ASX ANNOUNCEMENT

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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr D J Calandro, who is a Member of the Australian Institute of Geoscientists. Mr Calandro is employed full time by the Company as Managing Director and, has a minimum of five years relevant experience in the style of mineralisation and type of deposit under consideration and qualifies as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Calandro consents to the inclusion of the information in this report in the form and context in which it appears.

MARMOTA ENERGY LIMITED

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MARMOTA COMMENCES DRILLING ALONG 20 KM OF URANIUM - PROSPECTIVE PALAEOCHANNEL ON TWO ADJOINING URANIUM PROJECTS IN SOUTH AUSTRALIA

- **Follow up drill testing of uranium potential targets has begun on Mulyungarie and the adjoining Junction Dam project.**
- **New high resolution gravity survey confirms that Junction Dam and Mulyungarie tenements cover up to 20 kilometres of the eastern extension of the Yarramba Palaeochannel which hosts the Honeymoon uranium mine.**

Mulyungarie - Junction Dam uranium project

(On Junction Dam, Marmota earning 51% under JV Agreement with Teck Australia Pty Ltd (Teck), PlatSearch NL (ASX: PTS) and Eaglehawk Geological Consulting Pty Ltd)

(On Mulyungarie, Marmota earning 70% uranium interest under JV Agreement with Monax Mining Limited)

Marmota Energy Limited (ASX: MEU) is pleased to announce it has commenced a drilling campaign, further testing for sedimentary uranium on its Mulyungarie and the adjoining Junction Dam project areas. The drilling follows on from the recently completed high resolution ground gravity survey over the highly prospective Junction Dam uranium project. The data greatly improved the definition of the extent of the Yarramba Palaeochannel (Figure 1), successfully mapping up to 20 kilometres of the channel system (Figure 3).

As with Marmota Energy's adjoining Mulyungarie project, Junction Dam has confirmed highly uranium prospective Eyre and Namba formations. Both formations are prospective for large tonnage low operating cost uranium deposits. The Eyre Formation hosts the nearby Honeymoon uranium mine, while the Namba hosts two of SA's other major uranium developments at the Beverley and Beverley Four Mile sites.

The new survey data has been combined with existing high resolution gravity data acquired on parts of the Junction Dam Tenement by Teck and on Marmota Energy's adjacent Mulyungarie project. The data on Mulyungarie was successfully used to define an interpreted tributary of the Yarramba Palaeochannel.

Multiple occurrences of uranium of up to 256 ppm eU_3O_8 have been intersected by Marmota Energy on the adjacent Mulyungarie project from previous drilling, including what is believed to be the tail of a potential roll front uranium deposit (Figure 2). Drill testing of the channel system, particularly on the south western part of Junction Dam immediately adjacent to Mulyungarie, is underway and is expected to be completed in five weeks.

