

NINTH SUPPLEMENTARY PROSPECTUS

COUGAR ENERGY LIMITED [ACN 060 111 784] ("the Company")

IMPORTANT NOTICE

This Ninth Supplementary Prospectus is dated 13 April 2011 and was lodged with ASIC on that date. This Ninth Supplementary Prospectus supplements:

- (a) the prospectus dated 1 September 2010 issued by the Company and lodged with ASIC on that date ("**Prospectus**");
- (b) the first supplementary prospectus dated 15 September 2010 issued by the Company and lodged with ASIC on that date ("**First Supplementary Prospectus**");
- (c) the second supplementary prospectus dated 15 October 2010 issued by the Company and lodged with ASIC on that date ("**Second Supplementary Prospectus**");
- (d) the third supplementary prospectus dated 12 January 2011 issued by the Company and lodged with ASIC on that date ("**Third Supplementary Prospectus**");
- (e) the fourth supplementary prospectus dated 1 February 2011 issued by the Company and lodged with ASIC on that date ("**Fourth Supplementary Prospectus**");
- (f) the fifth supplementary prospectus dated 8 February 2011 issued by the Company and lodged with ASIC on that date ("**Fifth Supplementary Prospectus**");
- (g) the sixth supplementary prospectus dated 3 March 2011 issued by the Company and lodged with ASIC on that date ("**Sixth Supplementary Prospectus**");
- (h) the seventh supplementary prospectus dated 11 March 2011 issued by the Company and lodged with ASIC on that date ("**Seventh Supplementary Prospectus**"); and
- (i) the eighth supplementary prospectus dated 31 March 2011 issued by the Company and lodged with ASIC on that date ("**Eighth Supplementary Prospectus**").

*This Ninth Supplementary Prospectus must be read in conjunction with the Prospectus and the eight supplementary prospectuses referred to above ("**Supplementary Prospectuses**").*

ASIC and the ASX take no responsibility for the contents of the Prospectus, the Supplementary Prospectuses or this Ninth Supplementary Prospectus.

Terms used in this Ninth Supplementary Prospectus have the same meaning as in the Prospectus unless otherwise defined or the contrary intention appears.

REASON FOR NINTH SUPPLEMENTARY PROSPECTUS

The Company is issuing this Ninth Supplementary Prospectus in light of the fact that the Company has undertaken a share placement.

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At the date of this Ninth Supplementary Prospectus, the Company has not received any applications for Shares pursuant to the Offer, accordingly, it is not necessary for the Company to offer applicants the option to withdraw their applications.

Any new applications should be made using the Replacement Application Form which is attached to or accompanies this Ninth Supplementary Prospectus. However, as noted in the Prospectus, the Directors reserve the right to issue Shares pursuant to the Offer at their absolute discretion. Accordingly, please do not submit a Replacement Application Form unless directed to do so by the Directors.

If an application using the Application Form which accompanied or formed part of the Prospectus or any of the Supplementary Prospectuses is received after the lodgement of this Ninth Supplementary Prospectus, the Application Form and application monies will be returned and the applicant may be invited to reapply using the Replacement Application Form which is attached to or accompanies this Ninth Supplementary Prospectus. Investors should ensure they use the Replacement Application Form to avoid delays which may result from an old Application Form being returned.

NEW DEVELOPMENTS

Capital Raising Increases Number of Shares on Issue

As at the date of the Eighth Supplementary Prospectus (being 31 March 2011) the Company had a total of 1,041,931,902 fully paid ordinary Shares on issue.

As announced to the ASX on 11 April 2011, the Company has undertaken a share placement under ASX Listing Rule 7.1 (issues not exceeding 15% of the Company's issued capital without shareholder approval) to institutional and sophisticated investors.

The Company will issue 90 million Shares at a price of 3.0 cents per Share under the share placement to raise a total of \$2.7 million (before the costs associated with the issue). The Shares which the Company anticipates will be issued on 14 April 2011, will rank equally with the Company's existing fully paid ordinary shares. Once the placement has been completed the Company will have a total of 1,131,931,902 fully paid ordinary Shares on issue.

The Company will apply the funds raised by the share placement to focus on the further advancement of its international underground coal gasification ("UCG") project portfolio including:

- working capital costs for the Wu Ni Te project in the Inner Mongolia Autonomous region in the People's Republic of China subject to the project receiving requisite regulatory approval. The project will operate under a 50/50 joint venture sharing profits and expenses.
- continued work to identify suitable UCG project sites in XinJiang in the People's Republic of China with Limitless International Holdings.
- review of potential UCG project sites in Indonesia, Mongolia and Malaysia.

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Cougar Energy continues to work with PricewaterhouseCoopers Securities in discussions with a select number of companies with a view to crystallising options for investments in the Company and/or merger and acquisition opportunities.

UPDATED INFORMATION

The Company has made the following announcements (continuous disclosure notices) to ASX since lodging the Eighth Supplementary Prospectus. The following list should be read in conjunction with the list appearing in Section 8 of the Prospectus, as supplemented by the Supplementary Prospectuses.

Any person may request, and the Company will provide free of charge, a copy of any of the below announcements during the application period of the Prospectus:

<i>Doc date</i>	<i>Headline</i>
11/04/2011	Boardroom Radio Broadcast
11/04/2011	Capital Raising
7/04/2011	Trading Halt
31/03/2011	Presentation to 2 nd Vic Coal and Energy Conference
31/03/2011	Boardroom Radio Broadcast
31/03/2011	Eighth Supplementary Prospectus

DIRECTORS' CONSENT

Each of the Directors of the Company has consented to the lodgement of this Ninth Supplementary Prospectus with ASIC.

Signed for and on behalf of the Company:



Sarah Christensen
Director

Date: 13 April 2011