



27 July 2012

COUGAR ENERGY LIMITED

QUARTERLY REPORT (pursuant to Listing Rule 5.2)

APRIL - JUNE 2012

No exploration, development or production work was carried out during the quarter ending 30 June 2012 on the tenements controlled by Cougar Energy Limited (ASX: "CXY").

During the reporting period the Company was advised that its tenement at Wandoan MDLA 420 in Queensland has now been cleared to be registered as a Mineral Development Licence. Registration should be completed shortly. As previously reported, the JORC resource is 341 million tonnes of coal (34 million tonnes indicated and 307 million tonnes inferred).

The Company is considering the potential divestment of non-strategic tenement assets in Australia.

Preparation of Cougar Energy's two court actions in Queensland (seeking damages as well as overturning the orders closing down the Kingaroy site) is continuing.

The immediate focus for Cougar Energy is to bring its Underground Coal Gasification project strategy in Asia to realisation in the target countries of China, Mongolia and Indonesia. Negotiations continue with local partners in each country to gain access to coal leases identified to develop potential Underground Coal Gasification projects for the generation of electricity.

In Indonesia following evaluations over recent months, Cougar Energy and its partner, PT Medco Energi Mining Internasional, have now focused in on three prospective project areas – two in Kalimantan and one in Sumatra. Other opportunities in the country continue to be brought to the partners, who are in the process of preparing formal agreements for progressing the existing opportunities.

As advised in the announcement to the ASX on 24 July 2012, Mr Rob Neill will join the Company as Chief Executive Officer and Managing Director on 6 August 2012. He will also be invited to join the Company's Board on that day.

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The information as it relates to coal resources in this announcement is based on information compiled by Mr. Garry Leblang who is a Fellow of the Australian Institute of Mining and Metallurgy. Mr. Leblang is employed by Himap Pty Ltd., trading as Coal Search Consultants. Mr. Leblang has in excess of five years experience, and therefore sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Leblang consents to the use of the resource figures in the form and context in which they appear in this announcement.