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ABN 31 107 531 822

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COMPANY ANNOUNCEMENTS OFFICE

AUSTRALIAN SECURITIES EXCHANGE

ASX CODE MTN

### **MARATHON RESOURCES BOARD HERALDS NEW DIRECTION OF THE COMPANY**

Marathon Resources Limited ("Marathon" or "Company") (ASX: MTN) is pleased to announce the following changes to the Board of Marathon.

At a General Meeting held at 9.30am on the 27<sup>th</sup> of May 2015 the shareholders voted overwhelmingly in favour of all resolutions, in particular:

- the change of nature and scale of the companies activities;
- the acquisition of ARP TriEnergy;
- the appointment of Mr. Daniel J Peters as a Director; and
- the appointment of Mr. David Kit Shearwood as Managing Director.

At the completion of the General Meeting a meeting of the Marathon Board was held and the board voted unanimously for the following changes to the board:

- Mr. Daniel J Peters was unanimously appointed as Executive Chairman of Marathon Resources.
- Dr. John G (Shad) Linley stepped down as Managing Director and tendered his resignation from the Board and Mr. David Kit Shearwood was appointed as Managing Director; and
- Mr. Peter Williams stepped down as Chairman and will remain on the board as a Non-Executive Deputy Chair and Mr. Williams also advised that he will not accept the offer of Options agreed to by shareholders at the General Meeting.

These changes were made in order for the Board to be able to supervise and implement the changes in the activities and scale of Marathon Resources.

Mr. Shearwood has been appointed as Managing Director and he holds a BE Mining (Hons.), Australian Institute of Company Directors Diploma (with Order of Merit), ASIA Securities Institute of Australasia Diploma of Applied Finance and a Professional Diploma in Human Resources.

Mr. Shearwood originally worked as a mining engineer in underground copper/gold (NT), underground coal mining (NSW) and then as an explosives engineer with DuPont based in the Hunter Valley. Between 1986 and 2011 he worked within the finance industry with roles as a mining analyst and strategist with stockbroking firms (Deutsche Bank, Merrill Lynch) an analyst within investment banking (Macquarie Bank-infrastructure and Specialised Funds Division) and as an analyst portfolio manager and fund manager with funds management groups both large and small (Westpac and QBE Insurance). He also founded Atom Funds Management- including its Indian Research Team. During this period he was recognized within various independent studies as a top ranking analyst and fund manager.

Mr. Shearwood has been involved as a Director of Education (via AICD), helped establish Australia's first ethical fund (when at Westpac), was on the Responsible Investment Association of Australasia's advisory panel and was an early signatory to the United Nations Principles of Ethical Investment. He has held a variety of board positions since 1999 both across Australian (listed and unlisted) and overseas unlisted (India and Singapore) entities.

The Board is pleased to have Mr. Shearwood as Managing Director as he brings a wealth of knowledge across the mining, energy and infrastructure industries and has a high level of understanding of equity markets which should help the company access capital when and if required.

Mr. Peters has been appointed as Chairman of the Company and he holds amongst other formal qualifications BA (Politics) BA (Jurisprudence) an LLB and GDLP.

Mr. Peters was a legal officer for the SA Department of Environment and Heritage. He held the positions of Manager Investigations and Compliance, A/Director of Operations Central and Northern Region at the Queensland Environmental Protection Agency before becoming Environmental Advisor to the Queensland Mining Council. Mr. Peters was the National Manager for Property and Environment for Airservices Australia, a Commonwealth Government Authority.

Of most relevance to Marathon and our new direction is that whilst he was at Linc Energy Ltd (the world's largest ISG/UCG company) for 5 years he held the positions of General Manager Government and Environment, General Manager Business Development, Executive General Manager of Investor Relations and CEO Linc Energy Global.

Mr. Peters has been on the boards of many listed and unlisted companies and reported directly to the Board of Airservices Australia, was on the Airservices Australia Environment and Safety Committee, was Environment Advisor to the Queensland Mining Council, is the Chairman of Allied Resource Partners and ARP TriEnergy, and is a Director of Walloon Energy Pty Ltd, and Qingdao Asset Management Ltd (China). Mr. Peters' extensive environmental, legal, ISG/UCG and board experience will be invaluable to the company moving forward.

The Board wishes to take this opportunity to thank both Dr. (Shad) Linley as Managing Director and Mr. Peter Williams as Chairman for their contribution to Marathon and their tireless efforts, particularly over the last 5 years. Both Shad and Peter have managed the company through difficult times when the company was focused on Uranium Mining in South Australia, and then in their role in setting up and positioning the Company to be able to move forward in its new direction.

Marathon Resources will now apply to the ASX for relisting as a Coal and Gas company with a clearly defined project in Leigh Creek South Australia known as the Leigh Creek Energy Project (LCEP).

The LCEP is an unconventional gas project which is located at Leigh Creek. A full description of the project, its advantages and potential are fully outlined in the documents that were provided to all shareholders and is available on our website.

Subject to achieving operational milestones and end product, the LCEP is well positioned to be able to supply gas particularly to the Southern States by backfilling Queensland and Cooper Basin gas that would otherwise have supplied the domestic gas market but will now be supplied to the LNG Market.

As a proud South Australian Company Marathon Resources looks forward to being able to update the market in the near future on:

- Appraisal Drilling;
- Approvals Process; and
- The progress of gas marketing being carried out by the company.

In accordance with the Listing Rules, Marathon also advises the following key terms of remuneration and employment for Messrs Peters and Shearwood.

The term of employment for each is 3 years, commencing 28 May 2015, with an option for the Company to extend employment for each for a further period of 12 months. Either party can terminate Mr. Peters or Mr. Shearwood's employment earlier without cause by giving 3 months notice. If Mr. Peters or Mr. Shearwood's employment is terminated early without cause, either respectively is entitled to receive payment of any accrued leave and remuneration up to the date of termination.

The Company can terminate Mr. Peter's or Mr. Shearwood's employment for cause at any time without notice or payment in lieu of notice. Circumstances giving rise to the Company's ability to terminate without notice include where Mr. Peters or Mr. Shearwood is charged with a criminal offence, made bankrupt, incapacitated for a period of 3 consecutive months or negligent in the performance of his duties.

A fee of \$300,000 (plus superannuation contributions) per annum is payable to Mr. Peters for his employment as Executive Director.

A fee of \$275,000 (plus superannuation contributions) per annum is payable to Mr Shearwood for his employment as Managing Director.

At this point in time, no options or other equity incentives have been issued to Messrs. Peters or Shearwood. If, in future, options or other equity incentives are issued, such issue will be in compliance with the Corporations Act and Listing Rules.

**MEDIA CONTACT:**

Justyn Peters  
Executive Chair

David Shearwood  
Managing Director

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Notes to Editor

**OUR BUSINESS - OVERVIEW**

Marathon Resources Limited (MTN) is an emerging gas company focussed on developing its Leigh Creek Energy Project (LCEP), located within PEL 650 at Leigh Creek in central South Australia.

The LCEP intends to extract the energy in coal via in-situ gasification methods to produce methane for sale into the nearby eastern Australian gas pipeline network.

Gas marketing is underway and appraisal drilling of coal at Leigh Creek is expected during the September quarter of 2015.

MTN also holds a number of exploration license applications (Mining and Petroleum); however all of these tenements are at an early stage of evaluation.