

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

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 | Convertible Security |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | \$ 375,000 of Convertible Security issued to The Australian Special Opportunity Fund LP ("ASOF") |

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

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| <p>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)</p> | <ol style="list-style-type: none">1. The total amount of the Convertible Security is \$ 375,000.2. The Convertible Security does not bear interest and is unsecured.3. Conversion is at the discretion of ASOF. Any conversions shall be into fully paid ordinary shares of the Company (CXY) determined by dividing the amount requested to be converted by the lesser of:<ol style="list-style-type: none">(a) a premium of the average of the daily VWAPs per traded fully paid ordinary shares for a specified period prior to 24 February 2012; and(b) a discount to the daily VWAP of traded fully paid ordinary shares during a specified period prior to the conversion date of the amount to be converted.4. The Convertible Security matures on 24 February 2014.5. The fully paid ordinary shares of the Company (CXY) issued upon conversion of the Convertible Security will rank equally in all respects with the Company's other fully paid ordinary shares (CXY).6. The Convertible Security does not carry any voting rights at meetings of shareholders of the Company and has no rights of participation in any rights issue undertaken by the Company prior to the conversion of the Convertible Security. |
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⁺ See chapter 19 for defined terms.

4	<p>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>On conversion of the Convertible Security, the fully paid ordinary shares of the Company (CXY) issued rank equally in all respects with the Company's other fully paid ordinary shares (CXY).</p>				
5	Issue price or consideration	\$ 375,000 of Convertible Security				
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The Convertible Security is issued pursuant to a security purchase agreement between the Company and The Australian Special Opportunity Fund LP entered into on 24 February 2012 and as approved by shareholders of the Company at the Extraordinary General Meeting held on 3 April 2012.				
7	Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates	03-04-2012				
8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in clause 2 if applicable)	<table><tr><th>Number</th><th>⁺Class</th></tr><tr><td>1,170,556,666</td><td>Fully paid ordinary shares (CXY)</td></tr></table>	Number	⁺ Class	1,170,556,666	Fully paid ordinary shares (CXY)
Number	⁺ Class					
1,170,556,666	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
800,000	Management options with an exercise price of \$0.10 (10 cents) and an expiry date of 01-05-2012 (CXYAQ)
800,000	Management options with an exercise price of \$0.15 (15 cents) and an expiry date of 01-05-2012 (CXYAQ)
800,000	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)
\$ 375,000 of Convertible Security	Conversion terms are set out in section 3 above.

- 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

In relation to the unlisted management options on issue: none of these options carry any right to participate in dividends until such time as fully paid ordinary shares of the Company (CXY) are issued pursuant to the exercising of those options.
In relation to the unlisted Convertible Security on issue: the Convertible Security does not carry any right to participate in dividends until such time as fully paid ordinary shares of the Company (CXY) are issued pursuant to the conversion of any part of the Convertible Security.

⁺ 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	<p>Names of countries in which the entity has ⁺security holders who will not be sent new issue documents</p> <p>Note: Security holders must be told how their entitlements are to be dealt with.</p> <p>Cross reference: rule 7.7.</p>	
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) | <div style="border: 1px solid black; height: 25px; width: 100%;"></div> |
| 30 | How do ⁺ security holders sell their entitlements <i>in full</i> through a broker? | <div style="border: 1px solid black; height: 25px; width: 100%;"></div> |
| 31 | How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | <div style="border: 1px solid black; height: 25px; width: 100%;"></div> |
| 32 | How do ⁺ security holders dispose of their entitlements (except by sale through a broker)? | <div style="border: 1px solid black; height: 25px; width: 100%;"></div> |
| 33 | ⁺ Despatch date | <div style="border: 1px solid black; height: 25px; width: 100%;"></div> |

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					
39	Class of +securities for which quotation is sought					
40	<p>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 					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>					
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> </tr> </tbody> </table>	Number	+Class		
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.

4 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.

Sign here: 

Company Secretary

Date: 03-04-2012

Print name: Mr Rajeev Chandra

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