ASX ANNOUNCEMENT 21 April 2016

West Melton Copper

Drilling Has Commenced

Marmota Energy Limited (ASX: MEU) ("Marmota")

KEY POINTS

- Drilling of new copper targets on Marmota's 100% owned West Melton tenement on the Yorke Peninsula has commenced
- 4 new areas targeted in a 2,000 metre air-core drilling program
- Includes a copper-in-calcrete anomaly near the Champion prospect (Champion was discovered by drilling a copper-in-calcrete anomaly)
- Drilling anticipated to be completed by the end of April

Background

- Marmota has a 100% interest in West Melton (EL 4648) [see Fig. 1]

- Drilling at West Melton (Champion prospect) in March 2014 intercepted high grade copper mineralisation at shallow depths, including 6m at 2.56% copper from 27m [see ASX Release: 7 May 2014]

- Subsequent exploration work has identified new targets on the West Melton tenement, designed to test for additional copper mineralisation in the area surrounding the Champion prospect

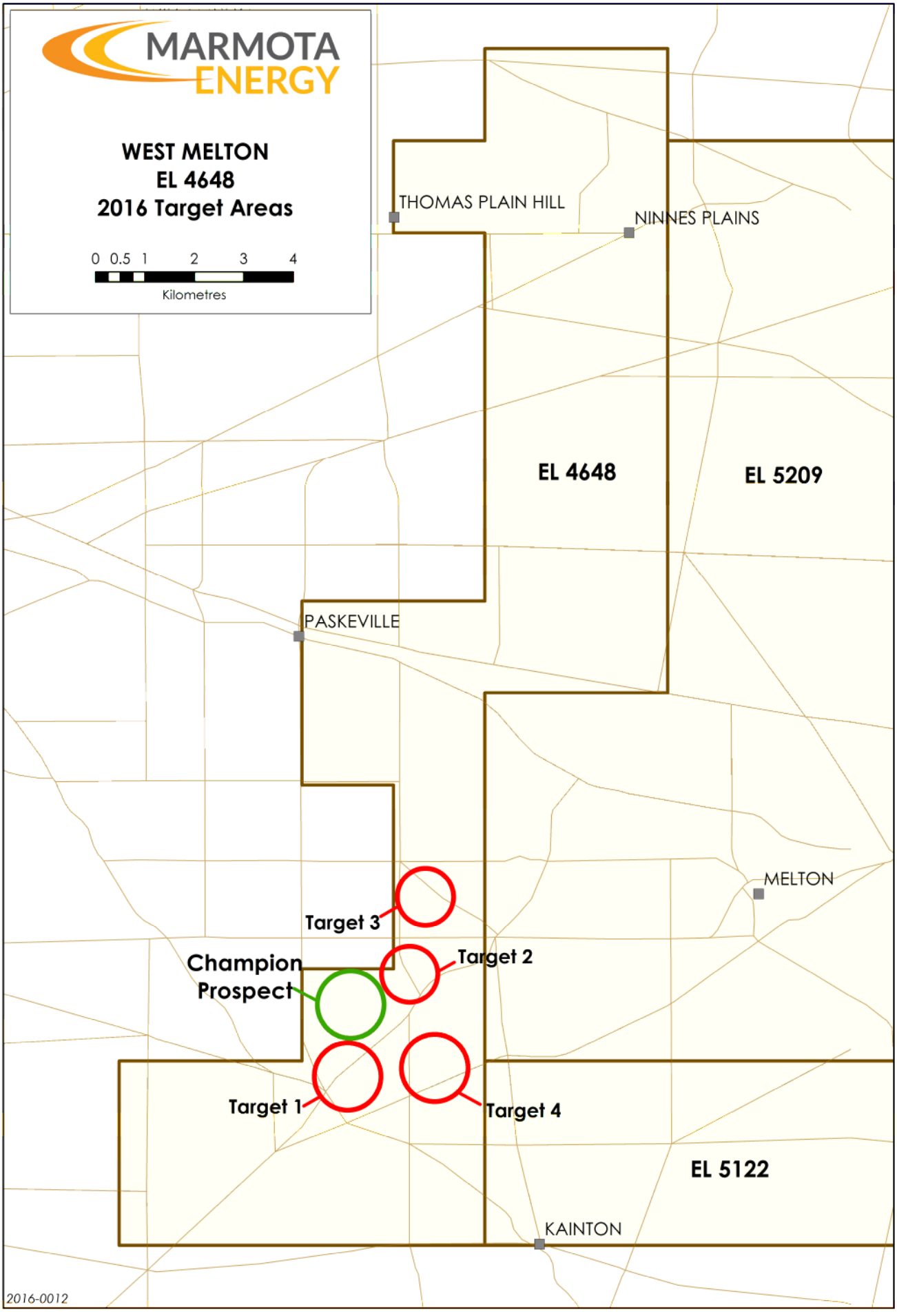


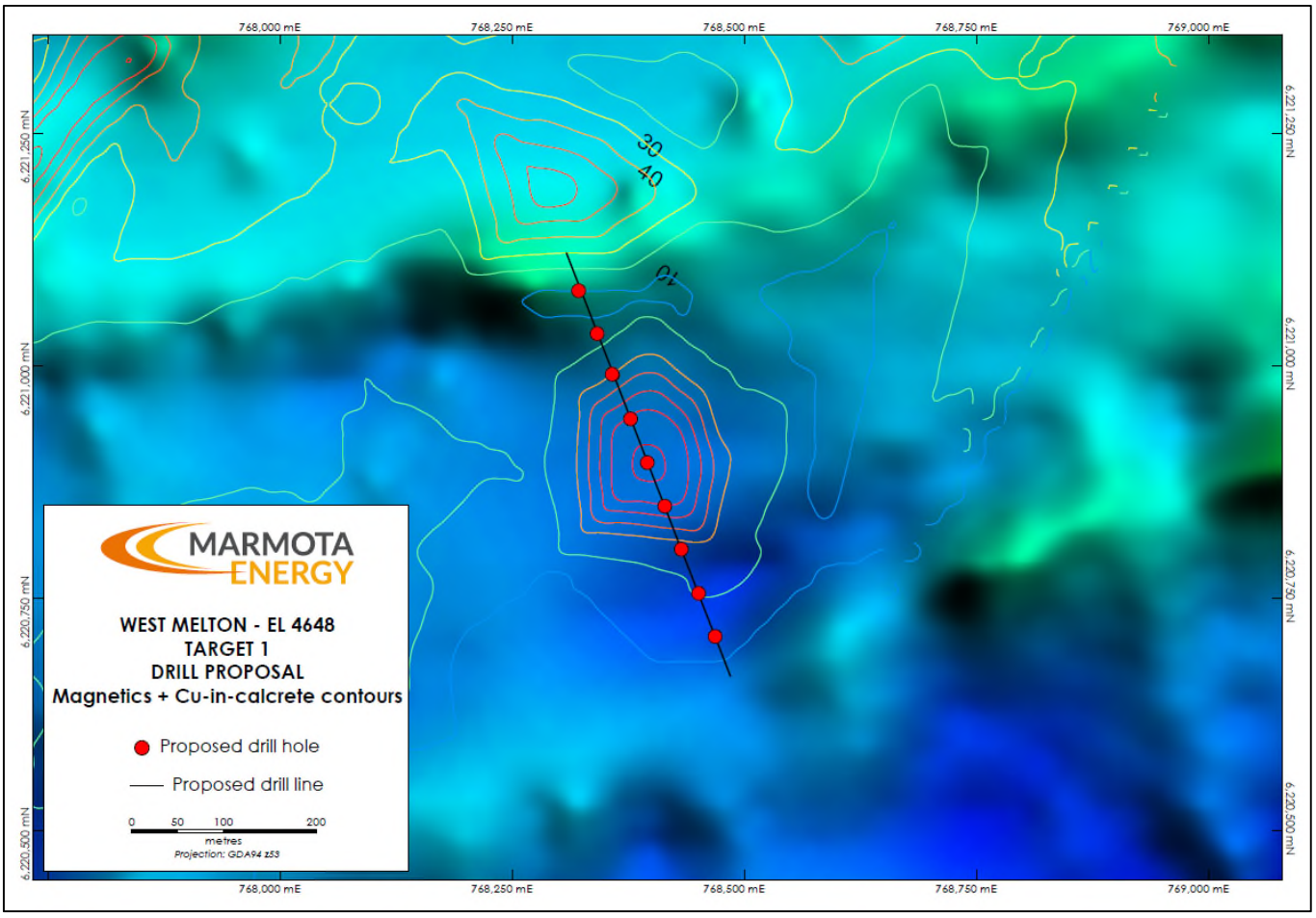
Figure 1: Marmota's West Melton tenement and 2016 drilling target areas

2016 West Melton Drilling Program

Marmota is conducting an air core drilling program over 4 targets [see Figure 1] on its 100% owned West Melton tenement.