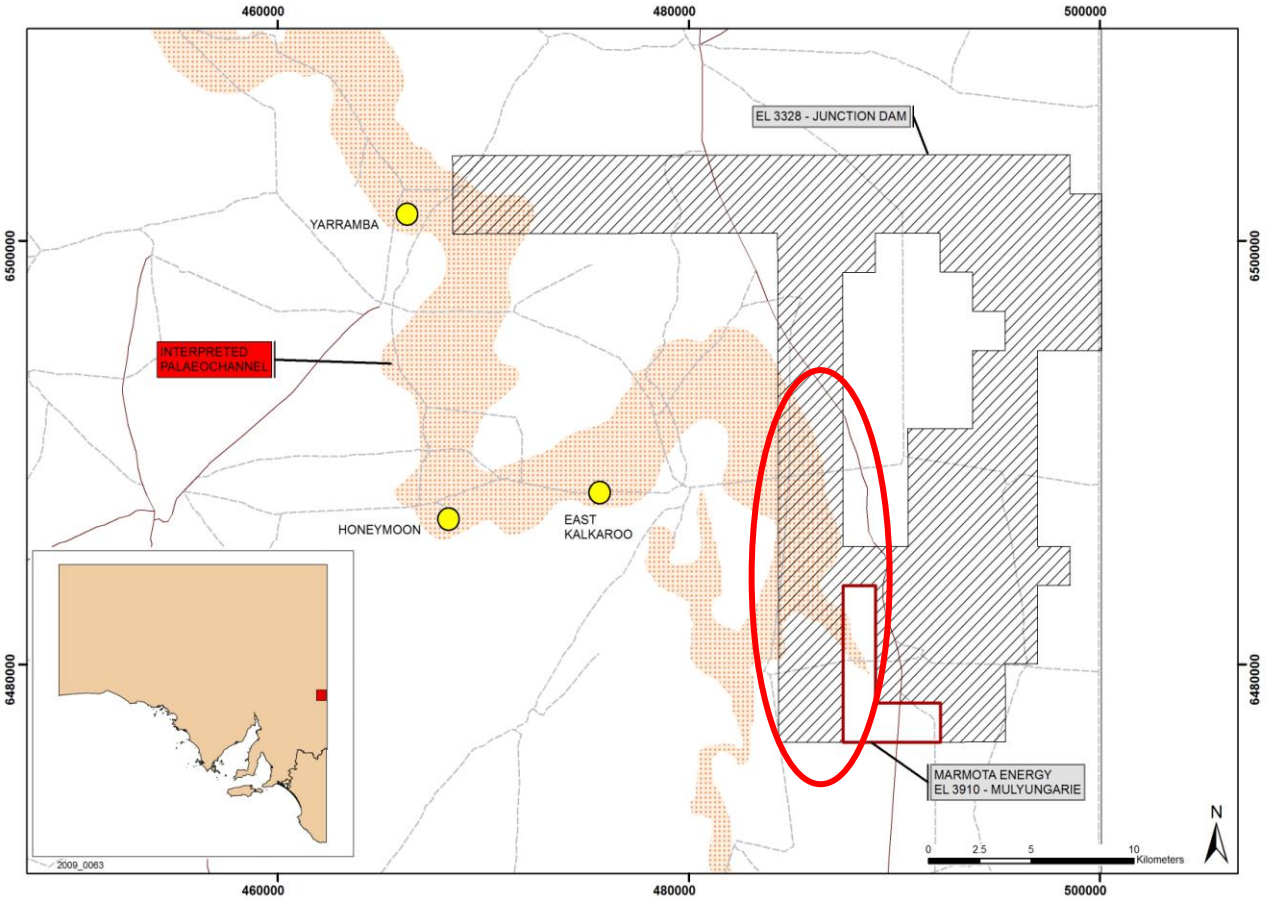

Figure 1: Location of the Junction Dam project, with previous channel map coverage and priority target area circled in red.

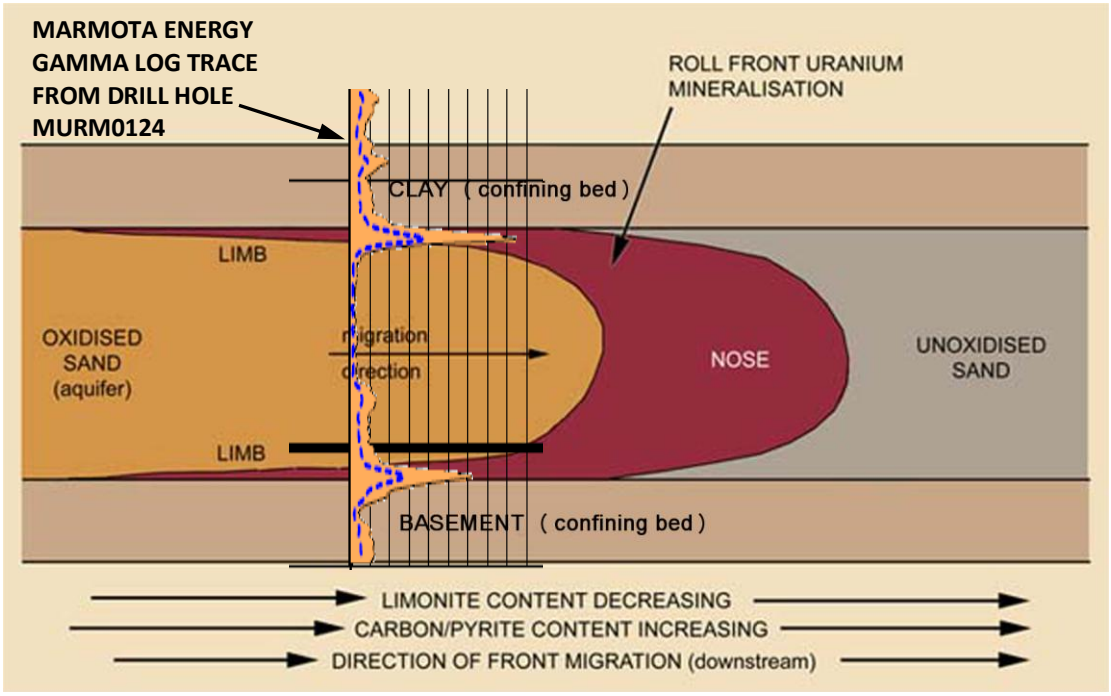

Figure 2: Roll front uranium schematic model cross section overlain by downhole gamma trace from drill hole MURM0124. *(Adapted from published sources)*

