the ⁺securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before ⁺quotation of the ⁺securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

L. K. Walker

Sign here:

Director

Date: 17-09-2010.

Print name:

DR LEN WALKER

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⁺ See chapter 19 for defined terms.