

15 July 2014

Agreement with Castllake, LP

Forbearance Agreement

Further to its announcement on 19 June 2014, Marion Energy Limited (ASX:MAE) provides the following update to the market.

A Forbearance Agreement has been executed and exchanged between Castllake, Marion Energy, Inc. and Marion Energy Limited. The terms of the Forbearance Agreement were negotiated by the Company with the assistance of its corporate advisers, 333 Capital Pty Ltd and its US lawyers, Skadden, Arps, Slate, Meagher & Flom LLP.

The Forbearance Agreement provides a standstill in relation to any enforcement under the lending documents between the parties before 30 August 2014. There is no additional fee payable to Castllake as a result of the granting of the forbearance (but the Marion Companies remain responsible for the legal fees of Castllake in relation to the forbearance documentation).

Re-finance and Sale process

The process of re-financing the Castllake facility is continuing.

The strategic goal to effect a sale of the Company's Clear Creek gas field assets remains unchanged.

Marion Energy Limited

Per:



Nick Stretch
Company Secretary