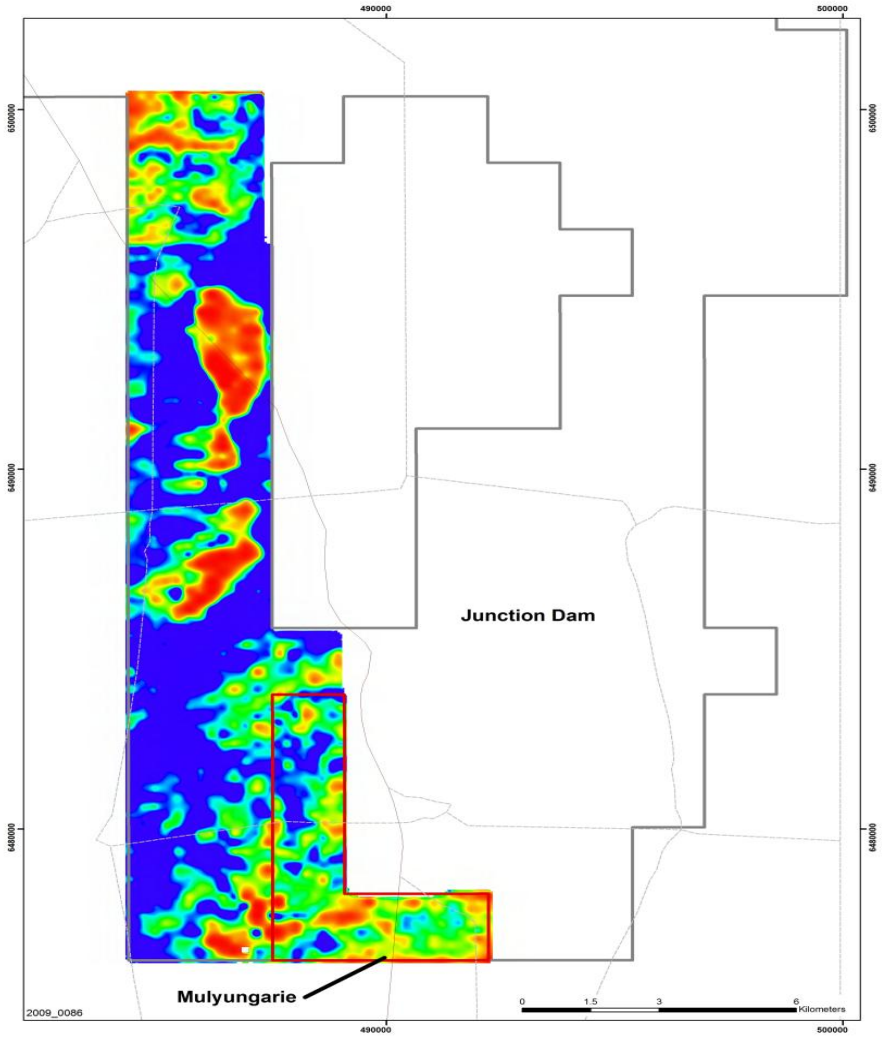

Figure 3: New gravity data over Junction Dam project merged with adjoining Mulyungarie data. Preliminary interpreted extents of the Yarramba Palaeochannel and associated tributaries, mapped in blue and pale green colours shown.

Drill testing of the channel system on Mulyungarie and Junction Dam is underway and is expected to be completed in 5 weeks.

Forward Program

Marmota Energy will undertake an aggressive exploration program over the next six months to rapidly advance the Junction Dam project. The planned program will include:

Target area	Timing	Action
Southern region adjoining EL 3910	September 2009 COMPLETED	• High resolution ground: ▪ soil; ▪ gravity data; and ▪ radon surveys.
Southern region adjoining EL 3910	October – November 2009	Reconnaissance drilling
	December 2009	Assessment of results
Northern Region	March 2010	High resolution ground gravity data, and radon surveys.

Mr Dom Calandro
MANAGING DIRECTOR

19 October 2009