

Appendix 3Y

Change of Director's Interest Notice

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 30/09/01 Amended 01/01/11

Name of entity	Marion Energy Limited
ABN	99 000 031 292

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Stephen Charles Stuart Watts
Date of last notice	7 July 2014

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Indirect
Nature of indirect interest (including registered holder) <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	(a) Equipment Specialists Pty Ltd – director and shareholder (b) Watts Family Trust – Trustee (c) Watts Superannuation Fund – Trustee (d) Watts Family Trust - Trustee
Date of change	18 July 2014
No. of securities held prior to change	(a) 611,000 ordinary fully paid shares (held by Equipment Specialists) (b) 39,142 ordinary fully paid shares (held by Watts Family Trust) (c) 2,000,000 ordinary fully paid shares (held by Watts Superannuation Fund) (d) 594,509 unlisted options, exercise price \$0.06, expiring two years from the date the Company's securities resume trading on the ASX (held by Watts Family Trust)
Class	As described below

+ See chapter 19 for defined terms.

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Number acquired	<p>(a) 364,091 listed options exercisable at \$0.15 with an expiry date of 15 months from the date of issue (held by Watts Family Trust)</p> <p>(b) 62,000 listed options exercisable at \$0.15 with an expiry date of 15 months from the date of issue (held by Equipment Specialist)</p> <p>(c) 202,940 unlisted options exercisable at \$0.06 with an expiry date of two years from the date of the relisting of the Company's securities (held by Watts Family Trust)</p>
Number disposed	Nil
Value/Consideration <small>Note: If consideration is non-cash, provide details and estimated valuation</small>	<p>(a) in replacement of options which expired on 10 December 2012</p> <p>(b) in replacement of options which expired on 10 December 2012</p> <p>(c) incentive fees in relation to the provision of finance to the Company</p>
No. of securities held after change	<p>(a) 611,000 ordinary fully paid shares (held by Equipment Specialists)</p> <p>(b) 39,142 ordinary fully paid shares (held by Watts Family Trust)</p> <p>(c) 2,000,000 ordinary fully paid shares (held by Watts Superannuation Fund)</p> <p>(d) 797,449 unlisted options, exercise price \$0.06, expiring two years from the date the Company's securities resume trading on the ASX (held by Watts Family Trust)</p> <p>(e) 364,091 listed options exercisable at \$0.15 with an expiry date of 15 months from the date of issue (held by Watts Family Trust)</p> <p>(f) 62,000 listed options exercisable at \$0.15 with an expiry date of 15 months from the date of issue (held by Equipment Specialist)</p>
Nature of change <small>Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back</small>	Issue of securities approved at extraordinary general meeting on 19 June 2014

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

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Detail of contract	N/A
Nature of interest	N/A
Name of registered holder (if issued securities)	N/A
Date of change	N/A
No. and class of securities to which interest related prior to change <small>Note: Details are only required for a contract in relation to which the interest has changed</small>	N/A
Interest acquired	N/A
Interest disposed	N/A
Value/Consideration <small>Note: If consideration is non-cash, provide details and an estimated valuation</small>	N/A
Interest after change	N/A

Part 3 - ⁺Closed period

Were the interests in the securities or contracts detailed above traded during a ⁺closed period where prior written clearance was required?	N/A
If so, was prior written clearance provided to allow the trade to proceed during this period?	N/A
If prior written clearance was provided, on what date was this provided?	N/A

⁺ See chapter 19 for defined terms.