

19 December 2014

US Federal Bankruptcy Court Further Update

As previously announced, on Friday 5 December 2014 the US Federal Bankruptcy Court refused an application by Castl lake LP to set aside the bankruptcy of Marion Energy, Inc. However, the Court also refused an application by Marion Energy, Inc. (MEI) to allow super-priority for working capital funding during the bankruptcy period. The Court ordered that Marion Energy Inc. would have bankruptcy protection from its creditors until 1 June 2015.

Since that time, the board of Marion Energy Inc. had been in discussion with Castl lake LP in relation to funding the working capital requirements of MEI during the bankruptcy period but those discussions did not result in agreement. That left MEI with no option but to bring the matter back to the US Federal Bankruptcy Court on Wednesday 17 December 2014. At that time, the Judge refused to vary his earlier orders, leaving the parties in a continuing impasse.

Since that time, further discussions have taken place with Castl lake LP. Those discussions have not yet reached a conclusion. When they do reach a conclusion (whether successful or otherwise) the Company expects to make a further announcement.

Marion Energy Limited

Per:



Nick Stretch
Company Secretary