

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

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 | 3,125,500 |
| 3 | 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. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • 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 	<p>Yes, the shares issued pursuant to this notice rank equally in all respects with the Company's other fully paid ordinary shares (CXY).</p>
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	Number Issued	Issue Price	Total Consideration
5 Issue price or consideration	3,125,500	\$0.032	\$100,016

<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>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.</p>
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	Issue Date	Number Issued
7 Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates	17-09-2010	3,125,500

	Number	⁺ Class
8 Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in clause 2 if applicable)	942,087,542	Fully paid ordinary shares (CXY)

+ See chapter 19 for defined terms.

9 Number and ⁺class of all ⁺securities not quoted on ASX (including the securities in clause 2 if applicable)

Number	⁺ Class
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)

In relation to the ordinary shares that are the subject of this notice; their dividend entitlement is the same as for all the other fully paid ordinary shares on issue.

In relation to the unlisted management and vendor options on issue; none of these options carry any right to participate in dividends until such time as fully paid ordinary shares are issued pursuant to the exercising of those 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? | |
| 13 | Ratio in which the ⁺ securities will be offered | |
| 14 | ⁺ Class of ⁺ securities to which the offer relates | |
| 15 | ⁺ Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating 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 | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names 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 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 | |
| 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 | |
| 28 | Date rights trading will begin (if applicable) | |

+ See chapter 19 for defined terms.

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- 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 their entitlements (except by sale through a broker)?
- 33 ⁺Despatch date

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 or documents

- 35 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
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
- 1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 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

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39 Class of ⁺securities for which quotation
is sought

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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

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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)

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	Number	⁺ Class
42	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the securities in clause 38)	

+ See chapter 19 for defined terms.