Target 1

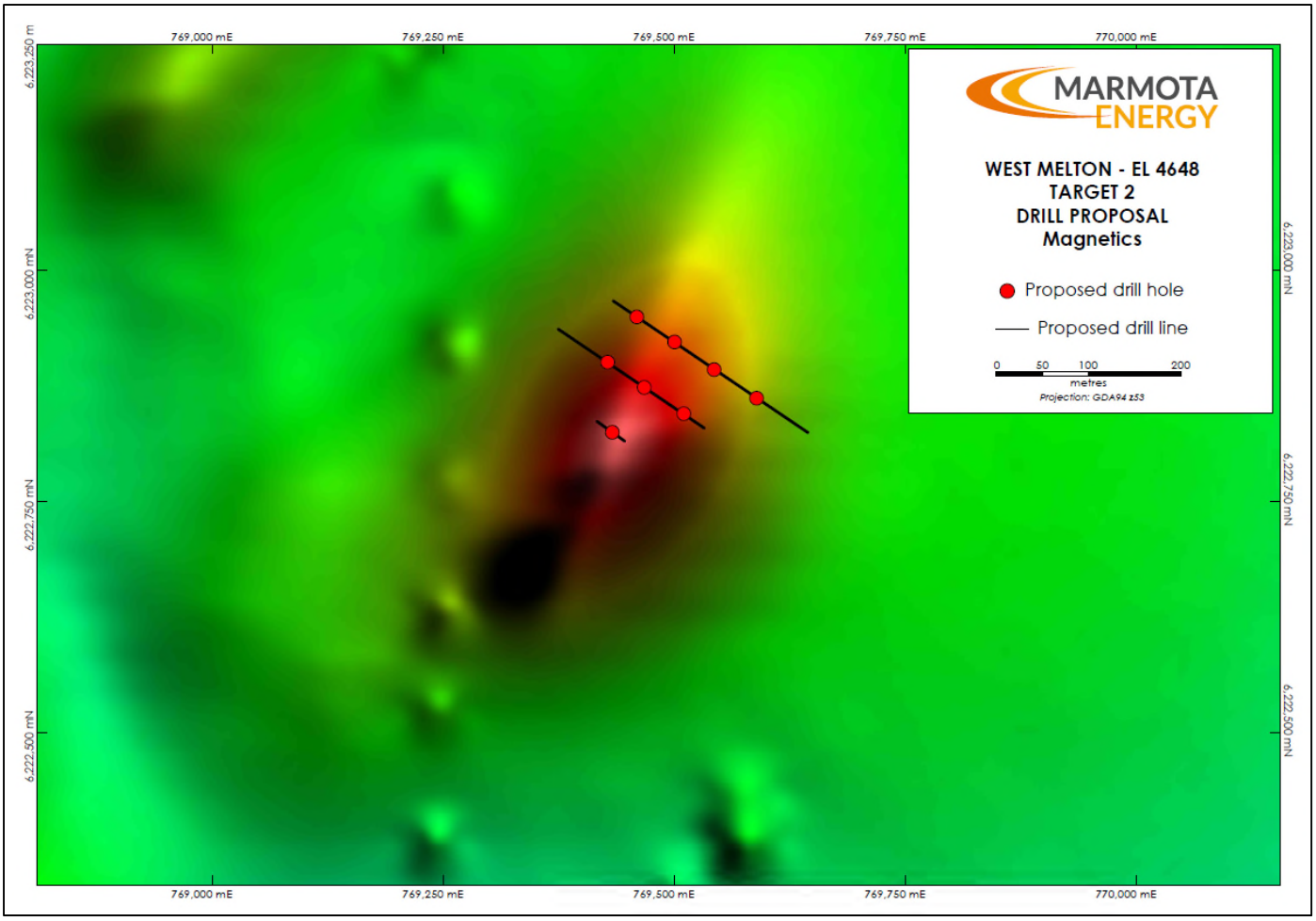
Target 1 is a copper-in-calcrete anomaly (identified by Marmota in previous calcrete sampling programs with copper up to 90 ppm). 9 holes planned to be drilled at 50 metre spacing to a depth of approximately 50m [see diagram below].



