



27 February 2012

NEW INSTITUTIONAL FUNDING AGREEMENT FOR COUGAR ENERGY PROJECTS

Cougar Energy Limited (ASX: CXY) is pleased to advise that it has entered into a funding agreement with The Australian Special Opportunity Fund LP (ASOF), a New York-based institutional investor managed by The Lind Partners, LLC for a total funding commitment of up to A\$ 9.7 million.

The agreement has a term of up to 2 years, made up of:

- (a) a zero coupon convertible security in the amount of A\$ 375,000 and
- (b) monthly equity purchases in the amount of A\$ 100,000 which can be increased up to A\$ 400,000 per month by mutual consent (up to an aggregate of A\$ 9,325,000).

Funds will provide working capital and can be utilised for development of Cougar Energy projects and tenement holdings in Asia and Australia.

The A\$ 375,000 component of the new agreement is initially being provided to Cougar Energy as a loan and will be applied to the convertible security, once shareholder approval has been obtained under Listing Rule 7.1. The Company will hold an Extraordinary General Meeting in the near future to seek this approval. Further details on this funding agreement will be contained in materials distributed to shareholders.

The Company will be required to satisfy each monthly equity purchase by issuing ordinary fully paid shares to ASOF with the issue price to be determined by reference to the volume weighted average price of the Company's shares during a predetermined pricing period. If required, shareholder approval for these issues will be sought at the appropriate time in accordance with Listing Rule 7.1.

Funding of A\$ 500,000 (loan and first monthly draw down) is presently being advanced to the Company. Cougar Energy has the option after six months to postpone the monthly equity purchases or terminate the agreement at no cost.

The Lind Partners, LLC is a New York-based alternative asset management company which selectively invests across a broad range of industries and economic environments. The Lind Partners team has been investing in Australian natural resource companies for several years.

Cougar Energy Managing Director Dr Len Walker commented: "After an extensive selection process, we are pleased to have put this agreement in place with The Lind Partners and look forward to working with them as we continue our push into Asia."

The funding facility with YA Global Master SPV (refer ASX announcement 26 February 2010) has been cancelled.



THE NEW POWER IN AUSTRALIA

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About The Lind Partners, LLC (www.thelindpartners.com)

The Lind Partners, LLC is a New York-based alternative asset management company and manager of the Australian Special Opportunity Fund, LP. Lind selectively invests across a broad range of industries and economic environments with a focus on companies with market capitalisations ranging between US\$25 million and US\$1 billion and have definable milestones and key inflection points which have the potential to create considerable shareholder value.