



29 July 2011

COUGAR ENERGY LIMITED
QUARTERLY REPORT (pursuant to Listing Rule 5.2)
APRIL - JUNE 2011

No exploration, development or production work was carried out during the quarter ending 30 June 2011 on the tenements in Queensland controlled by Cougar Energy.

As previously announced, Cougar Energy's trial Underground Coal Gasification (UCG) operation at Kingaroy (MDL 385) in Queensland was suspended by the Queensland Government's Department of Environment and Resource Management (DERM) on 17 July 2010.

After the conclusion of the reporting period, the Company received from DERM an information notice and Amended Environmental Authority requiring the Company to restrict its trial activities at the Kingaroy site to decommissioning, rehabilitation and care and maintenance. Pursuant to the Queensland Environmental Protection Act 1994, Cougar Energy will lodge an Application for Internal Review by DERM of this decision.

There has been no exploration, development or production work on the Company's Wandoan tenements, MDLA 420 and EPC 1118, also located in Queensland.

As previously announced, Cougar Energy has terminated the agreement it had with the Eneabba Gas Group to undertake any exploration, development, or production work in relation to exploration permit E70/2758, located in Western Australia.

The Company has not undertaken any exploration, development, or production work in respect of exploration licence EL4416, located in Victoria and controlled by Ignite Energy Resources Pty Ltd.

As previously announced, the Company in conjunction with its partner DeTailong Investment Energy Ltd is seeking registration for the project development at the WuNiTe coal deposit in The People's Republic of China. That process is continuing.

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