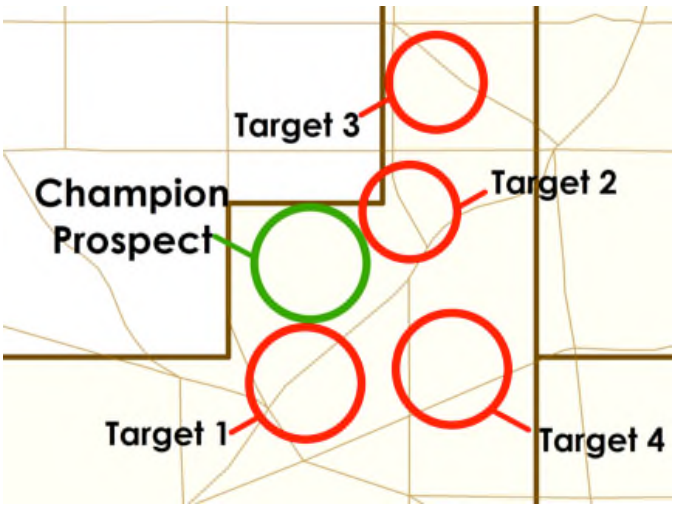
Target 1: Drill locations with magnetics and Cu-in-calcrete contours

Target 2

Target 2 has similar trends to magnetic features within the Champion prospect. NW–SE drill traverses cross the anomaly with 12 holes proposed at 50 metre spacing to a depth of approximately 75m.

