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Wednesday 27th May 2015

MARATHON RESOURCES LIMITED (ASX:MTN)

Chairman's Address – General Meeting

On 1 December 2014, Marathon announced that it had signed a non-binding Term Sheet to undertake due diligence investigations to farm-in the Leigh Creek Energy Project. That project is owned by ARP TriEnergy Pty Ltd and is focused on generating new gas energy resources via in-situ gasification (ISG).

In October 2014 ARP TriEnergy became our largest shareholder when it acquired 19.99% of the interests formerly held by Bentley Capital, which also sold the balance of its stock in Marathon.

As you are aware the Marathon Board had spent a long time looking at appropriate investments and the L.C.E.P. met the criteria we were looking for; that was an outstanding opportunity with low cost appraisal drilling and available at a fair price. It was a bonus to be located in South Australia, but better than that, the infrastructure at Leigh Creek is excellent and the regulatory regime for gas production in this state is very supportive.

ISG is a proven technology which does not involve the extraction of coal and there is no landfill disposal or surface disruption other than plant and equipment to capture and clean gas to pipeline quality.

During the investigation period the deal changed in the mechanics of its delivery to shareholders for approval with a shorter time line preferred.

Regrettably there have been delays as extensive examination of the proposal was required by ASIC and the ASX. Nevertheless we have met a May deadline to place all the information in front of you, you have received the Notice of Meeting, voted on resolutions by proxy or will vote with your attendance today.

The deal changed during negotiations and the due diligence period, however the fundamental position has not altered. The project is ready to proceed and the former Marathon shareholders will retain 40% of company while the ARP TriEnergy shareholders will own 60% - this is a reverse takeover with Marathon Resources Limited owning 100% of the assets, & with it remaining as the listed vehicle.

Your Directors are very supportive of the proposal and strongly recommended in favour of the merger. It remains for this meeting to deal formally with the resolutions and for me to wish the new board the best of good fortune.

P L Williams
Chairman