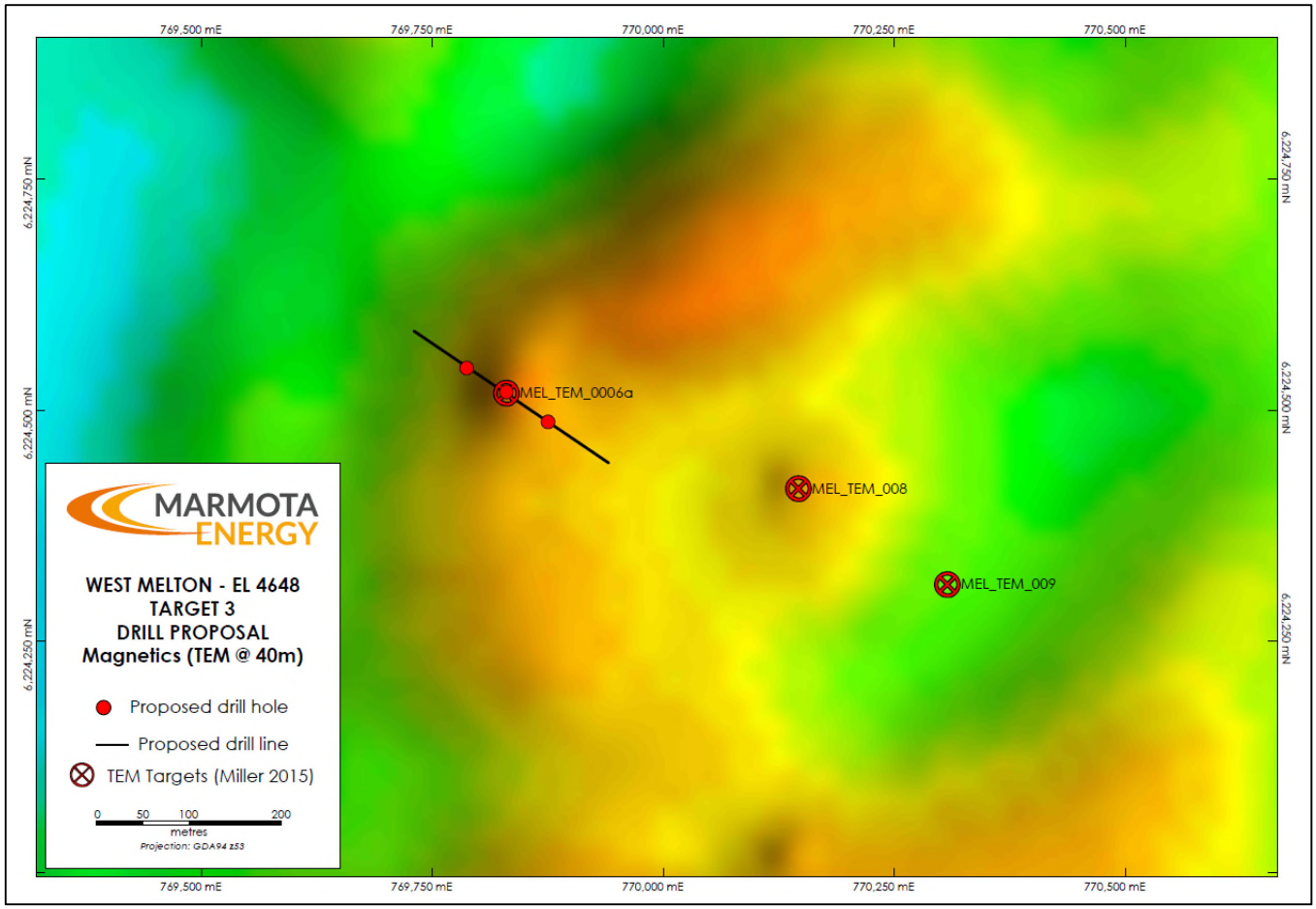


Target 2: Drill locations with magnetics

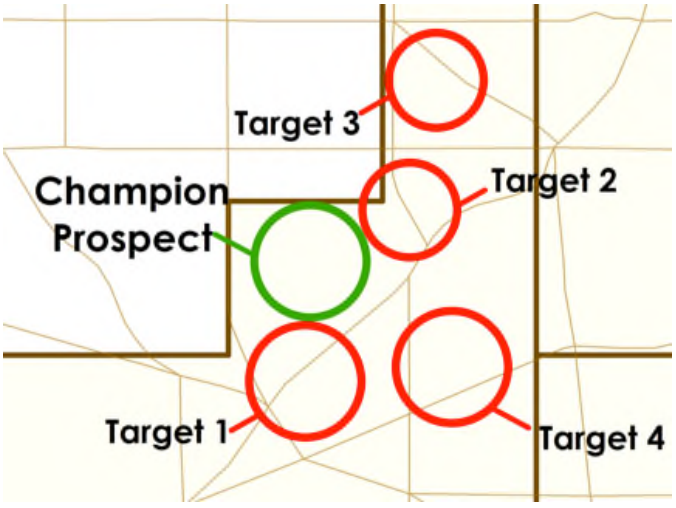


Target 3

Target 3 is an electro-magnetic (EM) anomaly. Three holes are planned to be drilled to test the near surface EM response at 50m spacing to a depth of approximately 50m.

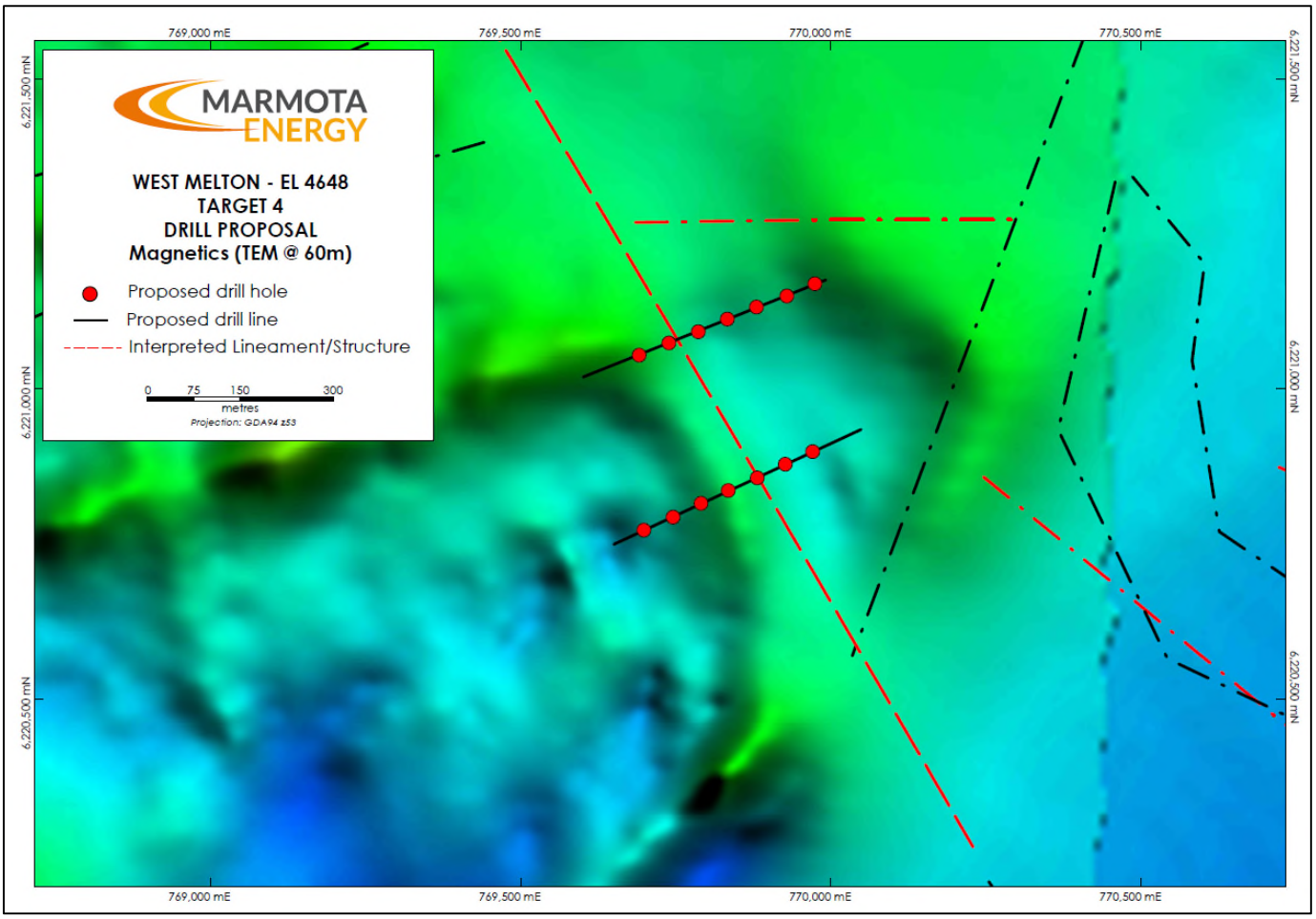


Target 3: Drill locations with EM conductivity depth slice at 40m

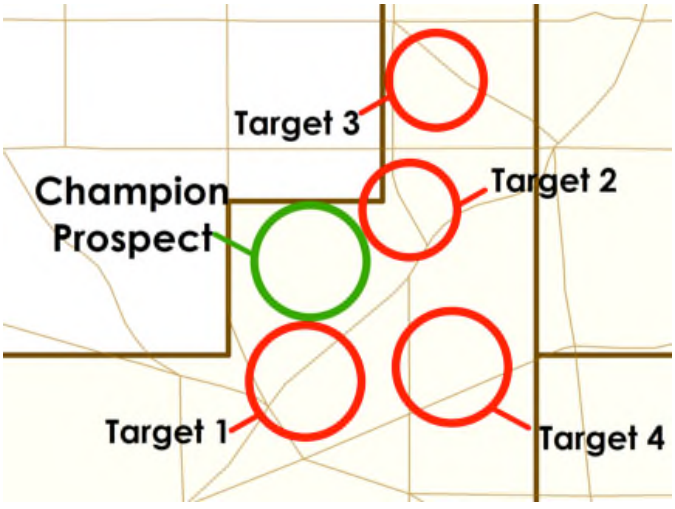


Target 4

Target 4 tests a NW/SE fault adjacent to igneous bodies which offset folded basement lithologies. Two lines in a NE/SW orientation are designed to cross-cut this structure with 14 holes at 50m spacing to a depth of approximately 50m.



Target 4: Drill locations with EM depth slice at 60m and interpreted lineaments/structure



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About Marmota Energy Limited

Marmota Energy Limited (ASX: MEU) is a South Australian mining exploration company, focused on gold, copper and uranium. Gold exploration is centred on the Company's dominant tenement holding in the highly prospective and significantly underexplored Gawler Craton, near the Challenger gold mine, in the Woomera Prohibited Defence Area. The Company's cornerstone copper project is based at the Melton project on the Yorke Peninsula. The Company's largest uranium project is at Junction Dam adjacent to the Honeymoon mine.

For more information, please visit: www.marmotaenergy.com.au

Competent Persons Statement

Information in this Release relating to Exploration Targets, Exploration Results and Mineral Resources is based on information compiled by Peter Thompson, who is a Member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Thompson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.